

The Compass School

May 10, 2016 Meeting of the School Council

Minutes

Meeting Location: The Compass School, 537 Old North Road, Kingston,
RI 02881

Date and Time of Meeting: May 10, 2016 6:00 p.m.

Members Present: Susannah Strong (SS), Marisa Gallagher (MG), Fritz
Lanz (FL), Rachel Axelson (RA), Nicole Gardner (NG)
Polly Cuddy (PC) Heidi Vazquez (HV) Linsey Trombino
(LT) Michelle Salisbury (MS) enters 6:15

Others Present: Brandee Lapiskey (BL), Elisa Lucia (EL), Hilary
Downes-Fortune (HD), Sean Hevenor (SH) Drew Virbila
(DV), Mehmet G. Yoloh (MY), Justin Bayles (JB)

Presiding Officer: SS

- 1. Call to Order: Susannah Strong, Council President, calls the meeting to order at 6:05 PM.**
- 2. Roll Call**
- 3. Adoption of Consent Agenda**
 - a. Discussion/vote to approve Consent Agenda (including agenda of this meeting)**

NG motions to adopt the consent agenda.

RA seconds

Discussion: none

Vote to adopt the consent agenda.

In Favor: 9

Opposed: 0

Abstain: 0

Motion passes.

4. Approval of Minutes (3 minutes)

a. Discussion/ vote to approve open session minutes from March 22, 2016

MS motions to approve the working session minutes for March 22, 2016

NG Seconds

Discussion: none

Vote to approve the working session minutes from March 22, 2016

In favor: 9 Opposed: 0 Abstain: 0

Motion passes.

5. Strategic Plan Update (1 minute)

The SpEd Advisory Committee is in the recruiting phase. Council will need to develop mission specific goals in June as part of Charter Renewal.

6. Director's Report (5 minutes)

a. Discussion/vote to accept Director's Report

RA motions to accept the director's report

MS seconds.

Discussion: none.

Vote to accept the director's report

In favor: 9 Opposed: 0 Abstain: 0

Motion Passes.

7. Founder Recognition: Sue Warford (5 minutes)

a. Memorial reading

b. Brick walkway stone addition

Sue Warford Memorial Reading

Marilyn King-Jorgensen:

"Susan D.G. Warford was an inspiration to so many! She was a true advocate for children and their families. She was a model to the children and parents, teachers and the hundreds of University students she taught and mentored during her long career at the University of Rhode Island and its Child Development Center. She was one of the original founders of The Compass School of Rhode Island and her deep understanding of social responsibility as well as her approach to and methods of teaching children are deeply embedded in The Compass School Charter. Her passing is a great loss to all who work to make education meaningful and effective."

Lynne Phipps:

“Sue Warford was one of my best friends and a great supporter of Compass. When I told her what I wanted to do, she encouraged me toward my goal. I couldn't wait to share the original charter with her, and her encouragement during our ensuing conversations about pedagogy and implementation kept me moving forward through the process. She was the proverbial "wind beneath my wings." She was the first person I asked to serve on the founding board, and connected me to a number of CDC parents who I invited to participate. The CDC was her baby, and Compass was mine. We had a wonderful synergistic relationship and loved sharing what was going on in each community.”

8. Calendar Approvals (5 minutes)

a. 2015-16 Discuss/Vote

HV motions to approve 2015-2016 amended calendar

NG seconds.

Discussion: This is due to one more snow day since we last amended the calendar.

Vote to approve 2015-2016 amended calendar

In favor: 9 Opposed: 0 Abstain: 0

Motion Passes.

b. 2016-17 Discuss/Vote

RA motions to approve 2016-2017 calendar

LT seconds.

Discussion: The Eco-Fair date has been left off the calendar until further feedback is gathered about May vs. June. The calendar may also need to be amended if it becomes mandatory to start after Labor Day.

Vote to approve to approve 2016-2017 calendar

In favor: 8 Opposed: 0 Abstain: 1

Motion passes.

9. Vote to appoint Business Manager Search Committee (10 minutes)

a. Discussion/vote

RA motions to appoint Cynthia Brown, Sara Delmonico, Diane Barzaghi, and Drew Virbila to the Business Manager Search Committee

PC seconds.

Discussion: none.

Vote to appoint Business Manager Search Committee

In favor: 9 Opposed: 0 Abstain: 0

Motion passes.

10. Engage NY Program Evaluation (Drew and Brandee Presenting) (15 minutes)

- a. Survey Results Summary
- b. Analysis
- c. Next Steps

11. Special Education Department Program Reorganization (10 minutes)

- a. **Update: Special Education Director Transition Position**
- b. **Vote to consolidation Speech/Language Position into one position**

RA motions to approve Speech/Language Position into one position

HV seconds.

Discussion: Council discussed benefits and responsibilities of this change.

Vote to approve to approve Speech/Language Position into one position

In favor: 9 Opposed: 0 Abstain: 0

Motion passes.

- c. **Vote to put Heidi Guron on teacher step scale**

HV motions to approve Heidi Guron on teacher step scale

RA seconds.

Discussion: none.

Vote to approve Heidi Guron on teacher step scale

In favor: 7 Opposed: 0 Abstain: 0

Motion Passes.

