



HAWAII TECHNOLOGY ACADEMY

POLICIES AND PROCEDURES MANUAL

94-450 Mokuola St. Suite 200
Waipahu, HI 96797

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Overview of the Policies and Procedures Manual

This manual provides policies and procedures to establish a standard that guides HTA conduct and decisions, including how the school operates and how administration manages the business of the School. The policies outlined are in keeping with HTA's values and goals and with the requirements of the State of Hawaii and the Hawaii Charter Commission. All policies will be reviewed annually and revised as needed by staff and approved by the Finance Committee and the Governing Board of Directors.

I. INTRODUCTION

History of HTA

Hawaii Technology Academy (HTA) is a tuition-free, WASC-accredited, public charter school.

Originally founded by a group of parents and K12 Education, HTA's educational philosophy now rests on "transforming education to meet the demands of an ever-changing world" (Vision Statement SY21). This philosophy takes into consideration that learners learn best by doing and by engaging in relevant learning experiences that help them make connections between themselves and the world, ideally in accordance with their career aspirations. As we face the current challenge of a global pandemic, our vision has become even more relevant. We believe our approach to education best meets the unique needs of our children, particularly in light of the geographical make-up of our state and the rapidly growing innovations in technology to assist with teaching and learning.

HTA received its charter approval on April 28, 2008. In August of that year, it opened its first learning center in Waipahu for Oahu students in Grades K-10. One year later, HTA added Grade 11 and expanded to Kauai, Maui and Hawaii ("the Big Island") by adding a learning center in Princeville for Kauai students and two virtual pilot programs on Maui and the Big Island. In 2010, HTA began to serve students in K-12.

In 2020, HTA serves more than 1,300 students in campuses across four islands (Hawaii Island, Kauai, Maui, and Oahu) and is Hawaii's largest statewide public charter school. The student body is representative of a diverse population: 30% white, 24% Native Hawaiian or other Pacific Islander, 17% Hispanic/Latino, 11% Asian, and 1% African American. 21% of our students identify with two or more races. Our staff consists of: 47% white, 17% Hispanic/Latino, 16% Asian, and 10% Native Hawaiian or other Pacific Islander.

Currently 1,334 students are enrolled in Grades Kindergarten through 12. As of September 1, 2020, HTA had 178 students enrolled on Hawaii, 129 students on Kauai, 204 students on Maui and 823 students on Oahu. A total of 116 HTA students are in the Special Education program and 102 students currently qualify under Section 504. Over 36% (479) of HTA's students enrolled as new this year.

HTA has 130 employees: 81 teachers, 24 staff, 7 counselors, 4 contractors and 14 members of the administration across the four islands. We have two National Board Certified teachers and 59% of its teachers hold an advanced degree. 98% have a Highly Qualified Teacher status.

HTA's senior administrative team consists of: an Executive Director, Associate Director, Director of Pedagogical Practices, Director of Curriculum and Innovative Learning, Director of School Records, Business Manager, Technology Manager, Communication Manager Directors on Hawaii, Maui and Kauai, Office Managers on all campuses, two Assistant Directors (Oahu HS and MS), and one ES Instructional coach.

Our Governing Board consists of seven members who represent the areas of education, finance, and business. One member is a parent and another is a teacher. All are volunteers. The board follows the Charter Commission's guidelines.

HTA uses an innovative and flexible blended learning model, providing students with a combination of face-to-face instruction, virtual instruction, and independent learning. Unique to this learning platform, HTA engages parents as coaches, empowering them through training on how to best support students with their independent learning. For this reason, parents and teachers enjoy a strongly collaborative relationship to meet the needs of students. Additionally, the blended learning model allows teachers to develop stronger personal relationships with their students, affording them the attention they need to be successful.

Students gain valuable skills through transformative opportunities in HTA's work-based learning programs, enhancing their college and career readiness. Owing to our unique schedule, HTA can engage in multiple partnerships. We have more than 550 students statewide who have participated in apprenticeships and internships, community-based electives, or community service electives over the past two years.

HTA follows the P21's *Framework for 21st Century Learning* with an additional focus on character. The learner outcomes of this framework drive all decision-making. Starting in the school year 2015-2016, the implementation of learner outcomes has been a part of an ongoing initiative, with the goal of preparing all students for college, career, and citizenship. These outcomes are known throughout the school community as the "5 Cs": collaboration,

critical thinking, communication, creativity, and character. Teachers design courses using project-based learning that allows for collaboration with peers and community members. Lessons, Common-Core aligned, are strategically designed to promote the growth of critical thinking and communication skills. Opportunities for creativity are plentiful, and character development is inherently a part of the learning process. Learner outcomes are demonstrated through the use of a Personalized Learning Profile.

In the school year 2019-20, HTA had 138 graduates, 115 of whom graduated on time. According to our own projections, the StriveHI Graduation Rate for cohort 2020 should be 91%. The college-going data for the 2020 cohort is still pending from the National Clearinghouse. Data for the 2019 cohort shows that 22% enrolled in a four-year college or university; 20% enrolled in a two-year college; 1% enrolled in a trade school; and 2% joined the military. 21% of our students participated in dual-credit courses at the University of Hawaii Community Colleges. HTA's StriveHI Graduation Rate for the school year 2019-2020 was 90% and is based on Cohort 2019.

HTA's Values

STUDENT-DRIVEN means commitment to engaging students in all aspects of school life and decision-making as it affects their educational experience, school life, and learning opportunities. We demonstrate this value when we:

- Recognize and support, holistically, the individual needs of students to be successful in their educational pursuits.
- Integrate student voice into instructional design and planning, building connections between students' goals, coursework, and internships.
- Collaborate with students to create personalized learning plans that enable them to be the drivers of their own learning.
- Create opportunities for students to be the teachers of topics they are interested in.
- Inspire students to be lifelong learners.

INNOVATION means looking to the future, imagining its potential, and then delivering the best education possible to prepare young people for that future. We demonstrate this value when we:

- Lead the educational community in best practices in blended learning, and develop better ways to provide an impactful education.
- Proactively explore emerging educational knowledge and tools, adopting and refining those that help us craft excellent learning opportunities.
- Creatively adapt to challenges, demonstrating problem-solving, risk-taking, thinking-outside-the-box, and a growth mindset.
- Assess students' demonstrated learning, holistically.

- Recognize and encourage those who take risks and have the courage to be different and do differently, developing new ways to address challenges for our students and communities.
- Foster continuous improvement and professional development for staff members so we can all improve our practices and share our lessons learned with one another.

RELATIONSHIPS means seeing and respecting the diverse needs, interests and strengths of others, and then linking arms to pursue shared goals and opportunities. We demonstrate this value when we:

- Maintain small class sizes, focusing on individual student's needs and goals.
- Develop connections and build bridges between students, parents, learning coaches, and teachers, recognizing the unique role each has in students' education.
- Build strong community partnerships to provide authentic experiences for students and HTA's role as a leader among charter schools in Hawaii.

HOLISTIC WELL-BEING means valuing the physical, social, emotional, and intellectual development of others and the community. We demonstrate this value when we:

- Create a school-wide culture that recognizes students as individuals with unique gifts, talents, and aspirations.
- Emphasize social-emotional growth, foster mindfulness, and teach students how to manage stress, anxiety, and other barriers to learning.
- Provide services and supports for young people and their families, as needed, e.g., counseling.
- Create space on our campuses for students to feel comfortable and relieve stress.
- Provide flexibility in schedules for students, families, and faculty.
- Model for students what it means to have a balanced life.

