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Code	6000 BP - FINANCES
Status	Active
Adopted	June 14, 2022
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6000 **FINANCES**

6680	Recognition	LC
6700	**Fair Labor Standards Act (FLSA)**	**LR**
6800	System of Accounting	LC
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Book	Board Policies
Section	6000 BP - Finances
Title	AUTHORIZATION TO ACCEPT AND DISTRIBUTE ELECTRONIC RECORDS AND TO USE ELECTRONIC SIGNATURES
Code	6107 BP
Status	Active
Adopted	June 14, 2022

AUTHORIZATION TO ACCEPT AND DISTRIBUTE ELECTRONIC RECORDS AND TO USE ELECTRONIC SIGNATURES

Reference:
15 U.S.C. 7001 et seq
M.C.L. 450.831-450.849

Unless a provision of law specifically prohibits the use of an electronic record for the specified purpose, the Board of Directors authorizes the acceptance and distribution/transmission of electronic records and electronic signatures to and from Academy staff and other persons, as well as between Academy staff members. The Board further authorizes Academy staff to create, generate, send, communicate, receive, store, process, use, and rely upon electronic records and electronic signatures. The Educational Service Provider shall put in place measures to protect the integrity, security, and accessibility of electronic signatures and electronic records to comply with mandates of State and Federal agencies or programs, including Medicaid.

All Academy staff shall comply with all provisions of the Uniform Electronic Transaction Act when creating, generating, sending, communicating, receiving, storing, processing, using, and relying upon electronic records. Further, all Academy staff and other persons who use electronic signatures when completing transactions with the Board shall do so in compliance with State law.

The Educational Service Provider is authorized to develop administrative guidelines concerning the acceptance and distribution/transmission of electronic records and electronic signatures. After giving due consideration to security, the Educational Service Provider may specify the following:

A. The manner and format in which the electronic records must be created, generated, sent, communicated, received, and stored, and the systems established for those purposes.

B. If electronic records must be signed by electronic means, the type of electronic signature that is required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by any third party used by a person filing a document to facilitate the process.

C. Control processes and procedures as appropriate to provide for adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records.

D. Any other required attributes for electronic records that are specified for nonelectronic records or reasonably necessary under the circumstances.

Book	Board Policies
Section	6000 BP - Finances
Title	AUTHORIZATION TO USE ELECTRONIC FUND TRANSFERS AND AUTOMATED CLEARING HOUSE ARRANGEMENTS
Code	6108 BP
Status	Active
Legal	M.C.L. 124.301 - 124.305
Adopted	June 13, 2023

AUTHORIZATION TO USE ELECTRONIC FUND TRANSFERS AND AUTOMATED CLEARING HOUSE ARRANGEMENTS

Reference:
M.C.L. 124.301 - 124.305

In accordance with the provisions of law, the Board of Directors authorizes the acceptance and distribution/transmission of electronic fund transfers (ETFs) and automatic clearing house arrangements (ACH). The Educational Service Provider shall put in place measures to protect the integrity and security of such transactions to comply with mandates of State and Federal agencies or programs, including Medicaid.

Definitions

"ACH arrangement" means the agreement between the originator of the ACH transaction and the receiver of the ACH transaction.

"ACH transaction" means an electronic payment, debit, or credit transfer processed through an automated clearing house.

"Automated clearing house" or "ACH" means a national and governmental organization that has authority to process electronic payments including, but not limited to, the national automated clearing house association and the Federal reserve system.

"Electronic transactions officer" or "ETO" means the Educational Service Provider or another person designated by the Board to have the responsibilities of the ETO as prescribed in the Michigan Electronic Transactions of Public Funds Act.

All Academy staff shall comply with all provisions of the Uniform Electronic Transaction Act when creating, generating, sending, communicating, receiving, storing, processing, using, and relying upon electronic records. Further, all Academy staff and other persons who use electronic signatures when completing transactions with the Board shall do so in compliance with State law.

ACH Transactions and Arrangements

The Educational Service Provider or another employee designated by the ETO is authorized to engage in electronic transfer of funds and ACH arrangements in accordance with this policy. The Educational Service Provider shall be responsible for overseeing the Academy's ACH transactions, including payment approval, accounting, reporting, and compliance with this ACH policy.

Internal Controls

The Educational Service Provider is responsible for disbursement of funds and shall submit appropriate documentation to the Board. Such documentation shall include:

A. information regarding the goods or services purchased;

B. the cost of goods or services;

C. the date of the payment; and

D. departments serviced by the payment.

This documentation shall be contained in the Academy's electronic general ledger software system or in a separate report to the Board. ACH invoices must be reviewed and approved prior to payment.

The Academy's system of internal controls (see Policy 6111 - Internal Controls) shall be used to monitor the use of ACH transactions.

Book	Board Policies
Section	6000 BP - Finances
Title	GRANT FUNDS
Code	6110 BP
Status	Active
Adopted	June 14, 2022
Last Revised	March 11, 2025

GRANT FUNDS

Reference:
2 CFR 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307
2 CFR 200.309, 200.310, 200.313, 200.318-.320, 200.343(b) & (e)
2 CFR 200.501-511
Compliance Supplement for Single Audits of State and Local Governments
20 U.S.C. 7906
34 C.F.R. 75.707, 76.563, 76.565, 76.707

It is the objective of the Board of Directors to provide equal educational opportunities for all students at the Academy. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the Academy that would benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Educational Service Provider shall review new Federal education legislation and prepare proposals for programs the Educational Service Provider deems would be of aid to the students of this Academy. The Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts, public school academies, and communities as a public trust. The Board forbids the use of Federal monies for partisan political activities and for any use that would not be in accordance with Federal regulations and guidelines.

No Federal funds received by the Academy shall be used (1) to develop or distribute materials, or operate programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.

Grant Proposal Development

A. All grant proposals must support at least one (1) Academy goal or priority.

B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

C. Each grant proposal shall be reviewed and approved by the Educational Service Provider prior to submission to the funding source.

Mandatory Disclosures

The Academy must promptly disclose whenever they have credible evidence of a violation of Federal criminal law potentially affecting the Federal award including, but not limited to, any fraud, embezzlement, bribery, gratuity violations, identity theft, or sexual assault and exploitation, or a violation of the civil False Claims Act (2 C.F.R. 175.105) regarding the obligation to report credible information related to conduct prohibited by the Trafficking Victims Protection Act, 22 U.S.C. 7104c.

The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and the pass-through entity.

Whistleblower Protections

An employee of the Academy or Educational Service Provider may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information to the appropriate agency or individual that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract or grant. See Policy 8900 - Anti-Fraud.

Grant Administration

A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as Academy policies and administrative procedures/guidelines.

B. The Educational Service Provider is responsible for the efficient and effective administration of grant awards through the application of sound management practices.

C. The Educational Service Provider is responsible for administering grant funds in a manner consistent with underlying agreements, applicable statutes, regulations, and program objectives, and the terms and conditions of the grant award.

D. The Educational Service Provider, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls and the organizational and management strategies necessary to assure proper and efficient administration of grant awards.

E. All Federal funds received by the Academy will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Educational Service Provider shall require that each draw of Federal monies be aligned with the Academy’s payment process (whether reimbursement, cash advance or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.

   Maintenance of Effort (MOE) and Maintenance of Equity (MOEquity) requirements of the Federal program will be met in accordance with the requirements of the specific funded program. The Academy shall maintain appropriate documentation and records to substantiate compliance or to justify allowable exceptions, exemptions, or waivers.

F. The Educational Service Provider is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.

G. Program reports including, but not limited to, audits, site visits, and final reports may be submitted to the Educational Service Provider for review and distribution to the Board and other appropriate parties.

Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local, and grantor rules, regulations, and assurances, as well as Academy policies and administrative procedures/guidelines.

At a minimum, the Academy shall provide for the following:

A. Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity.

B. The Academy shall develop a procurement policy (or revise its current procurement policy) to comply with all grants which it is awarded. Further, to the extent applicable, the Academy shall adhere to the requirements of the Education Department General Administrative Regulations.

C. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.

D. Effective control over and accountability for all funds, property, and assets. The Academy must safeguard all assets and ensure they are used solely for authorized purposes.

E. Further, the Academy must:

1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the Academy is managing the Federal award in compliance with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award;

2. comply with the U.S. Constitution, Federal statutes, regulations and the terms and conditions of the Federal award;

3. evaluate and monitor the Academy's compliance with statutes, regulations and the terms and conditions of the Federal award; and

4. take prompt action when instances of noncompliance are identified.

F. Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal awarding agency or pass-through entity designates as sensitive or other information the Academy considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.

G. Actual expenditures or outlays must be compared with budgeted amounts for each Federal award.

H. Recordkeeping and written procedures to the extent required by Federal, State, local, and grantor rules and regulations pertaining to the grant award and accountability, including but not limited to the following areas:

1. cash management in accordance with 2 C.F.R. 200.305;

2. allowability of costs in accordance with subpart E and the terms and conditions of the Federal award;

3. conflict of interest;

4. procurement;

5. equipment management;

6. conducting technical evaluations of proposals and selecting recipients;

7. compensation and fringe benefits;

8. travel.

I. Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass-through agency in accordance with applicable Federal policy.

J. Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the Academy.

Audit Requirements

A single or program-specific audit (2 C.F.R. 200.514, 2 C.F.R. 200.507) is required for any year if the Academy expends $1,000,000 or more in Federal awards during the Academy's fiscal year. When Federal awards expended are less than $1,000,000, the Academy may be exempt from Federal audit requirements (2 C.F.R. 200.501) for that year. However, in all instances, the Academy's records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the Government Accountability Office (GAO).

The Academy shall:

A. arrange for the audit required in accordance with 2 C.F.R. 200.509 and make sure that the audit is properly performed and submitted in accordance with 2 C.F.R. 200.512;

B. prepare financial statements including the schedule of expenditures of Federal awards in accordance with 2 C.F.R. 200.510;

C. promptly follow up and take corrective action on audit findings, including preparing a summary schedule of prior audit findings and a corrective action plan (2 C.F.R. 200.511); and

D. provide the auditor access to personnel, accounts, books, records, supporting documentation, and any other information needed for the auditor to perform the audit.

Certifications and Records Retention

Financial reports must include a certification, signed by an official who is authorized to legally bind the Academy. The certification should state:

"I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to, violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812"

Each certification must be maintained pursuant to the requirements of 2 C.F.R. 200.334. The Academy shall retain all Federal award records for three (3) years from the date of submission of the final financial report.

Program Income

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance.

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. Additionally, taxes, special assessments, levies, fines, and similar revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Proceeds from the sale of real property, equipment, or supplies are not program income. Finally, license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions made under the Federal award subject to 37 C.F.R. Part 401 are not program income.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the Academy uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the Academy is otherwise directed by the Federal agency or pass-through entity.

Book	Board Policies
Section	6000 BP - Finances
Title	INTERNAL CONTROLS
Code	6111 BP
Status	Active
Adopted	June 14, 2022
Last Revised	March 11, 2025

INTERNAL CONTROLS

References:
2 C.F.R. 200.1
2 C.F.R. 200.62
2 C.F.R. 200.303

The Educational Service Provider shall establish, document, and maintain effective internal control over financial grants and awards that provide reasonable assurance that the program and funds are managed in compliance with the U.S. Constitution, statutes, regulations and the terms and conditions of the awards. The Academy will have a process that provides reasonable assurance regarding the achievement of the following objectives:

A. effectiveness and efficiency of operations;

B. reliability of reporting for internal and external use; and

C. compliance with applicable laws and regulations.

These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The Academy shall:

A. comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award;

B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;

C. take prompt action when instances of noncompliance are identified; and

D. take reasonable cybersecurity and other measures to safeguard protected information including protected "personally identifiable information" (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the Academy considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over

confidentiality.

PII is defined at 2 C.F.R. 200.1200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual."

However, the definition of PII is not attached anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

Suggested resources:

A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;

B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;

C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and

D. Internal control guidance issued by the U.S. Department of Education.

Book	Board Policies
Section	6000 BP - Finances
Title	CASH MANAGEMENT OF GRANTS
Code	6112 BP
Status	Active
Adopted	June 13, 2023
Last Revised	March 11, 2025

CASH MANAGEMENT OF GRANTS

Reference:
2 CFR 200.305

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Educational Service Provider shall implement internal controls in the area of cash management.

The Academy's payments methods shall minimize the time elapsing between the transfer of funds from the Federal agency or the Michigan Department of Education (MDE) (pass-through entity) and disbursement by the Academy, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The Academy shall use forms and procedures required by the grantor agency or pass through entity to request payment. The Academy shall request grant fund payments in accordance with the provisions of the grant. Additionally, the Academy's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Educational Service Provider is authorized to submit payment requests as often as necessary when electronic fund transfers are used or at least monthly when electronic transfers are not used. See the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the Academy uses a cash advance payment method, the following standards shall apply:

A. The timing and amount of the advance payment requested must be as close as is administratively feasible to the actual disbursement by the Academy for direct program or project costs and the proportionate share of any allowable indirect costs.

B. The Academy shall make timely payments to contractors in accordance with contract provisions.

C. Whenever possible, advance payment requests by the Academy must be consolidated to cover anticipated cash needs for all Federal awards received by the recipient from the awarding Federal agency or MDE.

D. If available, the Academy shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on Federal funds before requesting additional cash payments.

E. The Academy shall account for the receipt, obligation and expenditure of funds.

F. Advance payments will be deposited and maintained in insured accounts whenever possible.

G. Advance payments will be maintained in interest bearing accounts unless the following apply:

1. The Academy receives less than $250,000 in Federal funding per year.

2. The best available interest-bearing account would not reasonably be expected to earn interest in excess of $500 per year on Federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

4. An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country).

H. Pursuant to Federal law and regulations, the Academy may retain interest earned in an amount up to $500 per year for administrative costs. Any additional interest earned on Federal funds must be returned annually to the Department of Health and Human Services Payment Management System ("PMS") through an electronic medium using either the Automated Clearing House ("ACH") network or a Fedwire Funds Service payment.

I. All interest in excess of $500 per year must be returned to PMS regardless of whether the Academy was paid through PMS. Instructions for returning interest can be found at https://pms.psc.gov/grant-recipients/returning-funds-interest.html.

J. All other Federal funds must be returned to the payment system of the Federal agency. Returns should follow the instructions provided by the Federal agency. All returns to PMS should follow the instructions provided at https://pms.psc.gov/grant-recipients/returning- funds-interest.html.

Book	Board Policies
Section	6000 BP - Finances
Title	COST PRINCIPLES - SPENDING FEDERAL FUNDS
Code	6114 BP
Status	Active
Adopted	June 14, 2022
Last Revised	March 11, 2025

COST PRINCIPLES - SPENDING FEDERAL FUNDS

Reference:
2 C.F.R. 200.216, 200.344(b), 200.403-.407, 200.413(a)-(c), 200.430(a), 200.431(a), 200.439(b) (2), 200.458, 2 CFR 200.474(b)
34 CFR 76.707-.708(a), 75.703

The Educational Service Provider is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

Cost Principles

A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost. Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

   To determine whether a cost is reasonable, consideration shall be given to:

   1. whether a cost is generally recognized as ordinary and necessary for the operation or the proper and efficient performance of the Federal award;

   2. the restraints or requirements imposed by such factors as sound business practices, arm’s length bargaining, Federal, State, local, tribal and other laws and regulations;

   3. market prices for comparable costs for the geographic area;

   4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Academy, its employees, its students or membership (if applicable), the public at large, and the Federal Government; and

   5. the degree to which the cost represents a deviation from the Board of Directors' established written policies and procedures for incurring costs.

   While Federal regulations do not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the Academy can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

1. the cost is needed for the proper and efficient performance of the grant program;
2. whether the cost is identified in the approved budget or application;
3. whether there is an educational benefit associated with the cost;
4. whether the cost aligns with identified needs based on results and findings from a needs assessment;
5. whether the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the cost is assignable to that Federal award in accordance with the relative benefit received. This standard is met if the cost: is incurred specifically for the Federal award; benefits both the Federal award and other work of the Academy and can be distributed in proportions that may be approximated using reasonable methods; or is necessary to the overall operation of the Academy and is assignable in part to the Federal award in accordance with these cost principles.

B. Conform to any limitations or exclusions set forth in the cost principles in 2 C.F.R. Part 200 or in the terms and conditions of the Federal award, including prohibitions regarding costs incurred for telecommunications and video surveillance services or equipment or as a substantial or essential component of any system or as critical technology as part of any system. Such prohibition also applies to funds generated as program income, indirect cost recoveries, or to satisfy cost share requirements.

C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the Academy.

D. Be accorded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a Federal award as an indirect cost under another award.

E. Be determined in accordance with generally accepted accounting principles.

F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those transactions that offset or reduce direct or indirect costs allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; insurance refunds or rebates; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the Academy relating to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

G. Be not included as a match or cost-share requirements of any other Federally-financed program in either the current or a prior period, unless the specific Federal program authorizes Federal costs to be treated as such.

H. Be adequately documented:

1. in the case of personnel services, the Educational Service Provider shall implement a system for Academy personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

I. Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.

All other costs must be incurred during the approved budget period. At its discretion, the Federal agency is authorized to waive prior written approvals to carry forward unobligated balances to subsequent budget periods.

The budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to incur financial obligations the funds awarded, including any funds carried forward or other revisions pursuant to 2 C.F.R. 200.308. Prior written approval from the Federal

agency or State pass through entity may be required to carry forward unobligated balances to subsequent budget periods, unless waived.

Selected Items of Cost

The Educational Service Provider shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, the Educational Service Provider shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, Academy and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and Academy personnel shall follow those rules as well.

The following rules of allowability must apply to equipment and other capital expenditures:

A. Capital expenditures for general purpose equipment, buildings, and land are allowable as direct charges, but only with the prior written approval of the Federal agency or pass-through entity.

B. Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of $10,000 or more have the prior written approval of the Federal agency or pass-through entity.