- d. Special Education Resource Position

12. Director's Proposed Budget Scenarios (20 minutes)

- a. **Teacher step scale**

Director recommends adoption of a new, 3-year teacher step scale which includes increases of \$1,500 per step and longevity increments at: 15 years(\$1,000), 20 years (\$1250) and 25 years (\$1500)for time served at Compass. 3% increase each year for all staff members as a standard, including teachers who have exceeded step 12.

b. Discussion/vote on proposed Budget Scenarios

HV motions decrease the development director position to \$10,000

MS seconds.

Discussion: If approved for RI Foundation grant, the other \$10,000 will keep the position the same. Otherwise, Brandee will focus more of her time on this next year.

Vote to decrease the development director position to \$10,000

In favor: 8 Opposed: 1 Abstain: 0

Motion Passes.

SS motions to update assessment program for up to \$10,000

NG seconds.

Discussion: none.

Vote to approve to approve

In favor: 9 Opposed: 0 Abstain: 0

Motion Passes.

RA motions to change health care contribution from 90/10 to 80/20

MS seconds.

Discussion: This would would save the school \$17,000. Many argued that this saving isn't enough lower staff's compensation package since the cost of health care has risen for the employee in recent years.

Vote to approve to change health care contribution from 90/10 to 80/20

In favor: 2 Opposed: 6 Abstain: 1

Motion fails.

NG motions to keep Navigator ELA/ Social Studies teacher position at .8 for 2016-2017 school year

RA seconds.

Discussion: The benefits for students is unclear and council has already voted to make several staffing changes in the step next year.

Vote to keep Navigator ELA teacher position for .8 next year

In favor: 9 Opposed: 0 Abstain: 0

Motion passes.

13. Class Size Ratio (10 minutes)

a. Discussion/vote

LT motions to increase 2016-2017 enrollment to 167 for 2016-2017 school year

RA seconds.

Discussion: This will generate about \$24,000 in revenue. Increasing students in others steps needs further review due to the size of some classrooms. This is well within our RIDE approved enrollment capacity of 220.

Vote to increase 2016-2017 enrollment to 167 for 2016-2017 school year

In favor: 9 Opposed: 0 Abstain: 0

Motion passes

14. Policy Updates (5 minutes)

a. Vote to approve updated Fiscal Management Policy

NG motions to approve updated Fiscal Management Policy

RA seconds.

Discussion: This changes were recommended by the auditor.

Vote to approve to approve updated Fiscal Management Policy

In favor: 9 Opposed: 0 Abstain: 0

Motion passes.

15. Director's salary: performance-related bonus for 2015/2016 year

a. Discuss/Vote

LT motions to award Brandee a one-time bonus in the amount of \$5,000 for the work she did in the areas of HR/finance and modular construction issues, work that went beyond her contractual responsibilities, and work that was essential to the basic, fundamental operations of the school.

RA seconds.

Discussion: none.

Vote to award Brandee a one-time bonus in the amount of \$5,000 for the work she did in the areas of HR/finance and modular construction issues, work that went beyond her contractual responsibilities, and work that was essential to the basic, fundamental operations of the school.

In favor: 6 Opposed: 0 Abstain: 0 Recusal: 3

Motion passes.

16. [Next Council Terms](#) (1 minute)

17. New Business

June’s meeting council will review all contracts and the director evaluation.

18. Public Comment

MY had a questions about financial sustainability for the school and the business manager position, SpEd department, and other questions. Brandee agreed to follow up in person with these concerns.

19. Adjourn at 10:05

The public is welcome to any meeting of the School Council or its subcommittees. If communication assistance (readers/interpreters/captions) or any other accommodations are needed to ensure equal participation, please contact the Student Service Coordinator, Julie Wynsen at (401) 788-8322 at least two (2) business days prior to the meeting.

Any changes in the agenda will be posted on The Compass School’s website and place of business, and will be electronically filed with the secretary of state at least forty-eight (48) hours in advance of the meeting.



Director’s Report

Provided By: Brandee Lapisky, M.Ed.

Submitted on: 5/5/16

Council meeting date: 5/10/16

Enrollment

The enrollment tallies below are updated as of 5/5/16.

| Step Levels | Grade | Enrollment (Actual by grade) | Enrollment (Actual by step) |
|-------------|-------|---------------------------------|--------------------------------|
| Explorers | K | 17 | 34 |
| | 1 | 17 | |
| Adventurers | 2 | 19 | 19 |

| | | | |
|------------------|-----|-----|-----|
| Discoverers | 3 | 19 | 38 |
| | 4 | 19 | |
| Investigators | 5 | 18 | 38 |
| | 6 | 20 | |
| Navigators | 7 | 18 | 36 |
| | 8 | 18 | |
| Total Enrollment | K-8 | 165 | 165 |

*Note that Compass is fully enrolled.

Strategic Plan Updates

Charter Renewal: At this time, we await the draft site visit report from RIDE. Paula Barney reports that we will have this information by the June Council meeting. Its review and discussion should be included in our June agenda.

