

Sec. 1. Purpose of Policy.

The Board of Directors (hereafter, the “Board”) and Superintendent/Chief Executive Officer (hereafter, “Superintendent”) of Heritage Academy Charter Schools, Inc. doing business as Heritage Academy (hereafter, the “Academy”) shall endeavor to safeguard the use of Academy funds and to further the Academy’s mission and facilitate the implementation of the charter program through the efficient and effective use of local, state and federal funds. Accordingly, the Superintendent or designee shall expend public funds for the benefit of the students enrolled in the Academy and shall, at all times, demonstrate how each use of funds benefitted the Academy’s students. Through this policy, the Board shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Education Code Sections 12.1052, 12.1053, 12.1054, 12.107, 12.115(a)(2) and 45.105(c);
- (b) Texas Administrative Code Title 19, Sections 100.1043(a), 100.1047, 100.1131, 100.1132, 100.1203 and 100.1205;
- (c) Financial Accountability System Resource Guide Module 11, Sections 1.5.5, 1.8.1.1, 1.8.2.4, 1.8.2.8, 1.8.2.9, 3.1, 3.3, 3.4, 3.5 and 3.6; and
- (d) Code of Federal Regulations, Title 2, Sections 200.302, 200.303, 200.305, 200.318 through 200.326, 200.333 through 200.337, and Subpart E.

Sec. 2. Policy to Supplement and Not Supersede.

This policy shall supplement existing state and federal law, rule and other legal requirements (collectively, legal requirement) and shall not supersede any legal requirement. In the event of a conflict with a legal requirement, the legal requirement shall prevail.

Sec. 3. Applicability of Policy.

This policy pertains to the use of local, state and federal funds.

Sec. 4. Local Funds Defined.

Local funds means funds received by the Academy from private donors and grantors or generated from fundraising activities initially or continually supported by state funds.

Sec. 5. Designee(s).

In this policy, where the Superintendent is authorized to delegate authority to a designee (as denoted by the phrase “or designee”), the Superintendent may delegate such authority to a designee. If the Superintendent delegates authority to a designee, the Superintendent shall do so in writing through an administrative procedure, job description or internal memorandum. The Superintendent’s delegation of authority to a designee must be specific, must cite the policy section from which it is derived, and must utilize thresholds for each approval level. Any delegation of authority to a designee that is not documented as set forth in this section shall be null and void.

Sec. 6. Final Authority.

The Board shall have final authority over the obligation and expenditure of state and federal funds.

Sec. 7. Corporate Charge and Credit Accounts.

The Superintendent or designee shall ensure that the use of corporate charge accounts and corporate credit accounts (hereafter, "Corporate Account") adheres to this policy.

Sec. 7.1. Board Authorization.

In accordance with this policy, the Superintendent is authorized to establish and allow the use of a Corporate Account for the purpose of procuring goods and/or services with a cost not exceeding \$3,500 or for travel related activities. The Superintendent and Academy employees should refer to the Policy for Purchasing and Contracting when procuring goods and/or services with a cost exceeding \$3,500.

Sec. 7.2. Cardholder Responsibilities.

Employees authorized to receive and use a Corporate Account must sign a cardholder agreement and agree to the following terms and conditions.

Sec. 7.2.1. Liability for Charges.

The employee must agree to be liable for any and all charges to the Corporate Account.

Sec. 7.2.2. Appropriate Use of Charge/Credit Authority.

The employee must agree to the appropriate use of the Corporate Account. Accordingly, the employee will agree to limit the use of the Corporate Account to the purchase of goods and/or services pertaining to Academy activities and functions. Moreover, the employee will agree not to use the Corporate Account to purchase goods and/or services of a personal nature. Lastly, the employee will agree to limit individual purchases to the amount authorized in this section and to allowable uses and to conform purchases to the Policy for Purchasing and Contracting.

Sec. 7.2.3. Accounting for Expenses.

The employee must agree to provide original, itemized third-party receipts supporting all the charges to the Corporate Account.

Sec. 7.3. Monitoring of Accounts.

The Superintendent or designee shall monitor the Corporate Account to identify any unusual or inappropriate use of the established lines of credit. Upon identifying unusual or potentially inappropriate use of the account, the Superintendent or designee will investigate the employee's use of the account and determine if the employee's use of the account violates this policy.

Sec. 7.4. Revocation of Corporate Account.

If an employee is found to have misused their assigned account, the Superintendent or designee shall revoke the employee's continued use of the account and direct the employee to return the account card(s).

Sec. 7.5. Expenses to Support Instructional Plan.

The Superintendent or designee shall ensure that the use of local, state and federal funds supports the implementation of the Academy's instructional plan.

Sec. 7.6. Documentation Required.

The Superintendent or designee shall prepare or cause to have prepared records for all charges to the Corporate Account, including original, itemized third-party receipts. All recorded charges and related uses of funds shall adequately demonstrate compliance with this policy and applicable law.

Sec. 7.7. Purchase Order Required.

Consistent with existing Board policy and administrative procedure governing purchases, the Superintendent or designee shall ensure that Corporate Account purchases with a cost exceeding \$3,500 are pre-approved through the issuance of a purchase order.

Sec. 7.8. Competitive Procurement.

Academy employees are required to adhere to Board policy and any legal requirement relating to competitive purchasing with state or federal funds. Refer to the Policy for Purchasing and Contracting.

Sec. 7.9. Allowable Uses of Funds.

Academy employees are required to use the Corporate Account for allowable uses of funds and are prohibited from incurring charges for unallowable uses of funds as set forth in Board policy and applicable law. Refer to the Policy for Allowable and Prohibited Uses of Funds.

Sec. 7.10. Conflicts of Interest.

Academy employees are prohibited from purchasing goods and/or services from a vendor in whom the employee has a substantial interest as set forth in applicable law.

Sec. 7.11. Monitoring and Oversight of Corporate Account.

The Superintendent or designee shall regularly monitor and oversee the use of the Corporate Account through the review, reconciliation and approval of Corporate Account statements, purchase requisitions, purchase orders, payment authorizations, travel authorization requests, travel reimbursement forms, itemized vendor invoices and receipts, and any and all other such original record deemed appropriate and necessary to ascertain if a charge constitutes an allowable cost. The Superintendent or designee shall document monitoring and oversight activities.

Sec. 7.12. Failure to Adhere to Policy.

If an Academy employee fails to follow this policy, the employee shall be financially responsible for any expenses incurred, particularly for any unsubstantiated charges or for the purchase of non-business related goods and/or services, regardless of the benefit to the Academy and its students.

Sec. 8. Administrative Procedures.

The Superintendent or designee shall prepare and formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law.