C. Capital expenditures for improvements to land, buildings, or equipment which materially increase their value or useful life are allowable as a direct cost but only with the prior written approval of the Federal agency, or pass-through entity.

D. All Federally-funded contracts in excess of $2,000 related to construction, alterations, repairs, painting, decorating, etc. must comply with Davis-Bacon prevailing wage requirements.

E. Allowability of depreciation on buildings, capital improvements, and equipment shall be in accordance with 2 CFR 200.436 and 2 CFR 200.465.

F. When approved as a direct cost by the Federal agency or pass-through entity under Sections A-C, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the Federal agency.

G. The Academy may claim the unamortized portion of any equipment written off as a result of a change in capitalization levels by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency for indirect cost.

H. If the Academy is instructed by the Federal agency to otherwise dispose of or transfer the equipment, the costs of such disposal or transfer are allowable.

I. Equipment and other capital expenditures are unallowable as indirect costs.

Statutory requirements may limit the allowability of costs. Any costs that exceed the maximum amount allowed by statute may not be charged to the Federal award. Only the amount allowable by statute may be charged to the Federal award.

Payments made for costs determined to be unallowable by the Federal agency, cognizant agency for indirect costs, or pass-through entity must be refunded (with interest) to the Federal Government.

Prior Written Approval

To avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the Academy may seek the prior written approval of the Federal agency (or, for indirect costs, the cognizant agency for indirect costs) before incurring the cost. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that cost unless prior approval is specifically required for allowability.

Cost Compliance

The Educational Service Provider shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs, but may not be double charged or inconsistently charged as both.

Determining Whether a Cost is Direct or Indirect:

The association of costs with a Federal award (rather than the nature of the procurement transaction) determines whether costs are direct or indirect. Costs incurred for the same purpose in like circumstances must be treated consistently as direct or indirect.

A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

   These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; program evaluation costs or other institutional service operations; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).Direct costs may also include capital expenditures if approved by the Federal agency or pass-through entity, as well as capital expenditures for special purpose equipment with a unit cost of less than $10,000.

   If a cost benefits two (2) or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

   These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

   Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the Academy, the Board, compensation of the School Leader , compensation of the chief executive officer of any component of the Academy, and operation of the immediate offices of these officers.

   The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

   1. Administrative or clerical services are integral to a project or activity.

   2. Individuals involved can be specifically identified with the project or activity.

   3. Such costs are explicitly included in the budget or have the prior written approval of the Federal agency.

   4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Michigan Department of Education (MDE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

Timely Obligation of Funds

Financial obligations are orders placed for property and services, contracts and subawards made, and similar transactions that require payment under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education ("USDOE") regulations:

If the obligation is for:

A. Acquisition of property - on the date which the Academy makes a binding written commitment to acquire the property.

B. Personal services by an employee of the Academy or Educational Service Provider - when the services are performed.

C. Personal services by a contractor who is not an employee of the Academy on the date which the Academy makes a binding written commitment to obtain the services.

D. Performance of work other than personal services - on the date when the Academy makes a binding written commitment to obtain the work.

E. Public utility services - when the Academy receives the services.

F. Travel - when the travel is taken.

G. Rental of property - when the Academy uses the property.

H. A pre-agreement cost that was properly approved by the Secretary (USDOE) under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

Period of Performance

All financial obligations must occur during the period of performance. Period of performance means the time interval between the start and end date of a Federal award, which may include one (1) or more budget periods. Identification of the period of performance shall be specific to the Federal award and consistent with 2 C.F.R. 200.211 and does not commit the Federal agency to fund the award beyond the currently approved budget period. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN. Note, however, that certain Federal awards have specific requirements that restrict the use of funds beyond the initial period of performance.

In the case of a State-administered grant, financial obligations under a grant may not be made until the application is approved or is in substantially approvable form, whichever is later. In the case of a direct grant, a grantee may use grant funds only for obligations it makes during the grant period, unless an agreement exists with the agency or the pass-through entity (e.g., MDE) to reimburse for pre-approval expenses.

If a Federal agency or pass-through entity approves an extension, or if the Academy extends under C.F.R. 200.308(e)(2), the Period of Performance will be amended to end at the completion of the extension. If a termination occurs, the Period of Performance will be amended to end upon the effective date of termination. If a renewal is issued, a distinct Period of Performance will begin.

For both State-administered and direct grants, regardless of the period of availability, the Academy shall liquidate all financial obligations incurred under the award not later than ninety (90) calendar days after the conclusion of the period of performance of the award (or an earlier date as agreed upon by MDE and the Academy). Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the agency. Consequently, the Educational Service Provider shall closely monitor grant spending throughout the grant cycle.

Book	Board Policies
Section	6000 BP - Finances
Title	TIME AND EFFORT REPORTING
Code	6116 BP
Status	Active
Adopted	June 13, 2023

TIME AND EFFORT REPORTING

Reference:
2 C.F.R. 200.430, 200.431

As a recipient of Federal funds, the Academy shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees, whether employed by the Board or an Educational Service Provider, rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

A. is reasonable for the services rendered, conforms to the Academy's established written policy where applicable, and is consistently applied to both Federal and non-Federal activities; and

B. follows an appointment made in accordance with the Academy's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

The reports:

A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;

B. are incorporated into the official records of the Educational Service Provider;

C. reasonably reflect the total activity for which the employee is compensated by the Educational Service Provider, not exceeding 100% of the compensated activities;

D. encompass both Federally assisted and other activities compensated by the Educational Service Provider on an integrated basis;

E. comply with the Academy's established accounting policies and practices;

F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The Educational Service Provider will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Educational Service Provider is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the Academy may use budget estimates for interim accounting purposes. The system used by the Academy to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the Educational Service Provider and entered into the Academy's records in a timely manner.

The Academy's internal controls require the Educational Service Provider to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Book	Board Policies
Section	6000 BP - Finances
Title	INVESTMENTS
Code	6144 BP
Status	Active
Adopted	June 13, 2023

INVESTMENTS

Reference:
MCL 124.301 et seq., 129.11 to 129.118, 380.1221, 380.1223(2), 380.622
P.A. 22 of 2009

The Academy's policy is to use investments to maximize the returns on the Academy's excess cash balances, while reasonably controlling the risk of loss and maintaining an acceptable level of liquidity in those investments to meet the Academy's operating needs.

To this end, the Academy will track, through its financial reports and investment authorizations, the credit risk, concentration of credit risk, interest rate risk and foreign currency risks related to its investments.

The Board of Directors authorizes the Board Treasurer or Board President to make investments of available monies from the several funds of the Academy in:

A. bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State;

B. certificates of deposit issued by a state or nationally-chartered bank or a state or Federally-chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office in Michigan under Michigan and Federal laws;

C. certificates of deposit of a public corporation(s) (CDs) in insured depository institutions in accordance with the following conditions:

    1. the funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this State under (M.C.L.A. 21.146 (discriminatory lending practices)

    2. the financial institution arranges for the investment of the funds in certificates of deposit in one (1) or more insured depository institutions, as defined in 12 U.S.C. 1813, or one or more insured credit unions, as defined in 12 U.S.C. 1752, for the account of the school

    3. the financial institution acting as custodian for the Academy is insured by an agency of the United States

    4. the financial institution acts as custodian for the Academy with respect to each certificate of deposit

    5. at the same time that the funds are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions equal to or greater than the amount of the funds initially invested by the Academy through the financial institution

D. commercial paper rated prime 1 or prime 2 at the time of purchase and maturing not more than 270 days after the date of purchase;

E. securities issued or guaranteed by agencies or instrumentalities of the United States government;

F. United States government or Federal agency obligation repurchase agreements;

G. bankers' acceptances issued by a bank that is a member of the Federal deposit insurance corporation;

H. mutual funds composed entirely of investment vehicles that are legal for direct investment by a Academy;

I. investment pools, as authorized by the surplus funds investment pool act, Act. No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a Academy.

When there is a possibility that interest changes could adversely affect the fair value of a Academy's investment, as determined under the Generally Accepted Accounting Principles (GAAP) standards, the following method(s) will be used to assess and control such risks:

A. segmented timed distribution

B. specific identification

C. weighted average maturity

D. duration

E. simulation model

These methods shall be implemented as defined by the Government Accountability Standards Board. The Board may apply different methods to different investments.

Investments in securities shall be with authorized investment institutions and dealers that must establish eligibility by meeting all of the following requirements.

A. primary and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)

B. capital of no less than $10,000,000

C. registered as a dealer under the Securities and Exchange Act of 1934

D. a member of the National Association of Securities Dealers (NASD)

E. registered to sell securities in Michigan

F. the firm and assigned broker have been engaged in the business of effecting transactions in United States government and agency obligations for at least five (5) years

An obligation purchased in accordance with Section 380.1223(2), when received by the Academy, shall be deposited with the bank or trust company having the deposit of the money of the particular fund from which the obligation was purchased.

Money in the several funds of the Academy shall not be commingled for the purpose of making an investment authorized by Section 380.1223. The Board, however, may establish and maintain one common debt retirement fund for bond issues of like character.

Earnings on an investment shall become a part of the fund from which the investment was made.