Development:

- We have continued on the productive path of grant submission as documented on our [2015-16 grant dashboard](#).
 - Abby Colby Cooper and Brandee participated in a positive phone interview with Ocean State Charities Trust this month.
 - We learned of our first denial from the Mary LeMoine Potter Fund.
- Soco Loco Event: Drew Virbila, Elisa Lucia, the Crane family and I attended the Soco Loco event on 5/4/2016.

Blended Learning

- After Brandee poured significant follow up and energy into communication with both RIDE and Envision, the Commissioner approved Compass' Phase 2 wireless infrastructure grant on May 3, 2016 in the amount of \$21,161.18. This is new revenue for the school for the 2015-16 school year. This final phase of the upgrade process will bring improved wireless Internet access to the Explorer and Discoverer modulars.
- We have begun researching assessment and blended learning model subscriptions for the 2016-17 school year that will support more personalized instruction and enhanced progress monitoring. The tools being evaluated include:

- AimsWeb
- STAR
- iReady
- Achieve 3000

Facilities Lifecycle:

- Current Status:
 - [Dina's Site Visit Report](#)
 - RIDE has begun their site visits as part of a state-wide facilities assessment.
- New construction:
 - [Timeline and process chart](#)
 - It's important that Council makes a decision about the desired outcome for the barn as it will need to be included in this summer's letter of intent.

Curriculum Redesign:

- Middle School Electives: The learning committee has been working hard to research middle school elective course options and create an action plan for Compass for 2016-17. More specific details will be available for the June 2016 Council meeting.

Other Topics

2016-17 Staff Search Updates: [Search Committee Dashboard](#)

Legislative Updates

- Recess
 - [House Bill requiring 20 min of daily recess passes committee](#)
 - [Senate Bill requiring temps above 32 degrees fahrenheit being considered in committee](#)
- Funding Formula: Tim Groves and other RI League of Charter School members testified again on May 3, 2016 at the Senate Finance Committee hearings.

Budget

- Dina Mandeville saved Compass \$4430.76 for this fiscal year in our transportation budget. She followed up on a fuel price stipulation in the transportation contract that required reimbursement if fuel dropped below a certain dollar amount.
- Brandee messaged about the class size ratio dilemma to the community in the [May 3, 2016 "A Note from Ms. Brandee"](#).

Community Outreach

- General:
 - Brandee relayed the importance of community connections in [April 29, 2016 "A Note from Ms. Brandee"](#).

- Brandee emailed an [Open letter to the Washington County District Superintendents and other community leaders](#) on May 4, 2016.
- Districts: The Director's district connections to date include: NK, Chariho, and The Met School
- Political: Brandee met with Teresa Tanzi and gave her a tour of the Compass campus.
- Community
 - Leadership RI visit: Selection for site visit by the Leadership RI team.
 - We were selected as a standout school due to our leadership presence in the broader education community this year and our school's mission.
 - The site visit will happen on May 18th.
 - The focus of the site visit is the Director interview.
 - Brandee has been invited to attend The Washington County Coalition For Children Annual Breakfast: May 26, 2016

Treasurer's Report

The Finance Committee met April 28, 2016. The previous month's reconciled records were acknowledged and the budget amendment was recognized as being approved. The hiring protocols for the Business Manager & Human Resource Director were reviewed and tasks were appointed to different members. The next meeting is scheduled on May 19, 2016 at 2:00.

Learning Committee Report

As of the April council meeting members of the Learning Committee have visited 3 schools- Highlander Charter School, The Center School, and West Warwick Public Schools. Also, Hilary and Nikki attended Highlander's Annual Blended Learning Conference 2016, where they attended several workshops together that were exemplars of blended learning in the middle school. The LC continues to update a document that was created several years ago that highlights components of our program that we want to remain intact and untouched and then a list of desired changes. A major focus of our last meeting, and a change that can be made to the middle school for next school year, is the addition of elective courses. The council has voted to approve a STEAM position that would be offered to grades 5-8, and possibly other grades as well. At next month's meeting our focus will be on desired changes that we can begin to implement next year, specifically the logistics of incorporating elective courses into the 2016-2017 school year.

Site Committee Report

No Report

Development Committee Report

The Committee reviewed responses to the Annual Fund, the goal amount has been reached but

participation from staff and parents has not been fully achieved despite additional communication efforts. The School director will continue to reach out to staff and families to support 100% participation. Outreach to current and prospective business partners (sponsors) will continue as part of the ongoing goals to develop new sponsorship and maintain existing partnerships. The coordinator has submitted four (4) grant proposals and has pending proposals with business sponsors to regrade the parking lot, reseed grass and to support the Barn Renovation Project. A development dashboard is now available on Google drive. The next meeting is scheduled for May 24, 2016 at 3:00.

Health and Safety Committee

No Report

Policy Committee Report

No Report

**THE COMPASS SCHOOL
Kingston, Rhode Island**

Manual

of

Financial Management,

Purchasing and Internal Controls

Written by Dittmar, McNeil, & Ferolito, CPAs, Inc.

