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Annual Operating Budget Policy

SECTION 1. Budget Process

SECTION 1.1. Oversight

The Chief Executive Officer or their designee will ensure that Kairos Academies follows a budgeting process that is consistent with the requirements of federal and Missouri statutes, State Board of Education Rules and Regulations and any other applicable laws or rules.

SECTION 1.2. Needs Assessment

Each year before the annual operating budget is drafted, the Chief Operating Officer or their designee shall ensure that a needs assessment of Kairos Academies is drafted and finalized by the Chief Executive Officer, Chief Operating Officer, and other individuals as designated by the board or Chief Executive Officer.

SECTION 1.3. Budget Development

Each year the Chief Executive Officer or their designee is required to submit to the Board for consideration a detailed annual budget showing estimates of income and expenditures for the ensuing fiscal year, to start July.

SECTION 1.4. Adoption

The Board shall formally adopt the budget in an open meeting held in accordance with the Board's bylaws by June 30, according to statutory provisions, and before the expenditure of any funds. By law, the approved estimated expenditures for each fund cannot exceed the estimated revenues to be received plus the unencumbered beginning cash balance for the fund.

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 beginning of the fiscal year (July 1), the Chief Executive Officer and Chief Operating Officer shall review with the Board the adopted budget in relationship to the beginning cash balances for each fund.

SECTION 2. Fiscal Compliance

The Chief Executive Officer shall ensure that Kairos Academies complies with all state and federal laws and rules concerning the budget and related processes of the school.



Bank Procedures Policy

SECTION 1. Bank Accounts

SECTION 1.1. Authority to Open Bank Accounts

The Chief Executive Officer and Chief Operating Officer of Kairos Academies have the authority to open a business checking account and a business operating account on behalf of Kairos Academies to be used to hold the school's assets.

SECTION 1.2. Selecting Banking Institutions

Kairos Academies may utilize a request for proposals or another method for seeking competitive bids for banking services. The Board will adopt a resolution at a board meeting held in accordance with its bylaws to designate the financial institution that the school will use for its banking transactions. Once the resolution has been adopted, the Chief Executive Officer has the authority to enter into an agreement with the selected financial institution.

SECTION 2. Checks

SECTION 2.1. Authorization of Checks Over \$10,000

Any authorized check drafted on the school's designated bank account over \$10,000 shall require authorization from the Board Treasurer. The following officers are authorized to sign checks from the bank account on behalf of the school: Board President, Board Treasurer, Chief Executive Officer, or Chief Operating Officer. 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 cyclically by someone other than the person who received the deposit.

SECTION 2.3. Check, or Direct Deposit, Requests

Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check or direct deposit. A request form must be completed by the requestor and approved by the Chief Operating Officer or their designee .

SECTION 2.4. Checks Payable to Cash

Checks payable to cash for any reason are prohibited.

SECTION 3. Mail Procedures

SECTION 3.1. Opening Mail and Tracking Checks



A staff member should receive the mail, open it, and list all checks on a daily collection report. This report or receipt should identify the date, name of organization or person submitting payment, amount of payment and description of what the payment is for.

SECTION 3.2. Oversight for Checks Received

A second staff member should receive the checks and daily collection report or receipt book from the person opening the mail.

SECTION 4. Bank Reconciliations

SECTION 4.1. Segregation of Duties

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. Bank Reconciliations

Chief Executive Officer or Chief Executive Officer's designee is responsible for bank reconciliations at least once per cycle. Bank statements should be delivered to the Chief Executive Officer or Chief Executive Officer's designee unopened.

SECTION 5. Credit Card Procedures

It is the policy of Kairos Academies that credit card use shall be limited and only the following employees or board members are authorized to use credit cards for school business expenditures: Board Chair, Board Treasurer, Chief Executive Officer, and Chief Operating Officer. Kairos Academies will not use debit cards. Total credit card balance will not exceed \$10,000.

Employees issued a credit card must receive prior documented approval from the Chief Operating Officer or their 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.



Cash Management Policy

SECTION 1.1. Documentation

All cash transactions shall be recorded in writing, and signed and dated by the Chief Operating Officer or their designee who has the authority to receive cash on behalf of Kairos Academies.

