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**ARISTOTLE**  
PREPARATORY ACADEMY  
A Challenge Foundation ✦ Academy

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Aristotle Preparatory Academy  
FINANCIAL OPERATIONS POLICIES  
2017-2018

The Financial Operations Policy of Aristotle Preparatory Academy and its Board of Directors comply with statutes and regulations that apply to financial operations of charter schools.

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## **Mission Statement:**

The mission of Aristotle Preparatory Academy: A Challenge Foundation Academy (APA-CFA) is to prepare students of all racial and ethnic backgrounds for success in college and to become productive citizens by combining a rigorous STEM focused curriculum with focused character development.

## **I. Business Plan and Budget Processes:**

### **A. Business Plan:**

The educational focus of Aristotle Preparatory Academy: A Challenge Foundation Academy has three aspects: the Core Knowledge Sequence, STEM (Science, Technology, Engineering, and Mathematics) course offerings and character education.

The Core Knowledge Sequence provides a coherent, cumulative, and content-rich learning experience for all students. The Core Knowledge Sequence specifically states which topics, stories, works of art, and other content to be taught at each grade level K – 8. This curriculum intentionally integrates all subject areas so that students can develop a deeper understanding of the topics they are learning. This ensures that all students at APA-CFA will have the background knowledge on which to build in future grades.

Allowing each student access to practical and in-depth exploration of STEM concepts, students of APA-CFA will be fluent in the use of skills needed in the 21st century workplace and be exposed to a wide variety of concepts and their real-world applications. Building on the topics learned in Core Knowledge, students not only be able to gain an understanding of topics in these fields, but also the history and development of each of them. This gives students a broader perspective and deeper appreciation for the contributions of and possibilities in these fields of study. Students are able to work in their area of interest while applying their critical thinking and logic skills. Acquiring these skills will put students of APA-CFA at an advantage as they will be well prepared to enter college or the workforce in one of these fields, if desired.

The character development of each student at APA-CFA is a daily priority. Students have opportunities both in and out of the classroom to demonstrate their positive character. Character education at APA–CFA is guided by our belief in Conscious Discipline (CD). CD is a comprehensive classroom management program and a social-emotional curriculum. It is based on current brain research, child development information, and developmentally appropriate practices. CD is a longtime leader in integrating classroom management and social-emotional learning. It utilizes everyday events rather than an external curriculum, and addresses the adult's emotional intelligence as well as the child's.

APA-CFA reaches out to the surrounding community by printed communication as well as hosting on-site events such as family days where families and friends of the school can connect with each other and the staff. APA-CFA reaches out through social media and keep updated information on the school's site, <http://aristotle.teamcfa.school>. In efforts to make attending APA-CFA a real possibility for every child in the surrounding community, the school runs several bus routes each morning to bring the children to school and each afternoon to ensure they arrive safely back home.

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APA-CFA is governed by its Board of Directors (BOD), coached by Achievement for All Children (AAC) and mentored by the network of members within TeamCFA. The BOD meets monthly. The meetings are held the second Tuesday of each month at 5:00 p.m. At the school's campus located at 8101 Fallsdale Drive in Charlotte, NC. Aristotle Preparatory Academy has relocated to this address for the 2017-2018 school year and making plans to purchase the property in the coming months.

For the 2017-2018 school year, Aristotle Preparatory Academy will serve children in grades K-5. With the charter approved for the school to expand to a full K-12 facility, the school is making efforts to add a grade each year.

### **B. Budget Process:**

The school contract with Acadia Northstar (ANS), who prepares the monthly budget for the board after conferencing with the school director. These reports track status of all budget line items and generates a cash flow report. This report guides the school director in expenditures as well as helps the BOD determine if adjustments are necessary to ensure the school's financial viability.

Annually, the BOD will review and approve the budget according to the projections based on the student enrollment and funds expected to generate. The BOD, along with AAC will determine a staffing model based on the expected revenue. Any changes are to be brought before the board for approval. Monthly, the BOD will examine any change needed and vote to approve or amend the budget. The BOD will support the school director and his/her recommendations for use of funds and allowing flexibility for a .05% variance when needed. When purchases exceed \$5,000.00, or are not within the schools approved operating budget, prior written approval will be needed by the BOD or their representative (treasurer).

