



# POLICIES AND PROCEDURES

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# SECTION 1

## VISION, MISSION AND GOALS

*Our*

*Vision*

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To promote excellence in education by encouraging community partnerships and support.

*Our*

*Mission*

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To provide financial support for innovative programs that will benefit our students and enhance the quality of education in Carroll County Public Schools.

*Goals of the*

*Foundation*

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The goals of the Foundation are to:

- Improve education for every student,
- Support teachers in the classroom,
- Help to ensure that each student's learning is maximized,
- Provide resources to encourage the most effective teachers possible,
- Work to fulfill each student's potential,
- Increase excellence in the classroom and
- Create a community of learners.

# SECTION 2

## FINANCIAL POLICIES & PROCEDURES

### **I. Definitions.**

- a.) "Board Designated Funds:" Unrestricted Funds and unrestricted endowment income which may be designated by the Board for a specific purpose.
- b.) "General Endowment Funds:" Funds which are received from donors with the restriction that the principal is not expendable.
- c.) "Permanently Restricted Funds:" Funds which are permanently restricted by the donor for a specific endowment or for the General Endowment Fund. Only the income can be expended, not the principal.
- d.) "Temporarily Restricted Funds:" Funds which are temporarily, not permanently, restricted by the donor for a specific project, grant, scholarship, etc. Funds cannot be used for anything except what the donor specifies, and all of the funds contributed are expended.
- e.) "Unrestricted Funds:" Funds which are not restricted for any specific purpose by donors. These funds can be designated by the Foundation Board for a specific use.

### **II. Processing of Gifts to the Foundation.**

The following procedures shall be followed in processing gifts to the Foundation:

- a.) Money is received in the CCPS Education Foundation office and checks are endorsed (stamped) for deposit into the appropriate account. Money and/or checks are then taken immediately to the "Carroll County Public Schools Fiscal Department" with a completed dated deposit slip for the Foundation bank account. The CCPS Fiscal Department deposits the funds in the appropriate Foundation bank account and then will return the bank deposit slip to the Foundation office.
- b.) If money must be kept overnight, it is placed in a vault or locked in a fireproof file cabinet.
- c.) The Foundation Manager will electronically record incoming gifts into both the Foundation's Raiser's Edge database and the Quickbooks accounting program.
- d.) The Foundation Manager will send an appropriate acknowledgement to the donor and recipient of donation, if applicable, as soon as it received or within five (5) business days of receipt of gift. Acknowledgements will include verbiage in compliance with IRS rules.
- e.) The Foundation Manager will keep appropriate files/records of all gifts, including copies of all monies/checks and bank receipts.

Any changes to these procedures must be approved by the Foundation Board.

### **III. Expenditure of Funds.**

The following steps will be followed in requesting expenditure and disbursement of Foundation funds:

- a) Steps To Be Followed In Requesting Expenditure of Funds:
  - 1) Expenditures for Budgeted Funds:  
Any individual requesting an expenditure of funds that is a budgeted item may submit an invoice to the Foundation Secretary for payment of the invoice or reimbursement to the individual.
  - 2) Expenditures for non-Budgeted Funds:  
Requests for expenditures not included in the current year budget must be made in writing to the Foundation Treasurer and Secretary or the Foundation President and Secretary for approval. Any amount over \$500.00 requires the approval of the Board of Trustees.
  
- b) Steps To Be Followed in Disbursing Funds:
  - 1) When an invoice is received by the Foundation Secretary, it is reviewed for accuracy, proper approval and funds availability.
  - 2) In accordance with Bylaws Article 8, Section 1, each disbursement check must be signed by (1) the President or a Vice President or their designee or the Superintendent of Carroll County Public Schools, and (2) countersigned by the Secretary or Treasurer or an Assistant Secretary or an Assistant Treasurer of the Foundation.
  - 3.) The disbursement check's payment record stub is stapled to a copy of the corresponding invoice or receipt(s) and filed in the appropriate files of the Foundation.

### **IV. Credit/Debit Card Processing and Storage Guidelines.**

The CCPS Education Foundation currently accepts 3 major credit cards (MasterCard, Visa and Discover) for payment of services rendered and goods sold. Debit cards with the Visa or MasterCard logo are also accepted. All Foundation employees are required to process card transactions through the merchant services provider selected by the CCPS Education Foundation. The Foundation will follow all Visa CISP compliance guidelines. (CISP [Cardholder Information Security Program] defines a standard of due care for securing Visa cardholder data, wherever it is located. CISP compliance has been required of all entities storing, processing, or transmitting Visa cardholder data.)

