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**BAYTECH**

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Bay Area Technology School  
8251 Fontaine Street  
Oakland, CA 94605

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# Fiscal Policies and Procedures Manual

**Adopted September 4, 2018**

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## **1. GENERALLY ACCEPTED STANDARDS OF FISCAL MANAGEMENT**

Charter organizations are required to meet generally accepted standards of fiscal management. It is now accepted that the primary responsibility for the fair presentation of financial statements rests with the reporting management of an organization. In order to enhance the internal controls of the Organization, BAYTECH is implementing the following general fiscal management guidelines:

1. BAYTECH will be transparent to the authorizers, parents, staff, and the community in all aspects of its fiscal operations, and will ensure that all public information is available to the community.
2. A fiscal year balanced budget that clearly defines achievable goals as defined in the school's charter, in the LEA's Local Control Accountability Plan (LCAP), and approved by the Board of Directors in the form of a budget resolution.
3. Full compliance with California uniform reporting procedures and the regulatory requirements applicable to charter schools and nonprofit organizations in the state of California.
4. Accounting records should properly and accurately record and account for all cash equivalent transactions, including actual cash. Accounting information should be relevant, reliable, comparable and consistent and must be available for the preparation of reliable financial statements.
5. Demonstrated compliance with Federal and state laws/regulations, State Board of Education policies and other compliance requirements.
6. Maintenance of documentation that outlines internal controls on business practices and operation.
7. Transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on public funds.
8. Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
9. Required independent audits are performed and submitted when due in a timely manner as prescribed by the California Department of Education.
10. Organization documentation that supports its financial statements and that reflect its financial position/condition, results of operations or changes in net assets and where appropriate, cash flows for any fiscal period/year.
11. Any necessary corrective action plans on any audit findings must be filed in writing and proposed changes will be reviewed by the Board and implemented in the subsequent fiscal year.
12. Political Contributions: No funds or assets of the School may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the School for political contributions in any form—whether in cash or other property, services, or the use of facilities—is strictly prohibited. The School also cannot be involved with any committee or other organization that raises funds for political purposes.

## **BOARD POLICY**

In the course of normal Organization business, many activities (fundraising, field trips, lunch program, etc.) involve the receipt of cash and checks, to be deposited in the Organization's bank account upon receipt. All cash and checks must be deposited within ten (10) business days – cash received from a fundraising event may not be retained outside of the Organization's bank account to hold for future fundraising projects, for example. Since the Organization receives cash and checks from a variety of sources for a wide range of activities, extra care must be taken at all stages of the deposit process to ensure accurate records and proper accounting controls are maintained. The specific procedures outlined below are to be kept updated and current.

## **PROCEDURE**

### **Persons responsible for handling cash/checks**

In order to maintain proper accounting controls, the Board Treasurer or Designee shall coordinate all transactions involving the deposit of cash/checks. The Board Treasurer or Designee will be responsible for ensuring proper documentation is in place verifying the source, amount, and itemization of amounts received, preparing and making bank deposits, and placing all items to be deposited in safekeeping prior to deposit.

### **Procedure for receiving cash/checks**

- a. **FROM VOLUNTEER EVENTS:** For each fundraising event in which cash or checks will be collected, a Volunteer Coordinator will be designated, who will be responsible for collecting and holding all cash and checks in the office lockbox or safe for the purpose of the fundraising activity. The Volunteer Coordinator may be a staff member, but is not required to be so. The Volunteer Coordinator shall maintain a written record of each donation at the time the donation is made. The Volunteer Coordinator will provide a receipt for all cash donations to the donor showing the date, amount, and nature of the donation, and for checks if requested by the donor.

After the event, or at least once weekly for on-going events, the Volunteer Coordinator shall use the written record maintained at the time of receipt to prepare a Deposit Summary, totaling the checks and cash. A detailed listing of all receipts must be attached. The total of the checks and cash listed in the Deposit Summary must match up with the written record of donations discussed in the above paragraph. The Deposit Summary must be initialed by a site administrator.

The Volunteer Coordinator will then give the deposit packet (including all cash, checks, and the Deposit Summary) to the Board Treasurer or Designee no later than close of business on the next available business day, and both parties must verify and agree on the amounts shown in the deposit packet with a member of the Business staff, placing their signature/date on the Deposit Summary form. The Board Treasurer or Designee then holds the funds in the office lockbox or safe until a bank deposit can be made, but in no case longer than ten (10) business days.

After deposit and within 24 business hours, a copy of the bank deposit receipt, copies of all deposited checks, along with a copy of the Deposit Summary, and notations indicating the

nature of the deposit amount, shall be given to the designated administrator, with the original kept in in the school office. Additional copies may be provided to authorized individuals responsible for tracking volunteer activities, as approved by the Executive Director or Designee.

- b. FROM MAIL RECEIVED OR CASH/CHECKS DROPPED OFF AT OFFICE: For any cash or checks received in the mail, the Board Treasurer or Designee shall prepare a Deposit Summary and bank deposit receipt itemizing the amount, source, and purpose of each payment, with a designated office staff member acting as verifier and second signatory on the Deposit Summary. If multiple items are received at the same time for the same purpose, they may be summarized in a single deposit packet as long as each payment is itemized as described above. The document packet should then be held in the office lockbox or safe until it can be deposited. For cash/checks dropped off at the front desk by hand, the person dropping off the amount shall place the cash/checks in a deposit envelope, together with a note or form detailing the name of the person and the purpose and amount of the deposit, and seal and sign the deposit envelope. A receipt will be given to the person dropping off the cash or checks. An office staff member must then immediately place the envelope in the office lockbox, where it will be processed along with the next batch of received mail as described above.

### **Procedure for storing cash/checks**

All cash and checks must be kept in the office lockbox or safe for safekeeping when not under the immediate supervision of the Board Treasurer Designee or Volunteer Coordinator. The office lockbox should be used for this purpose. Cash and checks may not under any circumstances be left in office or volunteer area unattended. Although the frequency of deposits must be balanced with other Organization needs, all efforts should be made to ensure quick turnaround and deposit of checks and cash received by the Organization.

## **PURCHASING AND VENDOR BID POLICY**

### **BOARD POLICY**

**PURCHASING:** All Organization purchases must be pre-approved. The primary person responsible for approving all purchases is the Executive Director/Principal. The Assistant Principal may also approve purchases only in the absence of the Executive Director. For purchases exceeding \$15,000 Board approval is also required, as outlined in the specific procedures below. Recurring expenses such as monthly rent, copier lease payments, recurring office supplies, or other periodic payments for which overall approval has already been granted do not require individual approval.

**INVOICING & RECEIPTS:** All purchases must be accompanied by an invoice or receipt, depending upon the nature of the item and the purchase method. For payments made using a credit/debit card, a receipt shall be obtained and/or printed at the time of purchase.

**CREDIT CARDS:** Credit card(s) should be kept under locked supervision at the Administrative Office when not in use. The Organization credit card(s) will be checked out on a case by case basis and may only be used when other forms of purchasing are not timely or appropriate (See Credit Card Policy).

