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Virtus Academy of South Carolina

Financial Management Policy and Procedures

POLICY

Virtus Academy of South Carolina maintains a financial management system that includes fiscal control and fund accounting procedures to ensure proper disbursement of and accounting for all Virtus Academy of South Carolina funds.

PROCEDURES

Responsibility of the Chief Executive Officer and/or his/her designee(s)

The Chief Executive Officer and/or his/her designee(s) is responsible for the following to ensure that best practices and procedures are met:

- Maintains files on all purchase orders for Virtus Academy of South Carolina
- Enters all accounts payable information into the Virtus Academy of South Carolina accounting software
- Writes all checks for the school, including special services, and maintains all information in the Virtus Academy of South Carolina accounting software
- Provides expenditure records monthly
- Maintains accurate account ledgers
- Prepares monthly financial statements
- Maintains files on accounting data
- Reconciles accounts payable bank statements monthly

In addition, the Chief Executive Officer and/or his/her designee(s) will ensure that Virtus Academy of South Carolina contracts with an external auditor to complete an audit each year to verify compliance with established practices for making disbursements and all required financial policies and procedures.

Financial Management Standards

Virtus Academy of South Carolina financial management system meets the following requirements under 2 C.F.R. § 200.302:

- **Identification:** Virtus Academy of South Carolina identifies, in its accounts, all federal/state awards received and expended and the programs under which they were received. This information includes, as applicable, the Assistance Listings (formerly CFDA) title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

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- **Financial Reporting:** Virtus Academy of South Carolina maintains accurate, current, and complete disclosure of the financial results of each federal award or program in accordance with applicable financial reporting requirements.
- **Accounting Records:** Virtus Academy of South Carolina maintains records that adequately identify the source and application of funds provided for federally assisted activities. These records contain information pertaining to grant or subgrant awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income, and interest, supported by source documentation.
- **Internal Controls:** Internal controls are designed to provide reasonable assurance regarding:
  - Effectiveness and efficiency of operations
  - Adequate safeguarding of property
  - Assurance that property and money are spent in accordance with grant programs to further selected objectives
  - Compliance with applicable laws and regulations
    Virtus Academy of South Carolina maintains effective control and accountability for all funds, real and personal property, and other assets, ensuring they are used solely for authorized purposes (see Inventory and Fixed Assets Procedures). Virtus Academy of South Carolina ensures proper segregation of duties; for example, all expenditures must be approved in writing by the Chief Executive Officer and Chief Executive Officer and/or his/her designee(s), and all purchases by staff must have an approved Purchase Order on file.
- **Budget Control:** Virtus Academy of South Carolina compares actual expenditures or outlays with budgeted amounts and obtains amendments, as required.
- **Cash Management:** Virtus Academy of South Carolina maintains written procedures to implement cash management requirements.
- **Allowable Costs:** Virtus Academy of South Carolina maintains written procedures for determining the allowability of costs (see Allowability Procedures).

Cash Management

Virtus Academy of South Carolina complies with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, Virtus Academy of South Carolina receives payment from the South Carolina Department of Education via the Charter Institute at Erskine on a reimbursement basis (2 CFR § 200.305).

If Virtus Academy of South Carolina receives an advance in federal grant funds, it will hold federal advance payments in interest-bearing accounts unless an allowable exception applies (2 CFR § 200.305(b)(8)). Virtus Academy of South Carolina will calculate interest earned on cash balances after funds are deposited into the school's account and remit interest earned annually to the U.S. Department of Health and Human Services (HHS) Payment Management System (PMS) in accordance with 2 C.F.R. § 200.305(b)(9). Virtus Academy of South Carolina may retain interest amounts up to $500 per year for administrative expenses.

Accounts Payable

Only valid accounts payable transactions based on documented vendor invoices, receiving reports, or other approved documentation are recorded as accounts payable.

Fund Balance Requirements

Virtus Academy of South Carolina shall maintain a minimum sixty-day operating cash reserve. Available fund balance beyond the mandated reserve limit may be invested in accordance with South Carolina Code of Laws Title 6, Chapter 5 (Investment of Funds by Political Subdivisions) upon approval of the Chief Executive Officer. The Chief Executive Officer or designee shall annually report to the Board of Directors regarding the performance of any invested funds.

School Appropriation and Bank Account

Virtus Academy of South Carolina must operate a depository account with a financial institution approved by the charter school board. Signatories on the account shall only be Board members, school personnel authorized by the Board, or designees of the Board. All state and federal funds allocated to the school will be deposited in this depository account.

Contracted Services

Vendors and suppliers are paid as required under applicable contracts, including any discounts offered. If cash flow constraints exist, payments are prioritized based on critical operational needs. Payments for contracted services are taxable, and an IRS Form W-9 must be completed by individuals or organizations performing services. Transactions for these services must be flagged in the accounting system as 1099 invoices to ensure 1099 generation at year-end. The Chief Executive Officer and/or his/her designee(s) must receive and review a copy of all contracts prior to service engagement. Final contract approval by the Chief Executive Officer is required prior to service engagement.

Purchase Approval

All Virtus Academy of South Carolina expenditures must be approved in writing, and purchases by staff must have an approved Purchase Order on file.

- **Purchases under $500:** Purchase requests for supplies not exceeding $500.00 may be approved by the immediate supervisor and the Chief Executive Officer and/or his/her designee(s). The Chief Executive Officer and/or his/her designee(s) will provide the Chief Executive Officer with a monthly recap of these purchases for review and approval/denial. Expenditures that violate policy may be subject to repayment by the employee.
- **Purchases over $500:** All other expenditures require a formal Purchase Request approved by the Chief Executive Officer.

Expense Reimbursements

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All expenditures must be processed via a purchase order through the Chief Executive Officer and/or his/her designee(s). In an emergency where the standard procurement process is not feasible, staff may seek reimbursement for goods or services purchased with personal funds up to $250.00, subject to immediate supervisor approval. An Expense Reimbursement Form with attached proof of purchase must be submitted within a reasonable timeframe, as determined by the Chief Executive Officer and/or his/her designee(s). Reimbursements are processed within 10 business days.

Travel Reimbursement

All Virtus Academy of South Carolina staff must follow the detailed guidelines outlined in the standalone **Virtus Academy of South Carolina Travel and Meal Policy**. To be eligible for reimbursement, travel must be pre-authorized using the Pre-Authorization Form and approved by the immediate supervisor. To claim actual expenditures incurred, staff must submit an Expense Reimbursement Form within 10 business days of returning from travel.

Invoices

All invoices must be reviewed and signed by the responsible department head to confirm receipt of goods or services before the Chief Executive Officer and/or his/her designee(s) processes payment.

Recurring Monthly Invoices

Department heads are to verify and sign all monthly invoices. Variations in recurring invoices must not exceed 5%. If a variation exceeds 5%, the responsible department head must review, sign off, and provide a written explanation. Department heads must ensure contracts align with their budget lines; if expenditures exceed budget allocations, department heads must meet with the Chief Executive Officer and/or his/her designee(s) to request a budget transfer.

Credit Cards

Credit card statements are processed monthly. All staff must follow the detailed guidelines outlined in the standalone **Virtus Academy of South Carolina Credit Card Policy**. Each cardholder must submit all receipts associated with monthly charges. For lost or missing receipts, the cardholder must complete a Missing Receipt Affidavit.

Approved by the board on August 25, 2026

Signed by:

Board Secretary Dr. Machell Sprauve

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