Business Managers

Revised May 2016

Objective:

The purpose of this manual is to set in place the policies and procedures for the management and disbursement of funds at The Compass School. The School is a small charter school, and as such is an organization made up of a few administrators, a part-time or consultant business management firm, and a volunteer board of directors. Because of its organizational structure, it is important to have a consistent and efficient system in place so that unimpeded progress is made in the planning, execution, and implementation of the school's operations on a continuous basis. The policies and procedures outlined in this manual will be systematically streamlined, and clear to understand, so that a balance between effective segregation of duties and application of common sense procedures may be maintained consistently and easily.

Components of the manual

The basic components of this manual are:

- A. Key Individuals
- B. The School Council
- C. Banking Relations / Reconciliations
- D. Internal Controls: Summary of Practices
- E. Financial Management Policy
- F. Changes to Budget Line Items – Policy and Procedure
- G. Record Keeping
- H. Miscellaneous Cash/Check Receipts Policy
- I. Cash Transfers
- J. Purchasing Procedure: Step by Step
- K. Disbursement Procedure
- L. Petty Cash Procedure
- M. Monitoring / Reporting

A. Key Individuals

Key individuals are those that have signatory rights to the school's accounts. This list can, at the discretion of the officers, extend to members of the school community such as organization presidents or treasurers. However, the primary key individuals are:

- Director
- Chair of the Finance Committee, Treasurer
- Council President

B. Banking Relations / Reconciliations

Using the school's EIN (or 501(c)3 number), key School individuals are signatories on the school's bank accounts. The accounts opened are:

1. Business checking account for disbursement of funds
2. Money Market account for investing idle funds

3. Scrip account for the deposit of Interest and other fund sources
4. Petty Cash account
5. Co-Op Fund
6. Renovations Funding

Bank statements are downloaded by Business Management from the Bank's Website, and are reconciled by that Team. The Director reviews all Bank Reconciliations, giving them his approval by signing off on them. They are kept on file in the Business Office.

C. The School Council

The School Council is entrusted with oversight and management of the fiscal operations of the School. Thus, it is their responsibility to RIDE and to the stakeholders of The School to ensure that the School's finances are managed responsibly, and with integrity. They are also responsible for key financial decisions, such as:

1. Approval of the annual budget;
2. Amendments, adjustments, or reductions to the budget, as may be needed for fiscal solvency throughout the year;
3. Approvals in increases to Purchase Orders above the anticipated limit for items needed for the school;
4. Oversight of key Administrative positions: their salaries and benefits;
5. Oversight and management of key contractual relations, i.e., landlords, business managers, legal team, etc.; and
6. Determining the feasibility of major financial undertakings, such as management of the bond issue.

D. Internal Controls: Summary of Practices

The School's Fiscal Policy begins with the premise that no single individual shall handle all of the following activities for each recordable event:

- (a) writing **and** signing checks;
- (b) receiving cash / other receipts, **and** recording / depositing them.

In place will be a segregation of duties, and oversight by management and the Council. All disbursements require formal approval and all disbursements must have supporting invoices and documentation.

Segregation of Duties (amendment April 2016)

Cash Receipts:

- Copy of deposit ticket to be provided to administration
- Copy of deposit receipt to be provided to administration

- If Business Manager counts cash and checks and it varies from teacher reconciliation, sheet needs to be initialed by administration
- Business Manager will provide administration with a summary of the grant request submission so that administration will know how much to expect
- Business Manager will provide quarterly reports to Special Education Director
- New daily receipt sheet will be provided by Business Manager so that administration knows which districts have yet to pay

Payroll:

- Business Manager will now print out payroll worksheet that is prepared every payroll run along with the payroll register so that administration can review what was done
- Salaries are approved with the budget and timesheet wages are approved with the signed timesheets – administration review will be for oversight purposes
- Administration should compare the semimonthly payroll worksheet and register to the TIAA transfer before approving as well as the ERSRI check before signing it
- 403(B) plan: Business Manager will send the uploaded excel file to administration so that administration can tie it to bank statement

Accounts Receivable:

- School will continue to provide student census and Business Manager will continue to prepare invoices
- Invoices must be reviewed by school administration before they are sent out – school can review and have Business Manager send out or review and send out independently

Bank Reconciliations:

- Administration will be provided with a copy of the bank reconciliation and statement each month and should review to ensure
- Deposit tickets match deposited amounts
- Payroll withdrawals (net pay, payroll tax, retirement benefits) tie into payroll register
- State aid deposits and grant requests are received

E. Financial Management Policy

1. The School will maintain its accounting records using fund accounting (under the Uniform Chart of Accounts, or UCOA) and the modified accrual basis of recording revenue and expenditures.
2. The policy with regard to all business and financial paperwork is that it must be kept on file at all times in The School Business Office. Key to this policy is the requirement that all accounting

records have at least one document associated with them. Should any financial paperwork need to be removed from the Business Office, it must be logged out by the person removing it, who will initial a form when he or she removes it. And it must be returned no later than the end of the day it is removed. [A copy of the form may be found in Appendix A.]