II. GOVERNANCE POLICIES AND PROCEDURES

Conflict of Interest Policy

HTA employees and Governing Board members abide by HRS 302D-8 Conflict of Interest Policy:

No employee, trustee, agent, or representative of an authorizer may simultaneously serve as an employee, trustee, agent, representative, vendor, or contractor of a public charter school authorized by that authorizer. Authorizer members shall disclose to the authorizer a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative. [L 2012, c 130, pt of §2; am L 2014, c 99, §7]

Code of Ethics and Business Conduct Policy

Overview

This policy describes the code of conduct expected of all employees and the Governing Board. The policy is general and not intended to be all-inclusive.

Policy

HTA is committed to ensuring that the highest standards are maintained. Our Code provides the guidelines and standards for acceptable business conduct. All employees and governing board members shall abide by and comply with the School's Code.

An employee who believes he or she has discovered a matter that appears to violate the Code must report the matter. This matter may be further reported to the employee's supervisor, other management level employee, governing board member, union, Charter School Commission, or Attorney General's Office.

Refer to HRS Statute 378-61 Hawaii Whistleblowers Protection Act.

Applicable Laws

The conduct of the school and its employees must comply with all applicable laws and regulations.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles (GAAP) are a set of rules that encompass the details, complexities, and legalities of business and corporate accounting. Pronouncements

made by the Financial Accounting Standards Board (FASB) are considered GAAP. All school records must comply with GAAP and with federal and state laws and regulations.

Employees are expected to maintain accurate and reliable corporate records that comply with GAAP, federal and state laws, and the school's policies and procedures.

The Governing Board, Business Manager, and others identified by the Governing Board are legally obligated to ensure the school provides complete, accurate, and timely financial reports and internal controls.

Equal Employment Opportunity

HTA does not tolerate unlawful discrimination or harassment of any kind. Employment is based solely on merit and qualifications.

Moral and Ethical Standards

All employees and Governing Board members are expected to adhere to the highest moral and ethical standards. All HTA employees and Governing Board members have a fiduciary duty to the School and may not take personal advantage of any opportunity that properly belongs to the school.

Kickbacks and Gratuities

It is unethical and illegal for any employee or Governing Board member to accept or offer a payment, gift, gratuity, or employment to or from vendors, contractors, or government officials as an inducement for preferential treatment. All offers for kickback and gratuity shall be reported to the Executive Director and the Business Manager. As per the State's Ethics Commission, a single gift or gifts of combined value equal to or greater than \$200 within a single fiscal year must be reported to the Business Office.

The school does not consider "gifts of aloha" such as manapuas, bagels, or other small educator gifts as gratuities or kickbacks.

Conflicts of Interest

No employee or Governing Board member shall be, potentially be, or appear to be, subject to influences, interests, or relationships, that conflict with the best interests of the school.

In addition to compliance with Hawaii State Statute HRS 302-8, employees, without prior approval of the Governing Board, may not serve as a Governing Board Member, Executive Director, manager, employee, or agent of any school that is a competitor, supplier, or customer of the school.

Improper Influence on Conduct of Audits

No employee, Governing Board member, or any other person acting under the direction thereof, shall take any action to fraudulently influence, coerce, manipulate, or mislead any independent, public or certified accountant engaged in performing HTA's financial statement audit for the purpose of rendering such financial statements materially misleading. Examples of such behavior include, but are not limited to:

- Offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services
- Providing an auditor with an inaccurate or misleading legal analysis
- Providing an auditor with inaccurate or misleading financial reports
- Threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the school's accounting
- Seeking to have a partner removed from the audit engagement because the partner objects to the school's accounting
- Blackmailing
- Making physical threats

Confidential Information

Employees and board members may not divulge confidential or proprietary information except as authorized by the Attorney General, Charter School Commission, or other federal or state authority.

Employee Privacy

HTA is committed to protecting the privacy of its employees. Protected Information includes employee data maintained by the school. Employee data may be revealed to support school operations, provide employee benefits, and comply with laws and regulations. HTA and all employees are expected to comply with all data protection laws, regulations, and school policies.

Selective Disclosure

Governing Board members, officers, and employees may not engage in "selective disclosure" with individuals who may benefit from, or may advise others to benefit from, the disclosure.

Computing Resources, Email, and the Internet

Refer to HTA faculty/staff acceptable use policy that applies to all employees and Governing Board members.

Political Activities

No school funds or assets shall be used for the purpose of influencing any election.

Safety and the Environment

HTA is committed to full compliance with all safety and environmental laws and regulations. All employees are expected to comply with these laws, regulations, and school policies.

Drugs, Alcohol, Smoking, and Vaping

Illegal drugs in the HTA workplaces or sponsored events are strictly prohibited. Alcohol may not be consumed or brought onto campus at any time. All employees should exercise caution to not consume alcohol in ways that lead to inappropriate behavior or impaired performance, or that endanger the safety of others.

HTA does not permit smoking or vaping at school. HTA is a non-smoking campus.

Timeliness

All employees are expected to carry out their assigned duties in a timely manner.

Compliance Procedures

Any employee who knows or has reason to believe that there have been violations to this Code or other school policies and procedures is expected to promptly report the violation to the employee's supervisor, other management level employee, Governing Board member, union, Charter School Commission or Attorney General's Office.

Reporting may be anonymous. No employee will be subject to retaliation, discrimination, or other adverse treatment for reporting known or suspected violations of this and other school policies and procedures.

As part of its regular auditing procedures, the Governing Board will periodically review internal policies and procedures and report their findings.

HTA's external auditors are also expected to report in writing any known or suspected violations of this and other school policy.

Complaints Procedure (Public & Community)

The purpose of the following procedure is to establish a fair and timely method for resolving complaints. This procedure is meant to serve as a way to help resolve complaints when all other avenues of resolution have failed. We take this responsibility seriously and wish to assure all parties involved that our Campus Directors, Executive Director, and Governing Board will be accessible to those who wish to register a complaint, to expeditiously address the concern of a complaint, and to keep the complainant informed about the progress of the investigation or outcome.

Community members with a complaint should submit their complaint in writing by mail, via

the HTA website, or in person at the main office.

When a complaint is made, the Campus Director will respond within 15 school days. If the Complainant is not satisfied with the response, the complainant may request a meeting with the Associate Director. The Associate Director will meet with the Complainant within 10 school days of receiving the request.

If the Complainant's concerns are not resolved to their satisfaction after the meeting with the Associate Director, the Complainant may take the issue to the Executive Director. The Complainant shall provide a detailed, written description of the issue, including notes of previous steps taken above. After consideration of the complaint, the Executive Director will provide the Complainant with a written response within 10 working days.

If the Complainant's concerns are still not resolved to their satisfaction after the meeting with the Executive Director, the Complainant may take the issue to the HTA Governing Board. The Complainant shall request in writing that the matter be considered by the HTA Governing Board and provide a detailed, written description of the issue, as well as any documentation of written responses provided by the Campus Director, Associate Director and Executive Director. Provided that the request is received at least 10 days prior to ensure inclusion on the agenda, the HTA Governing Board will address the issue at the next regularly scheduled Board Meeting in Executive Session. After consideration of the complaint, the HTA Governing Board will provide the Complainant with a written response within 10 working days after the meeting.