Following the release of the monthly report to the school director, the school director collaborates with the BOD Treasurer. Together they review the month's expenses and evaluate the school's financial revenues and expenditures. Upon ANS, the school director and the BOD treasurer being satisfied the monthly report is true and accurate, and has captured the up to date payables and receivables balances, the report is released to the BOD for the monthly board meeting. The budgets are discussed in open session and the public is invited to attend the meeting. The BOD ensures the school is operating with the cash flow budget, amends accordingly (if needed) and approves monthly.

Agendas and minutes from each meeting are stored in the front office and available for public review at any time. However, the printed report must remain in the office for public reference. Anyone can request a copy of the board meetings, however, they may be a charge of up to \$.10 per sheet to recover the cost of copies.

### **C. Annual Operating Budget:**

The annual operating budget is established based on the number of students enrolled at Aristotle Preparatory. State and local funding is initially determined pursuant to projected enrollment numbers for the charter school. The school director will determine a reasonably accurate projected enrollment for the upcoming year. The projection aids the BOD determining revenues for the year and how to best allocate the funds to serve the needs of the children. The BOD will establish and approve funding guidelines each year. The BOD will review monthly budget reports to ensure the school's daily operations are sustained through the proper use of funds.

The BOD will utilize the North Carolina Chart of Accounts, located at <http://www.ncpublicschools.org/fbs/finance/reporting/coa2015>. ANS will also use the Chart of Accounts to guide spending codes. The state chart of accounts is organized by function and object numbers. Function numbers are the larger umbrella categories, and object numbers are more specific categories. Creating a budget document that is aligned with the chart of accounts makes creating financial reports and reporting to stakeholders easier and more consistent with public school financial processes in North Carolina. Coding also supports the school's annual audit process.

The budget document itself shows revenues by source (e.g., state funding, federal funding, grants, fees, etc.) and expenditure by object (e.g., salaries, benefits, facilities, curriculum & materials, books, services, professional training, utilities, insurance, etc.) for the current year of operations.

#### **D. Monthly Cash Flow Statements:**

A cash flow statement will show the cash generated and collected by school operations as well as the school's expenditures. While the cash flow statement is based upon the annual operating budget, it disaggregates the data into monthly columns resulting in either a surplus or a deficit. Cash flow statements are important tools to assist new and operational boards in planning for cash shortfalls and excesses, and are reviewed regularly.

The annual operating budget will be approved by the governing board. The approval of the budget and any amendments must be recorded in the minutes of the board meeting. Accurate records of budget adoption and amendments are kept on file at the school. These are often reviewed by auditors during the annual audit process. See **Appendix A** for the Resolution Approval Policy.

### **II. System of Fiscal Controls:**

#### **A. School Director and BOD treasurer:**

Charter schools have the flexibility to exercise autonomy over budgets and expenditures, and must have the proper procedures in place to ensure that the board is complying with its fiscal responsibilities. The AFA-CFA BOD elects a treasurer who meets monthly with the school's director. The meeting is to discuss the financial progress of the school and to ensure there is no reason for concern with the BOD in regards to the school's director or the expenditures of the school. The BOD treasurer's responsibility to ensure fiscal concerns are always brought to the attention of the board. Once , BOD will review the concerns and take appropriate steps to address concerns.

#### **B. Bank Accounts and Procedures**

Aristotle Preparatory Academy's BOD has designated Branch Banking and Trust (BB&T) a bank to be used for deposits, checking accounts, credit card services and other banking needs. BB&T is FDIC insured or otherwise fully collateralized.

#### **C. System of Internal Controls**

The development of a system of internal controls is of utmost importance to APA-CFA's financial stability. Internal controls are necessary in order to protect the school from unauthorized access and use of records and funds. In order to protect the school's finances, the school will limit use of the credit card to only a select group of personnel to allow access to it for purchase. These individuals are those who place orders on behalf of the school, who will be responsible for ensuring the buses have fuel for transportation and for payment of services provided for the school, including reservations for conferences and field trips. To use the school's credit card, a user will sign out the card on a log located in the administrator's office. The user will list the purpose of the expense on the log. Charges are to be approved prior to purchase with the initials of the administrator who authorized the purchase. When returning the card, the sales receipt must be returned to the school's administrator or the financial secretary. The person collecting the receipt will

initial that the receipt was returned. If the receipt is lost, the person who misplaced it will have to complete a Missing Receipt Form, sign it and turn it in to the school's director. The director will either consider and approve the purchase if it has the proper prior authorization. If the purchase was not approved, the employee will have the amount of the purchase deducted from his/her payroll to repay the school for the unauthorized purchase.