### **Procedure for vendor bidding/estimates/proposals**

- a. The Bay Tech Board of Directors is committed to safeguarding the Organization's money and to promoting transparency and accountability when it comes to the use of public funds. When purchasing equipment, materials, supplies, or certain services, BAYTECH shall work to obtain the greatest possible value for the Organization.
- b. For purchases or contracts up to \$5,000 bids, estimates, or proposals are not required.
- c. For purchase or contracts above \$5,000 up to \$10,000 at least three bids, estimates, or proposals are recommended and may be procured in-person, or via telephone, email, letter, formal proposal, or other method of communication.
- d. For purchases or contracts about \$10,000 up to \$25,000 and subject to paragraph f below, at least three written bids, estimates, or proposals are required, and each bid, estimate, or proposal must be on the vendor's letterhead and must include enough relevant information about the purchase or contract to allow the Executive Director or Designee to make an informed decision or recommendation.
- e. For purchases or contracts above \$25,000 a competitive bid, estimate, or proposal process is required. Requests for bids, estimates, or proposals must be published, advertised, and/or solicited in the manner determined by the Executive Director or Designee, or the Board of Directors. The request for bids, estimates, or proposals must set forth (1) the required scope of work; (2) instructions and deadline for submission; (3) the approximate date the Board will review the bids, estimates, or proposals; and (4) any other information deemed relevant to the purchase or contract. The Executive Director or Designee shall attempt to secure at least three written bids, estimates, or proposals before they are presented to the Board. The Executive Director or Designee shall make a recommendation to the Board and all bids, estimates, and/or proposals received shall be presented to the Board for review.
- f. In the event a vendor is the only vendor that can reasonably supply a certain product or service, it is permissible for BAYTECH to solicit and accept one bid, estimate, or proposal. The Executive Director or Designee shall retain a written explanation of why the vendor is the only vendor that can reasonably supply a certain product of service.
- g. Selection of a bid, estimate, or proposal shall be based on multiple factors, including but not limited to, initial and future costs, quality of the products or services, any warranties, capability and experience of the vendor, and time of delivery or performance. Selection of the lowest bid, estimate, or proposal is not required. Selection of a bid, estimate, or proposal shall also comply with any other applicable BAYTECH policies (e.g., the *Nepotism Policy*).
- h. The Executive Director or Designee shall maintain a copy of all written bids, estimates, or proposals for at least one year.
- i. These procedures for vendor bidding, estimates, and proposals do not apply to certain contracts, such as those for professional services or insurance services, where the Executive Director or Designee in collaboration with the Board determines it is not in the best interest of BAYTECH to solicit bids, estimates, or proposals. The Executive Director's or Designee's determination shall be made in writing, including the reason(s) for the determination, and a copy shall be maintained on file for at least one year.

### **Procedure for approving purchases**

- a. Any desired purchase must be approved by the Executive Director/Principal or Assistant

Principal (the “Executive Administrators”) according to the following purchase approval levels:

- b. The Requester and the Authorizer must be different individuals.
  1. For amounts up to \$1,000, any one of the roles identified above, and including other administrative positions, may authorize purchases;
  2. For amounts above \$1,000 up to \$5,000, either the Executive Director or the Assistant Principal may authorize purchases;
  3. For amounts above \$5,000 up to \$10,000, the Executive Director’s approval is required to authorize purchases;
  4. For amounts above \$10,000 up to \$15,000, approval of the Executive Director and Board Chair is required to authorize purchases.
- c. For purchases of \$15,000 and above, full Board approval is required prior to purchase, although the Executive Director may seek Board approval for unusual purchases of any dollar amount at his/her discretion.
- d. For any purchase, documented evidence of the appropriate approval must be obtained prior to purchase.
- e. Once the appropriate approval has been authorized for a purchase, the Board Treasurer or Designee shall (a) create a Purchase Order, and deliver the signed Purchase Order to the vendor, OR (b) in situations where the item must be purchased directly (e.g., airplane tickets, etc.) only the most efficient and cost-effective manner shall be utilized, including competitive bid procedures where required by law or otherwise deemed appropriate and are in the best interest of the Organization.
- f. If the item is purchased directly by an Administrator, a receipt must be obtained at the time of purchase and provided to the Business Office as set for in the “Invoicing and Receipt Procedure” below.
- g. Regularly recurring expenditures exceeding \$15,000 (e.g., leases, rent, etc.) require only initial Board approval and identification as a recurring expenditure to the Board. Such recurring expenditures are exempt from Board and Administrator pre-approval and purchase requisition requirements.
- h. Every invoice that is received will be matched to the appropriate purchase requisition, and, if approved by the Executive Director and/or Assistant Principal, will be forwarded to the external financial service provider for payment. A batch of approved invoices, along with signature approval of the Executive Director or Designee, will be submitted to the external financial service provider at least once per week.
- i. A Check or Warrant Register listing all non-payroll payments (including checks, ACH, and/or wires) paid in a defined period will be included in the Board’s monthly financial packet as a consent agenda item.

### **Invoicing and Receipt Procedure**

For businesses or individuals seeking payment, an invoice must be provided prior to payment. Upon payment of invoices, verification of payment and the check number will be included on the invoice prior to filing.

### **Procedure for contracts and agreements**

All contracts or agreements, including those for ongoing services, shall be negotiated to obtain such services in the most efficient and cost-effective manner and in the best interest of the Organization. In certain cases, the Assistant Principal or Designee may act as agent of the Executive Director in negotiating administrative agreements such as insurance policies,

subject to the Executive Director's final approval. All such agreements must clearly define the scope of services to be performed, and the price for such services. A file shall be maintained by staff containing all documentation related to the reason for the contract/agreement as well as any research showing that the purchase is in the best interest of the Organization, including but not limited to any alternate bids, estimates, or proposals received for the good/service. Any such agreements in excess of \$15,000, once negotiated, must be approved by the Board prior to commencement of the contract to ensure they are in the best interest of the Organization and reflect reasonable market values. The Board may also recommend changes or revisions pending final approval. Any modifications or changes to existing contracts/agreements shall be made only in writing.

### **Procedure for handling invoices and vendor requests**

- a. All invoices received on-site should be delivered to Executive Director or Designee, who will scan and forward to the financial service provider with the appropriate approval as described above.
- b. If the invoice is for a smaller item and/or an immediate payment is necessary for the Organization's function (e.g., building repair, locks, etc.), the Assistant Principal may authorize on-site payment and pay for such item from the site's revolving (petty cash) fund account. However, use of purchase orders and payment via invoice shall be utilized whenever possible to ensure an accurate paper trail.
- c. The financial service provider shall be responsible for tracking all accounts payable and preparing Warrants/Checks for payment.
- d. The financial service provider shall print and sign checks or other payments at least on a weekly basis and send/deliver them to vendors as required.

### **Receipt of Ordered Goods Procedure**

All ordered goods MUST be shipped to the school site location or business office address, even during times of Organization closure during vacations and holidays. If goods are expected to be received during periods when the Organization is closed, a staff member shall be directed to contact the appropriate shipping provider and instruct them to re-deliver the goods when Organization is again open. Staff members shall not receive ordered goods during Organization closures unless arrangements are approved by the Executive Director or Designee so that the below receiving procedure is adhered to even during Organization closure.