SECTION 1.2. Depositing Cash

The Chief Executive Officer or their designee shall be responsible for depositing cash in Kairos Academies bank account. The Chief Executive Officer or their designee 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 at a minimum once per cycle. All undeposited 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 within one day of when the deposit is made.

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 except from petty cash, as described below. School checks shall not be made payable to "Cash".

SECTION 1.4. Segregation of Duties

There will be segregation of duties between individuals responsible with regard to the handling of all money transactions including reconciliation.

SECTION 1.5. Petty Cash

Petty cash shall be maintained in a locked box designated by the Chief Executive Officer or their designee. All disbursements from petty cash shall be documented in writing. Receipts from purchases made with petty cash shall be remitted to the Chief Operating Officer or their designee as soon as practicable. Petty cash funds shall not be used to cash checks.



School Accounting System Policy

SECTION 1. Fiscal Year

Kairos Academies adopts a fiscal year that begins on the first day of July and ends on the thirtieth day of the following June.

SECTION 2. Financial Accounting

Kairos Academies will adhere to the accounting guidelines of the Missouri Department of Elementary and Secondary Education.

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. Records will be maintained as long as required by IRS regulations, federal grant requirements, audit requirements, and, if applicable, other legal needs.

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, 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. 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

All charter schools must use the account code structure as described in the Missouri Department of Education's Chart of Accounts.



Audit and Financial Statements Policy

SECTION 1. Annual Audit

SECTION 1.1. Annual Audit

Annually, the books and accounts of Kairos Academies will be audited by an independent certified public accountant in conformance with the prescribed standards and legal requirements. The Chief Executive Officer shall place before the Board the matter of retaining a certified public accountant. The auditor shall be selected by the Board. The audit shall be presented to the Board for examination and approval.

SECTION 1.2. Board Action

Once the Board of Kairos Academies 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 Sponsor

The Chief Executive Officer shall ensure that a copy of the annual audit report is timely filed with the Sponsor. 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 Statement

SECTION 2.1. Drafting Financial Statement

The Chief Operating Officer shall prepare, or cause to be prepared, an annual financial statement 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 2.2. Submission to Sponsor

The Chief Executive Officer shall ensure that the annual financial statement is submitted to the Sponsor in a timely manner pursuant to deadlines.



Procurement

Any procurement of goods and services up to \$25,000 shall be made by the Chief Executive Officer or their designee. Any procurement of goods and services exceeding \$25,000 shall require the proposal of two (2) options for contracts and the Board Finance Committee approval. All purchases shall be in the best interest of Kairos Academies, upon considering the totality of the circumstances surrounding the procurement, which may include but not be limited to, price, quality, availability, timelines, reputation and prior dealings. Contractors who interact directly with Kairos students are required to pass the same type of criminal background check that Kairos requires for staff and volunteers. Once approved, the contract may be re-approved in future years without competing bids by inclusion in the approved annual budget or by approval on a board consent agenda.

The school shall not purchase any goods or services from any member of the governing board, an immediate family member of any member of the governing board nor from any entity in which any member of the governing board or an immediate family member of a governing board member may benefit from such a procurement, unless authorized by the governing board after a full disclosure of the conflict of interest or any potential conflict of interest and after the consideration set forth in the Conflict of Interest Policy.

This policy applies to purchases made using non-federal funds. As a condition of the receipt of certain federal funds, federal procurement requirements still apply. (See Federal Fiscal Compliance Policy)



Conflict of Interest Policy

SECTION 1. Purpose

The purpose of the conflict of interest policy is to protect Kairos Academies', a tax-exempt organization, interest when contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction.

This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

SECTION 2. Definitions

1. Interested Person

Any Board or Board committee member with governing board delegated powers, who has a direct or indirect financial interest, as defined below.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. an ownership or investment interest in any entity with which Kairos Academies has a transaction or arrangement;
- b. a compensation arrangement with Kairos Academies or with any entity or individual with which Kairos Academies has a transaction or arrangement; or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Note: A financial interest is not necessarily a conflict of interest. Under SECTION 3.2 a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. Compensation

Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

SECTION 3. Procedures



SECTION 3.1. Duty to Disclose

An interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or School Leadership.