Formal Complaints vs. Informal Complaints

Formal Complaints

A formal complaint generally involves an alleged violation of the law, the Act or of the School's charter.

HTA considers the following to be violations of law and charter contract, and are examples of formal complaints:

- improper discipline of a special education student (violation of the Individuals with Disabilities Education Act (IDEA) or applicable federal regulations); and
- child abuse in an education setting

Informal Complaints

Many types of complaints do not involve violations of law or the charter and are considered informal complaints..

The following instances are examples of informal complaints:

- "Michael pulls my daughter's hair. Can't she move seats?"
- "I want my son in a different class."
- "I think my child deserves an 'A' in that course, not a 'B.'"

Most informal complaints are handled by school staff, not by the Executive Director or Governing Board of Directors.

III. ACCOUNTING POLICIES AND PROCEDURES

The purpose of this section is to describe all accounting policies and procedures currently in use at the Hawaii Technology Academy Charter School and to ensure that the financial statements conform to generally accepted accounting principles; that assets are safeguarded; that guidelines of grantors and donors are complied with; and that finances are managed with accuracy, efficiency, and transparency. All staff with a role in the management of fiscal and accounting operations are expected to comply with the policies and procedures in this manual.

Division of Responsibilities

The following is a list of personnel who have fiscal and accounting responsibilities:

Governing Board of Directors

1. Reviews and approves the annual budget
2. Reviews annual and periodic financial statements and information
3. Appoints two members of the school to be authorized signers on the bank accounts
4. Reviews and approves all contracts over \$5,000
5. Reviews and approves all non-budgeted expenditures over \$2,500
6. Reviews and advises staff on internal controls and accounting policies and procedures
7. Determines whether the organization should have an audit and, if so, chooses and contracts with the auditor

Business Manager

1. Reviews and approves all financial reports including cash flow projections
2. Assists Executive Director with the development of annual and program budgets
3. Assures that an appropriate budget is developed annually
4. Reviews and signs all issued checks and approves check-signing procedures
5. Reviews and approves all contracts under \$5,000
6. Reviews and approves all grant submissions
7. Approves inter-account bank transfers
8. Is on-site signatory for all bank accounts
9. Opens all bank statements, reviews for any irregularities, and reviews completed monthly bank reconciliations
10. Oversees adherence to all internal controls
11. Approves all program expenditures
12. Monitors program budgets
13. Monitors grant reporting and appropriate release of temporarily restricted funds

Payroll and Benefits Manager

1. Conducts on-boarding for new employees
2. Inputs new employees in Altres HR Symphony
3. Ensures that employees are informed about Benefit Open-Enrollment and process requested changes
4. Inputs Bargaining Unit salary increases and prepares payroll
5. Assists Accounting/Business Manager in preparing bargaining unit compliance reports for Charter Commission and ERS
6. Assists with preparation of yearly budget.
7. Processes terminations
8. Reviews all payroll entries in HR Symphony and Honu Hub and responsible for all personnel files

Accountant

1. Manages all petty cash funds
2. Receives and opens all incoming accounting department mail except bank statements
3. Makes bank deposits
4. Processes invoices and prepares checks for signature
5. Mails checks to vendors
6. Reviews all reimbursements and fund requests
7. Processes all inter-account bank transfers
8. Assists Executive Director with the development of annual and program budgets
9. Reviews all incoming and outgoing invoices
10. Monitors and manages all expenses to ensure most effective use of assets
11. Oversees expense allocations
12. Monitors and makes recommendations for retiring and replacing assets
13. Reviews, revises, and maintains internal accounting controls and procedures
14. Reviews all financial reports
15. Assumes overall responsibility for entering data into accounting system and assuring integrity of accounting system data
16. Processes invoices and prepares checks for signature
17. Maintains general ledger
18. Prepares monthly and year-end financial reports
19. Reconciles all bank accounts
20. Manages Accounts Receivable

Fraud and Embezzlement

Effective Date: 3/5/15 Last Revision: 3/5/15 Version

Overview

The objective of this policy is to protect the school's assets from fraud and embezzlement. Fraud is the intentional deception of another. Elements of fraud include (but are not limited to: material misrepresentation, concealment, non-disclosure of material facts, and omissions. Embezzlement is the misappropriation of property legally in one's possession.

Discussion

It is the policy of HTA that all employees have the responsibility to safeguard school assets and that all employees have the duty to report any known or suspected embezzlement or fraud.

HTA is responsible for investigating actual or suspected cases of fraud or embezzlement. Allegations should be directed to the Governing Board, administration, auditor, Charter School Commission, State of Hawaii Attorney General's Office, Business Manager, or supervisor. The following partial list details conduct that HTA considers fraudulent:

- Breach of Fiduciary Duty
- Bribery of Government Officials
- Commercial Bribery
- Gratuity – Illegal or Unethical Conflict of Interest
- Embezzlement
- False Statements and Claims
- Failure to Report Violations of the Law
- Extortion
- Mail and Wire Fraud
- Conspiracy

Delegated Authority Policy

Effective Date: 3/5/15 Last Revision: 6/4/20

Overview

The Governing Board delegates to the Executive Director all authority to delegate approval authority as necessary to conduct the School's business.

The Board Chair is authorized to execute any school financial business that has been specifically approved by the Governing Board or that does not require prior approval pursuant to other parts of this policy. The Secretary of the Governing Board is authorized to

attest the signature of the Board Chair or other Governing Board officers on any instruments executed by them pursuant to this policy.

No employee, director, officer, or board member can approve their own financial transaction or sign a check for their own reimbursement.

Bank Signatories

The Board Chair, Executive Director, Finance Chair, and a senior member of the Administration are authorized bank signatories. The business manager is not a bank signatory.

Authority for signing a bid must include the Board Chair or designee, subsequent to approval by the Governing Board at a board meeting. Note that authority for signing a bid is different from authority to sign a contract. The Executive Director, Board Chair, or Finance Chair may sign a contract or agreement, provided that the Governing Board has approved the transaction.

Price and quality must always be considered.

Employment Offers

Employment Offers shall be made by the Executive Director in accordance with best hiring practices (employment application, reference checks, salary compliance schedules with union agreements, background checks, resumes, credentialing, and licensing).

Leases

All leases shall be authorized and approved by the Governing Board and signed by required authorities, normally the Board Chair or Executive Director.

Licenses

Licenses other than computer software end-user licenses shall be authorized by the Executive Director or designee.

Purchase Orders

Purchase orders are prepared by the person placing the request to purchase supplies, student activity, etc. and approved by the Executive Director or Campus Directors. The Governing Board approves purchase orders requested by the Executive Director. The Business Manager holds all purchase orders until a reimbursement form, check request, travel request, or invoice is presented to support the PO.

No employee is authorized to execute any purchase, contract, lease, or license, until the PO has been authorized by an appropriate signature. Failure to secure approval will result in the employee being responsible for payment of any transaction.

Travel Arrangements

The Executive Director will have all travel arrangements and costs, miscellaneous reimbursements, and purchase requests approved by the Governing Board. The Executive Director or Campus Directors will approve all travel arrangements and costs, miscellaneous reimbursements, and purchase requests from staff.

Internal Control Policy

Effective date: 3-5-15 last revised: 3-5-15

Overview

HTA uses a system of internal controls to protect school assets, ensure the integrity and reliability of its information, secure compliance with laws, policies and procedures, and ensure the performance of its business objectives.