When ordered goods are received at the school site or business office, at least two office staff members must be present to ensure that the items received match the packing slip –both staff members should sign the packing slip if all delivered items are accounted for. Organization staff will forward all packing slips to the Business Office in the Weekly Packet so the Business Office may mark all items as received in the accounting system. If any discrepancy exists between the packing slip and the goods as delivered, a member of the Business Office staff should be informed immediately. Once the packing slip is signed and the fixed assets are recorded in accord with the Fixed Assets Policy below, the materials can be disbursed. Staff should then follow up with vendors as necessary to resolve missed items. When invoices are received and sent to the Business Office, the Business Office will only pay for the portion of the order shown as "received" in the accounting system, unless specifically directed otherwise by the Executive Director or Designee.

## **BOARD POLICY**

**BUDGETS:** Education Code section 47604.33 requires charter organizations to prepare a series of annual budget reports to be submitted to the chartering authority and the county superintendent of organizations of the county in which their sponsoring district is located.

Cash flow management involves tracking actual and projected revenues, expenditures, and cash receipts and disbursements to ensure that sufficient cash is available to meet all financial needs when due, and that sufficient available reserves are maintained as a contingency in the event of unforeseen financial setbacks.

The Organization shall provide the following budget reports to its authorizer(s) by the following dates:

1. On or before July 1, a preliminary budget.
2. On or before December 15, a first interim financial report reflecting changes through October 31.
3. On or before March 15, a second interim financial report reflecting changes through January 31.
4. On or before September 15, a final unaudited report for the full prior year.

**ENDING BALANCE:** At each June 30, BAYTECH's goal is to maintain an unrestricted ending balance at or above 5.0% of total expenditures during the fiscal year just ending.

**RUNNING CASH BALANCE:** BAYTECH's goal is to maintain a running cash balance in excess of two (2) months total payroll, including benefits and deductions.

## **PROCEDURE**

### **Budget Structure**

BAYTECH's annual budget includes a Statement of Activities that shows projected revenues, expenditures, and changes in fund balance for the fiscal year beginning July 1 and ending June 30 of the following year. The overall budget contains balanced sub-budgets by resource for state categoricals, special education, and other restricted monies in addition to the unrestricted general account. The budget is based on the Statement of Activities but includes notations of balance sheet activities such as asset acquisitions and debt repayment that affect the Organization's operations.

All annual budgets, including initial, interim and monthly updates, shall include a multi-year projection for the current year and following two fiscal years, as well as a corresponding monthly cash flow statement that shows year-to-date and projected revenues and expenditures as well as other transactions affecting cash, plus a beginning and ending cash balance, broken out monthly.

### **Annual Budget**

In May of each year, the Organization will begin preparing the draft annual budget under the direction and supervision of the Executive Director, which is aligned to LCAP goals, using all available data

including monthly actual revenues and expenditures to date as well as planned adjustments for the coming year.

Prior to June 1 of each year, the Board may hold a special Budget Planning meeting specifically for budget review and planning, in which the draft budget, prepared by the Executive Director in conjunction with the Business Office, is presented to the Board and each area of the budget is discussed in depth by staff and Board members.

Alternatively, the Governance Board may instead designate members of a Finance Committee that will hold a separate Budget Planning meeting in place of a meeting of the entire Board. In the case of a separate Finance Committee meeting, the results of this meeting will be presented to the Board at their next regular or special Board meeting.

Executive Director and Board Treasurer (with the assistance of the financial service provider) will then revise and adjust the draft budget as directed by the Board and/or the Committee to create the Final Operating Budget for the coming fiscal year. Additional Budget Planning meetings may be scheduled if necessary to discuss any further revisions prior to finalizing the budget. The Committee Chair shall submit the draft Operating Budget, which aligns to the LCAP, to the Executive Director for final review.

Prior to July 1 of each year, the final budget along with each school's and/or the Organization's LCAP will be presented to the Board for final approval. Once approved, the final budget and the LCAP will be submitted to each school's sponsoring entity by July 1 as required under the Education Code

### **Interim Budgets**

On or before December 15 and March 15, the Executive Director with the assistance of the financial service provider will develop and present an updated interim annual budget to the Board for approval at a regular or special Board meeting. The interim budget shall reflect adjustments or revisions to the original budget made in response to changing financial conditions or needs of the Organization. The Board may elect to hold one or more Budget Planning meetings, or name a Finance Committee to hold such Budget Planning meetings, if deemed necessary prior to approval of each interim budget. Once approved, the First and Second Interim Budgets will be submitted to the school's sponsoring entity by December 15 and March 15, respectively, as required by law.

### **Updates**

At the next regularly scheduled or a special meeting of the Board, the Executive Director, Board Treasurer or Designee will provide to the Board an update of year-to-date revenues and expenditures, including a comparison of budgeted vs. actual amounts and a brief explanation of significant deviations from the original budget. The Board is not required to approve these updates – however, the Board may elect to approve any additions, revisions, or modifications to the Annual or Interim Budgets that it deems necessary to allow the Organization and schools to adapt to changing financial conditions. Any such changes to the Original or Interim budgets will be used as the current operating budget by Organization and school staff from that point forward, although copies of these operating budgets are not required to be submitted to sponsoring entities.

## **BOARD POLICY**

For volunteer or fundraising events sponsored by the Organization, costs may be paid either directly by the school or Organization or as reimbursement to volunteers. It is recommended that for those costs paid for by a volunteer, a single volunteer for each event be designated, to reduce paperwork and approval tracking. This volunteer may be (but is not required to be) the Volunteer Coordinator.

All reimbursements must be approved by Executive Director or Designee prior to payment – reimbursements will not be granted for items purchased without Executive Director or Designee approval. In all cases, it is recommended that volunteers receive Executive Director or Designee approval before making any purchases – if not pre-approved, volunteers run the risk of not being reimbursed for costs expended, if the cost is not deemed by Executive Director or Designee to be an eligible cost.

Any reimbursement request must be accompanied by valid receipts for all items (with the exception of mileage) and a completed Employee Reimbursement Request Form. For mileage reimbursements, a log must be included showing specifics of travel. Line items on credit card statements are not sufficient documentation for reimbursement.

## **CURRENT PROCEDURE**

### **Volunteer Budgets**

- a. For large-scale and/or extended timeframe fundraising activities conducted through BAYTECH (as opposed to through a separate nonprofit PTO), it is recommended that such activities have an itemized operating budget. This budget shall be prepared by the Volunteer Coordinator, or jointly by members of the Volunteer Committee in charge of such event.
- b. The BAYTECH Board or the PTO/PTC Board (as appropriate) shall determine during initial discussions of the event whether a separate operating budget is required, and if so, shall direct staff to coordinate such budget activities.
- c. As discussed in Section 2, each volunteer or fundraising activity must be headed by a Volunteer Coordinator chosen for such activity, who shall be responsible for coordinating all receipts of funds and payment of all costs with the Business Office.