The BOD treasurer will meet with the school director monthly to review the budget reports and prepare to present to the BOD during the public meeting. The treasurer may review the purchases for the month and ask clarifying questions if needed. The treasurer and the school director will present the financial report to the board at the regular scheduled board meeting.

#### **D. A system of checks and balances:**

The Aristotle Board of Directors appoints a treasurer, the treasurer will meet with the school director monthly. The treasurer may request a review of receipts and invoices, along with the documentation justifying the expense. These selected invoices and receipts will serve as a form of checks and balances. In addition, the school contracts with Acadia Northstar. Their office collects proper documentation for the school's file according to their financial policies and procedures. Acadia Northstar pays the school's vendors within a timely manner to avoid late fees and interest charges.

The treasurer also has authority to sign checks and assign other employees to sign checks. Only designated employees will make deposits, withdrawals or request checks from ANS. All banking passwords will be kept among the treasurer, designated employees and the account executive at ANS. In the event of a security breach, the passwords will be changed immediately.

Any employee who misuses funds, including charges on the school's credit card, in any way is subject to legal charges. **Appendix C** for details additional financial procedures. APA-CFA will not keep petty cash on the property, as it does not ensure adequate tracking of expenditures. All expenditures will pass through APA-CFA's school director, BOD Treasurer and the account executive at Acadia Northstar who will issue checks for purchases. APA-CFA's policy is that all checks will require two designated employee signatures.

All monies received from students for purposes of field trips, school fundraisers, etc. is to be receipted by the classroom teacher into their assigned receipt book. The receipt books are to be turned in to the office by 10:00 a.m. each morning. The office staff will recount monies collected to ensure proper amounts are receipted. The office staff will compile collections into the office receipt book in order to make the bank deposits. All receipt book belong to the school and are not to leave the premises. All receipt books must be turned in prior to leaving for extended time off or vacations. All small classroom receipt books, office receipt books and the deposit logs are acceptable documentation for the annual audit and must balance. Any discrepancy found throughout the year is to be reported to the school administrator, identified and corrected prior to making a bank deposit.

All deposits, withdrawals or other bank actions will be allowable only by those who are listed on the school's resolution card at BB&T. All requested checks from ANS must be by an approved staff member. If an approved staff member has a conflict of interest in making a purchase, and could possibly gain monetarily through a purchase made by the school, that member is to reveal the conflict. The school's administrator will determine if the purchase is appropriate and will either approve or deny the purchase.

All fulltime employees are eligible to receive benefits through the providers APA-CFA are connected. Benefits are payroll deducted and paid to the vendors in a timely manner and prior to the due dates to avoid interest charges and bank fees.

The annual audit will reveal these policies and procedures are implemented and show fiscal responsibility. Auditors will be selected from those who are fully licensed to operate in the state of NC. Additionally, the school welcomes members from the board, BB&T who serves as the school's financial institution and employees of the NCDPI to inspect procedures are followed at any time throughout the year.

#### **E. Audit and Annual Report Preparation**

Charter schools must have an annual financial audit conducted each fiscal year by an independent North Carolina licensed certified public accountant. The financial reporting format will align with generally accepted accounting principles. The audited financial statements are to be included in the annual report submitted to the BOD. Copies are located on campus and available for public viewing upon request.

**APPENDIX A**

**BOARD RESOLUTION ADOPTING POLICY**

**WHEREAS**, on August 8, 2017, the board of Aristotle Preparatory Academy (“Board”) met at a publicly called meeting held in accordance with the Board’s bylaws; and

**WHEREAS**, in accordance with the Board’s bylaws, a quorum was present during the meeting held on August 8, 2017; and

**WHEREAS**, on August 8, 2017 the Board voted to adopt the policy titled Financial Operations Policies, a copy of which is attached hereto and incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF** Aristotle Preparatory Academy that the policy “Financial Operations Policies” is hereby adopted as a Board policy of the Aristotle Preparatory Academy.