Internal Controls are established, reviewed, and continually monitored by the Business Manager, Board members, and Administration. It is the responsibility of the Governing Board to ensure an adequate internal control system is actually implemented and used. It is the Administration's responsibility to establish and maintain adequate internal control over financial reporting. It is the responsibility of all employees to understand the internal controls and ensure that they are effective.

Control Framework

HTA has implemented an internal control system and framework based on its internal and external needs.

It is the goal of the School to ensure that its control framework provides for strong corporate governance, and that its internal control system be a relevant evaluation tool for internal control over financial reporting. It is also the goal of the School that its own internal control framework and review evaluations:

- Be free from bias
- Permit reasonably consistent qualitative and quantitative measurements of the school's internal control system
- Are sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of the School's internal controls are not omitted

Control Environment

The core values of the school promote high standards of integrity, ethics, and competence.

Risk Assessment

The school is aware of and deals with the risks it faces. It also has established mechanisms and checklists to identify, analyze, and manage the related risks.

Control Activities

Control policies and procedures are established and executed to help ensure that actions necessary to achieve objectives are effectively carried out. These activities include an integrated system of policies, procedures, internal controls, and evaluation tools.

Information and Communication

Communication systems enable employees to capture and exchange the information needed to conduct, manage, and control operations. They also provide mechanisms to relate information within the school and to external parties.

Monitoring

The control process is monitored, evaluated, and modified as necessary to react to changing conditions. Control evaluations are a continuous process and are reported as required by certain regulations and school policy.

Internal control policy statements

HTA shall use both management and accounting control measures. The internal control measures shall be designed to be detective, preventative, physical, technological, and corrective. The controls shall consist of hard controls, like testing, validating, reconciling, and measuring.

Management Controls

Management controls maximize efficiency and force compliance with school policy, procedure, and government regulation.

Accounting Controls

Accounting controls relate to protecting school assets and ensuring the accuracy of financial reports.

The school uses policies and procedures associated with the activities concerned with authorizing, processing, recording, and reporting financial transactions. The accounting controls shall ensure that information resulting from these activities is accurate, reliable, and useful.

Communication

The school communicates its policies, procedures, and internal controls through various handbooks, programs, training, and computer networks.

Financial Forecasting

The school prepares financial forecasts for net income and cash requirements.

External Auditing

The school, as per HRS 302D-32, will be audited or fiscally reviewed on an annual basis.

Risk Assessment and Mitigation

The school continually seeks to identify, assess, and mitigate business risks. The school has defined risk management policies and procedures.

School Mail

Members of the fiscal department may not open the school mail.

Cash

The school maintains strict control over cash. There are detailed documented cash management practices that are dutifully adhered to.

Check Stock

The blank check stock shall be managed and safeguarded according to the Internal Control: Checks policy and procedures.

Blank Checks

The school does not sign blank checks.

Bank Signatories

The Business Manager is not a bank signatory.

Spoiled Checks

Spoiled checks are stamped VOID.

School Transactions

All transactions of the school must be authorized, approved, executed, and recorded by the designated party.

Asset Accounting and Custody

Any employee who has custody of an asset should not perform the accountability process for the asset.

Related Transaction

No one person or department handles any financial transaction from start to finish.

Documentary Evidence

All financial transactions require documentary evidence to verify the transaction.

Serially Numbered Document

All documents like checks and invoices will be serially numbered.

Control Modification

Policies, procedure, division of duties, forms, and other internal controls shall only be modified as authorized by the Governing Board.

Annual Review

HTA's public accounting firm is required to annually attest to and report on management's assessment of the effectiveness of the school's internal control over financial reporting. The public accounting firm is also required to develop and maintain evidential matters to support management's assessment. Under no circumstances shall the school's management delegate its responsibility to assess its internal controls over financial reporting to the auditor.

In the Annual Report, management's internal control report shall be placed to be in close proximity to the corresponding attestation report issued by the school's registered public accounting firm.

The School reviews its control framework including, policies, procedures, division of duties, forms, systems, programs, and training at least annually. This review is performed at the direction of the Executive Director.

Internal Control Cash Policy

Effective Date: 11/01/12 Last Revision: 4/9/15 Version

Overview

This document provides a checklist to review internal control over cash handling, cash disbursements, and cash receipts.

Division of Duties

The responsibility for collection and deposits is separate from the recording of cash receipts and general ledger entries. The Business Manager is the authorized person to provide functions of cash verification and deposits.

The responsibilities for processing checks and approving checks are separate. The Business Manager records and enters invoices in accounts payable and the general ledger.

The responsibility for approving purchases and making purchases are separate. The Business Manager is responsible for making entries in the cash receipts and cash disbursement systems and making general ledger entries; another member of staff is responsible for approving, purchasing, signing checks, and conducting the final review.

The collection of cash and reconciliation of the bank account are separate functions.

Bank account reconciliation activities shall be reviewed by a board member on the Audit and Finance committee.

Documentation

- General ledger controls exist over all bank accounts. Bank Signatories are periodically reviewed and formally re-authorized. For non-obligated funds, a purchase order, check request, or reimbursement form is submitted and approved before checks are processed.
- Accounts payable documentation is noted when payment is made to prevent duplicate payments. All vendor (A/P) invoices are double checked for accuracy.
- Reconciliation is performed and reviewed by the Finance committee
- A restrictive endorsement (For Deposit Only...) is placed on each incoming check before deposit.
- Undeposited cash and check receipts are stored in a secured area. Cash receipts are compared to the bank statement to verify timeliness of deposits.
- During bank reconciliation procedures, deposit amounts are compared with the cash receipt entries. A cash receipt is issued for all cash received.
- All voided cash receipts are kept, monitored, and controlled.
- Criminal background checks have been performed on all people handling cash.
- There is adequate physical security surrounding cashiering areas.
- Employees are prohibited from cashing personal checks.
- Safes or filing cabinets are kept locked when not in use (if cash is kept in these areas).

Cash Receipts

The School has two forms of cash receipts: cash received at the time of sale and cash received through the mail for accounts receivable and deposits.

All cash or checks received by mail or in person will be listed on the Cash Receipts Log. The Cash Receipts Log and checks/cash will be given to the Business Manager for verification and then to another authorized person responsible for making the bank deposit.

School mail is not opened by the Business Manager or fiscal department. At the end of each month, the list of checks received will be totaled and reconciled to the bank statement.

Cash Disbursements

Bank account signatories shall not maintain accounting records. All paid invoices shall be stamped PAID. All voided checks shall be stamped VOID.

Petty Cash

Access to petty cash funds is limited to Executive Director, Associate Director, Campus Directors, and Office Managers. The Campus Directors and Office Managers, through a petty cash fund, handle minor purchases. The petty cash fund is limited to \$100.00. All cash paid from the petty cash box must be supported by a receipt that shows the date, amount paid, and purpose. The Business Manager will reconcile and replenish the petty cash fund monthly or as needed.

Cash Flow Forecast

HTA shall budget or forecast cash balances on a weekly, monthly, quarterly, or annual basis, depending upon the needs of the school. Cash flow forecasts help identify cash requirements as well as any irregularities or misappropriations.

Cash requirements will be funded through the State of Hawaii per pupil allotment. Federal funding, contributions, and excess cash shall be invested in a money market account or other designated bank account.