### **Event Summary**

At the Board's discretion, for larger fundraising events, the Board may request that an "Event Summary" be prepared at the conclusion of the event. The Event Summary summarizes all income and expenses in connection with that event, and shows the "event profit" (all event revenues less all event expenditures). No specific format for the Event Summary is required as long as the relevant information is made clear. This Event Summary may be presented to the Board as part of the Executive Director's or Board Treasurer's report or as a specific agenda item.

## **FIXEDASSETSPOLICY**

## **BOARD POLICY**

In order to properly track all capitalized and non-capitalized assets, an inventory must be maintained for all items with a value of \$1,000 or more. This Inventory Record shall include the asset description, location, and ID tag/serial number, and for items exceeding \$5,000, shall reference the corresponding entry in the Fixed Asset Register for capitalized assets (see below). A textbook inventory of all textbooks shall also be maintained. The textbook inventory may be kept separate from the overall inventory.

## **PROCEDURE**

### **Fixed Asset Register**

Assets with a single value of \$5,000 or more year (or a collection of items such as a computer lab or set of similar furniture that has a system value of over \$5,000) and a useful life of more than one year are considered “fixed assets,” meaning they are included as assets on the Organization’s balance sheet (rather than as expenses such as books and supplies) and the cost of these assets is spread out over the useful life of the asset. This process is called “capitalization,” and involves including the value of the asset on the Organization’s balance sheet at acquisition, and charging a portion of the item’s value as “depreciation” each year over its useful life. In order to properly account for capitalized assets, a Fixed Asset Register must be maintained for all capitalized assets, and shall include asset description, acquisition date, cost basis, depreciation expense, accumulated depreciation and useful life. The Board Treasurer is responsible for maintaining the fixed asset register.

### **Procedure for Recording Inventory and Fixed Assets**

When any item is acquired with a cost basis of \$1,000 or more, an entry shall be made in the Inventory Record showing asset description, location, and ID tag/serial number, and a numbered identification tag shall be affixed to the item.

When the item (or group of items) that is purchased has a useful life of one year or more and has a cost of \$5,000 or more (or is part of a system or collection that has a collective cost of \$5,000 or more), the item should be entered into the Inventory Record as described in the above paragraph, and three additional steps must also be taken:

- a. A notation is made in the Inventory Record that this item is a fixed asset;
- b. The Business Office is informed that a specific purchase is considered a fixed asset;
- c. The Business Office makes an entry in the Fixed Asset Register reflecting the acquisition.

### **Annual Inventory**

At the end of each fiscal year upon a date determined by the Executive Director, a comprehensive physical inventory shall be conducted of all inventoried assets of \$1,000 or more (including but not limited to fixed assets), reconciling the Inventory Record, the Fixed Asset Register, and the information in the general ledger to match the results of the physical inventory.

## **DEBT MANAGEMENT POLICY**

## **BOARD POLICY**

The purpose of this policy is to enhance BAYTECH's ability to manage its debt in a fiscally conservative and prudent manner. The effects of decisions regarding types of borrowing, covenants and terms, interest rates, and payment structure directly impact the Organization's continuing operation. The Organization has thus established this Debt Management Policy to provide goals and guidelines for the Organization's borrowings.

The Organization's Debt Management Policy is as follows:

1. The Executive Director is responsible for administering and maintaining the Organization's current obligations under the direction of the Board. The Board Treasurer will meet with the Executive Director, financial services provider, and Board, as appropriate, regarding the status of the Organization's existing debt and to make specific recommendations.
2. No new debt shall be incurred without approval of the Board.
3. All approved annual budgets shall include timely repayment of all outstanding debt, or include a reasonable repayment plan for such debt if timely repayment is not possible.
4. Prior to incurring any new borrowing, the Board Treasurer shall prepare a financial analysis showing the effect of the borrowing on current and future operations. The Organization may not borrow if a reasonable financial analysis cannot show timely repayment of all obligations including the planned borrowing.
5. The Organization will seek financing options that are at the lowest interest cost and in the best interests of the Organization.
6. The Organization will take all practical precautions and proactive measures to avoid borrowing decisions that can negatively impact current or future operations.
7. The Organization will determine the term, rates, and covenants that will best fit within the overall existing debt structure at the time any new debt is incurred.
8. The Organization will explore, assess risk, and implement innovative structuring ideas when they are consistent with the above goals.

## **CURRENT PROCEDURE**

Use of Line of Credit Not Approved at this time

## **BOARD POLICY**

All bank accounts shall be established in the name of the Organization or School with prior board approval of the initial authorized signers. Annually with respect to all existing bank accounts, the Board shall review and approve all authorized signers and approve the continuing need for each account.

All loans or similar agreements shall be negotiated by the Executive Director or Designee or Board Treasurer to obtain such services in the most efficient and cost-effective manner, using the same procedures as described in "3. PURCHASING AND VENDOR BID POLICY – Procedure for Contracts and Agreements" above. All such agreements must clearly define all terms under which the Organization will be obligated and the price for such services.

## **PROCEDURE**

### **Reconciliations**

All bank statements should be reconciled monthly by the Executive Director or Designee, who does not participate in cash handling.

## **PETTYCASHPOLICY**

### **BOARD POLICY**

The purpose of a petty cash fund is to allow staff to make small purchases from cash on hand for those items that can be exempted from the normal purchasing process. These items include but are not limited to: (a) One-time and/or small supplies purchases with an immediate need (for example, running out of copy paper on the day a mailing goes out; or (b) other items that cannot be paid on the credit card and cannot use a PO process. The Executive Director shall designate a staff person as the Petty Cash Manager. This staff person can be the Assistant Principal, the Office Manager, or other staff member working in the Organization office. Approval from the Petty Cash Manager is required for any petty cash purchases. In times that the Petty Cash Manager is absent, the Petty Cash Manager may designate an interim Petty Cash Manager for those periods when absent. The amount of the petty cash fund is hereby set at \$500.00.

Replenishment of the petty cash fund to \$500.00 should be done on a monthly basis. In addition, all funds should be replenished at the fiscal year end so there are no outstanding receipts as of June 30.

## **PROCEDURE**

- Employee receives prior approval from the Petty Cash Manager or designee for the planned purchase.
- Employee makes the purchase, paying for the item with personal monies and obtains an itemized receipt or cash register sales slip.

- Employee presents the itemized receipt or sales slip to the Petty Cash Manager.
- Petty Cash Manager records the following information on the Petty Cash Log:
  - the amount of the purchase
  - the date
  - the purpose
  - the purchaser
- The Petty Cash Manager then disburses cash in the exact amount needed to reimburse the employee, keeping the above information together with the original receipts provided. The total of cash plus receipts in the petty cash box/file should always equal \$500.00.
- The reconciliation by the Petty Cash manager will be submitted to the Business Office on a monthly basis for review/approval and replenishment of funds.