- a. Grants may be kept in the Grants Office and in the appropriate Grant software. Duplicate copies of all Grant documents of value - proposals, notices of awards, budgets, all reports, and other relevant information must be provided in full to the Business Office.
 - i. When grants are awarded, a sub fund is either found already in UCOA, or requested of RIDE, and a budget is set up.
 - ii. The budget is shared with those responsible for spending down the award, and with Business Management, who records the costs in the system.
 - iii. Copies of receipts are kept with the Grants Office for reporting back to the sponsor at the end of the grant
 - iv. A copy of those same receipts will be forwarded to Business Management for its records in the Financial Office.
- b. Scholarship Fund information should be kept with Grants. Scholarship award information, as well as copies of relevant proposals, budgets, and awards (indicating names of awardees when possible) must also be kept in the Business Office. This is important, as scholarship funds often use different Sub Funds.
- c. Cash Donation lists, and the backup support for them, may be kept in the Development Office. Copies of both must be given to Business Management. They will record the information in their system and file both list and copies of backup information in their office.
- d. Donations of Goods and Services. Donated goods and services are appraised at fair market value, using a standard valuation method selected at the time of donation (Comparable Sale, Thrift Store, Salvage, etc.) to the School. That value is recorded on a Record of Donated Goods or Services, which lists the date donated, the donor information, the number and item(s) or service(s) donated, the purpose for which they are donated, the valuation method used, and the donated value. The Director certifies the donation by authorizing the form at the top. No donated items should be placed into service at The School until this process is completed.

One copy of the Record Form is sent to the donor, with a letter of Thanks for the donor's generosity. A second copy may be kept in the Development Office. A third copy must be given to Business Management, and filed once the information is recorded.

3. An annual independent financial audit of the school's records is conducted in accordance with our contract with the Board of Regents. There will also be an annual UCOA Agreed-Upon-Procedures Compliance Test of UCOA, as outlined in the Agreed-Upon Procedures Engagement Agreement.
4. One- to three-year budgets will be created and maintained. These budgets will support the school's mission and stated goals. To that end these budgets must:
 - a. Contain enough detail to enable reasonably accurate projections of revenues and expenses, separation of capital and operational items, cash flow, and subsequent audit trails.
 - b. Solvency – expenditures must be planned in a way so that they equal or are less than anticipated revenues.

- c. Be in line with board-stated priorities.
5. Fixed assets are acquired and disposed of only upon proper authorization, and will be adequately safeguarded and insured to their replacement value. Assets worth more than \$500 will be properly recorded with the Business Office and be part of the school's IRS 990.
6. The school will establish a set of internal accounting controls which adhere to standard nonprofit accounting practices.
7. All signatures are by hand only; if a signatory is not available to sign documents, then the paperwork will not be processed until he or she is available to sign it. No signature stamp or any other facsimile of an authorized signature should be used for any signatures required in this Manual.
8. Cash will be managed in a way that ensures maximum liquidity, and safety:
 - a. Restricted contributions will be used only for the reason the donations were given.
 - b. All obligations will be paid in a timely manner.
9. Monitoring and Reporting is performed, as described in Section J.

F. Changes to Budget Line Items – Policy and Procedure

It is the policy of The School that The Director has the discretion to transfer funds of up to 5% within line items without requiring prior approval of the School Council. The Director will notify the Business Management staff of all such budget changes prior to their implementation. A record of these changes will be kept. And at the next scheduled Council Meeting, the changes made within the prior month will be presented to the Board for their review and final approval. In the case that any are not approved, the Council will require further documentation and explanation from the person who made the request before final approval will be granted by the Council.

G. Record Keeping:

1. Original records and documents generated by or serving as a primary source for the financial annual, independent audit will be housed at The School or another designated area. Electronic copies of reports shall be kept at the school's Business office. Offsite backup of all electronic records should be performed on a weekly basis.
2. All records, documents and reports will be housed in a secure location with authorization granted only to those specified in the internal control policy of the school.

H. Miscellaneous Cash/Check Receipts Procedures

The following segregation of duties for check and cash receipts must be followed:

1. The employee responsible for opening the mail should prepare checks for deposit, and create a list of all checks received. S/he should note the date the check was received, the date of the check, the check number, the payee, the purpose of the payment, and the amount, on the list.
2. Cash is added to the list, along with the name of each donor or payer from whom it is received, as well as the purpose for which the cash is meant to be used.
3. The list is forwarded to the Director for review and authorization. A copy is retained, and one copy is sent to Business Management.
4. A member of Business Management takes the authorized list of checks, and compares it with the deposit slip. If the list matches the Deposit Slip, s/he records the deposit in the accounting system. If not, follow-up and correction is necessary.
5. A member of The School Staff brings the checks to the bank for deposit, bringing back the deposit slip from the bank to Business Management.

I. Cash Transfers

Cash transfers occur internally, because The School has several bank accounts. Most of the income is deposited into one larger account, but often needs to be transferred to a more active, checking account.

It is important that any transfers between accounts are recorded properly in the accounting system. To that end, a Cash Transfer Form has been created. Business Management members will use this form to record the transfer of cash from one bank account to the other. They will indicate the date of the transfer, the bank account from which the funds come, the account into which the funds will be deposited, and explain the purpose (giving as much detail as possible about the items to be paid). The Director will sign and authorize the Transfer.

H. Purchasing: Step-By-Step

1. Teacher or staff member makes request for materials, supplies or trip(s) in writing to the Director via the Purchase Order template. A reason for the purchase should accompany this request.
2. At least three bids are needed for purchases over \$5,000, or unless the item(s) to be purchased

appear on the State of RI/RIDE Master Purchase Agreement.

