

**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 appropriately discharge their fiduciary duties through the accurate and timely reporting of the Academy’s finances. Through this policy, the Board shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Education Code Sections 12.115(a)(2) and 12.1211;
- (b) Texas Administrative Code, Title 19, Sections 100.1001(12), 100.1043(a)(2), and 100.1101(a)/(d);
- (c) Financial Accountability System Resource Guide (“FASRG”); and
- (d) PEIMS Data Standards.

**Sec. 2. 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 not documented as set forth in this section shall be null and void.

**Sec. 3. Reports to the Board.**

The Superintendent or designee shall prepare and distribute financial reports to the Board at regularly scheduled meetings of the Board. The Superintendent or designee may prepare financial reports containing the following minimal information.

- (a) A comparison of the estimated revenues and approved expenses included in the budget originally adopted and subsequently amended (hereafter, the “Approved Budget”) by the board to the actual revenues earned and expenses incurred by the Academy.
- (b) A summary of the Academy’s cash inflows and outflows by operating, investing and financing activities including the beginning and ending cash balances.

**Sec. 4. Annual Financial and Compliance Report.**

- (a) The Superintendent or designee shall procure the services of a certified public accountant (hereafter, the “Independent Auditor”) licensed in the State of Texas to conduct an annual audit of the Academy.
- (b) The Superintendent or designee and the Independent Auditor shall present to the Board:
  - (1) The Independent Auditor’s letter of engagement; and

- (2) Their agreement that the annual financial and compliance report shall be presented to the Board for its approval or disapproval during a regularly scheduled meeting prior to the 150th day after the conclusion of the fiscal year.
- (c) The Superintendent or designee and the Independent Auditor shall present to the Board any reason(s) for their failure to submit the annual financial and compliance report in accordance with Subsection 4(b)(2) of this policy.
- (d) The Superintendent or designee shall ensure that the form and content of the annual financial and compliance report conforms to the requirements promulgated by the Texas Education Agency in FASRG Module 10.

### **Sec. 5. Grant Reporting.**

#### **Sec. 5.1. Expenditure Reports.**

- (a) The Superintendent or designee shall prepare expenditure reports for each grant received by the Academy supporting the expenditures reported to the grantor agency and pursuant to the requirements of the grantor agency.
- (b) The Superintendent or designee shall timely file expenditure reports in accordance with the deadlines established by the grantor agency such that the Academy is reimbursed and otherwise timely receives any and all funds to which it is entitled.

#### **Sec. 5.2. Requests for Disposition Instructions.**

As required by applicable law, the Superintendent or designee shall request instructions from the grantor agency for the disposal of obsolete property acquired with grant funds.

### **Sec. 6. Public Education Information Management System.**

The Superintendent or designee shall prepare required Public Education Information Management System (PEIMS) submissions in accordance with PEIMS Data Standards and FASRG Module 11. The Superintendent or designee may collaborate with a regional education service center in preparing and timely submitting PEIMS reports.

### **Sec. 7. Required Government Filings.**

The Superintendent or designee shall timely file reports and data to and as required by the:

- Internal Revenue Service,
- Comptroller of Public Accounts,
- Teacher Retirement System of Texas,
- Texas Workforce Commission, and
- Other government agencies.

### **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.