### **PROCEDURE WHEN EMPLOYEE RECEIVES ADVANCE TO PURCHASE ITEMS**

- Employee receives prior approval from the Petty Cash Manager for the planned purchase. The Petty Cash Manager also indicates how much may be disbursed as an advance
- Petty Cash Manager disburses the approved amount of cash to the employee, recording the following information at the time of disbursement on the Petty Cash Log:
  - the amount of the advance
  - the date
  - the purpose (*Indicate if special funds/grants should be used i.e. Title I, Special Ed*)
  - the recipient's name
- Employee makes the purchase using the advanced funds and obtains an itemized receipt or cash register sales slip.
- Employee presents the itemized receipt or sales slip to the Petty Cash Manager along with any change from the original advance.
- The Petty Cash Manager notes the final cost of the item and amount returned on the original disbursement record described in #2 above, and keeps the record of the disbursement containing the above information together with the original receipts provided.

### **REPLENISHMENT PROCEDURE**

- Petty Cash will be reconciled on a monthly basis.
- The Petty Cash Manager is responsible to maintain a log of purchases which include the date, description, person making the purchase and amount of purchase.
- Receipts are required for all purchases and should be cross-checked to the petty cash reconciliation.

- The Business Office will verify the reconciliation submitted by the Petty Cash Manager to ensure the ending balance is correct.
- Missing receipts and/or questions concerning any discrepancies on the reconciliation are the responsibility of the Petty Cash Manager and will be resolved with the Business Office in a timely manner.
- Upon final reconciliation and approval by the Executive Director, the petty cash balance will be replenished to the approved balance, currently \$500.00.

APPENDIX A



# Bay Area Technology School Board Policy

## Business Expense Reimbursement Policy

### **STATEMENT OF POLICY**

Bay Area Technology School (“BAYTECH”) is a California nonprofit public benefit corporation that operates public charter schools funded with public dollars. Members of the BAYTECH Board of Directors (“Directors”) understand and affirm our obligation to safeguard and use charter school money only for appropriate purposes and consistent with the law. The law prohibits the donation of public funds but allows actual, appropriate, and necessary business expenditures.

This policy applies to all BAYTECH Directors and employees. It is the policy of BAYTECH to reimburse Directors and employees only for actual and necessary expenses incurred in the performance of their official duties on behalf of BAYTECH in accordance with this Policy. Each person subject to this Policy is accountable for expenses incurred when conducting business on behalf of BAYTECH and will adhere to all applicable policies and procedures adopted by the Board.

As stated in BAYTECH’s Bylaws, Directors serve on a volunteer basis without compensation, but are entitled to be reimbursed for actual and necessary expenses incurred when conducting the corporation’s business. Under the law, reimbursement for expenses is not considered “compensation” and does not alter the volunteer-status of Directors. (Corp. Code, § 5239(b).)

### **1. PURPOSE**

The goal of this policy is to provide consistent guidelines that set forth the approval and documentation requirements for the reimbursement of actual and necessary business expenses incurred by BAYTECH Directors and employees. For any reimbursement of an actual and necessary business expense the following conditions must be met:

1. The expenditure conforms to these guidelines and any applicable codes and regulations; and
2. There must be adequate documentation of the expenses, including adequately detailed receipts, description of business purpose, and attendees to a meeting, if applicable.

### **2. WHAT IS REIMBURSABLE?**

BAYTECH will reimburse Directors and employees for their actual and necessary business expenses. “Actual and necessary business expenses” means expenditures by the Director or employee on items or services that are helpful, reasonable and appropriate for BAYTECH’s business and that are common and accepted as such in the public charter school context. When there is a question about whether a particular expense is considered “actual and necessary,” such determination shall be made by the Board, and any exceptions must be approved by the Board.

The following information is meant as a guide for determining whether an expense is or is not reimbursable, but is not exhaustive.

(a) Directors.

Directors may be provided a BAYTECH laptop computer or tablet (e.g. a Chromebook) for their use at BAYTECH Board meetings and in the function of their Director duties, but Directors shall not receive or be reimbursed for any other technological devices they choose to purchase (e.g. computer, tablet, cell phone, iPod, etc.). Directors shall not be reimbursed for mileage or other expenses (e.g. toll road fees, parking fees, etc.) while traveling to and from BAYTECH Board meetings, but those expenses may qualify for a deduction from your personal taxable income.<sup>1</sup> Directors shall not be reimbursed for internet or cell phone service. Directors shall not be reimbursed for office supplies (e.g. pens, paper, printing, etc.) but are encouraged to communicate with BAYTECH staff if there are materials needed for a Board meeting, to print documents when necessary for BAYTECH business, etc.

Directors are encouraged to attend conferences, seminars, educational trainings, and external meetings on behalf of BAYTECH (e.g. membership organizations’ meetings and annual conferences, professional trainings, governance trainings, workshops, regional advocacy summits, etc.). Expenses for attendance are reimbursable under this Policy in accordance with the Special Procedures for Conferences, Seminars, Educational Trainings, Workshops, and External Meetings described below.

(b) Employees.

Employees are entitled by law to reimbursement for actual and necessary work-related expenses.

Administrators are provided a BAYTECH laptop computer (e.g. a Chromebook) for their use in the function of their duties, but shall not receive or be reimbursed for any other technological devices they choose to purchase (e.g. desktop computer, tablet, iPod, etc.).

Employees may from time to time attend conferences, seminars, educational trainings, and external meetings on behalf of BAYTECH (e.g. membership organizations’ meetings and annual conferences, professional trainings, governance trainings, workshops, regional advocacy summits, etc.) at the direction of the Executive Director or Board. Expenses for attendance are reimbursable under this Policy in accordance with the Special Procedures for

Conferences, Seminars, Educational Trainings, Workshops, and External Meetings described below.

(c) Other Prohibited Expenses.

Alcohol is not reimbursable. Expenses incurred for an BAYTECH Director's or employee's spouse, family member or personal friend are not reimbursable. Purely entertainment expenses while traveling for business (e.g. movies or television shows, theater productions, concerts, amusement parks, etc.) are not reimbursable.

3. **STANDARD PROCEDURES**

(a) Expense Form.

All requests by a Director or employee for reimbursement shall be submitted on BAYTECH's standard Expense Report Form (attached as Exhibit A) with all required supporting documentation attached.

(b) Supporting Documentation.

Reimbursable expenditures must be supported by adequate records which clearly establish that they were necessary, reasonable in amount, and incurred for a valid business purpose. All requests for reimbursement shall be accompanied by supporting documentation, which shall include any receipts and, whenever applicable, the following:

- (i) Airfare (e.g. for travel to a conference) – reservation confirmation from airline or e-ticket.
- (ii) Car Rental (e.g. for travel to a conference) – car rental invoice.
- (iii) Lodging (e.g. for travel to a conference) – itemized hotel invoice.
- (iv) Parking (e.g. for travel to a hearing, meeting or conference) – receipt from parking garage/ service.
- (v) Mileage (e.g. for travel to a hearing, meeting or conference) – mileage report documenting origin, destination, total miles traveled, and date of travel.
- (vi) All other expenses – itemized receipts.