The Board may adopt a resolution at its annual organizational meeting, authorizing electronic fund transfers and the Treasurer or the Electronic Transfer Officer (ETO) as authorized agent(s) to complete such transactions on behalf of the Board. The Automatic Clearing House (ACH) authorizing resolution shall include all of the following:

A. That an officer or employee designated by the Treasurer or ETO is responsible for the local unit's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.

B. That the officer or employee responsible for disbursement of funds shall submit to the local unit documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the

department levels serviced by payment. This report can be contained in the electronic general ledger software system of the local unit or in a separate report to the governing body of the local unit.

Book	Board Policies
Section	6000 BP - Finances
Title	POST-ISSUANCE COMPLIANCE FOR TAX-EXEMPT AND TAX-ADVANTAGED OBLIGATIONS
Code	6146 BP
Status	Active
Adopted	June 13, 2023

POST-ISSUANCE COMPLIANCE FOR TAX-EXEMPT AND TAX-ADVANTAGED OBLIGATIONS

Reference:

Internal Revenue Code of 1986, as amended
Treasury Regulations
SEC Rule 15c2-12

The Board of Directors may, from time to time, finance its capital improvements and operations through the issuance of debt obligations that are eligible for tax benefits under the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder ("Treasury Regulations"). Such obligations may include tax exempt obligations and/or obligations eligible for tax credits (direct subsidies to the Academy or tax credits to bond owners). All such tax-exempt obligations or tax advantaged obligations are referred to herein as "Obligations," whether in the form of general obligation bonds, revenue bonds, bond anticipation notes, tax anticipation notes, lease-purchase obligations, installment-purchase obligations or otherwise.

This policy and related AG 6146 document practices and describes various procedures and systems designed to identify on a timely basis facts relevant to demonstrating compliance with the requirements that must be satisfied subsequent to the issuance of Obligations in order that the interest on such Obligations continue to be eligible to the excluded from gross income for federal income tax purposes or that the Obligations continue to receive tax-advantaged treatment. The Federal tax law requirements applicable to each issue of obligations will be detailed in the non-arbitrage or tax-compliance certificate prepared by bond counsel (the "Tax Certificate") and signed by officials of the Academy and the post-closing compliance checklist provided by bond counsel with respect to such issue. This policy and related AG 6146 establish a permanent, ongoing structure of practices and procedures that will facilitate compliance with the Code, Treasury Regulations and SEC Rule 15c2-12 (the "Rule").

The Board recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and is an integral component of the Academy's debt management. Accordingly, the analysis of those facts and implementation of this Policy and Administrative Procedures will require on-going monitoring and consultation with an attorney experienced in legal work relating to the issuance of tax-exempt obligations or tax advantaged obligations ("Bond Counsel") and the Academy's accountants. The tasks enumerated hereunder may be delegated to an Educational Service Provider, and shall be deemed to be delegated, if the Educational Service Provider provides financial, business or accounting services to the Academy.

This policy and the related AG 6146 do not address any post-issuance compliance requirements under State law. Nor is this Policy and related AG 6146 a substitute, or a replacement, for any Tax Certificate or a post-issuance compliance checklist relating to specific Obligations. The Academy is responsible for compliance with any such Tax Certificate or post-issuance compliance checklist.

This policy may be modified, expanded, abridged, or otherwise amended only by the Board of Directors upon consultation with the Academy's attorney and Bond Counsel, but without any notice to or consent from any trustee, bondholder or any other person.

A. Investment and Expenditure of Proceeds

The Academy's system of internal controls and accounting will be capable of tracking the investment and expenditure of proceeds of Obligations and other amounts subject to special requirements, and the allocation of such proceeds and other amounts to Academy facilities. Appropriate coding will be developed to identify Academy facilities (or portions thereof) financed or refinanced by Obligations. Such Administrative Procedures will ensure that such proceeds are expended only for the purposes authorized by the resolution and, as applicable, referendum, pursuant to which such Obligations were issued and in compliance with the Tax Certificate relating to the Obligations or other instructions of Bond Counsel.

B. Financed Facilities

The Academy will track the use of facilities (or portions thereof) financed or refinanced by Obligations ("Financed Facilities") in the private trades or businesses of non-governmental persons. Arrangements for the sale, disposition, lease, sublease, management or other use of more than 1% of facilities financed or refinanced by Obligations with a term of (i) less than 200 days will be subject to prior review and approval by the Board, and (ii) equal to or greater than 200 days will be subject to prior review and approval by the Board and Bond Counsel. The Educational Service Provider will track the aggregate annual private use (if any) of facilities financed or refinanced by Obligations.

C. Periodic Review

The Academy will periodically review compliance with the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations. Such reviews will include final allocations of proceeds not later than 150 days after completion of facilities financed or refinanced with proceeds of Obligations and annual reviews to ensure private business use of such facilities does not exceed allowable levels. Such annual review will be conducted in connection with the preparation of the Academy's audited financial statements.

D. Potential Non-Compliance

If the Board, upon any annual review or otherwise, discovers non-compliance with any requirements of the Code or Treasury Regulations necessary to preserve the tax advantages of such Obligations, the Board will, after consultation with the Academy's attorney and Bond Counsel, take necessary actions to remedy any such non-compliance.

E. Retention of Professionals; Rebate Analyst

The Academy will engage such professionals or consultants as are necessary, in the judgment of the Educational Service Provider, to ensure that the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations are timely met, including, without limitation, the requirement to compute and pay rebatable arbitrage to the United States government or to confirm an exception thereto. The Educational Service Provider will ensure that all information reports or other returns or filings with the United States Department of Treasury, Internal Revenue Service, or the State of Michigan will be timely filed on behalf of the Academy.

F. Purchase of Investments

All investments of the proceeds of Obligations will be purchased at fair market value, as defined in the Code and Treasury Regulations, and will comply with the requirements of the Code and Treasury Regulations relating to yield restriction as advised by Bond Counsel.

G. Credit Enhancement Transactions

The Educational Service Provider will consult with Bond Counsel prior to engaging in any post-issuance credit enhancement transactions (i.e., bond insurance or letters of credit) or hedging transactions (i.e., interest rate swaps, caps, etc.) relating to any Obligation.

H. Subsidy Payments

The Educational Service Provider will implement proper Administrative Procedures to ensure that any federal subsidy payable in respect of any direct-pay tax credit bonds is timely transmitted to the appropriate account of the Academy including the timely filing of any required return or other documentation.

I. Post-Issuance Modifications

The Educational Service Provider will consult with Bond Counsel prior to any modification of the interest rate,

maturity date, or other material terms of any Obligation.

J. Records Retention

The Academy will retain records sufficient to demonstrate compliance with the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations for the period required by law, presently understood to be the life of the Obligations or any succeeding refunding Obligation plus three (3) years.

K. Continuing Disclosure

The Educational Service Provider will implement proper Administrative Procedures to ensure that the Academy complies with any undertakings to provide continuing disclosure in accordance with the Rule, including annual filing of operating and financial information and notices of listed "material events." The Educational Service Provider may enter into a contract with a third party to assist the Academy in complying with its continuing disclosure obligations.

L. Training and Education

The Board authorizes the Educational Service Provider and any other person assigned responsibilities under this Policy and the Administrative Procedures/Guidelines to attend educational seminars and conferences providing training and education on post-issuance compliance issues at least once a year and will pay the authorized expenses of such person.

Book	Board Policies
Section	6000 BP - Finances
Title	BAD CHECKS
Code	6151 BP
Status	Active
Adopted	June 13, 2023

BAD CHECKS

When the Academy receives a check from a student or parent that, when deposited, is returned marked "insufficient funds," the Educational Service Provider shall provide an opportunity for the payer to make proper payment or to arrange for a satisfactory payment schedule. If payment is not received within sixty (60) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board of Directors authorizes the Educational Service Provider to remove the fee or charge from the Academy's Accounts Receivable and to take appropriate action against the student and/or the parents.

Book	Board Policies
Section	6000 BP - Finances
Title	STUDENT FEES, FINES, AND SUPPLIES
Code	6152 BP
Status	Active
Adopted	June 13, 2023

STUDENT FEES, FINES, AND SUPPLIES

Reference:
MCL 388.1904 [Suggested/Referred to, but not required]

Fees

The Board of Directors may assess certain fees to pay the costs for extra-curricular and noncredit activities. Such fees might be made for expendable items such as magazines, workbook materials, paperback selections, laboratory supplies, materials for clubs, independent study or special projects, transportation costs, and admission/participation fees for school-sponsored trips and activities.

If an eligible student enrolled in an eligible course offered by a career and technical preparation program does not complete the course, other than for reasons related to a family or medical emergency, the student shall repay to the Academy any funds expended by the Academy for the course that are not refunded by the career and technical preparation program, and may also be subject to such sanctions as are provided for in procedures prepared by the Academy administration.

No student, however, shall be deprived of participation in any mandatory school activity or required curriculum activity due to a lack of financial ability to pay. Fees will not be charged for such activities. Extra-curricular activities for which fees will be charged may not be used in determining credit or grades in any course.