Inter-Account Bank Transfers

The Accountant monitors bank account balances to determine when there is a shortage or excess in the checking account. The Accountant recommends to the Business Manager when a transfer should be made to maximize the potential for earning interest. The Business Manager directs the Accountant when to make a transfer and in what amount.

Accounts Payable

Effective Date: 11/01/12 Last Revision: 6/4/20

Overview

The purpose of this policy is to describe the principles of business conduct expected of all employees in relation to the issuance of payments for school obligations, and to safeguard school assets. This policy is general and not intended to be all inclusive.

Division of Duty

Refer to Division of Duty in Accounting for Assets Policy.

Applicable Laws

The conduct of the school and its employees must comply with the laws and regulations relating to the school's business.

Competitive Bidding

Projects, contracts, or agreements of \$10,000 or more must have at least three bids from vendors. Exceptions to this rule include agreements for teacher subcontractors, janitorial services, copier services, and curriculum. In these cases, agreements should be fully examined before being accepted and, when possible, should begin in the pilot phase.

Expenses Analysis

Expenses are to be analyzed for reasonableness. Reasonableness is considered by both nature and amount. Expenses are not to exceed that which would be incurred by a rational person under similar circumstances. In determining the reasonableness of a given expense, consideration is given the following:

- Whether the expense is ordinary and necessary for the operation of the school
- Whether the expense is considered generally accepted, sound, and arms-length, and complies with laws, regulations, and school policies
- Whether the purchasers acted with prudence
- Whether there is significant deviation from the established practices of the school

Documentation Required

The School requires original documentation for all expense recording. Both scanned receipts and original receipts are acceptable by the school and auditor standards and practices.

Purchase Orders / Check Requests / Reimbursement Forms/ Travel Requests

A purchase order, check request, or reimbursement form must be provided for all purchases and transactions. All forms must be signed and dated by either the Executive Director or Associate Director before processing.

Sole-Source Purchases

Purchases for less than \$10,000 may be sole-sourced on a noncompetitive basis.

Timeliness

In order for financial records to be accurate and vendors to be paid in a timely manner, employees must carry out their assigned duties in a timely manner. In the case of employee reimbursements, the school Travel and Miscellaneous Reimbursement Report form must be

submitted within 30 days following the month of the transaction in order to be paid to the requester (e.g., reimbursement request for September expenses must be received by the fiscal department, in good order, no later than October 31).

Accounting for Assets Policy

Effective Date: 4/9/15 Last Revision: 6/4/20

Overview

This policy establishes the fundamental guidelines and practices for properly accounting and reporting assets on the school's Balance Sheet.

Hawaii Technology Academy (HTA) maintains a series of internal control checklists that help protect school assets. Persons reviewing this document should also review the internal control policy.

Division of Duties

The Business Manager is responsible for recording fixed assets and making depreciation and amortization general ledger entries into the accounting software. The Business Manager is also responsible for maintaining the school's Fixed Asset Schedule.

The Technology Director is the custodian of the computers and other technical equipment fixed assets, The Office Manger is the custodian of the furniture and fixtures. The Technology Director and Office Manager will coordinate tagging of all computers, furniture, and fixtures.

The Technology Director, Office Manager, and Business Manager will review the current computer inventory list, the largest capital asset that HTA maintains, every six months.

The Office Manager, with the assistance of clerical staff, will supervise and conduct the physical inventory updates at least once per year. The Technology Director will be responsible for locating missing fixed assets, computers, inventory, and other technical equipment.

Capital asset purchases require authorization from the Governing Board. Asset disposals require authorization from the Governing Board and Executive Director.

Responsibilities

The Business Manager or designee is designated as the Fixed Asset System

Coordinator and is responsible for ensuring:

- The administration and maintenance of the asset and property accountability and control system
- The designation of custodial areas and Property Custodians for each asset group
- That Property Custodians have current records of the property for which they are responsible
- That the designated Property Custodians are responsible for maintaining current custodial records for all in-use fixed assets within their assigned custodial area
- The development of systems that assure that assets are given proper care and protection and are used for official business purposes only

Property custodians (Technology Director and Office Manager) are responsible for:

- Notifying the Business Manager whenever fixed assets acquired are lost, destroyed, stolen, or disposed of
- Identifying and reporting to HTA campus Directors any property that is usable but not needed or that should be disposed of
- Taking physical inventories

Individual employees are responsible for:

- Ensuring the proper use, care, and protection of HTA property
- Ensuring that HTA property is used only for the conduct of official school business
- Reporting any suspected fraud, theft, or embezzlement

Tagging

All the school's fixed assets will be tagged for positive identification.

Capitalization Policy

HTA will capitalize assets that have an expected useful life of more than one year.

Expenditures on assets must be capitalized (amounts added to the carrying amount of the asset) when they improve the condition of the asset beyond its originally assessed standard of performance or capacity. This can occur through an increase in the annual service potential provided by the asset or increasing the useful life of the asset.

Expenditures that do not meet the above criteria or merely restore the asset to its original function must be expensed as repairs and maintenance are incurred.

Portable Assets

Certain assets like personal computers, digital cameras, small tools, and calculators that do not meet the capitalization threshold shall be assigned and tracked in order to prevent theft or loss.

Depreciation

All noncurrent assets with limited useful lives, including intangibles, shall be depreciated. Assets whose service potential does not diminish with time or use, like works of art, shall not be depreciated. Accurate depreciation methods and estimated useful life is critical in correctly determining school financial performance. Estimated useful lives shall be as accurate as possible and take into account physical wear and tear, technical obsolescence, and commercial obsolescence and conform to any government regulations.

Some assets will be made up of a number of different components with differing useful lives. HTA shall depreciate these components separately over their useful lives, if not doing so would have a material impact on the total reported depreciation expense.

Credit Card Policy and Charges

Effective 6/4/20

Overview

The school uses this policy to provide a consistent standard for use of the school corporate credit cards. It is the intent of the school that employees neither profit from nor lose personal funds when conducting business on behalf of the school, nor be required to use their personal financial instruments to secure airline or hotel reservations. It is also the intent of the school that all credit purchases for school business or made on behalf of the school be both necessary and reasonable, representing a clear benefit to the school and careful stewardship of public funds.

School Representation

Employees are considered representatives of the school while conducting business on behalf of the school. Personal behavior must be conducted to prevent a negative impression of the school and its employees, and so that the employee does not expose the school to risk.

Authority to Establish Credit Account

The Hawaii Technology Academy (HTA) Governing Board authorizes the establishment of a Corporate Credit Card in order to facilitate routine financial transactions made on behalf of the school in the areas of Travel and Conferences, Supplies and Administration, and Technology. The HTA Executive Director, in collaboration with the Governing Board Finance Committee and the HTA Business Manager, shall establish the HTA Corporate Credit Card account with a reputable financial firm.

Credit Limit

This policy establishes a credit limit for the HTA corporate credit card account at \$10,000 per card. Exceptions to the policy apply to the Executive Director and the Office Manager of the Oahu campus, whose credit limit will be \$20,000 per card. Any increase to these limits must be requested by the Executive Director and approved by the Governing Board.

Guidelines for Use of the Account

Access Controls

HTA corporate credit cards shall be distributed by the Executive Director and the Finance Manager to the following members of staff:

- The Executive Director
- The Associate Director
- The Business Manager
- The Campus Director on each island
- The Director of Technology
- Oahu Office Manager

All staff members who hold a corporate credit card are required to sign the [user credit card agreement](#). Requests by any other staff member to hold an HTA corporate credit card must be approved by the Governing Board.