Originals of the supporting documentation should be submitted, but copies will be acceptable with a reasonable explanation as to why the original is unavailable.

(c) Timely Submission.

The Expense Report Form showing actual expenses, together with supporting documentation, shall be submitted within 30 days of incurring the expense. All reimbursements must be reviewed and approved by the appropriate individual

described below. BAYTECH reserves the right to refuse any reimbursement request that is inaccurate, does not include the appropriate supporting documentation, is submitted late, or otherwise fails to fully comply with this Policy.

(d) Approval.

Once the foregoing requirements have been met, the requested reimbursement shall be approved. However, because no one is permitted to approve his or her own expenses, “One over One” approval, evidenced by the signature of the person responsible for such approval, must be given as follows:

- (i) Expense reimbursement requests from employees other than the Executive Director shall be approved by the Executive Director.
- (ii) Expense reimbursement requests from BAYTECH Board Directors or the Executive Director shall be approved by the Board Chairperson.
- (iii) Expense reimbursement requests from the Board Chairperson shall be approved by another Director (e.g. the Board Secretary or Board Treasurer).

(e) Payment of Reimbursement.

Completed Expense Request Forms meeting all of the foregoing requirements and approved by the appropriate Director or the Executive Director will be processed and paid no later than two (2) weeks from the date of approval. Reimbursements will be paid by check.

Notwithstanding the foregoing, the Board may approve reimbursements when documentation or reports are submitted late or are unavailable, for good cause shown.

4. **SPECIAL PROCEDURES FOR CONFERENCES, SEMINARS, EDUCATIONAL TRAININGS, WORKSHOPS, AND EXTERNAL MEETINGS NOT IN THE ORDINARY COURSE OF BUSINESS**

The following special procedures shall be used for Directors or employees attending conferences, seminars, educational trainings, workshops, or external meetings not in the ordinary course of business on behalf of BAYTECH.

(a) Board Approval Required.

In order to be eligible to receive reimbursement for expenses relating to a conference, seminar, educational training, workshop, or external meeting not in the ordinary course of business, Directors and employees must obtain Board approval. The name, purpose, and location of the event, as well as the reasonable estimated cost of attendance (registration fee, travel/transportation, meals, lodging, etc.), shall be provided to the Board when approval is sought.

(b) Direct Billing.

After Board approval has been obtained, the Executive Director or designee may coordinate direct billing or use the corporate credit card for advance registration fees, travel/transportation, lodging, and other expenses that may be purchased ahead of time. For all other expenses, Directors and employees may be reimbursed upon submittal of an Expense Report Form, as set forth in Exhibit A.

(c) Report to Board.

Directors and employees must present a written or oral report at a Board meeting within 60 days upon return from a conference, seminar, or other external meeting which the Director or employee attended that was paid for by BAYTECH. This report shall describe, at minimum, some of the things learned from the event and why they are valuable to BAYTECH. The quality of a Director's or employee's report shall be a factor in future decisions to approve that individual's attendance at conferences, seminars, or other external meetings on behalf of BAYTECH.

5. **MISCELLANEOUS**

(a) Reimbursement Rates.

The following information shall guide Directors and employees when they intend to seek reimbursement from BAYTECH for actual and necessary business expenses.

(i) Airfare.

BAYTECH shall only reimburse airfare expenses for coach or economy class tickets; first or business class tickets are not reimbursable under this Policy. Each person is expected to assist BAYTECH in acquiring the best rate and greatest discount they reasonably can on airline tickets.

*Note:* If a person chooses to travel in his or her private automobile, rather than by airline, the person will be reimbursed for mileage at the rates specified in this Policy, provided that such reimbursement does not exceed the cost of coach or economy airfare, plus normal cost for transportation to and from the airport at the point of departure and the airport at the destination. If two or more persons travel in the same private automobile, the person whose private automobile is used, will get full mileage reimbursement, provided that said mileage meets the requirements above as to each person traveling together, and does not exceed the cost of coach or economy airfare plus normal cost for transportation to and from the airport at the point of departure and the airport at the destination.

(ii) Lodging.

Choice of lodging shall be determined by convenience to the conference, seminar, or external meeting location within reasonable economic limits. Lodging shall not be reimbursed or provided at BAYTECH's expense if the meeting site is within 60 miles of the person's legal residence without

prior approval based upon unusual circumstances which make it impractical to travel to the site of a meeting on the date scheduled. Directors and employees shall use discount or group rates, if available. If the group rate is not available, persons shall use comparable lodging, either at a rate not more than the maximum group rate published by the conference, seminar, or external meeting sponsor. If persons wish to take a guest, they must pay any rate differential over the single room rate.

(iii) Car Rental.

The size of the car rental shall be appropriate to the number of individuals traveling in the group and the intended business of the group. Discounts or group rates shall be used, if available.

BAYTECH is insured for collision and comprehensive coverage when renting vehicles. Persons shall decline these coverages when renting vehicles.

(iv) Mileage.

The reimbursement rate for use of personal vehicles shall be the IRS standard mileage rate for business miles deduction in IRS Publication 463. Mileage will be calculated as the actual mileage incurred assuming a reasonable and direct route between origin and destination point is taken.

Directors are not entitled to reimbursement for mileage to attend BAYTECH Board meetings.

(v) Other Transportation Expenses.

Actual and necessary expenses for taxi, bus, shuttle, and tolls are reimbursable. Persons are expected to use hotel courtesy cars or shuttles where practical before using taxis or rental car services.

(vi) Meals and Gratuities.

Directors and employees may receive reimbursement for reasonable meal-related expenses for each day of authorized travel, which shall not exceed the IRS standard meal allowance in IRS Publication 463, as revised from time to time. Alcoholic beverages are considered a personal expense and are never reimbursable. Directors and employees are expected to eat at scheduled group meal functions rather than purchase their own food whenever possible. Reasonable gratuities will be reimbursed with proper supporting documentation (e.g. receipt).

(vii) Dues and Professional Organizations.

BAYTECH will reimburse for membership in no more than one professional organization pertinent to the performance of official duties and mutually beneficial to BAYTECH and the Director or employee.

BAYTECH may pay for these dues directly to the vendor on behalf of the person or may reimburse the person after submitting an Expense Report Form.

(viii) Certification and Licenses.

Individual certification and licenses (e.g. teaching credential fees) are considered the responsibility of the person and are not reimbursable.

(b) Penalties.

In accordance with applicable law, as it may be revised from time to time, penalties for misuse of public funds or falsifying expense reports in violation of this Policy may include, but are not limited to the loss of privileges, restitution to BAYTECH, civil penalties, and criminal prosecution.

**BAY AREA TECHNOLOGY SCHOOL  
BOARD OF DIRECTORS POLICY**

**POLICY TITLE: Credit Card Use Policy**

Bay Area Technology School (“BAYTECH”), a California Nonprofit Public Benefit Corporation that operates public charter schools, hereby adopts this policy governing credit card use. This Credit Card Use Policy memorializes BAYTECH’s commitment to being good stewards of public funds and ensuring that internal controls are implemented and followed.