**THIS RESOLUTION IS HEREBY ADOPTED THIS 8<sup>th</sup> DAY OF August 2017.**

*Chauntel Ingalls*  
**Board Chair**  
**Chauntel Ingalls**

## **APPENDIX B**

### **ANNUAL OPERATING BUDGET POLICY**

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

#### **SECTION 1. Budget Process**

**SECTION 1.1.** The School Director will ensure that Aristotle Preparatory Academy follows a budgeting process that is consistent with the requirements of federal and South Carolina statutes, State Board of Education Rules and Regulations and any other applicable laws or rules.

**SECTION 1.2.** The School director and the Board Treasurer are responsible for the preparation of the annual budget.

**SECTION 1.3. Needs Analysis.** Each year before the annual operating budget is drafted the School Director shall ensure that a needs of the school are assessed of Aristotle Preparatory Academy, are considered and addressed by a budget committee consisting of the Board Treasurer, the school director and other individuals as designated by the board. The needs assessment shall inform the drafting of the annual budget.

**SECTION 1.4. Adoption.** The Board shall formally adopt the budget in an open meeting held in accordance with the Board's bylaws before the fiscal year begins and before the expenditure of any funds.

**SECTION 1.5. Minutes.** The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

**SECTION 1.6. Post-Adoption.** After the adoption of the budget the School Director and the Board shall review actual fund disbursements compared to the adopted budget and make amendments as needed. This shall occur soon after actual student enrollment is determined.

#### **SECTION 2. Fiscal Compliance**

The School Director shall ensure that Aristotle Preparatory Academy complies with all state and federal laws and rules concerning the budget and related processes of the school.

## **APPENDIX C**

### **BANK PROCEDURES POLICY**

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

#### **SECTION 1. Bank Accounts**

**SECTION 1.1.** The Aristotle Preparatory Academy Board Treasurer and the School Director have the authority to open a business checking account and a business operating account on behalf of Aristotle Preparatory Academy to be used to hold the school's assets.

The School Director has the authority to enter into an agreement with a bank or other federally insured financial institution once the Board has adopted a formal resolution at a board meeting held in accordance with its bylaws designating the bank for the school to use for its financial transactions. Once the resolution has been adopted, the Treasurer of the Board and the School Director have the authority to enter into an agreement with the selected financial institution. This agreement should be signed by Treasurer of the board and School Director.

#### **SECTION 2. Checks**

**SECTION 2.1.** Any authorized check drafted on the school's designated bank account shall require two signers. The following officers are authorized to sign checks from the bank account on behalf of the school: The treasurer of the Board and the School Director.

Each check must be completed in its entirety before it is signed by either party.

**SECTION 2.2. Checks Received.** Checks received shall be endorsed "for deposit only" and deposits should be made daily.

**SECTION 2.3. Check Requests.** Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check. A check request form must be completed by the requestor and approved with a signature by the School Director. The check request form shall contain the name of the payee, the date the check is requested to be written, the amount of the check, a brief description for the issuance of the check, and the funding source that will be drawn from. The check request shall then be submitted to Acadia Northstar for processing. All check request forms shall be maintained by the School Director.

**SECTION 2.4** Checks payable to cash for any reason are prohibited.

#### **SECTION 3. Mail Procedures**

## **SECTION 4. Bank Reconciliations**

**SECTION 4.1** There will be segregation of duties between individuals responsible for cash receipts and cash disbursement and the individual(s) responsible for bank reconciliations.

**SECTION 4.2** Acadia Northstar is contracted to Aristotle Preparatory Academy and is responsible for bank reconciliations a minimum of once monthly. Bank statements should be delivered to the School Leader unopened.