Persons holding the card in their physical possession shall afford it the same level of protection or higher that they do to their personal financial instruments. At no time shall the card be left unattended.

Actual or suspected loss or theft of a card, or compromise of a card's account number and security code, shall be reported immediately to the Business Manager, the Executive Director, the Governing Board Treasurer, or the Governing Board Chair.

The account number(s) and security code(s) for the card(s) shall be strictly protected and not shared with anyone other than a designated Purchase Agent, the Business Manager, the Governing Board Treasurer, a representative of an officially-contracted independent accounting firm who requires knowledge of the number(s) to perform an audit, or a representative of the Government of the State of Hawaii (e.g., a member of the Charter School Commission, Department of Education, or Attorney General's office) who requires knowledge of the number(s) to perform oversight of school operations and finances. Under

no circumstances shall the account number(s) and security code(s) be recorded and posted in any unsecured or otherwise public venue, whether physical or electronic.

Initiation and Approval of Purchase Orders and Travel

The initiation of a purchase request and the process for approval shall be as follows:

1. The school employee, Governing Board member, or other affiliate who requires the purchase shall complete an online HTA Request for Travel Authorization (RTA) or Purchase Order (PO), as appropriate, and submit the form electronically to his/her direct supervisor. RTAs must include at least the information outlined in the Travel Policy so that the Purchase Agent can make reservations on behalf of the employee, Governing Board member, or affiliate.
2. For school employee requests, the employee's direct supervisor shall validate the need for the purchase, annotate the RTA or PO accordingly, and submit via HonuHub. The Executive Director will confirm authorization of the purchase. Governing Board members may skip this step.
3. The HTA Business Manager shall:
 - a. Verify that purchase is not expected to exceed the card limit
 - b. Identify the accounting line number against which the purchase shall be charged, annotate the RTA or PO accordingly, and forward the form to the Approval Authority (see below).
4. For travel-related transactions, the primary Purchase Agent shall be the Oahu Office Manager who shall make airline, hotel, and rental car reservations on behalf of school employees and Governing Board members.

Approving Authorities

Authorizing officials shall pre-approve only purchases that meet at least the following criteria:

- Is requested via a completed form in accordance with this policy;
- Provides a clear and measurable benefit to the school;
- Is covered by one or more specific accounting line(s) in the approved budget for the current school year; and
- Does not propose to exceed the maximum authorized spending limits established in this policy.

No Governing Board member is allowed to approve his/her own RTA or PO. Approving authorities for Governing Board member-initiated purchase requests shall be as follows:

- Both the Governing Board Chair and the Governing Board Treasurer (usually the Chair of the Finance Committee) must approve for all Governing Board members except themselves.
- Both the Governing Board Vice Chair and the Governing Board Treasurer must approve for the Governing Board Chair.
- Both the Governing Board Chair and Governing Board Vice Chair must approve for the Governing Board Treasurer.

Purchase Limits

The Executive Director and Business Manager shall oversee purchases to ensure that individual and total monthly transactions do not exceed the limits established in this policy. No individual transaction shall exceed \$5,000 unless approved by the Executive Director.

Unauthorized Purchases

Approval shall not be granted “after the fact.” Purchases that are not approved in advance according to the procedures established in this policy shall be charged to the individual(s) who made the purchase. Repeated violations of this provision shall be considered grounds for adverse disciplinary action by the school and/or the Governing Board, up to and including dismissal for cause.

Account Reconciliation

Within seven days of making a purchase, the purchaser shall submit all original receipts and any other records of the transaction to the Business Manager for use in reconciliation of the account. Receipts for purchases shall be attached to the RTA or PO.

The Governing Board Treasurer, together with the Business Manager, shall review all corporate credit card purchases monthly to verify that all charges were valid and review those purchases or travel requests that were pre-approved in HonuHub. All discrepancies shall be reported immediately to the Executive Director and the Governing Board Executive Committee.

Accruals

To ensure a timely close of the General Ledger, the School may book accrual entries. Some accruals will be made as recurring entries.

Bank Account Reconciliations

1. All bank statements are given unopened to the Executive Director. The Executive Director reviews the statements for unusual balances and/or transactions.
2. The Executive Director gives the statements to the Payroll and Benefits Manager for timely reconciliation as follows: a comparison of dates and amounts of deposits as shown in the accounting system and on the statement, a comparison of inter-account transfers, an investigation of any rejected items, a comparison of cleared checks with the accounting record including amount, payee, and sequential check numbers.
3. The Payroll and Benefits Manager will verify that voided checks, if returned, are appropriately defaced and filed.
4. The Payroll and Benefits Manager will investigate any checks that are outstanding over six months.

5. The Payroll and Benefits Manager will attach the completed bank reconciliation to the applicable bank statement, along with all documentation.

Petty Cash Fund

Effective Date: 3/5/15 Last Revision: 3/5/15 Version

Overview

The purpose of the petty cash fund is to make monies available to make small payments for day-to-day transactions and emergencies when such payments do not warrant the time and expense required for check issuance or credit card transaction. Petty cash funds are authorized and reconciled by the Business Manager.

Policies

The Office Manager is the custodian of the petty cash fund.

Petty cash boxes shall be kept in locked security boxes when not in use. Petty cash funds shall be kept in balance at all times.

A single disbursement from petty cash shall never exceed \$100.00. Petty cash shall be reconciled each time additional funds are required.

The petty cash fund shall be operated on an impress basis. This means that when it is time to replenish the petty cash fund, the Business Manager shall total out the expenses made and identify those expenses by general ledger account number. When the check request is submitted for payment, it should indicate the total amount needed to bring the fund back up to \$100.00.

A vendor receipt must be received by the Business Manager for the amount of the request in order for the request to be approved.

The following documentation is required for all paid-out receipts:

- Vendor
- Date of Purchase
- Description of purchase or merchandise amount
- Department
- Purchaser

The recipient of the petty cash funds must sign a log sheet to indicate receipt of the funds. All paid information should remain in the locked petty cash box until it's time to replenish the fund. At that time, the associated receipts are attached to the check copy and filed in the Petty Cash vendor file.

Petty cash funds shall only be used for legitimate business purposes.

Legitimate purposes include but are not limited to:

- Making change for receipt of cash revenues
- Small shipments and postage
- COD orders
- Emergency office supplies
- Meeting expenses

Legitimate purposes do NOT include:

- Any purchase over \$100
- Any payment for goods, merchandise, or services that requires separate approval
- Any payroll-related expense
- Any form of I.O.U. or loan

HTA does not cash checks of any kind through the petty cash fund.

Annual audit

All petty cash funds shall be audited at least annually by someone other than the Business Manager.

Personnel Records

Effective Date: 11/01/12 Last Revision: 8/1/17

Note: HTA abides by all applicable HSTA Master Contract and HTA-HSTA 2017-2021 Supplemental Contract policies and procedures relating to personnel matters as well as by all applicable HGEA Master Contract personnel requirements.

Purpose

This document provides an Internal Control checklist for the Payroll and Human Resource functions.

Division of Duties

The approval of Personnel Action forms and processing of payroll are separate functions.