BAYTECH administrators are required from time to time to expend funds in the performance of school business when a purchase order is neither practical nor possible. The Board of Directors recognizes the value of an efficient method for purchasing authorized goods, supplies and services, including method of payment and record keeping for expenses. It is understood that travel accommodations, various online transactions, and occasional other purchases require the use of a credit card. Use of organizational credit cards is not intended to replace effective procurement planning or transactions that should be handled through purchase orders.

The BAYTECH Board authorizes the select administrators identified herein to use Organization credit cards for the purposes set forth in this policy. No other employee may use a BAYTECH credit card.

The following administrators are authorized to use an Organization credit card: Executive Director, Assistant Principal, Office Manager

The credit limit for each card shall not exceed the following amounts: \$3,000 for Executive Director; \$1,000 for Assistant Principal and Office Manager; and

The Board designates the Executive director as the custodian of Organization credit card.

Use of Organization credit card is a privilege and the Executive Director may withdraw the privilege of use at any time. Violation of the provisions of this policy may result in the revocation of the administrator’s credit card use privileges and/or discipline up to and including dismissal.

**OPERATIONAL PROCEDURES**

The use of Organization credit cards by authorized BAYTECH administrators is subject to the following procedures:

1. Organization credit cards will be under the custody of the Executive Director. A credit card may only be issued to an administrator for use after a written request as described below has been submitted to the Executive Director. The administrator must return the credit card within one (1) business day after

the requested use. Or, if the administrator is traveling with the credit card, within (1) one business day of their return.

2. Administrators shall direct a written request for the use of an Organization credit card to the Executive Director. The request shall include the nature of the items to be charged, estimated amounts to be charged, the date(s) of the requested credit card use, and the date the credit card will be returned to the Executive Director.
3. The following are examples of purchases that are appropriate for the Organization credit card: conference/seminar registrations; travel/conference expenses, including but not limited to transportation services, airfare, or car rental expenses; business supplies, including but not limited to office supplies, educational supplies, and operation and maintenance supplies; and instructional games and toys. The Organization credit card shall not be used for cash advances, gift cards, or money orders.
4. Airline tickets may be purchased with an Organization credit card only with prior Executive Director or Designee approval. If the issued credit card provides for purchase incentives (*i.e.*, points, discounts or airline mileage credits), such incentives accrued by employees using the Organization credit card are the property of the school and shall only be redeemed for authorized school business.
5. Personal items shall not be charged on Organization credit cards. Violation of this provision will result in the revocation of the administrator's credit card use privileges and/or discipline up to and including dismissal. If a personal item is inadvertently purchased with an Organization credit card in violation of this policy, repayment by the employee must be made immediately.
6. The purchase of alcoholic beverages on an Organization credit card is strictly prohibited.
7. Prior to first issuing and/or providing use of an Organization credit card to an administrator, the administrator will be instructed and trained regarding the use of Organization credit cards and he/she will provide written acknowledgement that he/she received a copy of this policy and understand his/her responsibilities with regard to the use of Organization credit cards.
8. Itemized receipts and/or invoices for each purchase/transaction that document purchase for which the card was used will be required for all transactions. Receipts and/or invoices shall identify the vendor and date of purchase. All documentation related to any purchases/ transactions must be submitted to the Business Office within ten (10) business days of the purchase/transaction. Employees using an Organization credit card are responsible for maintaining and submitting all receipts. If an employee fails to submit an itemized receipt within ten (10) business days, the administrator will be personally responsible for the charge. If a receipt is lost or missing, the employee will be responsible for contacting the vendor and acquiring a new receipt.
9. The Executive Director or Designee will review and reconcile credit card statements and purchases/transactions on a monthly basis and will verify that each item purchased was received. The Organization will take action to follow up on any identified discrepancies no later than five days of the discovery of the discrepancy. No administrator will be allowed to review and approve his/her own purchases/transactions. All credit card balances will be paid in full on a monthly basis.
10. If an administrator loses an Organization credit card or has an Organization credit card stolen, the administrator must report the loss or theft of the credit card to the Executive Director immediately. If the Executive Director loses or has a credit card stolen, he/she must report the

loss or theft to the Board Treasurer immediately. Upon report of a lost or stolen credit card, the Business Office will notify the issuer of the card of the loss or theft and cancel the card immediately.

11. As personnel changes take place due to hiring, reassignment, and/or terminations, the Board Treasurer or Designee will update the authorized user list with the issuing credit card company.

Board Approved: 9/4/18

**ACKNOWLEDGEMENT OF RECEIPT OF THE  
BAY AREA TECHNOLOGY SCHOOL  
ORGANIZATION CREDIT CARD USE POLICY**

My signature below represents my acknowledgement that I have received a copy of BAYTECH's Organization Credit Card Use Policy explaining the appropriate and acceptable use of the credit card, and that I have read and understand the policy and my obligations as an authorized Organization credit card user. Specifically, I understand that:

- Use of the BAYTECH credit card is a privilege;
- Violation of BAYTECH's Credit Card Use Policy may result in the revocation of my credit card use privilege and/or disciplinary action up to and including dismissal;
- The credit card is to be used solely for school-related purchases;
- If I lose an BAYTECH credit card or have an BAYTECH credit card stolen, I must report the loss or theft of the credit card to the Business Office immediately; and
- I am responsible for maintaining all receipts and, if I fail to submit an itemized receipt for a transaction within ten (10) business days, I will be personally responsible for the charge.

Employee Name: \_\_\_\_\_

Title: \_\_\_\_\_

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **Bay Area Technology School Payroll Processing Policy**

### **BOARD POLICY**

Under the direction of the Executive Director and in conjunction with the Coordinator of Human Resources, Bay Tech's financial services staff will follow the Board approved policy and procedure for issuing of payroll in the names of the charter school employees for the respective amounts set forth. Each employee will be furnished with a statement of the amount earned and an itemization of the amounts withheld therefrom under requirements of the law or by direction of the employee. The payroll warrants shall show the closing date of the pay period for which issued and the date of issue and a statement that it is drawn by order of the governing board of Bay Area Technology School and shall bear the signature of the Executive Director.

### **PROCEDURE (This needs to be updated to reflect our policy with identified Back Office and will be revised after October 1)**

#### Non-Exempt Timesheet Employees:

Wages are paid to Non-Exempt Timesheet Employees on the 1<sup>st</sup> and 16<sup>th</sup> of the month.

For a pay date of the 1<sup>st</sup>, timesheets will reflect time worked from the 5<sup>th</sup> to the 19<sup>th</sup> of the previous month. Timesheets are due on the 19<sup>th</sup> of the month for this pay date and should be submitted to the Office Manager or the employee's authorized supervisor at the end of the employee's scheduled shift. For a pay date of the 16<sup>th</sup>, timesheets will reflect time worked from the 20<sup>th</sup> of the previous month to the 4<sup>th</sup> of the current month. Timesheets are due on the 4<sup>th</sup> of the month for this pay date and should be submitted to the Office Manager or the employee's authorized supervisor at the end of the employee's scheduled shift. It is the responsibility of the employee to submit their completed timesheet by the due date listed above. Timesheets submitted after the due date may result in a delay of pay.