## **SECTION 5. CREDIT CARD PROCEDURES**

It is the policy of Aristotle Preparatory Academy that credit card use shall be limited to the School Director and select employees given permission by the school director to use the card, or board members are authorized to use credit card. Aristotle Preparatory Academy will not use debit cards, and credit cards shall only be used for school business expenditures only. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security. Credit card transactions must be used within the board approved budget. Credit card transactions exceeding \$10,000.00 per month are prohibited

Employees issued a credit card must receive prior, documented approval from the School Director or designee before the use of the credit card. Each credit card transaction by any user must be accompanied by the original receipts documenting each transaction. Employees who do not provide the proper receipt when using the credit card must complete a missing receipt form and turn in to the school director. Failure to turn in an original receipt or a missing receipt form could be charged the full amount charged through a payroll deduction. Unauthorized use of the school's credit card could result in employee termination.

## **SECTION 6. TRANSFER OF INFORMATION**

If the individual serving as the School Director or Treasurer of the Board ends his or her term(s) with the Board/employment with Aristotle Preparatory Academy or is terminated by the school or otherwise removed from his or her duties, he or she shall immediately give the school management all necessary passwords and other related information. The school will change the passwords and other security information once the individual serving as the School Director or Treasurer of the Board ends his or her employment with the school.

## **APPENDIX E**

### **CASH MANAGEMENT POLICY**

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

#### **SECTION 1. Accounting for Cash Transactions**

**SECTION 1.1. Documentation.** All cash transactions shall be recorded in writing, such as by handwritten receipt detailing from whom the money and in what amount, which shall be signed and dated by the teacher or his or her designee, or other staff member who has the authority to receive cash on behalf of Aristotle Preparatory School.

**SECTION 1.2. Depositing Cash.** The School Director shall be responsible for depositing cash in Aristotle Preparatory Academy's bank account. The School Director will only be responsible for depositing the cash into the bank account, and will be segregated from the duty of receiving the cash on behalf of the school. Deposits shall be made weekly at a minimum, unless there is no cash to be deposited. All un-deposited cash shall be kept in a secured location on school premises with limited access. A copy of the validated deposit slip shall be returned to the school on same day the deposit is made or the next day after the deposit is made. The copy of the deposit slip will be sent that same day to Acadia Northstar

**SECTION 1.3. Expenditures.** All expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts. As a general rule, cash will not be used to make purchases. School checks shall not be made payable to "Cash".

**SECTION 1.4. Segregation of Duties.** The School Director of Aristotle Preparatory Academy shall ensure that appropriate segregation of duties exists with regard to the handling of all money transactions including reconciliation.

**SECTION 1.5 Petty Cash.** Petty cash will not be held at Aristotle Preparatory Academy.

## APPENDIX F

### SCHOOL ACCOUNTING SYSTEM POLICY

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

#### SECTION 1. Fiscal Year

The Aristotle Preparatory Academy adopts a fiscal year that begins on July 1<sup>st</sup> and ends June 30<sup>th</sup> of the following year.

#### SECTION 2. Financial Accounting

Aristotle Preparatory Academy fully complies with generally accepted accounting principles (GAAP) and any other applicable state and federal standards for financial management systems.

**SECTION 2.1 Accounting records.** The school shall maintain records that adequately identify the source and application of funds. These records must contain information pertaining to grant or sub-grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

**SECTION 2.2 Internal controls.** The school shall maintain effective control and accountability of all state and local funds, federal grant and sub-grant cash, real and personal property, and other assets obtained with local, state or federal funds. The school shall adequately safeguard all such property and assure that it is used solely for authorized purposes.

**SECTION 2.3 Source documentation.** Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, the school's check register, time and attendance records, contract and subgrant award documents, etc.

**SECTION 2.4 Budget control.** The school shall compare actual expenditures or outlays of state or federal funds with budget amounts for each fund, grant or subgrant monthly. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. Applicable federal cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

#### SECTION 2.5 Account Code Structure.

Acadia Northstar will use the account code structure as described in the North Carolina Department of Education's Chart of Accounts.

## **APPENDIX G**

### **POLICY REGARDING AUDIT AND FINANCIAL STATEMENTS**

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

#### **SECTION 1. Annual Audit.**

**SECTION 1.1. Annual Audit.** Annually, the School Director and the Treasurer of the Board shall ensure the engagement of a certified public accountant (CPA) to audit the financial and programmatic operations of Aristotle Preparatory Academy. The Board shall select and contract only with North Carolina licensed CPAs. The Board shall ensure that the school provides timely assistance to the auditors in order to provide them with the necessary information for the audit.