A fee shall not exceed the combined cost of the service(s) provided and/or materials used. An accurate accounting of all fees collected and all fees expended shall be provided to the School Leader (or his/her designee) for each fee-based activity, at the conclusion of the activity, along with a record of the remission of any fees not expended.

Fines

When Academy property, equipment, or supplies are damaged, lost, or taken by a student, whether in a regular course or extra-curricular offering, a fine will be assessed. The fine will be reasonable, seeking only to compensate the Academy for the expense or loss incurred.

The late return of borrowed books or materials from the Academy libraries will be subject to appropriate fines. Failure to pay the fines may result in loss of privileges.

Any fees or fines collected by members of the staff are to be given to the Director of Operations within twenty-four (24) hours after collection.

In the event the above course of action does not result in the collection of the fee or fine, the Board authorizes the Educational Service Provider to take the student and/or his/her parents to Small Claims Court for collection.

Supplies

The Academy will provide all basic supplies needed by the student to complete the required course curriculum. The student and/or his/her family may choose to purchase their own supplies if they desire to have a greater quantity or quality of supplies, or to conserve the limited resources for use by others. The teacher or appropriate administrator may recommend

useful supplies.

Payment

For convenience to families, the Board may enter into an agreement with one or more credit card/online payment processing vendors to facilitate online payment of fees, fines, and charges. Parents/guardians or students may elect but are not required to make payments online. Vendors will comply with all Board policies and procedures related to confidentiality and security of information transmitted electronically. Payees will be notified of any processing or other nominal fees that may be charged for use of an online payment system before the transaction is complete.

Students Experiencing Homelessness - McKinney-Vento Act

No fine or fee shall be charged to a student identified as a student experiencing homelessness unless it is determined that the student has the ability to pay the fee or fine and that its imposition does not create a barrier to the student's ability to enroll, or attend school, achieve academic success, or cause the student to be identified as experiencing homelessness. Any dispute regarding a fine or a fee that is imposed shall not delay the student's enrollment or serve as a barrier to enrollment by delaying the transfer of student records to another academy or school district if applicable.

Immediate enrollment notwithstanding fines or fees shall be extended to extra-curricular and co-curricular activities as well as to academic programming.

Book	Board Policies
Section	6000 BP - Finances
Title	FISCAL PLANNING
Code	6210 BP
Status	Active
Adopted	June 13, 2023

FISCAL PLANNING

The Board of Directors shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the Academy and shall plan for the financial needs of the educational program. The Board will strive to maintain both short and long range projections of the Academy's financial requirements.

Accordingly, the Board directs the Educational Service Provider to accomplish the following:

A. prepare a long range plan for the cost of maintaining the alignment of the Academy's curriculum with the Michigan Curriculum Frameworks, including the costs of textbooks, computer software, computer replacement, and professional development.

B. include cost estimates in all ongoing financial requirements;

C. prepare a long range, year-by-year plan for the maintenance and replacement of facilities and equipment;

D. report to the Board any serious financial implications that emerge from the Academy's ongoing fiscal planning.

In addition, the Board directs the Educational Service Provider to maintain annually a detailed two (2) year forecast of estimated expenditures and revenues.

Book	Board Policies
Section	6000 BP - Finances
Title	BUDGET PREPARATION
Code	6220 BP
Status	Active
Adopted	June 13, 2023

BUDGET PREPARATION

Reference:
MCL 141.434 et. seq.

The Academy's operational and educational plans are reflected in its budgets. Each year, the Board of Directors will have prepared, then review and approve the following Fund budgets:

A. General Fund

Each budget shall be designed to carry out Academy operations in a thorough and efficient manner, to maintain Academy facilities properly, and to honor the continuing obligations of the Board.

The Board shall ensure that adequate funds are reserved for the General Fund to maintain a secure financial position whereby the fund equity shall not fall below 75% of the preceding year's expenditures.

A proposed budget requires the critical analysis of every member of the Board prior to approval. Once adopted, the budget deserves the support of all members of the Board, regardless of their position before its adoption.

The Board directs the Educational Service Provider to present the budgets to the Board, along with all available information associated with each budget, in sufficient time to allow for proper analysis and discussion prior to the budget hearing.

When presented to the Board for review and/or adoption, the information shall include the following items, as appropriate:

A. the number and category of staff members for the current and the ensuing year;

B. the proposed expenditure and revenue in each financial category for the ensuing year;

C. the anticipated expenditure and revenue in each financial category for the current year;

D. the actual expenditure, the approved budget, and the revenue in each financial category for the previous year;

E. an estimate of the student enrollment by grades for the ensuing year;

F. the amount of fund equity anticipated at the end of the current year;

G. an appropriations resolution.

Book	Board Policies
Section	6000 BP - Finances
Title	BUDGET HEARING
Code	6230 BP
Status	Active
Adopted	June 13, 2023

BUDGET HEARING

Reference:
MCL 141.411 et. seq.

The annual budget adopted by the Board of Directors represents the Board's position on the allocation of resources required to operate an appropriate system of education. All reasonable means shall be employed by the Board to present and explain that position to all interested parties. The public budget hearing will be conducted in accordance with law.

Each member of the Board shall be sufficiently acquainted with the budget and its underlying purposes to answer questions from members of the public.

The budget approved by this Board will be made available to the public in the form and places required by law. A simplified form of the budget may also be prepared annually and may be sent to appropriate parties and/or distributed to persons attending the annual budget hearing.

A simplified budget may include the expenditures and the anticipated receipts in each major category for the current and the coming years. Such a budget may also provide a brief explanation of significant increases and decreases from the previous year.

The final adoption of the proposed annual budget shall be made by the Board after completion of the public hearing, but in no case later than June 30th.

Book	Board Policies
Section	6000 BP - Finances
Title	BUDGET IMPLEMENTATION
Code	6231 BP
Status	Active
Adopted	June 13, 2023

BUDGET IMPLEMENTATION

Reference:
MCL 141.436 et. seq.

The Board of Directors places the responsibility of administering the budget, once adopted, with the School Leader. As the budget is being implemented, the School Leader shall keep the Board informed regarding budgetary problems or concerns.

The Educational Service Provider shall be authorized to proceed with financial commitments, purchases, and other expenditures, within the limits provided in the budget, stated in Board policies, and expressed in State statutes.

Lists of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the Academy.

During the fiscal year, if the Educational Service Provider deems that actual revenues are less than estimated revenues (including the available equity upon which the appropriations from the fund were based), the Educational Service Provider shall recommend to the Board amendments to the General Appropriations Act in order to prevent expenditures from exceeding revenues.

Book	Board Policies
Section	6000 BP - Finances
Title	PURCHASING
Code	6320 BP
Status	Active
Cross References	6350 BP - PREVAILING WAGE
Adopted	June 14, 2022
Last Revised	August 8, 2023

PURCHASING

Reference:
MCL 380.1267, 380.1274 et seq.

Procurement of all supplies, materials, equipment, and services paid for from Academy funds shall be made in accordance with all applicable federal and State statutes, Board policies, and administrative procedures. Standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts are established in Policy 1130, and Policy 3110 (as applicable) – Conflict of Interest.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgment.

Each year, the State of Michigan informs the Academy of the legal amount for purchases which require a formal bidding process of a single item.

Purchases in a single transaction that are in excess of the dollar amount permitted by State statute shall require competitive bids and, whenever possible, have at least three (3) such bids for substantiation of purchase and shall require approval of the Board prior to purchase.

Competitive Bids

Competitive bids are not required for items purchased through the cooperative bulk purchasing program operated by the Michigan Department of Management and Budget pursuant to M.C.L.A. 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs $100,000 or more.

Bids shall be sealed and shall be opened by the Board President in the presence of at least one (1) witness. All orders or contracts should be awarded to the lowest responsible bidder; however, consideration can be given to:

A. the quality of the item(s) to be supplied;

B. its conformity with specifications;

C. suitability to the requirements of the Academy;

D. delivery items;

E. past performance of vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders which use a Michigan-based business as the primary contractor or which use one (1) or more Michigan-based businesses as subcontractors.

For purposes of this preference, a Michigan-based business means a business that would qualify for Michigan preference for procurement contracts under M.C.L.A. 18.1268, which requires that the business certifies that, since inception or during the last twelve (12) months, it has done one (1) of the following:

A. filed a Michigan business tax return showing an allocation of income tax base to Michigan

B. filed a Michigan income tax return showing income generated in or attributed to Michigan

C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

The Board reserves the right to reject any and all bids.

Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request For Proposals (RFP) or the individual bid specifications package for resolution. Bid protests must be filed in writing with the Educational Service Provider within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Educational Service Provider shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

General Provisions

The Educational Service Provider is authorized to purchase all items within budget allocations.

The Educational Service Provider is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the school in operation. Such purchases shall be brought to the Board’s attention at the next regular meeting.

In order to promote efficiency and economy in the operation of the school, the Board requires that the Educational Service Provider periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cost consistent with good quality.

Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped, but with staggered delivery dates, shall be made a part of the bid specifications.

Before placing a purchase order, the Educational Service Provider shall check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the school. All purchase orders shall be numbered consecutively.

