

LEADERSHIP LEARNING ACADEMY
Title I Accounting Procedure Manual

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Title I Financial Responsibilities

The Board of Directors will serve as the Audit Committee to monitor all financial activity and implementation of procedures.

An independent audit is completed annually. Review and validation of financial information will be performed which will include, but not be limited to AFR, APR, Fall Enrollment Count, Year End Enrollment Report, and IRS form 990.

Academica West (AW), the Business Manager, will work with the accounting firm performing the audit to ensure all requested information is provided as requested. As a result, the accounting firm will provide their findings and recommendations for improvement to the School Lead Director and AW. This information will then be presented to the Governing Board at the first meeting after receiving the audit results.

Title I Cash Receipt Policy

Leadership Learning Academy does not receive cash specific to the Title I program. Monies requested are received via Electronic Funds Transfer (EFT) directly into the schools operating account. Amount(s) deposited, then are added to the schools Monthly Allotment Report and coded to the Title I Program.

For all other programs, any checks received will be made payable to the School.

Title I Purchasing and Purchase Orders

Purchase orders must be approved by the School Lead Director in the School accounting system (Intacct) before the order is placed. All supporting documentation (invoices, receipts, etc.) associated with that purchase order is electronically scanned into Intacct. Once an order has been placed and confirmed by the School Lead Director, AW will receive an email notification from Intacct indicating there is an order placed and pending for further approval. The responsibility for approving purchases is designated by the Board of Director as follows:

- All purchases up to \$2,500 must be approved by the Lead Director and Campus Director;
- All purchases between \$2,500 and \$5,000 must be approved by either the Board President or Board Treasurer;
- All purchases between \$5,000 and \$25,000 must be approved by the Board President and the Board Treasurer; and
- All purchases over \$25,000 must be approved by a majority vote of the board.

The School bookkeeper at AW will review the supporting documentation, vendor information, general ledger coding, and program coding for accuracy and completeness. If all the information is correct, the bookkeeper will approve the pending purchase. The approved purchase then goes

to the mid-level accountant at AW for secondary review and approval. Once the mid-level accountant has approved the purchase, the Business Administrator for the School will do the final review. Once approved by the Business Administrator, the purchase is ready for payment and the bookkeeper will print out and mail the check to the vendor.

Multiple items having separate revenue classes can be notated in Intacct. If there are any questions or concerns at the school level, the School Secretary or Lead Director should contact the school's bookkeeper at AW to correct any general ledger account and/or program codes.

Title I Procurement Policy

As it relates to Title I purchases, no procurement process is required for purchases up to \$1,000. The School may make such purchases from any vendor without obtaining competitive bids.

For small purchases, which include purchases over \$1,000 up to \$50,000 the School will follow the purchasing procedures set forth in preceding section and will typically obtain at least two competitive quotes and purchase from the responsible vendor offering the lowest quote meeting the specifications.

Unless an exception applies, for purchases of products or services over \$50,000, the School will conduct an appropriate procurement process, such as a Request for Bids or a Request for Proposals.

Once the procurement process has completed, all products/services purchased will follow the above-mentioned purchasing policy as it related to levels of approval before disbursing payment.

The School will not artificially divide purchases or otherwise take steps in order to avoid the requirement to obtain competitive quotes or conduct a procurement process.

School personnel will comply with the provisions of the Procurement Code prohibiting the acceptance of gratuities or kickbacks from vendors during the procurement process.

Any alleged violations of this policy or applicable law shall be reported in writing to the School's Lead Director. If the allegation involves the Lead Director, the report should be made to the Board of Directors.

Time and Effort Reporting

Leadership Learning Academy is required to document work performed by professorial and professional staff on externally sponsored activities per federal regulations (2 CFR part 200,430). In accordance with federal guidelines, Leadership Learning Academy's time and effort reporting forms track the percentage of distribution of activities totaling 100% of the employee's work effort during the time period reported.

Employees paid from a Federal grant provided by an external sponsor must prepare a Time and Effort Report Form either tracked by one of the following:

- Pay period - Hourly Employees

- Month - Salary employees with less than 100% allocated to a single program (unless using the alternative method, then Semi-Annual certification)
- Semi-Annual certification - Salary employees with 100% allocated to a single program

In determining estimated percentages, useful tools to consult include calendars, schedules, correspondences, telephone logs, meeting documentation, journals, etc. Auditors will be looking for abnormal patterns of effort certification (e.g., very small effort percentages on many grants).

The school Lead Director and/or business manager will compare the Time and Effort Report Form(s) with the original narrative and budget documents submitted to the external sponsor. If the actual effort matches the projected effort, s/he will sign both forms. If the employee is the project Lead Director, a person responsible for leading his or her division will sign the form (e.g., an associate dean for Academic Affairs).

A copy of the form(s) must be sent to the Business Administrator in Accounting as part of the school's official grant records.