

**The Midlands STEM Charter School**  
**Financial Management Policy and Procedures**

**OFFICE OF RESPONSIBILITY:** Finance **EFFECTIVE DATE:** 07/01/2026

**POLICY**

The Midlands STEM Charter School maintains a financial management system that includes fiscal control and fund accounting procedures to ensure proper disbursement of and accounting for all Midlands STEM Charter School funds.

**PROCEDURES**

**Responsibility of the Finance Office**

The Finance Office are responsible for the following to ensure that best practice and procedures are met:

- Maintains files on all purchase orders for the Midlands STEM Charter School ●  
Enters all accounts payable information in the Midlands STEM Charter School accounting software
- Writes all checks for the Institute, including special services, and maintains all information in the Midlands STEM Charter School accounting software
- Provides expenditure records monthly
- Maintain accurate account ledgers
- Prepare monthly financial statements
- Maintains files on accounting data
- Reconciles accounts payable bank statements monthly

In addition, the Finance Office will ensure that the Midlands STEM Charter School contracts with an external auditor to complete an audit each year to ensure that we are following established practices for making disbursements and all required financial policies and procedures.

**Financial Management Standards**

The Midlands STEM Charter School financial management system meets the following requirements under 2 C.F.R. § 200.302:

- **Identification:** The Midlands STEM Charter School 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 referred to as the CFDA) title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

- **Financial Reporting:** The Midlands STEM Charter School maintains accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with applicable financial reporting requirements.
- **Accounting Records:** The maintains records which 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 and be supported by source documentation.
- **Internal Controls:** “Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:
  - Effectiveness and efficiency of operations;
  - Adequate safeguarding of property;
  - Assurance property and money is spent in accordance with grant program and to further the Selected objectives; and
  - Compliance with applicable laws and regulations.

The Midlands STEM Charter School maintains effective control and accountability for all funds, real and personal property, and other assets. The Midlands STEM Charter School adequately safeguards all such property and assures that it is used solely for authorized purposes. See Inventory and Fixed Assets Procedures. In addition, the Midlands STEM Charter School ensures proper segregation of duties. For example, all Midlands STEM Charter School expenditures must be approved in writing by the Executive Director and the Director of Operations. All purchases by a Midlands STEM Charter School staff must have a Purchase Order on file.

- **Budget Control:** The Midlands STEM Charter School ensures actual expenditures or outlays are compared with budgeted amounts and obtains amendments as required.
- **Cash Management:** The Midlands STEM Charter School maintains written procedures to implement the cash management requirements.
- **Allowable Costs:** The Midlands STEM Charter School maintains written procedures for determining allowability of costs. See Allowability Procedures.

### **Cash Management**

The Midlands STEM Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the Midlands STEM Charter School, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the Midlands STEM Charter School receives payment from the South Carolina Department of Education on a reimbursement basis. 2 CFR § 200.305.

If the Midlands STEM Charter School receives an advance in federal grant funds, the Midlands STEM Charter School will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. 2 CFR § 200.305(b)(8). The Midlands STEM Charter School will calculate interest earned on cash balances after funds are deposited into the District's account. The Midlands STEM Charter School will remit interest earned on the advanced payment 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). The Midlands STEM Charter School may retain interest amounts up to \$500 per year for administrative expenses. 2 CFR § 200.305(b)(9).

### **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**

The Midlands STEM Charter School shall maintain a minimum sixty-day operating cash reserve. Available fund balance beyond the mandated reserve limit may be invested in accordance with the South Carolina Code of Law Title 6, Chapter 5, Investment of Funds by Political Subdivisions upon approval of the Executive Director and Director of Operations of the Midlands STEM Charter School. The Executive Director or designee shall annually report to the Board of Directors regarding the performance of any funds that have been invested.

### **School Appropriation and Bank Account**

The Midlands STEM Charter School sponsored by the Institute must operate a depository account with a financial institution approved and owned by the charter school board. The signatories on the account shall only be the 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 the depository account in compliance with this requirement.