- a) The Foundation Manager will coordinate all credit/debit card processing for the CCPS Education Foundation. Access to the physical cardholder data must be limited to only those individuals that require access to that data. Access to credit card numbers must be restricted to the minimum number of people possible.
  
- b) Electronic credit card numbers should not be transmitted or stored in any system, personal computer, or e-mail account.
  
- c) If Credit Card Numbers have to be physically retained for any amount of time, they must be locked in a secure area in the Foundation offices. All hardcopies must be shredded by at least a

cross-cut shredder prior to disposal. Stored credit card information will be retained for a maximum of 60 days.

- d) Under no circumstances will it be permissible to obtain credit card information or transmit credit card information by e-mail. Hardcopy containing cardholder data will be destroyed immediately after processing.
- e) All customer receipts must truncate the card number so that only the last four digits are printed and must not display the card expiration date.
- f) If cardholder information is taken over the phone or via fax (i.e. card is not present), in order to reduce fraud, the following procedures are followed:
  - 1.) Obtain the cardholder name, billing address, account number, and expiration date.
  - 2.) Enter the required information into the POS device: account number, expiration date, numerical numbers in the billing address, zip code of the billing address, amount of sale.
  - 3.) Print a duplicate customer receipt to be mailed to the donor/customer along with their acknowledgement letter.

#### **V. Foundation-Issued Credit/Debit Card Usage Procedures.**

- a.) The Foundation will use a credit/debit card as an efficient method for purchasing necessary items.
  - 1) The Foundation credit/debit card will be stored in a locked cabinet located in the Foundation offices when not in use.
  - 2) The Foundation credit/debit card will not be used to withdraw cash with the exception of providing cash to be used to make change for cash purchases at Foundation fund raising activities.
  - 3) The Foundation credit/debit card may only be used by a member of the Board of Trustees or by approved Foundation staff members.
- b.) Each approved cardholder is responsible for:
  - 3) Keeping the debit card in a secure location and keeping the card number confidential.
  - 4) Using caution in sharing account information when making purchases.
  - 5) Making certain that sales tax is not charged when making a purchase. (Taxes can be charged on items that are sold to students for personal use, for example team sweatshirts.)
  - 6) Obtaining and keeping receipts for each card transaction. **YOU MUST HAVE AN ORIGINAL, DETAILED RECEIPT FOR EVERY CARD TRANSACTION.**
  - 7) Purchasing only items for use with business related to the CCPS Foundation.
  - 8) Immediately calling the debit card company and the Board Secretary if the card is lost or stolen.

- c.) Foundation credit/debit cards may not be used for:
  - 9) Personal charges.
  - 10) Cash advances or cash refunds for returned merchandise.
  - 11) Travel or entertainment expenses unless specifically authorized in writing by the Board of Trustees (including food).
  - 12) Consulting or contract employee services that require contracts.
  - 13) Telephone calls.

## **VI. Tax Exempt Status.**

The CCPS Education Foundation shall maintain a 501(C)(3) status.

## **VII. Annual Budget.**

- a.) The Board Treasurer and Secretary will prepare a draft of the proposed Annual Budget by March 15<sup>th</sup>, annually.
- b.) The Treasurer will submit the proposed Annual Budget to the Governance Committee and the Board Chair and President for review by April 15<sup>th</sup>, annually.
- c.) The Treasurer and Governance Committee will submit and present the Annual Budget to the Board at the June Board Meeting for approval.
- d.) The Annual Budget will be implemented by July 1<sup>st</sup>, annually.

## **VIII. Financial Statement Reconciliation.**

As directed by the Treasurer and subject to his review, the Board Secretary will reconcile monthly bank statements to the QuickBooks accounting program.

## **IX. Financial Reporting.**

The Board Secretary will prepare a Treasurer's Report and proof of bank statement reconciliation to the Treasurer on a monthly basis. The Secretary and Treasurer will prepare the Treasurer's Report to the Board for their approval on a quarterly basis at the regular meetings of the Board. The Treasurer's Report will consist of a Balance Sheet, Statement of Activity, Statement of Revenues and Expenses and Budget versus actual comparisons.

## **X. Annual Financial Audit.**

An independent audit will be conducted within the first ninety (90) days of each fiscal year. A recommendation regarding the engagement of an auditor will be made to the Foundation Board by the Governance Committee. It will be the responsibility of the Treasurer and Secretary to work with the auditor to ensure the terms of the audit agreement are met and to make arrangements for the auditor to present the audit report to the Foundation Board.

