

Adopted 9.21.16

Revised 10.19.16

Revised 7.15.22

## **North Metro Flex Academy Policy No. 7.1**

### **Internal Controls**

#### **I. Purpose**

The purpose of this policy is to establish internal controls that will enable North Metro Flex Academy to properly safeguard its assets, data and to comply with state and federal laws.

#### **II. Policy Statement**

It is the policy of North Metro Flex Academy to have internal controls that will adhere to Generally Accepted Accounting Principles, Data Security Controls and applicable mandates of state and federal law.

#### **III. Banking and Cash Management**

- A. Bank accounts. NMFA's finance vendor and the Board President/Treasurer shall be designated as parties authorized to open bank accounts on behalf of North Metro Flex Academy. All banking documents to open an account shall require the signature of these two individuals.
- B. Check Preparation. NMFA's finance vendor shall be responsible for preparation of all checks and registers.
- C. Deposits. The Operations Manager shall initiate and prepare deposit transactions and shall be responsible for all deposits. Specific policies regarding electronic fund transfers are contained in Board Policy 7.3.1.
- D. Reconciliation. NMFA's finance vendor shall reconcile cash and bank transactions monthly.
- E. Invoices: The School Principal and the board Treasurer/Board Chair shall approve all invoices for payment.

- F. Petty Cash. The Operations Manager shall be responsible for management of petty cash. The Operations Manager shall ensure that the receipts and cash in the petty cash fund are equal to the total value of the petty cash fund. Petty Cash shall be kept in a lockbox on site.

**IV. Payroll and Related Liabilities**

- A. Timekeeping. The Principal, in consultation with TAG, shall establish policies for employee timekeeping. Those policies shall be presented to the Board annually for its review and approval.
- B. Payroll.  
NMFA's finance vendor shall establish and implement policies regarding appropriate disbursement of payroll to bona fide employees, record payroll disbursements accurately, and will develop an adequate system for necessary payroll taxes and other withholdings. The Principal shall be responsible for ensuring that the payroll vendor adheres to the policies established and those policies shall be reviewed by the Board annually.

**V. Fixed Assets**

- A. Purchases
  - 1. Conformity to budget. All purchases shall be demonstrably related to activities and functions identified in the annual budget.
  - 2. Purchases that exceed \$10,000 must receive prior approval from the Board.
- B. Inventory. The Principal or designee shall ensure that an appropriate inventory of all fixed assets is maintained showing description, date purchased or received and cost or fair market value. The assets shall be compared to the inventory annually and an annual report shall be made to the Board regarding inventory.

**VI. Grants, Donations**

- A. NMFA's finance vendor shall establish a procedure for recording all monetary contributions and shall maintain documentation of such contributions.
- B. All grants, gifts and donations shall be administered in accordance with Board Policy 2.6.

**VII. Data Security**

- A. Educational Data

1. North Metro Flex Academy will employ industry best practices, both technically and procedurally, to protect student data from unauthorized physical and electronic access or during transfer.
2. Under the Minnesota Government Data Practices Act (MGDPA), any and all agents are required to comply with the provisions of the MGDPA in collecting, creating, maintaining and/or disseminating private educational data on NMFA students.
3. NMFA Identified Official with Authority for MDE is Principal Debbie Kranz. As part of the NMFA internal controls for educational data security the IOWA provides oversight of the Operations Manager who have been granted permission to access MDE systems including MARSS, Statewide Testing and SERVS. The Operations Manager, Chelsea Smieja, is the IOWA Proxy.