Payroll and Human Resource Internal Controls

- Access to payroll files and employee records is secure and limited
- The payroll roster is verified to confirm that all employees actually exist

- Procedures exist to ensure that payroll reports are reviewed and preserved according to the software documentation and school policy
- Un-delivered paychecks are returned to the Business Manager
- Performance reviews are actually performed periodically on all employees
- Performance reviews are actually documented and on file in the employee file
- All employees are made aware of school policies and procedures including their responsibilities and expectations
- Background checks are performed on all people hired
- Adequate staffing is maintained and the school regularly reviews staffing needs
- A Personnel Action form is used to document all new hires and all changes in employment salary, wage rates, name change, and employment status
- All Personnel Action forms are properly authorized, approved, and documented
- Procedures exist to record vacation, personal, and sick time
- All necessary payroll records are maintained, including vacation and sick leave
- Vacation, personal, and sick accruals are updated at least monthly
- Vacation, personal, and sick accruals are periodically verified in writing with the employees annually
- Year-end balances and carry forwards are verified and properly recorded
- Procedures exist to ensure school assets are returned by terminating employees

Payroll Processing

1. Timesheets are to be prepared by all staff on the approved form and submitted on the Tuesday prior to payday. If the day the timesheet is due falls on a holiday, timesheets are to be submitted the day prior to the weekend or holiday. Exceptions to the submittal date may occur and will be communicated accordingly.
2. Timesheets are to be kept on a daily basis and completed in ink, unless prepared electronically.
3. Any corrections to timesheets are to be made by making a single line through the error and writing in the correction. Correction fluid or tape are not permitted.
4. Timesheets are to be signed and dated by the employee and the employee's supervisor for submission to the Payroll and Benefits Manager.
5. Any changes to the standing information of the payroll register from the prior period, including addition of new employees, deletion of employees, or changes in base pay rate, must be accompanied by an Employment Information form and signed by the Executive Director before the change can be made.
6. The Business Manager will process payroll in a timely manner and record vacation time, holiday hours, sick time, and any other information deemed necessary to properly reflect time worked.
7. Manual Paychecks will be distributed by the Payroll and Benefits Manager on the Thursday or Friday of the pay week. If the pay date falls on a weekend or holiday, paychecks will be distributed the day before.
8. If the employee requests that his or her check be turned over to a third party, the request must be made in writing prior to distribution.

9. Employees may choose direct deposit to a designated bank account. Their paychecks are deposited directly into the designated account on the payroll date. Employees will receive a verification stub.
10. The Payroll and Benefits Manager will review payroll expenditures and allocations monthly.
11. All quarterly federal and state payroll reports will be prepared and filed appropriately.
12. All W-2 statements are issued to employees prior to January 31st of the following year for the prior calendar year.

End-of-Month and Fiscal Year-End Close

1. The Payroll and Benefits Manager will review and sign off on all month and year-end journal entries. They will be printed and filed for audit trail purposes.
2. At the end of each month and fiscal year end, the Payroll and Business Manager will review all balance sheet accounts including verification of the following balances: cash accounts match the bank reconciliations; fixed assets accounts reflect all purchases; write-downs and retirements, accounts receivable and payable accounts match outstanding amounts due and owed.
3. The review of income and expense accounts will include reconciliation to amounts received and expended and verification that payroll expenses match the payroll reports including federal and state payroll tax filings.
4. Once the final monthly and fiscal year-end financial statements are run, reviewed, and approved by the Payroll and Benefits Manager and Executive Director, no more entries or adjustments will be made into that month or year's ledgers.
5. At the end of the fiscal year, the Payroll and Benefits Manager will prepare the annual Return for Organization Exempt from Income Tax (IRS Form 990). The return will be presented to the Executive Director, the Board Finance Committee, and the Board Chair for their review and approval. The Payroll and Benefits Manager will then file the return with the Internal Revenue Service by the annual deadline.
6. All other appropriate government filings including those required by the state tax board and Attorney General's office will be completed and filed with the appropriate agency.

Financial Reporting Policy

Effective Date: 4/9/15 Last Revision: 6/4/20

Overview

The purpose of this document is to communicate the school financial reporting policy and specify dates for the publication of information.

Listed below are the school's minimum financial reporting requirements.

Income/Expenditure Statement

The Profit and Loss Statement shall be produced one month before the next scheduled Governing Board meeting.

Balance Sheet

The Balance Sheet shall be produced by no less than seven days before the next scheduled Governing Board meeting.

Receivable Reports

The Accounts Payable and Accounts Receivable Reports should be produced no less than seven days before the next scheduled Governing Board Meeting.

Cash Flow Forecast

The cash flow forecast shall be produced on a monthly basis.

Monthly Reports

The Monthly report, provided primarily for the Governing Board, will include at minimum the following:

- Income/Expenditures Statement Balance Sheet
- Cash Flow Statement
- Financial Narrative
- Budget vs. Actual Report

The financial reports should be reviewed by the Finance Committee prior to uploading to the Governing Board folder to review any questions and ensure accuracy. If the Finance Committee meeting falls after the main Governing Board meeting, the financial reports may be updated after the Finance Committee reviews them.

Travel Policy

Effective Date: 4/9/15 Last Revision: 4/9/15

Overview

This policy provides a consistent standard for travel reimbursement. It is the intent of the school that employees neither gain nor lose personal funds for work-related travel. It is also the intent of the school that all travel be both necessary and reasonable.

Codes of Conduct

Accounts Payable Policy

All school travel is an expenditure of school funds and must be conducted in compliance with the school Accounts Payable, Purchasing, and Expense Reimbursement policies.

School Representation

Employee travelers are considered representatives of the school while traveling on school business. Personal behavior must give a positive impression of the school. The employee should carefully monitor personal appearance and alcohol consumption.

Travel Guidelines

Approval and Itinerary

All employees shall seek approval for school travel from their immediate supervisor. Before traveling out of state the Executive Director shall seek approval for school travel from the Governing Board. All employees will use the State of Hawaii DOE travel guidelines or the IRA guidelines (www.gsa.gov) for all travel arrangements, depending on available funding and on which guideline is the most beneficial for the school. The Office Manager will book plane tickets, hotels, and ground transportation upon receipt of the approved travel request.

Personal Expenses

The school does not reimburse travelers for expenses of traveling companions such as accompanying family members.. The school does not reimburse for stays longer than those required by the school.

Transportation and Car Rental

Expenses for private transportation shall be reimbursed at the rate published by the IRS (www.gsa.gov) for automobiles and the actual cost for non-automobile transportation.

Cars should only be rented when required by the travel itinerary. When a rental car is required, the Office Manager will book the car through the school's business account with a major rental agency.

Economy or mid-size class should be requested depending on the circumstance. If an employee rents a luxury car, the employee shall pay the difference between the cost of an economy or mid-size car and the luxury car.

Air Travel

The school does not reimburse employees for first-class tickets. All employees are expected to pay fares that are in the best interest of the school with regard to the travel itinerary, not their own frequent flyer program.

Hotel Accommodations

Employees should stay in accommodations considered average (www.gsa.gov) for the area in which they are traveling unless they are traveling to a conference-type event and a group or conference rate is available.

Meals

Employees will be provided a daily per diem amount for travel. Employees will use the State of Hawaii DOE travel guidelines or the IRS guidelines (www.gsa.gov) for all meal reimbursements, depending on available funding and on which guideline is the most beneficial for the school.

Alcoholic Beverages

The school does not reimburse for the purchase of alcoholic beverages.