The Educational Service Provider shall determine the amount of purchase which shall be allowed without a properly signed purchase order. Employees may be held personally responsible for anything purchased without a properly signed purchase order or authorization.

The Board may acquire office equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

Procurement- Federal Grants

The Educational Service Provider shall maintain a procurement and contract administration system in accordance with the United States Department of Education requirements (34 CFR 80.36) for the administration and management of Federal grants and Federally funded programs. The Academy shall maintain a compliance system that requires contractors to

perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of this policy and administrative guidelines (AG 6320).

Book	Board Policies
Section	6000 BP - Finances
Title	PROCUREMENT FEDERAL GRANTS/FUNDS
Code	6325 BP
Status	Active
Cross References	6350 BP - PREVAILING WAGE
Adopted	June 14, 2022
Last Revised	March 11, 2025
Prior Revised Dates	06/13/2023

PROCUREMENT – FEDERAL GRANTS/FUNDS

Reference:
2 C.F.R. 200.317 - .326, Appendix II to Part 200
2 C.F.R. 200.334 - 200.336
2 C.F.R. 200.520

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or Academy matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board policies, and administrative procedures.

The Educational Service Provider shall have and use a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326), including affirmative steps for small businesses, minority businesses and women's business enterprises, veteran-owned businesses, and labor surplus area firms for the administration and management of Federal grants and Federally-funded programs. The Educational Service Provider shall maintain oversight that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the Academy's documented general purchasing Policy 6320 and AG 6320.

When required by Federal program legislation, all Federally-funded contracts in excess of $2,000 related to construction, alteration, repairs, painting, decorating, etc. must comply with Davis-Bacon prevailing wage requirements.

All Academy employees, whether employed by the Board or by an Educational Service Provider, all officers of the Academy, and all agents of the Academy who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, whether employed by the Board or by an Educational Service Provider, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130 and Policy 3110 – Conflict of Interest.

The Academy will avoid acquisition of unnecessary or duplicative items. Consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. When appropriate, an analysis shall be made between leasing and purchasing property or equipment to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the Academy may enter into State and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Competition

All procurement transactions under the Federal award paid for from Federal funds or Academy matching funds shall be conducted in a manner that provides full and open competition and that is in accordance with 2 C.F.R. Part 200, good administrative practice, and sound business judgement. To ensure objective contractor performance and eliminate unfair competitive advantage, the Academy shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids from competition for such procurements.

Examples of situations that may restrict competition include, but are not limited to:

A. unreasonable requirements on firms for them to qualify to do business;

B. unnecessary experience and excessive bonding requirements;

C. noncompetitive pricing practices between firms or between affiliated companies;

D. noncompetitive contracts to consultants that are on retainer contracts;

E. organizational conflicts of interest;

F. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and

G. any arbitrary action in the procurement process.

To the extent that the Academy uses a pre-qualified list of persons, firms or products to acquire goods and services that are subject to this policy, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The Academy allows vendors to apply for consideration to be placed on the list continuously.

The Academy shall require that all prequalified lists of persons, firms, or products which are used in procurement transactions are current and include enough qualified sources to provide maximum open competition. When establishing or amending prequalified lists, the Academy (or subrecipient) must consider objective factors that evaluate price and cost to maximize competition. The Academy shall not preclude potential bidders from qualifying during the solicitation period.

To the extent consistent with established practices and legal requirements applicable to the recipient or subrecipient, this subpart does not prohibit recipients or subrecipients from developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work products or providing services on a contract, and other worker protections. This subpart also does not prohibit recipients and subrecipients from making inquiries of bidders about these subjects and 2 C.F.R. Revisions 2024: Unofficial Comparison Version assessing the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

Solicitation Language (Purchasing Procedures)

The Academy shall have written procurement procedures (in accordance with 2 C.F.R. 200.319(d)) that require that all solicitations made pursuant to this policy incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured. The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must set forth those minimum essential characteristics and standards to which the property, equipment, or service shall conform. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a "brand name or equivalent" description of features to provide procurement requirements may be used. The specific features of the named brand must be clearly stated and the Academy must identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

The Academy will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The Academy shall have and use documented procedures, consistent with the standards described above for the following methods of procurement:

A. Informal Procurement Methods

Informal procurement methods for small purchases expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement transaction under a Federal award does not exceed the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are not required. The informal procurement methods include:

1. Micro-purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed $ 1.00 (not to exceed $10,000). To the extent practicable, the Academy should distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if Educational Service Provider considers the price to be reasonable based on research, experience, purchase history or other relevant information and maintains documents to support its conclusion. The Academy shall maintain evidence of this reasonableness in the records of all purchases made by this method.

2. Small Purchases

Small purchases include the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold as established by the State annually. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

Academies are responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures which must not exceed the threshold established in the Federal Acquisition Regulations (FAR). When applicable, a lower simplified acquisition threshold used by the Academy must be authorized or not prohibited under State, local, or tribal laws or regulations.

B. Formal Procurement Methods

When the value of the procurement for property or services under a Federal award exceeds the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement method can be used in accordance with the standards on competition in C.F.R. 200.319 or non-competitive procurement. The formal methods of procurement are:

1. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts more than to the amount allowed by Michigan statute and when the Board determines to build, repair, enlarge, improve, or demolish an academy building/facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

a. a complete, adequate, and realistic specification or purchase description is available;

b. two (2) or more responsible bidders have been identified as willing and able to compete effectively for the business; and

c. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.

When sealed bids are used, the following requirements apply:

a. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.

b. The invitation for bids must define the items or services with specific information, including any required specifications, for the bidder to properly respond.

c. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.

d. A firm fixed price contract is awarded in writing to the lowest responsive bid and responsible bidder. When specified in the invitation for bids, factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts must only be used to determine the low bid when the Academy determines they are a valid factor based on prior experience.

e. The Board reserves the right to reject any or all bids, but must document and provide a justification for all bids it rejects for sound documented reason.

2. Proposals

Procurement by proposals is a method in which either a fixed price or cost-reimbursement contract is awarded. This method is used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. (See Policy 6320 for competitive bid procedures.)

If this method is used, the following requirements apply:

a. Requests for proposals require public notice, and must identify all evaluation factors and their relative importance. To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.

b. Proposals shall be solicited from an adequate number of sources.

c. The Academy must have written procedures for conducting technical evaluations and for making selections.

d. Contracts must be awarded to the responsible offeror whose proposal is most advantageous to the Academy considering price and other factors.

The Academy may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where the price is not used as a selection factor, can only be used to procure A/E professional services. The method cannot be used to purchase other services provided by A/E firms are a potential source to perform the proposed effort.

3. Noncompetitive Procurement

Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:

a. the aggregate amount of the procurement transaction does not exceed the micro-purchase threshold;

b. the procurement transaction can only be fulfilled by a single source;

c. the public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;

d. the Academy requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval; or

e. after soliciting several sources, competition is determined to be inadequate.

Domestic Preference for Procurement

The Academy should, to the extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. Such requirements shall be included in all subawards, contracts, and purchase orders under the Federal award.

Procurement of Recovered Materials

The Academy must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6962. These requirements include:

A. procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000;

B. procuring solid waste management services in a manner that maximizes energy and resource recovery; and

C. establishing an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.

The Academy should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable.

This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products.

Contract/Price Analysis

The Academy shall perform a cost or price analysis for every procurement transaction, including contract modifications, in excess of the Simplified Acquisition Threshold (currently $250,000). The method and degree of analysis conducted depend on the facts surrounding the particular procurement transaction. For example, the Academy should consider potential workforce impacts in their analysis if the procurement transaction will displace public sector employees. However, as a starting point, the Academy must make independent estimates before receiving bids or proposals. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements. The Academy must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for the Academy according to cost principle requirements.

Time and Materials Contracts

The Academy uses a time-and-materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. A time-and-materials type contract means a contract whose cost to the Academy is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Because this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the Academy sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the Academy shall assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The Academy will award contracts only to responsible contractors that possess the ability to perform successfully under the terms and conditions of the proposed contract. All purchasing decisions shall be made in the best interests of the Academy and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the Academy shall consider such factors as (1) contractor integrity; (2) public policy; (3) compliance; (4) proper classification of employees; (5) record of past performance; and (6) financial and technical resources.

The Academy shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over $25,000, the Academy shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

Bid Protest

The Academy maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Educational Service Provider within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Educational Service Provider shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The Academy shall maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Records Retention

The Academy must retain all Federal award records for three (3) years from the date of submission of the final financial report. For awards that are renewed quarterly or annually, the Academy must retain records for three (3) years from the date of submission of the quarterly or annual financial report, respectively. Records to be retained include, but are not limited to, financial records, supporting documentation, and statistical records. Other records retention requirements shall be in accordance with 2 C.F.R. 200.334.

The Academy must collect, transmit, and store Federal award information in an open file, non-licensed, and machine-readable formats. The Academy may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to periodic quality control reviews. Quality control reviews must ensure that electronic conversion procedures provide safeguards against the alteration of records and assurance that records remain in a format that is readable by a computer system.