SECTION 3.2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the Board discusses and votes on the existence of a conflict of interest.

No person shall be appointed to or serve on the board unless they meet the requirements below:

- a. No member of the Board shall hold any other office or employment from the board while serving as a member of the board.
- b. No member of the board shall have any substantial interest (see above) in any entity employed by or contracting with the board.
- c. No member of the board shall be an employee of a company that provides substantial services to the charter school.

SECTION 3.3. Procedures for Addressing the Conflict of Interest

- A. An interested person may make a presentation to the Board. After the presentation, s/he shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- B. The Board Chair, if appropriate, may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- C. After exercising due diligence, the Board shall determine whether Kairos Academies can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- D. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall vote on whether the transaction or arrangement is in Kairos Academies' best interest and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

SECTION 3.4. Violations of the Conflicts of Interest Policy

- A. If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall afford the member an opportunity to explain the alleged failure to disclose.



- B. If, after hearing the member's response and making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

SECTION 4. Compensation

A voting member of the Board or a Board Committee who receives compensation, directly or indirectly, from Kairos Academies is precluded from voting on matters pertaining to that member's compensation.

SECTION 5. Annual Statements

Each Board and Committee member with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands Kairos Academies is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

SECTION 6. Periodic Reviews

To ensure that Kairos operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.

The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to Kairos Academies' written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

SECTION 7. Use of Outside Experts

When conducting the periodic reviews as provided for in SECTION VI, Kairos Academies may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.



Payroll Policy

SECTION 1. Payroll

SECTION 1.1. Accurate & Timely Payroll

The Chief Operating Officer or their designee shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules.

SECTION 1.2. Payment Currency and Issuance Form

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 semimonthly.
- b. Non-exempt Employees. The paydays for non-exempt employees shall be semimonthly.

SECTION 3. Withholding of Wages

The Chief Operating Officer or their designee 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 school 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.

SECTION 4. Teachers Retirement System

As prescribed by Statute, all teachers at Kairos Academies shall be members of the Public School Retirement System of the City of St. Louis and subject to its requirements. The Board shall expend for teacher retirement and compensation for instructional staff an amount that reflects the requirements as outlined in Missouri State Statute and Department of Elementary and Secondary Education regulations.



Federal Fiscal Compliance Policy

SECTION 1. Fiscal Requirements under Title I, Title II and Title IV of NCLB

SECTION 1.1. Supplement not Supplant

Kairos Academies shall ensure that federal funds will be used to supplement, not supplant regular non-federal funds.

SECTION 1.2. Documentation

Documentation shall be maintained, or caused to be maintained, by the CEO. The documentation must clearly demonstrate the supplementary nature of federal funds.

SECTION 2. Federal Grant Allowable Expenditure.

Prior to expending funds, the Chief Executive Officer or their designee shall consult the appropriate OMB Circular (OMNI Circular) or other federal guidance to determine what costs are allowable under the grant awarded. Kairos Academies shall ensure that all grant funds are expended in accordance with the requirements in section 2.1 and the Circular or other applicable federal law or rule.

Section 2.1 Allowability

To be allowable under a federal award, costs must meet the following general criteria and be documented that such criteria are met:

- Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles;
- Conform to any limitations or exclusions set forth in these principles or in the Federal award as to the types or amount of cost items;
- Be consistent with the policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity;
- Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a Federal award as an indirect cost;
- Be determined in accordance with generally accepted accounting principles (GAAP);
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period;
- Be adequately documents; and
- Be net of all applicable credits.

SECTION 3. Standards for Documentation of Personnel Expenses

Standards for Documentation of Personnel Expenses (2 C.F.R. § 200.430, OMNI DESE Memo FAS-15-003 Time and Effort under the OMNI Circular, April 2, 2015),



SECTION 3.1. Time and Effort

Records are required for all employees, including teachers, paraprofessionals, administrators, and other staff that are paid with federal funds to document the time and effort they spend within the program. The portion of the federally paid salary should be reflective of the actual activity, not budgeted, the individual has put forth for that federal program. Time and effort reporting is required when any part of an individual's salary is charged to a federal program or used as match for a federal program.

