



BOARD POLICY ON EXPENSE/REIMBURSEMENT/DISBURSEMENT

Statement Of Policy

John Adams Academies, Inc. ("JAA") is a California nonprofit public benefit corporation that operates public charter schools funded with public and private dollars. Members of the JAA Board of Trustees ("Trustees") understand and affirm our obligation to safeguard and use charter school money only for charitable and public purposes and consistent with its charitable trust purposes and the law. The law prohibits gifts of public funds but allows actual, appropriate, and necessary business expenditures.

Reimbursement

This policy applies to all JAA Trustees and employees. It is the policy of JAA to reimburse Trustees and employees only for actual and necessary expenses incurred in the performance of their official duties on behalf of JAA in accordance with this Policy. Each person subject to this Policy is accountable for expenses incurred when conducting business on behalf of JAA and will adhere to all applicable policies and procedures adopted by the Board.

As stated in JAA's Bylaws, Trustees serve on a volunteer basis without compensation, but are entitled to be reimbursed for actual and necessary expenses incurred when conducting the corporation's business. Under the law, reimbursement for expenses is not considered "compensation" and does not alter the volunteer-status of Trustees. (Corp. Code, § 5239(b).) *(See Board Policy on Travel Expenses)*

Expenditures/Expending Authority

The Superintendent or designee may purchase supplies, material, equipment and service up to the amounts specified in the annual budget. Purchases exceeding \$25,000 will be approved by the board, unless approved as part of the budget. *(See Board Policy on Contracts)*

The Superintendent may authorize an expenditure which exceeds the budget classification allowance up to \$15,000 against which the expenditure is the proper charge, but only if an amount sufficient to cover the purchase is available in the budget and for ratification by the Board of Trustees.

All transactions entered into by the Superintendent or designee on behalf of the Academy will be reviewed by the Board of Trustees monthly at the regular scheduled meeting.

Alcohol is not reimbursable.

The Board of Trustees shall not recognize obligations incurred contrary to Board policy and administrative regulations.

Disbursements

The Governing Board recognizes the importance of developing a system of internal control procedures in order to help fulfill its obligation to monitor and safeguard Academy resources. To facilitate warrant processing, the Service Provider shall ensure that purchasing, receiving, and payment functions are kept separate administratively. The Service Provider shall also ensure that invoices are paid expeditiously so that the Academy may, to the extent possible, take advantage of available discounts and avoid finance charges.

The Principals or designee shall ensure that warrants have appropriate documentary support verifying that all goods and services to be paid for have been delivered or rendered in accordance with the Board approved budget and where applicable, in accordance with a purchase agreement.

The Board shall approve all warrants at a regularly scheduled Board meeting.