3. Documentation should include any quotations from the vendor chosen.
 - a. Blanket purchase orders (BPO) (for rent, utilities, etc.) include quotations for longer periods of time, and must include breakdown and timing of payments as well as the total amount of the payments received. Any quotations or contracts must be attached to the Purchase Order and the Order must state that they are attached.
4. The Director, or the Council President and/or Treasurer if necessary, reviews the request, and determines:
 - a. if request is appropriate; and/or
 - b. if funds are available to meet the request.
5. The Director, or the Council President and/or Treasurer if necessary, chooses either to:
 - a. sign and approve the Purchase Order;
 - b. modify the order; or
 - c. reject the order.
6. Orders over \$5,000 in value, orders of equipment for specific purposes, and Blanket Purchase Orders should be signed by another Administrative Staff person as well as the Director.
7. An approved Purchase Order is then processed internally by administrative or office staff (by fax, online or mail)
8. All documentation is forwarded to Business Management for recording in accounting software and for filing.
 - a. On occasion, budget limits for certain requests will be reached. In such cases, appropriate action must be taken to ensure that expenditures in excess of budget receive approval from the Council. Purchase orders must be matched with their packing slip and invoice before any payment takes place. Any discrepancies must be reconciled, and then a payment voucher can be created and submitted for approval. Purchase orders over a set dollar amount require two signatures. Unbudgeted purchases above a Council-designated amount must be approved by someone on the Council.

When goods arrive:

1. Shipments are received at the main office and contents are reconciled against the packing slip.
2. All packing slips are marked "Received", either by hand or stamp, and initialed and dated by the reviewer.
3. Packing slip is forwarded to Business Management for filing, material is forwarded to requisitioner.

The Purchase Order/Payment Voucher Form:

The Purchase Order Form has been modified to include a Payment Voucher and has been renamed as a Purchase Order/Payment Voucher (See Appendix). The top portion of this form is the original Purchase Order form, modified slightly to provide room for the Payment Voucher below.

The Payment Voucher section is dual-purpose. It is to be used either for (a) payments of invoices associated with Purchase Orders (See H.4, below); or for (b) reimbursement of purchases by individuals seeking to purchase things quickly. Those who need reimbursement do not need to use the top part of the form.

I. Disbursement Procedure

The following segregation of duties for disbursements must be followed:

1. The employee responsible for opening the mail should date-stamp each invoice, and create a list of them. [Copy of Form in Appendix.]
2. This list is forwarded to the Director, on top of the stack of invoices, for review and authorization.
3. The documentation for payments associated with Purchase Orders must include:
 - a. Copy of approved, signed Purchase Order/Voucher form (previously received).
 - b. Copy of Packing Slip, marked "Received", and dated and initialed by reviewer (see Purchasing information – should have been previously received).
 - c. An invoice with an approved signature, attached to a Purchase Order/Voucher Form.
4. Documents for checks to individuals (Using Voucher section of Purchase Order/Voucher) should include:
 - a. Approved and signed purchase requisition, where applicable;
 - b. If there was a purchase requisition, there must be a packing slip – marked "Received", initialed and dated – to demonstrate receipt of goods;
 - c. Check request, signed and dated with a different approved signature than that which appears on the requisition;
 - d. Original copies of all receipts paid, for which reimbursement is requested.
5. For items that are paid on a regular basis (such as utilities and periodic billings on previously approved obligations):
 - a. If a Blanket Purchase Order exists, the invoice should reflect the number of that order and should be signed off by the Director before being entered into the payment system;
 - b. If no Blanket Purchase Order exists, depending on how early in the fiscal year it is, a BPO may be drawn up using this invoice.
6. The Director reviews and signs each invoice/Voucher, and initials the list.

7. The Director has discretion not to sign an invoice/Voucher for which he wishes further information. He can refuse to sign off on that Invoice or Voucher until he has that information. When he forwards the list to Business Management, he will separate out the item(s) which have not been signed.
8. The signed invoices and list are turned over to Business Management, who enters the information into the system and processes the check payments, checking off the items as they are entered.
9. The check payments are given back to the Director for signature.
10. All checks exceeding \$1,000 require two authorized signatures.
11. Once the checks are signed, they are given to Business Management to distribute to office staff or to be mailed.

J. Petty Cash Procedure

1. Petty cash not to exceed \$150 is available for small purchases for which the normal purchasing procedure requires too much time and effort.
2. All cash given out is documented by a receipt signed by the requestor.
3. Once a purchase is made, all supporting cash receipts and returned change are given to the Petty Cash Custodian (PC Custodian), who records the transaction on an Excel spreadsheet. This should be done at the time of, and no later than one week from the time of, the request.
4. When cash on hand gets low, the PC Custodian prepares a request to replenish the cash up to the maximum (\$150). S/he turns in the supporting receipts, along with the Excel spreadsheet, to the Director.
5. The Director reviews the items on the Petty Cash form, determines whether or not they are appropriate, and either:
 - a. approves them in writing at the top of the form or
 - b. asks for further information before authorizing payment.
6. The Director sends on the Petty Cash Form, when approved, to Business Management.
7. Business Management prepares a check for the proper amount, has it signed by the Director. It is given to the PC Custodian, who cashes the check at the bank.
8. The PC Custodian is responsible for reconciling the cash amount received with the amount requested.
9. Once a month, as bank statements are received and reviewed (See Section B, Banking Relations / Reconciliations), the petty cash account ledger and receipts are posted and reconciled to the General Ledger by Business Management.