#### **SECTION 1.2. Board Action**

Once the Board of Aristotle Preparatory Academy receives the final report, it must vote to accept the contents of the audit at either its next regularly called meeting or at a special meeting called in accordance with the Board's bylaws.

**SECTION 1.3. Submission to Authorizers.** The School Director shall ensure that a copy of the annual audit report is timely filed with the Board of Directors. The audit report should include a certificate signed by the Chair of the Board that the Board voted to accept the contents of the audit. If the Board did not accept the contents of the audit report, that should be noted with the submission.

**SECTION 2. Annual Financial Report.** Acadia Northstar shall prepare, or cause to be prepared, an annual financial report for each fund subject to the authority of the Board during the fiscal year showing:

- a. the total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general sources from which funds are derived;
- b. the total disbursements of the fund, itemized by the nature of the expenditure; and
- c. the balance in the fund at the close of the fiscal year.

**SECTION 2.1** The School Director shall ensure that the annual financial report is submitted to all designated authorities in a timely manner pursuant to deadlines.

## **APPENDIX H CONFLICT OF INTEREST POLICY**

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

### **SECTION 1. Definitions**

- (a) “Board Members” means individuals serving on the governing board of directors of Aristotle Preparatory Academy.
- (b) “Board Chair” means the individual serving on the Aristotle Preparatory Academy governing board who has been appointed to serve as the chair; and
- (c) “Key Personnel” means individuals serving in a management capacity.

### **SECTION 2. Policy Statement**

Board Members must demonstrate unconflicted loyalty to the interests of Aristotle Preparatory Academy. All Board Members and Key Personnel shall conduct their personal business and private affairs to avoid any potential or actual conflict of interest between themselves and Aristotle Preparatory Academy, and shall take immediate and appropriate action to resolve any conflict of interest which actually arises. All Board Members and Key Personnel shall report to the Board Chair and to Team CFA any facts or circumstances which they know, or should know, have resulted or will result in a potential or actual conflict of interest on the Annual Conflict of Interest Questionnaire. The Board Chair shall have ultimate and final responsibility for determining whether a potential or actual conflict of interest exists and for enforcement of this Policy.

#### **C. Avoiding Potential or Actual Conflicts**

In order to avoid situations which potentially, or in fact, give rise to a conflict of interest, Board Members and Key Personnel shall not engage in any of the following activities, except as authorized by a prior, written resolution of the Aristotle Preparatory Academy Board Directors following full disclosure by the affected Board Member or Key Personnel:

- 1) No Board Member or Key Personnel or member of his/her family shall accept, except on behalf of Aristotle Preparatory Academy any money or valuable thing because of any purchase, sale, investment or loan made by or for Aristotle Preparatory Academy, nor shall any person have any pecuniary interest in any such purchase, sale, investment or loan.
- 2) No Board Member or Key Personnel or member of his/her family shall obtain any loan from Aristotle Preparatory Academy nor, without the consent of the Board Member, hold or acquire a financial interest in any enterprise which is in competition with Aristotle Preparatory Academy or which to the knowledge of the individual has any business relationship with Aristotle Preparatory Academy as a vendor, or which to the knowledge of

the individual has any outstanding loan from Aristotle Preparatory Academy or is negotiating any such loan.

- 3) No Board Member or Key Personnel or member of his/her family shall accept gifts, gratuities, favors or services of any kind from any person, firm or corporation doing business or seeking to do business with the Aristotle Preparatory Academy, under circumstances in which it might be inferred that the donor's purpose was to influence the individual in the performance of his/her duties.

