

Sec. 1. PURPOSE OF POLICY

Through this policy, the Board of Directors (hereafter, the “Board”) of LifeSchool of Dallas doing business as Life School (hereafter, the “School”) shall address the legal requirements, as applicable, promulgated at:

- (a) Texas Business Organizations Code ("Tex. Bus. Org. Code") Sections 3.101, 22.201, 22.221 and 22.235;
- (b) Texas Education Code ("Tex. Ed. Code") Sections 12.107(a), 12.115(a)(2), 12.1162(a)(2), and 12.121;
- (c) Texas Administrative Code, Title 19 ("19 TAC"), §§ 100.1033, 100.1047 and 100.1101;
- (d) Code of Federal Regulations, Title 2 ("2 CFR"), §§ 200.302(b), 200.303(a), and 200.305; and
- (e) Financial Accountability System Resource Guide ("FASRG").

Additionally, through this policy, the Board shall address best practices adopted by public schools.

Sec. 2. AUTHORITY OVER FISCAL MATTERS

Sec. 2.1. In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board’s Policy relating to its Authority Over Fiscal Matters (the “Controlling Policy”) for requirements applicable to this policy.

Sec. 2.2. The Delegate, as defined in Sec. 3.2 of the Controlling Policy, shall report to the Board any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted,¹ interested² or related³ party, as defined in other Board policy or applicable law. The School and its officers may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 2.3. As established in Sec. 4 of the Controlling Policy, where the Delegate is authorized to confer authority to a designee (as denoted by the phrase “or designee”), the Delegate may confer such authority to a designee.

¹ Tex. Ed. Code § 12.1054; 19 TAC §§ 100.1131 through 100.1135

² 19 TAC § 100.1047(f)

³ Tex. Ed. Code § 12.1166

Sec. 3. BOARD OVERSIGHT OF CASH

The Board shall govern and manage the cash received and disbursed from all sources of funding in a manner consistent with State and Federal law and to achieve favorable cash flows to further the interests of the School.

Sec. 4. OPERATING ACCOUNT

The Board shall require that all local, State and Federal funds be deposited into a single account maintained by a bank as defined in Education Code Section 45.201. Additionally, and except as provided in Sec. 3, the Board shall require that all local, State and Federal funds be disbursed from the same account. The bank account created and maintained pursuant to this section shall be commonly referred to as the Operating Account.

Sec. 5. PAYROLL ACCOUNT

The Board may authorize a second bank account for the sole purpose of disbursing the wages or salary and other compensation, less authorized deductions, from local, State and Federal funds to employees of the School. A bank account so created and maintained shall be commonly referred to as the Payroll Account.

Sec. 6. ACCOUNT SIGNATORIES

The Board, by resolution, has authorized the Superintendent, Chief of Staff, Chief Operations Officer and the Chief Financial Officer as the signatories to the School's bank accounts.

Sec. 7. RECORD OF CASH RECEIPTS AND DISBURSEMENTS

The Delegate or designee shall prepare a financial management system that conforms to the requirements of the Texas Education Agency to record a unique record for each deposit made for and for each disbursement made from each source of funding.

Sec. 8. CHECK REGISTER

The Delegate or designee shall prepare a register of individual deposits and disbursements for the Operating and Payroll Accounts, commonly referred to as the Check Register.

Sec. 9. ORIGINAL, ITEMIZED RECORDS

The Delegate or designee shall maintain an original, itemized record of each deposit and disbursement supporting the transactions listed on the Check Register for the Operating Account and the Payroll Account.

Sec. 10. RECONCILIATION OF ACCOUNTS

The Delegate or designee shall reconcile statements received from the bank for the Operating and Payroll Accounts to the respective Check Registers, addressing and resolving discrepancies.

Sec. 11. INVESTMENT OF SURPLUS CASH

For purposes of this Policy, surplus cash shall mean the available cash balance in the Operating Account exceeding two times the amount of the School's total current liabilities, as applicable. Surplus cash shall be invested as approved by Board resolution and in compliance with Education Code Section 12.1053 and Government Code Sections 2256.009 through 2256.0016.

Sec. 12. OTHER METHOD OF DISBURSEMENT

The Delegate or designee is authorized to disburse funds through the Operating and/or Payroll Account, petty cash accounts, charge accounts or credit accounts. Funds shall not be disbursed through debit or gift cards.

Sec. 13. ADMINISTRATIVE PROCEDURES

The Delegate or designee shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable law and rule. In doing so, the Delegate or designee shall not adopt, and is prohibited from adopting, an administrative procedure that conflicts with applicable law or this policy. Accordingly, the Delegate or designee shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegate or designee shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.