K. Reporting / Monitoring

1. Monitoring ensures that the information in the accounting system is reliable and secure. It assists with the Reporting process in that it ensures the reliability of the reports produced. Monitoring results from working with, and reviewing, the financial system, on a regular basis. The following are examples of issues found from monitoring:
 - a. Costs may be mis-allocated between sections (Instructional, Operational) of the Revenue and Expense Report;
 - b. A certain purchase that should have been assigned to a Grant Sub Fund number may instead be assigned to the General Fund;
 - c. A revenue item may be misclassified as part of grant revenue when it was general revenue;
 - d. The sum of an expense may be in error because a number in one of the line items is transposed.

Issues like these must be noted and resolved by Business Management because they affect Reporting directly:

- a. Problems within the accounting system that can be easily solved – a transposition of numbers in an entry, for example – should be remedied as soon as possible.
 - b. Items that require time to resolve should be noted as “to do” and followed up on within one month or less.
 - c. Issues with the procedures outlined in this manual – where School staff may be involved – must be discussed internally with the rest of Business Management, and a plan to resolve the issue carried out.
 - d. Another tool in monitoring the Financial system is the annual Financial Audit. The Audit firm will conduct tests on the financials of Compass, ask questions of Business Management and the school’s management, and make recommendations as to the financial strength of the Financial System and Information.
2. Reporting is critical to The Compass School’s financial health. Reporting shows Management, the Board, and our outside interests (the State) how well The School manages, over time, the funds provided. Financial Reports are of two kinds: Internal, within the School, and External, to State Interests. They are issued under certain schedules:
 3. Reporting:
 - a. Internal – Weekly/Monthly

There are five reports that are issued weekly/monthly when Business Management visits The School to Pay Invoices and conduct other financial business, and sometimes a form will be added. All of these reports (and the form) are given to the Director after they have finished their work, for his review:

- i. *Summary Accounts Payable Ledger*. Each week a Summary A/P Ledger is printed and given to the Director. A new A/P Ledger is generated with the first visit of Business Management to The School during the month. With each new visit, the report shows the

current week's A/P activity added to the prior week's, until the end of the month's activity is complete.

- ii. *Bank Activity report.* This Report shows the payment activity for the current week against the Bank Balance.
- iii. *Budget to Actual Statement.* This report shows the relationship of current expenses against the approved budget. Because of the length of such a report, it is limited to accounts that would be paid by Business Management and to the current month's operations.
- iv. *Funds Transfer Form.* Occasionally, as needed, the Director will be required to sign off on, and keep a copy of, the Funds Transfer Form, used by Business Management to transfer funds between Bank Accounts as needed to provide liquidity in paying bills.
- v. *Journal Entry List* report for each review period for separation of control and review.

b. Internal – Council Meeting

- i. The Council meets monthly, and Financial Statements (Balance Sheet, Revenue and Expense Statement) are prepared for these meetings as needed. A member of Business Management discusses the Statements at the meeting, and responds to questions from the Board regarding one or more items in those Statements.

c. Internal – Quarterly

- i. *Payroll.* Business Management cannot carefully manage the Payroll on a payday-to-payday basis, due to the fact that it only reconciles a quarterly set of numbers from PPSD. However, what they can do is ensure the accuracy of what they look at on a quarterly basis as much as possible. In order to do so, Business Management will carefully scrutinize the first quarter reconciliation, asking PPSD about differences they may find in their understanding of a staff member's salary. Then, they will note any changes in any salary made from quarter to quarter from that point onward.
- ii. *Medicaid Reimbursement.* Surveys produced by the teaching staff produce the data necessary for reimbursement. Management works as an overseer to the teaching staff, to increase their awareness of the importance of recording accurate survey information. Business Management will assist management in making sure the surveys are completed. Business Management also prepares quarterly expense reports, as requested by the Medicaid service provider.

d. Internal – as Requested

One or more Council Members, or the Director, may ask for a set of Financial Statements, for any reason, at any point during a fiscal year. Occasionally, a set of financial statements from a prior year is requested for Grant applications.

e. External – RI Department of Education

On a Quarterly basis, The RI Department of Education requires a copy of Financial Statements condensed into a special text file, known as an "Upload File", which requires use of the Uniform Chart of Accounts (UCOA). At the end of the fiscal year (June 30), it

also requires that we review and update our accounting system – specifically, our accounting code strings – again, based on UCOA.

f. External – RI Office of Auditor General

On a Quarterly basis, the Office of Auditor General requires a report on a specific form they issue to us.

g. External – RI Office of Municipal Affairs

This report, also required quarterly, is similar to that of the Office of Auditor General. They accept the OAG report as they would their own.

h. External – US Internal Revenue Service, Form 990

This report, required on an annual basis, is a statement of the firm's Financial condition as a registered Nonprofit with the Internal Revenue Service. This is done at the conclusion of the Independent Audit Review.

i. External – Annual filing of Annual Report with the Office of the Secretary of State.

j. External – Grant Reporting:

- i. PPSD – Coordination with, and request for, information from our colleagues at Providence Public Schools for Perkins Grants and for Title I funding annually.
- ii. Private Grants – Reports generated through our Development office back to those Private Foundations who provide support for the many programs provided at the school.