Entertainment

Any entertainment expense must be approved by signature of the appropriate supervisor on the employee expense report. The Executive Director will have his or her entertainment-related expenses reviewed and approved by the Governing Board. All entertainment expenses require the names of the guest(s), business purpose, and a note of the topics discussed on the entertainment receipt.

Miscellaneous Expenses

The school does not reimburse miscellaneous expenses unless the expenses have been pre-approved by the employee's supervisor and the Governing Board for the Executive Director.

Advances

The school does not advance funds for travel except for meal advances if requested. Any employee needing a travel advance (daily per diem only) must request supervisor approval and make a request to the fiscal department at least one week prior to departure. All advance requests need to provide complete information, including the reason for travel, on the school's Travel and Miscellaneous Reimbursement Report form.

Fiscal Policy Statements

1. All cash accounts (except petty cash) owned by the school will be held in financial institutions that are insured by the FDIC. No bank account will carry a balance over the FDIC-insured amount.
2. All capital expenditures that exceed \$2,500 will be capitalized.
3. Employee or public personal checks will not be cashed through the petty cash fund.
4. Salary advances will be made under extreme emergencies only. The amount will be limited to one bi-weekly paycheck and repayment terms will be no longer than the last day of the then-current fiscal year (June 30th).
5. No cash advances for travel will be made except under special conditions and pre-approval by the Executive Director.
6. Reimbursements will be paid upon completion of expense reporting and approval using the official school form. Reimbursements to the Executive Director will be authorized by the Board Chair.
7. Any donated item with a value exceeding \$500 will be recorded and a letter acknowledging the donation will be sent to the donor within two weeks of the receipt of the donation.
8. The Executive Director and one designated Board member are the signatories on School's bank accounts. Checks over \$2,500 require approval from the Board of Trustees if not budgeted.
9. Bank statements will be reconciled monthly. All bank statements will be given unopened to the Executive Director for review.
10. Correction fluid or tape will never be used in any accounting documents. Accounting and personnel records will be kept in locked file cabinets in the finance office and only parties with financial and/or HR responsibilities will have access to these cabinets.

Donor Records and Receipts

Effective Date: 12/08/16 Last Revision: 12/08/16

Purpose and Policy

It is HTA's policy to accept any usable non-cash donations (supplies, furniture, equipment) and any non tax-deductible cash donations and acknowledge receipt of these gifts with a thank you note from Senior Administration.

Records Management Policy

Effective Date: 12/08/16 Last Revision: 12/08/16

Purpose

This document describes the policy and procedure regarding the handling of records and files during the time period they are generally available and easily accessible.

Hawaii Technology Academy follows the Hawaii Records and Retention Schedule which can be found at:

<http://ags.hawaii.gov/archives/about-us/records-management/records-retention-and-disposition-schedules/>

Hawaii Technology Academy will immediately adopt any updated Records and Retention schedules.

Risk Management Procedure

Effective Date: 11/01/12 Last Revision: 11/01/12

Purpose

The school may use a Risk Analysis worksheet to organize its risk management process.

The goal of our risk management process is to help us understand uncertainties, identify opportunities, minimize exposure, and maximize value. We believe that a formalized risk management process provides management a tool to ensure our appetite for risk remains consistent with our objectives. A formalized process also helps us make better decisions by linking our strategic, risk, and return objectives.

All of this provides a framework to help us manage the risks we face based on our entity risks, strategic risks, project risks, and internal control/best practice risks.

Who should read this document?

All management level employees should be familiar with and practice risk management.

Which documents are related to this document?

Risk Management Policy
All Internal Control documents
Business and Strategic Planning documents

Risk Analysis

A Risk Analysis worksheet provides an overall view of risk. Management shall review a consolidated risk spreadsheet / report at least annually and always during strategic planning.

Revenue Receipt, Classification, and Recognition

Effective date: 11/01/12 Last Revision: 1/07/17

Some revenue is in the form of state or federal funding, which generally has restrictions attached to it. Other revenue is considered a donation and may or may not have restrictions attached to it.

It is the policy of the school that all revenue is properly classified and accounted for on the financial statements.

Grant vs. Contract vs. Gift Awards Policy

The School shall differentiate between the receipt of Grants, Contract Awards, Gift, Fundraising, etc. as follows:

Grant

- The entity funding a grant will generally not have involvement with the school during the performance of the funded activities
- No value exchange for the funder
- No contractual obligations
- Grants generally have a close-out procedure to officially conclude the grant.
- Funder does not place restrictions on approval or review of items or deliverables.

Contract Award

- Contract Awards (e.g., state per pupil allotments) are made in support of items related directly to the funder's business activities.
- There is a value exchange in which the funder expects to, and is entitled to,

receive value in exchange for the funds.

- Contract awards have contractual relationship (contract) and financial reporting requirements. There may be non-performance penalties, audits, and compliance terms attached to the Contract Award.

Gifts

- The funder of a gift intends to make a charitable contribution in support of items that are directly related to the school's mission.
- Gifts are generally irrevocable.
- The funder of a gift may attach restrictions, but does not impose contractual obligations to the gift.

Receipt of Gifts and Donations

All gifts, donations, and other miscellaneous fees received in the form of cash, check, money order, and Gift-in-Kind are received by the Office Manager or Administrator to ensure that formal receipts are issued and an accurate history is centrally maintained.

Receipt of Grant and Award Revenue

Grant and Award Revenue are generally received by check or Electronic Funds Transfer.

Revenue Classification

The School classifies revenue as follows:

1. Contributions and Grants. Contributions and grants include cash and non-cash amounts received as voluntary contributions, gifts, grants, and other similar amounts received from the general public, governmental units, foundations, and other exempt schools. This includes revenue from:
 - a. solicitation campaigns conducted by federated fundraising agencies and schools
 - b. membership dues and assessments
 - c. fundraising events including but not limited to dinners, auctions, and other events conducted for the sole purpose of raising funds for the school's exempt activities
 - d. contributions from related schools
 - e. government grants and contributions for providing a service or to maintain a facility for the direct benefit of the general public
 - f. other contributions, gifts, grants, and activity contributions
 - g. non-cash contributions
2. Program Service Revenue. Program service revenue includes revenue received for:
 - a. Tuition received by a school
 - b. Concerts and performing arts events
 - c. Registration fees from meetings or conventions
 - d. Unrelated trade or business revenue

3. Investment Income including dividends and interest.
4. Income from investment in tax-exempt bond proceeds.
5. Rental income from investment property
6. Gains from the sale of non-inventory assets
7. Fundraising revenue from events that do not substantially further the school's exempt purpose.
8. Sales of inventory items that are donated to the school or made by the school to sell, and sales of inventory bought for resale.
9. Other miscellaneous revenue not reported above.

Revenue Recognition Policies

Schools rely on FASB 116 for revenue recognition and FASB 117 as the primary accounting guidance for financial reporting.

Revenue is one of the largest items in the financial statements; therefore accurate recognition and measurement are fundamental to producing accurate financial statements.

For schools using the cash basis of accounting, revenue is recognized and recorded when it is received.

For schools using the accrual basis of accounting, revenue is recognized when it is earned or realizable. Generally, this means revenue is recognized when there is evidence of a transaction, collection is likely, and delivery or partial delivery of the product or service has already occurred. Revenue should be adjusted to accurately reflect over billings (a liability) and under billings (an asset).

Net Income equals revenue minus expense during a given time period.