It is the responsibility of the employee's authorized supervisor to review submitted timesheets for completeness and accuracy. Timesheets must be signed by the employee's authorized supervisor and submitted to the Coordinator of Human Resources by the 5<sup>th</sup> and 20<sup>th</sup> of each month, respectively, for final review and processing. All non-exempt pay rate information is reflected on BAYTECH's site based Non-Exempt Payroll Master List. The Coordinator of Human Resources reviews each employee's pay rate to ensure that all Non-Exempt Timesheet Employees are paid at the correct pay rate based on their employment agreement.

Non-Exempt Timesheet Employees are only paid for the time listed on their timesheet. A delay in pay may result if a timesheet is not returned or submitted after the due date.

Additional fields on the Payroll Master List may be populated if necessary (i.e., Stipend/Special Pay, Application of Paid Sick Leave).

Authorized Supervisors: Executive Director, Principal, Assistant Principal, Program Coordinator

#### Non-Exempt Salary Employees – 11 Month

In accordance with Bay Area Technology School's At-Will Employment Agreements for 11-month Non-Exempt Employees, an employee's gross annual salary is paid bi-monthly over 11 months for a total of 22 installments, less statutory and other authorized deductions. Payment of wages will begin August 16<sup>th</sup> and will be paid on the 1<sup>st</sup> and 16<sup>th</sup> of each subsequent month, ending June 30<sup>th</sup>. No payment of wages will be issued in the month of July. If an employee is hired after the calendar for which the employee's position begins or is terminated before the calendar for the employee's position ends, compensation will be prorated.

All non-exempt salary information is reflected on BAYTECH's Non-Exempt Payroll Master List. The Coordinator of Human Resources reviews each employee's regular bi-monthly wages per pay period to ensure that all active employees receive the correct wages based on their employment agreement. If an employee is on an unpaid leave of absence, the total pay amount for that pay period is blocked on the associated Payroll Master List. If an employee is receiving prorated wages due to late start or separation, the prorated wage amount is listed. Additional fields on the Payroll Master List may be populated if necessary (i.e., Stipend/Special Pay, Deduct for Sick Leave Overage).

#### Exempt Salary Employees – 11 Month

In accordance with Bay Area Technology School's At-Will Employment Agreements for 11-month Exempt Employees, an employee's gross annual salary is paid evenly over 11 months for a total of 11 installments, less statutory and other authorized deductions. Payment of wages will begin August 25<sup>th</sup> and will be paid on the 25<sup>th</sup> of each subsequent month, ending June 25<sup>th</sup>. No payment of wages will be issued in the month of July. If an employee is hired after the calendar for which the employee's position begins or is terminated before the calendar for the employee's position ends, compensation will be prorated.

All exempt salary information is reflected on BAYTECH's site based Exempt Payroll Master List. The Coordinator of Human Resources reviews each employee's regular monthly wages per pay period to ensure that all active employees receive the correct wages based on their employment agreement. If an employee is on an unpaid leave of absence, the total pay amount for that pay period is blocked on the associated Payroll Master List. If an employee is receiving prorated wages due to late start or separation, the prorated wage amount is listed. Additional fields of the Payroll Master List may be populated if necessary (i.e., Stipend/Special Pay, Deduct for Sick Leave Overage).

#### Non-Exempt Salary Employees – 12 Month

In accordance with Bay Area Technology School's At-Will Employment Agreements for 12-

month Non-Exempt Employees, an employee's gross annual salary is paid bi-monthly over 12 months for a total of 24 installments, less statutory and other authorized deductions. Payment of wages will begin July 16<sup>th</sup> and will be paid on the 1<sup>st</sup> and 16<sup>th</sup> of each subsequent month, ending June 30<sup>th</sup>. If an employee is hired after the calendar for which the employee's position begins or is terminated before the calendar for the employee's position ends, compensation will be prorated.

All non-exempt salary information is reflected on BAYTECH's site based Non-Exempt Payroll Master List. The Coordinator of Human Resources reviews each employee's regular bi-monthly wages per pay period to ensure that all active employees receive the correct wages based on their employment agreement. If an employee is on an unpaid leave of absence, the total pay amount for that pay period is blocked on the associated Payroll Master List. If an employee is receiving prorated wages due to late start or separation, the prorated wage amount is listed. Additional fields on the Payroll Master List may be populated if necessary (i.e., Stipend/Special Pay, Deduct for Sick Leave Overage).

Exempt Salary Employees – 12 Month:

In accordance with Bay Area Technology School's At-Will Employment Agreements for 12-month Exempt Employees, an employee's gross annual salary is paid evenly over 12 months for a total of 12 installments, less statutory and other authorized deductions. Payment of wages will begin July 25<sup>th</sup> and will be paid on the 25<sup>th</sup> of each subsequent month, ending June 25<sup>th</sup>. If an employee is hired after the calendar for which the employee's position begins or is terminated before the calendar for the employee's position ends, compensation will be prorated.

All exempt salary information is reflected on BAYTECH's site based Exempt Payroll Master List. The Coordinator of Human Resources reviews each employee's regular monthly wages per pay period to ensure that all active employees receive the correct wages based on their employment agreement. If an employee is on an unpaid leave of absence, the total pay amount for that pay period is blocked on the associated Payroll Master List. If an employee is receiving prorated wages due to late start or separation, the prorated wage amount is listed. Additional

Payroll Master Lists:

All Add/Change documentation related to an employee's payroll information is submitted to the payroll management service provider no later than one week prior to the scheduled pay date for that pay period. Add/Change documentation can include, but is not limited to, new hire information, separation information, tax withholding changes, direct deposit changes, change in address/personal contact information, health benefit deductions, and other voluntary payroll deductions.

Once Payroll Master Lists are complete with timesheet and salary wages to be paid, they are provided to the Executive Director/Managing Director for review and approval. Each Payroll Master List must contain the signature of the Executive Director/Managing Director in order to be submitted for processing. Once signed, the Coordinator of Human Resources submits the approved Payroll Master Lists to the payroll management service provider no later than one week prior to the scheduled pay date for that pay period.

Payment of Wages:

Payment of wages for Non-Exempt Timesheet Employees and Non-Exempt Salary Employees (11 month and 12 month) is issued on the 1<sup>st</sup> and 16<sup>th</sup> of the month in accordance with their approved timesheet or position work calendar. Payment of wages for Exempt Salary Employees (11 month and 12 month) is issued on the 25<sup>th</sup> of the month in accordance with their position work calendar. Should any of the pay dates listed fall on a Saturday or Sunday, pay will be issued on the Friday prior. Should any of the pay dates listed fall on a holiday, pay will be issued on the first regular business day immediately prior to the holiday. Payment of wages is either made via direct deposit or via live check. Paychecks/paystubs are normally available to employees by the end of the business day on the pay date as described above. If an employee observes an error in their pay, they are encouraged to contact the Coordinator of Human Resources immediately.

**Board Approved September 4, 2018**

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