### **Contracted Services**

Vendors and suppliers are paid as required under the applicable contract, including any discounts offered. If cash flow problems exist, payments are made on a greatest dependency/greatest need basis. These payments are taxable and an IRS Form W-9 should be completed by individuals or organizations performing the contracted services. Transactions for these services must be flagged in the accounting system as a 1099 invoice. This process will ensure that a 1099 is produced by the system for these vendors. The Finance Office must receive and review a copy of all contracts for the Midlands STEM Charter School prior to service engagement. Final contract approval by the School Leader is required prior to service engagement.

### **Purchase Approval:**

All Midlands STEM Charter School expenditures must be approved in writing. All purchases by Midlands STEM Charter School staff must have an approved Purchase Order on file.

Purchase requests for supplies not exceeding \$250.00 in value may be approved by the immediate Department Director. The Director of Operations will review and approval or deny (if the purchase approved by the Department Director violates any Midlands STEM Charter School policies or procedures) the monthly expenditures. Expenditures that violate Midlands STEM Charter School policy may be subject to repayment by the employee making the purchase.

All other expenditures must be approved with a Purchase Request by the Director of Operations and Executive Director.

### **Expense Reimbursements**

All expenditures must be handled with a purchase order through the Finance Office. However, in the event of an emergency and the normal process of obtaining goods or services is not feasible, Midlands STEM Charter School staff can seek reimbursement for the goods or services they purchased with personal payment method once approved by the Department Director. All emergency purchases cannot exceed \$250.00 in cost. When goods or services are being purchased by an individual, an *Expense Reimbursement Form* are required to seek reimbursement. A proof of purchase must be attached with the *Expense Reimbursement Form*.

Employee must submit an *Expense Reimbursement Form* within a reasonable timeframe from the day of the purchase. The Finance Office will determine the definition of a reasonable timeframe on a case by case basis.

The processing time for a reimbursement is 10 business days.

### **Travel Reimbursement**

All Midlands STEM Charter School staff must follow the guidelines outlined in the Midlands STEM Charter School *Travel and Meal Policy* when conducting travel related expenses. To be eligible for reimbursement, all travel for Midlands STEM Charter School staff must be properly authorized using the *Pre-Authorization Form*. Staff must inform and receive approval from their immediate supervisor prior to traveling. To claim expenditures, Midlands STEM Charter School staff must submit an *Expense Reimbursement Form* within 10 business days after returning from a travel. The *Expense Reimbursement Form* must contain expenses that actually incurred.

### **Invoices**

All invoices must be reviewed and signed by the department head responsible for the good or services. Department head must review the invoice to confirm that the goods or services outlined on the invoice has been received by the Midlands STEM Charter School. The Finance Office will process the invoice once confirmation is received from the department responsible.

### **Recurring Monthly Invoice**

Vendors that have an active contract on file with the Finance Office may submit recurring monthly invoices to be processed without department signatures. The Finance Office is responsible for reviewing all recurring monthly invoices to ensure that the invoice matches the

cost outlined in the contract.

The amount on the recurring monthly invoice must be comparable each month. Comparable is defined as no more than a difference of 05% in cost. The responsible department must review the recurring monthly invoice if a large difference is noted on the invoice. The department must sign off on the invoice and provide an explanation on the amount difference.

All departments are responsible for ensuring that contracts are aligned with the department budget. If the expenditures exceed the budget line, then the department head must schedule a meeting with the Finance Office to discuss a budget transfer. The finance office shall be responsible for verifying contracts are aligned with department budgets.

### **Credit Card**

Credit Card statements will be processed monthly. All Institute staff must follow the guidelines outlined in the Midlands STEM Charter School *Credit Card Policy*. Each cardholder is responsible for submitting all receipts associated with the charges on the Credit Card. The Finance Office will review all credit card statements to ensure that all receipts associated with the statement are on file.

*For all lost or missing receipts, the staff member and/or cardholder must complete a Missing Receipt Affidavit.*

\*MSCS does not utilize credit cards.\*

Approved 09/28/26