## **XI. Form 990 Filing Procedures.**

The Foundation will complete and file the annual IRS Form 990 by the due date of the return annually. The form may either be completed by a member of the Foundation staff or the Foundation may contract with a private firm or accountant. A recommendation regarding the engagement of

such firm or accountant will be made to the Foundation Board by the Governance Committee. It will be the responsibility of the Treasurer and Secretary to work with the firm/accountant to ensure the form is completed accurately and in a timely manner.

It is the policy of the Carroll County Public Schools Education Foundation that the Governance Committee will be responsible for the initial review of Internal Revenue Service Form 990 that is to be filed on behalf of the organization. Upon approval of the Governance Committee, the Form 990 shall be presented to the Board of Trustees along with a recommendation from the Governance Committee for Board approval of the Form 990 for filing with the IRS. A Board resolution is not required in order for the Form 990 to be filed, provided that the Board's approval of the Form 990 for filing is in accordance with the requirements for action by the Board and is otherwise recorded in the minutes of the organization. Trustees may request to receive the Form 990 as hard copies (mailed or hand-delivered) or electronic files (sent via e-mail).

# SECTION 3

## DOCUMENT RETENTION/DESTRUCTION POLICY

The CCPS Education Foundation will retain the types of records and documentation set forth in the table below (to the extent such type of a record exists) for the minimum length to time which transpires between the creation of the original and final such record and the time such record is destroyed by shredding or otherwise permanently destroying. Those records will be retained for a maximum of no more than one (1) calendar year beyond the minimum requirement. The CCPS Education Foundation will make reasonable efforts to ascertain the date of the creation of the original and final of each such record and will make reasonable efforts to store or otherwise retain the records prior to destruction.

<b>Type of Document</b>	<b>Minimum Requirement</b>
Accounts payable ledgers and schedules	7 years
Audit reports	Permanently
Bank Reconciliations	2 years
Bank statements	3 years
Checks (for important payments and purchases)	Permanently
Contracts, mortgages, notes and leases (expired)	7 years
Contracts (still in effect)	Permanently
Correspondence (general)	2 years
Correspondence (legal and important matters)	Permanently
Correspondence (with customers and vendors)	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Year End Financial Statements	Permanently
Insurance Policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	Permanently
Internal audit reports	7 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Minute books, bylaws and charter	Permanently
Patents and related Papers	Permanently
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Retirement and pension records	Permanently
Tax returns and worksheets	Permanently
Timesheets	7 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years

# SECTION 4

## WHISTLEBLOWER POLICY

### **I. General**

The Carroll County Public Schools Education Foundation's Trustees, officers and employees will make reasonable efforts to observe high standards of business and personal ethics in the conduct of their duties and responsibilities, practice honesty and integrity in fulfilling their responsibilities and to comply with all applicable laws and regulations.

### **II. No Retaliation**

No Trustee, officer or employee who in good faith reports an ethics violation shall suffer harassment, retaliation or adverse employment consequence. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Foundation prior to seeking resolution outside the Foundation.

### **III. Accounting and Auditing Matters**

The Governance Committee of the Board of Trustees shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing.

### **IV. Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

### **V. Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## SECTION 5

# BOARD MEMBER RECRUITMENT POLICY

To better facilitate the recruitment of potential members of the Board of Trustees of the Foundation, the Governance Committee, its designee(s) and the existing Board of Trustees will make reasonable efforts to comply with the timeline set forth below:

1. At the September meeting of the Board of Trustees, the Governance Committee will present to the Board a list of the current Board of Trustees, which list will designate the length and expiration of the terms of each Trustee, so that it is apparent the number of Trustee vacancies that will need to be filled for the next fiscal year;
2. At the December meeting of the Board of Trustees, the Trustees will bring with them a list of person(s) each believes will be a good candidate for such vacancies;
3. In January and February thereafter, the Governance Committee and/or its designee(s) will contact the potential candidates identified at the December meeting and/or any other potential candidates for such vacancies to determine whether those person(s) are willing to be candidates for the vacant positions for the coming fiscal year, and if so, will obtain biographical and other personal information from such persons.
4. At the March meeting of the Board of Trustees, the Governance Committee will share with the Board of Trustees the names and information of the persons who have agreed to be candidates for the vacant positions; and
5. At the June meeting of the Board of Trustees, in accordance with the Bylaws of the Foundation, the Board of Trustees will vote on the slate of Trustees presented by the Governance Committee, which slate will be comprised of any or all of the persons identified as set forth in this policy.

Date of Board Approval: Wednesday, September 2, 2009