However, a gift may be accepted under the following circumstances:

- (a) The gift has no more than a token value; and
  - (b) It is in the normal exchange of hospitality or a customary gesture of courtesy between persons doing business together.
- 4) No Board Member or Key Personnel or any member of his/her family, shall divulge to others confidential Aristotle Preparatory Academy information, or use such information for personal profit.
  - 5) No Board Member or Key Personnel or any member of his/her family shall accept or maintain any position with any other business which position would conflict or might reasonably conflict with the individual's performance of Aristotle Preparatory Academy duties or responsibilities, without full disclosure thereof to the Board Members.
  - 6) Board Members must not use their positions to obtain employment or special considerations at Aristotle Preparatory Academy, or agencies with whom Aristotle Preparatory Academy has formal contracts, for themselves, family members or close associates. If a Board Member desires employment at Aristotle Preparatory Academy, he or she must first resign from his or her duties as a Board Member.
  - 7) There will be no self-dealing or any conduct of private business or personal services between any Board Member and Aristotle Preparatory Academy. The Board may resolve to allow for business arrangements which meet established procedures for openness, competitive opportunity and equal access to inside information.
  - 8) No Board Member or Key Personnel or any member of his/her family shall engage in any other activity or take any other action not enumerated herein where the interests of the Board Member or Key Personnel may compete or conflict with the interests of Aristotle Preparatory Academy.

#### **D. Conflict of Interest Annual Questionnaire**

Each Board Member and Key Personnel, as applicable, shall submit a fully executed copy of the Annual Conflict of Interest Questionnaire to the Board Chair or his or her

designee within thirty (30) days of receipt. The Board Chair will note receipt of the Questionnaires in the minutes of the board meeting, and will take whatever action he or she deems appropriate to resolve such potential or actual conflicts of interest as disclosed on the Questionnaire.

**E. Effective Date.**

This policy shall become effective upon its adoption to all Board Members and Key Personnel. All new Board Members and Key Personnel shall complete the Questionnaire upon assumption of their responsibilities.

**F. Confidentiality**

Any information disclosed in the Questionnaire shall be confidential and used only for purposes of enforcing this Policy.

**APPENDIX I**

**CONFLICTS OF INTEREST QUESTIONNAIRE**

This questionnaire has been prepared in accordance with Aristotle Preparatory Academy's Policy Statement on Conflicts of Interest, and is to be completed by Aristotle Preparatory Academy's Board Members and any Key Personnel as deemed necessary.

It is expected that when a potential for, or an actual conflict of interest exists, the affected individual will disclose it immediately to the board chair and refrain from participating, discussing and/or voting on that issue.

Please read the statements below and check your appropriate response, including explanations, where applicable. Please date, sign and return to the form to the board chair, or his or her designee, within thirty (30) days of receipt.

I have examined my personal situation as directed in the Statement of Policy on Conflicts of Interest and fid that I have:

No area of potential or actual conflicts of interest.

No area of potential or actual conflicts of interest except as follows:

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**Signed:**

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**(Print or type title)**

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**Date:**

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## APPENDIX J

### PAYROLL POLICY

The Board of Aristotle Preparatory Academy adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

**SECTION 1.1. Accurate & Timely Payroll.** The School Director shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules.

**SECTION 1.2. School employees shall be paid:**

- a. In United States currency;
- b. By a written instrument (e.g. check) issued by the employer that is negotiable on demand at full face value for United State currency; or
- c. By the electronic transfer of funds to the employee's bank pursuant to a direct deposit agreement signed by the employee.

**SECTION 2. Paydays.**

- a. **Exempt Employees.** The paydays for exempt employees shall be on the 5<sup>th</sup> of each month, or the last business day prior to the 5<sup>th</sup>.
- b. **Non-exempt Employees.** The paydays for non-exempt employees shall be on the 5<sup>th</sup> of each month, or the last business day prior to the 5<sup>th</sup>.

**SECTION 3. Withholding of Wages.** The School Director shall ensure that the wages of school employees are not withheld except in the following situations as permitted by applicable laws and rules.

- a. The school is ordered to do so by a court of competent jurisdiction;
- b. The is authorized to do so by state or federal law; or
- c. The school has written authorization from the employee to deduct part of the wages for a lawful purpose.

**Option 2.**

**SECTION 4. School Retirement Fund.** Unless otherwise allowable by law, all employees at Aristotle Preparatory Academy may be members of the School Funded Retirement Fund and subject to its requirements. The School Director will ensure that the school complies with all requirements of operating a Retirement fund, including making any required contributions.