SECTION 3.2. Semi-Annual Certification

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications are required to be prepared at least semi-annually.

SECTION 3.3. Monthly Personnel Activity Report (PAR)

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports (PARs). Salaries and wages of employees used in meeting cost sharing or matching requirements of Federal awards must be supported in the same manner as those claimed as allowable costs under Federal awards.

Charges for salaries must be based on records that accurately reflect the work performed. These records must be:

- Supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Incorporated into the official records;
- Reflecting the total activity for which the employee is compensated, not to exceed 100%;
- Encompassing all activities (federal and non-federal);
- Compliant with established accounting policies and practices; and
- Distributed among specific activities or cost objectives.

SECTION 4. Charter Schools Program (CSP), NCLB Title V, Part B

SECTION 4.1. Compliance

If Kairos Academies receives CSP grants, the Chief Executive Officer or their designee shall ensure that Kairos Academies shall comply and use the federal funds in accordance with all statutes, regulations, and approved applications.

SECTION 4.2. Fiscal Control

The Chief Executive Officer or their designee shall directly administer or supervise the administration of any projects funding through CSP funds, and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

SECTION 4.3. Procurement



When using CSP funds to enter into a contract for equipment or services the CEO shall comply with the applicable federal procurement standards.

SECTION 5. Use of Federal Grant Funds for Procurement

SECTION 5.1. Open and Free Competition

The CEO shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. Awards must be made to the bidder/offeror whose bid/offer is responsive to the solicitation and is most advantageous to Kairos Academies considering price, quality, and other relevant factors deemed appropriate by the (insert school).

SECTION 5.2. Conflicts of Interest

Pursuant to the Conflict of Interest Board Policy, no employee, officer, or agent of, who has a real or apparent conflict of interest, will participate in the selection, award, or administration of a contract supported by federal funds. Employees, officers, and agents may also not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents.

SECTION 5.3.

- a. The solicitation of bids or offers must provide a clear and accurate description of the requirements to be fulfilled by the bidder, technical requirements to be performed including the minimum acceptable standards and specific features of brand name or equal descriptions that bidders are required to meet;
- b. Positive efforts shall be made to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible;
- c. The type of procurement instruments used (e.g. purchase orders) must be appropriate for the particular procurement;
- d. Contracts are made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement;
- e. Procurement documents shall be made available, upon request, to appropriate government officials.

SECTION 5.4. Record Documentation

The Chief Executive Officer or their designee shall ensure there is a cost or price analysis made and documented with every procurement action as well as appropriate documentation for the basis for contractor selection. The CEO shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract.

SECTION 5.5

All prequalified lists of persons, firms, or products which are used in acquiring goods and services must be reviewed and kept current and shall include enough qualified sources to ensure maximum open and free competition.

SECTION 5.6



The school shall utilize the most appropriate procurement method based on the particular procurement. The school utilize one of the following methods or any more restrictive method:

- Micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services which are up to \$10,000. This purchase may be awarded without soliciting competitive quotations.
- Small purchase procedures. Small purchase procedures are those simple and informal procurements for securing services, supplies or other property that cost between \$10,001 to \$249,999. Price and rate quotations must be obtained from at least two qualified sources.
- Sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract is awarded. This method is preferred for procuring construction.
- Competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer and either a fixed price or cost reimbursement type of contract is awarded.
- Noncompetitive proposals. This is the solicitation of a proposal from only one source and may be used only when one or more of the following applies:
 - The item is available only from a single source;
 - The public emergency for the requirement will not permit a delay;
 - The pass-through entity authorizes noncompetitive proposals in response to a written request; and/or
 - After solicitation of a number of sources, competition is determined inadequate.

SECTION 6. Travel Costs

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity. These costs are reimbursable with appropriate approval and documentation of expenses. Travel costs charged to Federal awards/funds must meet the requirements of 2 C.F.R. § 200.474.

SECTION 6.1

Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip and results in charges consistent with those normally allowed in like circumstances in the school's non-federally-funded activities and in accordance with the school's written travel reimbursement policies.