Cross Reference:
6350 BP

Book	Board Policies
Section	6000 BP - Finances
Title	PREVAILING WAGE
Code	6350 BP
Status	Active
Legal	M.C.L. 480.1101, et seq.
Adopted	May 14, 2024

PREVAILING WAGE

References:
M.C.L. 480.1101, et seq.

The Educational Service Provider shall oversee the Academy's obligations under M.C.L. 480.1101, et seq. including, but not limited to, ensuring the following:

1. A contract for a State Project, entered into pursuant to advertisement and invitation to bid, which requires or involves the employment of Construction Mechanics shall not be approved unless the wage and fringe benefits rate in the contract are not less than the prevailing rates in the Locality in which the work is to be performed.

2. Before advertising for bids on a State Project, the Educational Service Provider shall ask the Commissioner to determine the prevailing rates of wages and fringe benefits for all classes of Construction Mechanics called for in the contract.

3. A schedule of these rates shall be made part of the specifications for the work to be performed and shall be printed on the bidding forms.

4. If a contract is not awarded or construction is not undertaken within ninety (90) days of the date of the Commissioner's determination of prevailing rates, the Commissioner must make a redetermination before the contract is awarded.

5. Every contractor and subcontractor must fulfill its obligations under the statute relating to prevailing wages on State Projects.

6. Every contract for a State Project must contain the statutory language providing that Construction Mechanics are intended beneficiaries of the contractual prevailing wage, fringe benefit, and non-discrimination, non-retaliation requirements, and provide that any Construction Mechanic aggrieved by the failure of a contractor or subcontractor to pay prevailing wages or benefits as specified in the contract or retaliation associated therewith, may bring an action in a court of competent jurisdiction against the contractor or subcontractor for damages or injunctive relief along with other remedies prescribed by statute.

7. The Academy shall maintain certified payroll records and other records required by law for a minimum of three (3) years.

Contracts on State Projects which contain provisions regarding payment of prevailing wages as determined by the United States Secretary of Labor or which contain minimum wage schedules which are the same as prevailing wages in the Locality as determined by collective bargaining agreements or understandings between bona fide organizations of Construction Mechanics and their employers are exempt from the above requirements.

Additionally, the above requirements do not apply to a State Project if it was paid for, in whole or in part, from revenues from a millage that was authorized under the revised school code, if the millage was authorized before February 13, 2024.

Definitions

Commissioner means the Department of Labor and Economic Opportunity.

Construction Mechanic means a skilled or unskilled mechanic, laborer, worker, helper, assistant, or apprentice working on a State Project but shall not include executive, administrative, professional, office, or custodial employees.

Locality means the county, city, village, township, or academy in which the physical work on a State Project is to be performed.

State Project means new construction, alteration, repair, installation, painting, decorating, completion, demolition, conditioning, reconditioning, or improvement of public buildings, schools, works, bridges, highways, or roads authorized by a contracting agent.

Book	Board Policies
Section	6000 BP - Finances
Title	CONFLICT OF INTEREST - LEGAL COUNSEL, ADVISORS, OR CONSULTANTS
Code	6420 BP
Status	Active
Adopted	August 8, 2023

CONFLICT OF INTEREST - LEGAL COUNSEL, ADVISORS, OR CONSULTANTS

Reference:
M.C.L. 380.1203

A person serving as the legal counsel to the Academy or otherwise acting as an advisor or consultant to the Board of Directors, who believes or has reason to believe that the s/he has a conflict of interest with regard to a contract or other financial transaction that requires the approval of the Board shall disclose the conflict of interest to the Board before the vote on the contract or other financial transaction.

Such a person is presumed to have conflict of interest if the person or his/her family member has financial interest, or a competing financial interest in the contract or other financial transaction under consideration by the Board.

"Family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse; and includes these relationships as created by adoption or marriage.

Having a child in the Academy does not alone constitute a conflict of interest or financial interest in a contract or other financial transaction of the Academy.

See Bylaw 0144.3

Book	Board Policies
Section	6000 BP - Finances
Title	COOPERATIVE PURCHASING
Code	6440 BP
Status	Active
Adopted	August 8, 2023

COOPERATIVE PURCHASING

Reference:
MCL 124.1 et. seq.

The Board of Directors recognizes the advantages of centralized purchasing since buying in volume tends to maximize value for each dollar spent. The Board, therefore, encourages the Educational Service Provider to seek advantages in savings that may accrue to the Academy through joint agreements with the governing body of other governmental units for the purchase of supplies, equipment, or services.

The Board authorizes the Educational Service Provider to negotiate joint purchase agreements with governmental contracting units for services, supplies, and equipment required from time to time by the Board, which the Board may otherwise lawfully purchase for itself. Such purchase agreements must be in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement, approved by the Board and the participating contracting body, that specifies the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party; and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all legal bidding requirements.

Book	Board Policies
Section	6000 BP - Finances
Title	VENDOR RELATIONS
Code	6460 BP
Status	Active
Adopted	August 8, 2023

VENDOR RELATIONS

Reference:
MCL 15.321 et. seq.

Neither the Board of Directors nor the Educational Service Provider shall knowingly enter a contract with any supplier of goods or services with which any Board member or officer, staff member, or agent of this Academy has any financial or beneficial interest (direct or indirect), unless that person has neither solicited the contract nor participated in the negotiations leading up to the contract. This prohibition shall not prevent any person from receiving royalties upon the sale of any textbook that he/she has authored and/or that has been approved for use in the Academy.

For the purpose of this policy *beneficial interest* shall be determined in accordance with MCL 15.321 et seq.

Board members and Educational Service Provider personnel shall not accept any gifts or favors from vendors that might influence the eventual purchase of equipment, supplies, or services.

All sales persons, regardless of product, shall register with the School Leader's office before contacting any teachers, students, or other personnel of the Academy. Purchasing personnel shall not show any favoritism to any vendor. In accordance with the policies of the Board, each order shall be placed on the basis of quality, price, and delivery (with past service a factor if all other considerations are equal).

Book	Board Policies
Section	6000 BP - Finances
Title	TRAVEL PAYMENT AND REIMBURSEMENT
Code	6550 BP
Status	Active
Adopted	June 14, 2022
Last Revised	March 11, 2025

TRAVEL PAYMENT AND REIMBURSEMENT

Reference:
2 CFR 200.474

Travel expenses incurred for official business travel on behalf of the Board of Directors shall be limited to those expenses reasonably and necessarily incurred by the Board Member in the performance of a public purpose authorized, in advance, in accordance with any applicable administrative guidelines. Travel costs may include the transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the Academy.

Payment and reimbursement rates for per diem meals, lodging, and mileage shall be approved by the Board annually. The Board shall utilize the Federal IRS prescribed mileage rate.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

Conference costs must be appropriate, necessary, and managed to minimize costs to the Federal award.

Travel payment and reimbursement provided from Federal funds must be authorized in advance by the Federal awarding agency or pass-through entity and must be reasonable and consistent with the Academy's travel policy and administrative guidelines. For travel authorized by and paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the Academy's travel policy.

All costs incurred with Federal funds must meet the Academy's cost allowability standards.

To the extent that the Academy's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or designee), must apply to travel under Federal awards.

Book	Board Policies
Section	6000 BP - Finances
Title	CROWDFUNDING
Code	6605 BP
Status	Active
Adopted	August 8, 2023

CROWDFUNDING

This policy applies to the use of any form of crowdfunding utilizing an online service or website-based platform for the financial benefit or gain of the Academy – be it a specific classroom, grade level, department, school, or curricular or extracurricular activity.

"Crowdfunding" is defined as the solicitation of resources from individuals and/or organizations to support identified activities or projects that enhance the educational program or a specific cause approved by the Academy. The solicitation is typically from a large number of individuals/organizations utilizing internet-based technologies.

Crowdfunding activities aimed at raising funds for a specific classroom or school activity, including extracurricular activity, or to obtain supplemental resources (e.g., supplies or equipment) that are not required to provide a free appropriate public education to any students in the classroom may be permitted, but only with the specific approval of the Educational Service Provider.

All approved crowdfunding activities shall protect the privacy of students, children, and young adults in accordance with Academy policies and administrative guidelines and applicable State and Federal law, including FERPA and IDEIA.

Materials, supplies, equipment, and other proceeds of the crowdfunding activity shall become property of the Academy. Cash or equivalent payment to Academy personnel is prohibited. All fiscal transactions shall comply with appropriate Academy policies.

All crowdfunding activities are subject to AG 6605.

Book	Board Policies
Section	6000 BP - Finances
Title	RECOGNITION
Code	6680 BP
Status	Active
Adopted	August 8, 2023

RECOGNITION

Reference:
MCL 380.634

The purpose of this policy is to permit the Board of Directors to honor the school staff, former Board members, and other persons, with plaques, pins, token retirement gifts and awards, and other amenities.

Upon recommendation of the Educational Service Provider and the Board's approval prior to actual expenditure, the Board may consider the presentation of token gifts to individuals and/or groups who have rendered service to the Academy. The use of public funds for the purchase of a plaque, medal, trophy, or other award for the recognition of any employee, volunteer, or student may not exceed $100.00 per recipient.