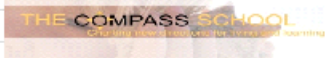
APPENDIX A:

Forms Used in

Financial Management

At the

Compass School



Purchase Order / Payment Voucher

PURCHASE ORDER SECTION [NOTE: RULES OF PURCHASE ORDERS *MUST* BE FOLLOWED!!]

VENDOR Name and Address:

SHIP TO: The Compass School
537 Old North Road
Kingston, RI 02881
Phone: 401-788-8322
Fax: 401-788-8326

P.O. NO.: _____

DATE: _____

CUSTOMER ID (if known): _____

ATTENTION:

Type of P.O.: Standard
 Blanket

| ITEM # | QTY | DESCRIPTION | UNIT(S) | UNIT PRICE | LINE TOTAL |
|--------|-----|-------------|---------|-------------------------|------------|
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | SUBTOTAL | \$ - |
| | | | | SALES TAX | Exempt |
| | | | | SHIPPING - 53705 | \$ - |
| | | | | TOTAL | \$ - |

RI Tax Exempt ID#8981

| | | |
|-------------------|----------------|-------------------------|
| REQUISITIONED BY: | SHIPPING TERMS | DELIVERY EXPECTED DATE: |
|-------------------|----------------|-------------------------|

P.O. Authorization and Date:

Authorized Signature: _____

Date: _____

PAYMENT VOUCHER SECTION [NOTE: YOU MUST ATTACH RECEIPTS OR BILLS TO THIS FORM TO SUBMIT FOR PAYMENT]
[IF PAYMENT FOR P.O. IS BEING SUBMITTED, A COPY OF THE P.O. MUST BE ATTACHED]

PAYEE Name and Address:

Payment Type: Purchase Reimbursement
 Payment on Purchase Order
 Payment on Blanket Purchase Order

PAYEE NUMBER: _____

or P.O. NUMBER: _____

| Item #(s) | Sub Fund Code | Location Code | Function Code | Program Code | Subject Code | Job Class Code | Object Code | |
|-----------|---------------|---------------|---------------|--------------|--------------|----------------|-----------------------|--------|
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| | | | | | | | | |
| | | | | | | | SUBTOTAL | \$ - |
| | | | | | | | SALES TAX | Exempt |
| | | | | | | | SHIPPING 53705 | \$ - |
| | | | | | | | TOTAL | \$ - |

RI Tax Exempt ID#8981

Staff Name

Date: _____

Authorized Signature: _____

Date: _____

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|--|--|------------|--|---|--|--|--|
| | | | | The Compass School 537 Old North Rd Kingston, RI 02881 | | | |
| Date | | | | | | | |
| <input type="text"/> | | Signature: | | Date: | | | |
| <i>Reviewed and Authorized by</i> | | | | | | | |
| PETTY CASH REQUEST | | | | | | | |
| This is to acknowledg the I, | | | | | | | |
| | | | | <i>Requestor</i> | | | |
| Received today, | | | | | | | |
| | | Date | | | | | |
| the amount of, | | | | | | | |
| | | Amount | | | | | |
| for the following purpose: | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| Note: Valid receipts must be attached to this form, either when requesting Cash, or within a week of requesting Petty Cash. | | | | | | | |
| Have receipts been attached? (circle one) Yes No | | | | | | | |
| You must provide receipts within 7 Calendar Days or return the cash you requested in full. | | | | | | | |
| Requestor: I understand the terms and the expectation of Compass with the use of it's Petty Cash Fund. I do abide by those terms and regard expectations | | | | | | | |
| <i>Requestor Signature</i> | | | | <i>Date</i> | | | |
| The Compass School Authorization: | | | | | | | |
| <i>Authorized Signature</i> | | | | <i>Date</i> | | | |

The Compass School
537 Old North Rd
Kingston, RI 02881

Date

Signature
:

Date:

Reviewed and Authorized by

RECORD OF DONATED GOODS AND/OR SERVICES

Received Date _____

Name and Address of Donor _____

The Following:
(check one)

Goods(s)
Service(s)

| Quantity | Description | Appraisal Method | Appraised Value |
|--|-------------|------------------|-----------------|
| | | | |
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| Total Value of Goods and/or Services Donated | | | |

Purpose of Donation: _____

The Compass School acknowledges with gratitude your generosity. Thank you.

The Compass School

537 Old North Road
Kingston, RI 02881
Phone 401.788.8322 Fax 401.788.8326

**Transfer Funds
Request**

| Transfer From | Transfer To | Reason For Transfer of Funds | AMOUNT | TOTAL |
|---------------|-------------|------------------------------|--------|-------|
| | | | | |
| <hr/> | | | | \$ |
| <hr/> | | | | |

Authorized by _____ Date _____

| | | | | |
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