SECTION 6.2

Costs incurred by employees for travel, including costs of lodging, other subsistent, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school as a result of the school's written travel policy.

If these costs are charged to the Federal award, documentation must justify that (1) the Participation of the individual is necessary to the Federal award; and (2) the costs are reasonable and consistent with the school's travel policy. Document may include any or all of the following: an agenda; prior written approval; and/or written justification statement.



SECTION 6.3

The school shall not use its grant funds for temporary dependent care costs unless specifically permitted by the authorizing statute, regulation, and Department.

SECTION 7

Compliance with the Cash Management Improvement Act. In order to comply with the Cash Management Improvement Act (CMIA) the Department of Elementary and Secondary Education will only make payments to the school for reimbursements. Reimbursements are only for funds "spent"—transactions that are recorded on the school's books and the funds delivered to the recipients.

SECTION 7.1

The school may only make requests for payment once an initial budget application for the grants has been approved and must only include actual cumulative expenditures up to the payment request submission date.

SECTION 7.2

The school must at least annually submit an accounting of any interest earned on any Federal funds to the federal Department of Health and Human Services through the Department of Elementary and Secondary Education. The school may retain up to \$500 of earned interest annually on all combined Federal programs for administrative expenses. The school must document all administrative expenses in order to claim the interest offset. Under this section, the interest calculation is the amount of reimbursement times the annualized Federal interest rate for the fiscal year times the number of business days the funds were held until delivery. The federal interest rates may be found at <http://www.fms.treas.gov/cmia/index.html>.



Capital Assets Accounting Policy

SECTION 1.1. Definition of Capital Asset

A capital asset is an asset that is tangible in nature; has a life that exceeds one year; of significant value (minimum of \$5,000 per unit); and reasonably identified and controlled through a physical inventory system. Examples include: land, buildings, machinery, and furniture.

SECTION 1.2. Documentation

The Chief Operating Officer or their designee shall ensure that Kairos Academies maintains accurate records of capital assets in accordance with applicable rules.

SECTION 1.3. Inventory

The Chief Operating Officer or their designee will ensure that a physical inventory of capital assets takes place once every two years.

SECTION 1.4. Annual Audit

The annual financial audit required shall include an exhibit in the audit report identifying all capital assets and the ownership interest of local, state, and federal parties.



State Tax Sources Policy

Section 1.1. Acceptance

All state funds will be accepted for the operation of Kairos Academies as provided by entitlement by law and through regulations of the Missouri State Board of Education or Missouri Department of Elementary and Secondary Education.

Section 1.2. Reporting

The Chief Executive Officer or their designee is responsible for filing all required reports and forms to obtain state funds to which Kairos Academies is entitled to receive according to developed rules and regulations.



State and Federal Projects Policy

Section 1.1. Authority to Operate

With Board approval, Kairos Academies may operate various specially funded programs that must be administered in accordance with particular federal and/or state laws, regulations and other conditions for use of such funds.

The Chief Executive Officer shall be the designated School official responsible for coordinating funded projects, administering programs and ensuring operations within the guidelines of the particular program. The administration shall keep accurate and separate records, as required by state and federal programs, to enable Kairos Academies to verify program compliance and success.



Indebtedness Policy

Section 1.1. Authority for Borrowing

State law authorizes the Board to borrow funds in anticipation of the collection of revenue in order to ensure continuity in the operations of Kairos Academies. The Kairos Academies Finance Committee must approve in advance all applications for loan indebtedness. The amount borrowed and the repayment of notes payable shall be within guidelines as established by state law and rules and regulations of the Missouri Department of Elementary and Secondary Education.

Section 1.2. Authority for Issuing Bonds

The Board may issue bonds for any Kairos Academies expenditures as prescribed in state law.



Policy Regarding Authorized Signatures

Section 1.

The Board of Kairos Academies shall designate at least one current board member to be included as an authorized signature on all financial accounts of the school.

Section 1.1.

The Board shall notify all financial institutions that serve the school of the board member who is to be included as an authorized signature on financial accounts.

Section 2.

The Board of Kairos Academies shall annually certify to the Missouri Charter Public School Commission that the financial institutions that serve the school have on file the authorization form for the board member who is to be the signature on all financial accounts.