Beginning January 1, 2005, the monetary amount for recognition awards will be adjusted annually by the State. On or before December 15th of each year, the State will, upon request, provide the adjusted limit or, if the index is unavailable, the State will provide a reasonable approximation.

The Board authorizes expenses incurred as listed above only when they serve a public purpose. Public purposes include, but are not limited to, the following: the promotion of education; rapport with the business community; community relations; and the encouragement of non-employees to serve as volunteers.

Book	Board Policies
Section	6000 BP - Finances
Title	FAIR LABOR STANDARDS ACT (FLSA)
Code	6700 BP
Status	Active
Adopted	August 8, 2023

FAIR LABOR STANDARDS ACT (FLSA)

Reference:
29 USC 201 et seq.
29 CFR Part 541

It is the Board of Director's policy to comply with the provisions of the Fair Labor Standards Act (FLSA) and its implementing regulations. The Board directs the Educational Service Provider to fulfill all FLSA requirements in its hiring and compensation practices. Non-exempt employees are hourly employees or salaried employees who do not qualify for a professional, administrative, computer, or executive exemption under the FLSA. Teachers are generally exempt, even if they are paid on an hourly basis.

Book	Board Policies
Section	6000 BP - Finances
Title	SYSTEM OF ACCOUNTING
Code	6800 BP
Status	Active
Adopted	August 8, 2023

SYSTEM OF ACCOUNTING

Reference:
M.C.L.A. 41.422 et seq., 141.421 et seq.
A.C. Rule R340.351 et seq. GASB #34
GASB #54

It is the policy of the Board of Directors that a chart of accounts be established in accordance with the requirements of the State Department of Education for the accounting of all Academy funds. The Educational Service Provider is responsible for an accounting of all capital assets to protect the financial investment of the Academy against catastrophic loss. Further, the Educational Service Provider will establish procedures and regulations necessary to properly account for capital assets and comply with generally accepted accounting principles (GAAP) and ensure that the Academy's capital assets are properly insured.

GASB 84

The Academy's system of accounting shall comply with all applicable requirements of the Governmental Accounting Standards Board, Statement No. 84 (GASB 84). In accordance with GASB 84, the Academy will report applicable fiduciary activities as identified in either the private purpose trust fund or the custodial fund. Typically, these activities include recognized student and academy-related activity funds held in a bank account maintained by the Academy. These funds shall be subject to the accounting and requirements specified in the Michigan Public Schools Accounting Manual. An activity not identified as a fiduciary activity under GASB 84 will be deemed a governmental activity and will be reported in a governmental fund.

GASB 54

The Academy's system of accounting shall comply with all requirements of the Governmental Accounting Standards Board, Statement No. 54 (GASB 54). In accordance with GASB 54, the Academy will report its fund balances in the following categories:

A. Nonspendable fund balance—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

B. Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

C. Committed fund balance—amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint

D. Assigned fund balance—amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority

E. Unassigned fund balance—amounts that are available for any purpose; these amounts are reported only in the general fund.

The Board authorizes the auditors and directs its Educational Service Provider to take all steps necessary to comply with the requirements of GASB 54. All revenue and funds will be designated to one of the above categories.

The Educational Service Provider shall be responsible for the proper accounting of all Academy funds. The Educational Service Provider shall ensure that expenditures are budgeted under and charged against those accounts which most accurately describe the purpose for which such monies are to be or have been spent. Wherever appropriate and practicable, salaries of individual employees, expenditures for single pieces of equipment, and the like shall be prorated under the several accounts which most accurately describe the purposes for which such monies are to be or have been spent.

The Vice President of Operations is responsible to implement procedures and practices that will determine:

A. Capitalization policies for Academy assets (i.e., which assets will be capitalized and depreciated over their estimated useful life versus which assets will be expensed in year of purchase);

B. Methods for calculating annual and accumulated depreciation expense for assets including estimates for asset lives, residual asset values, and depreciation methodology;

C. Procedures for recording gain or loss on sale of capital assets and proceeds from the sale of capital assets in compliance with GAAP Reporting of estimated cash values or replacement values to Academy insurance providers.

A report of the revenues and expenditures in the fund reporting categories established above shall be made to the Board on a quarterly basis by the Educational Service Provider.

The Board's annual financial statements will include information such as: 1) beginning and ending balances of capital assets; 2) beginning and ending balances of accumulated depreciation, 3) total depreciation expense for the fiscal year.

Such reporting shall include description of significant capital asset activity during the fiscal year including: acquisitions through purchase or donation, sales or dispositions including the proceeds and gains or losses on the sale, changes in methods of calculating depreciation expense or accumulated depreciation, such as, estimates of useful life, residual values, depreciation methodology (e.g. straight line or other method).

Before implementing procedures or changing procedures, the Educational Service Provider will review the proposed procedure with the CPA appointed by the Board of Directors to conduct the Board's financial audit. The procedures established shall comply with all statutorily required standards and generally accepted accounting procedures.

Book	Board Policies
Section	6000 BP - Finances
Title	PUBLIC DISCLOSURE AND REPORTING
Code	6850 BP
Status	Active
Adopted	August 8, 2023

PUBLIC DISCLOSURE AND REPORTING

Reference:
MCL 4.415, 388.1617a, 388.1618, 388.1619, 388.1651a, 15.231 to 15.246, 380.1204a(1), 380.1219
20 USC 6311

Within fifteen (15) days after the Board of Directors adopts its annual operating budget for the following school fiscal year, or adopts a subsequent revision to that budget, the Academy shall make all of the following available through a link on its website homepage in a form and manner prescribed by the State Department of Education ("Department"):

A. the annual operating budget and subsequent budget revisions

B. using data that have already been collected and submitted to the Department, a summary of Academy expenditures for the most recent fiscal year for which they are available, expressed in the following two (2) pie charts:

1. a chart of personnel expenditures, broken into the following subcategories:

a. a. salaries and wages

b. employee benefit costs, including, but not limited to, medical, dental, vision, life, disability, and long-term care benefits

c. retirement benefit costs

d. all other personnel costs

2. a chart of all Academy expenditures, broken into the following subcategories:

a. instruction

b. support services

c. business and administration

d. operations and maintenance

3. links to all of the following:

a. a the audit report of the audit for the most recent fiscal year for which it is available

b. the Academy's written policy governing procurement of supplies, materials and equipment

c. the Academy's written policy establishing specific categories of reimbursable expenses for a Board member

d. the Academy's accounts payable check register for the most recent school fiscal year or a statement of the total amount of expenses incurred by Board members of employees of the Academy that were reimbursed by the Academy for the most recent Academy fiscal year

e. the annual amount spent on dues paid to associations

f. the annual amount spent on lobbying or lobbying services

g. any required deficit elimination plan or enhanced deficit elimination plan

h. identification of all credit cards maintained by the Academy as Academy credit cards, including the identity of all persons authorized to use the cards, the credit limit on each card and the dollar limit, if any, for each person's authorized use of the card

i. costs incurred for out-of-state travel by the school administrator that is fully or partially paid for by the Academy and the details of each instance of such travel, including the identification of each individual on the trip, the destination and the purpos

The Board shall have an audit of the Academy's financial and pupil accounting records conducted at least annually at the expense of the Academy. The Board shall retain these records for the current fiscal year and from at least the three (3) immediately preceding fiscal years.

The Academy's annual financial audit shall include an analysis of the finafncial and student accounting data used as the basis for distribution of State school aid. The student accounting records and reports, audits, and management letters are subject to requirements established in the auditing and accounting manuals approved and published by the Department.

Not later than November 1st of each year, the Academy shall file its annual financial audit report with all appropriate agencies.

The annual financial audit reports and student accounting procedures reports shall be available to the public in compliance with the Freedom of Information Act.

By November 1st of each year, the Academy shall submit to the Center for Educational Performance Information (CEPI), in a manner prescribed by the CEPI, annual comprehensive financial data consistent with accounting manuals and charts of accounts approved and published by the Department. This submission shall contain the Academy's web address where the required financial data is posted. The Academy shall also include a link on its websites to the website where the Department posts this financial information.

By September 30th of each year, the Academy shall file with the Department the special education actual cost report on a form and in a manner as prescribed by the State Department.

The Academy shall provide to the Department an annual progress report on the implementation of school improvement plans, curriculum, and accreditation as required by "Public Act 25 of 1990."

The Academy shall comply with the reporting requirements under State and Federal law, including reports to CEPI, as set forth by State law and as directed by CEPI. This shall include by:

A. June 30th of each year, providing CEPI with information related to safety practices and criminal incidents;

B. the first business day in December and June 30th of each year, providing CEPI with requested information related to educational personnel;

C. not later than five (5) weeks after the student membership count day, providing CEPI in a manner prescribed by the CEPI, the information necessary for the preparation of the high school graduation report;

D. October 7th of each year, providing CEPI with the transportation expenditure report.

E. Before July 7th of each school fiscal year, providing to CEPI the budgetary assumptions used when adopting the annual budget pursuant to the Uniform Budgeting and Accounting Act if the Academy had a general fund balance of less than five percent (5%) of total general fund revenues for each of the two (2) most recently completed fiscal years.