

Section C – New Charter School Checklist for Finance

A charter school that is approved by the State Board of Education shall be a public school within the local school administrative unit in which it is located. It shall be accountable to the State Board of Education for ensuring compliance with applicable laws and the provisions of their charters. Refer to the North Carolina Charter Schools Act (NC General Statute 115C-118).

The board of directors of the charter school shall decide matters related to the operation of the school, including budgeting, curriculum, and operating procedures.

The School Set-up Checklist will assist a new charter school with the set up process. This list may not be all inclusive.

School Set-up Checklist

1. **Read Charter School Financial Guide online at www.ncpublicschools.org/fbs/charterschools/.**
2. **Obtain Tax Exempt Status** no later than 24 months following the final approval of application.
What to Do: Contact the Internal Revenue Service at www.irs.gov. Complete the necessary form to obtain tax-exempt under section 501C(3).
3. Determine whether to participate in the Teachers' and State Employees' Retirement System and the Comprehensive Major Medical Plan **no later than 30 days after both parties have signed the written charter.**

What to Do:

- Contact the NC Department of State Treasurer at www.nctreasurer.com.
- Contact the NC State Health Plan at <http://statehealthplan.state.nc.us/>.

4. **Establish Accounting Services** – Hire personnel and use approved accounting software.

What to Do: Contact Education Management Systems, Inc. for accounting software training at 1-800-541-8999 or www.k12financials.com.

5. **Obtain a Certificate of Occupancy (C/O)** for facility and submit to the Office of Charter Schools.

NO FUNDING CAN BE PROCESSED WITHOUT A C/O.

What to Do: Contact a local building inspector to inspect the facility for educational use. Obtain the official inspection and forward to the Office of Charter Schools. (Note: State and federal funds will not be allotted until a Certificate of Occupancy is on file.)

6. **Establish a Bank Account** with a Financial Institution insured by the FDIC or otherwise fully collateralized.

What to Do:

- Open a checking account with a local Bank,
- Complete check signature cards (remember to update signature cards as authorized members/staff resign); and

- Complete an [ACH Bank Account Authorization Form](http://www.ncpublicschools.org/docs/fbs/finance/cash/achbankform.doc) located at www.ncpublicschools.org/docs/fbs/finance/cash/achbankform.doc at least ten (10) business days before the first cash deposits. (Provide an original voided check or deposit slip with form.) The ACH Bank Account Authorization Form is used to establish the charter school's bank account, account number and bank transit routing number with the State banking system.
- Return form to the Division of School Business, DPI.

7. Cash Management / MSATraining - Inquire about and sign up for Cash Management and MSA training in May (provided by DPI staff for charter school finance personnel).

8. Establish access to State Computer Systems prior to school opening

What to Do: Complete Bill Code Action Form to establish account with Information Technology Services for Cash Management systems. (Return to Division of School Business)

- Complete Security Forms
 - CICS Application Access - Maintenance Form
 - RACF02 Site Security Officer Form
 - RACF03 RACF User ID - Maintenance Form

Locate CICS form at

www.ncpublicschools.org/docs/fbs/finance/cash/cicsapplicationform.doc. It takes approximately 2-3 days to set-up CMS access. Once your request has been processed, a Service Desk staff member will contact you.

9. Obtain Liability Insurance

What to Do: Contact a local Insurance Company and obtain the following coverage at minimum:

- Errors and omissions
- General liability
- Boiler and machinery
- Real personal property
- Fidelity bonds: to cover employee dishonesty
- Automobile liability
- Workers' compensation: as specified by Chapter 97 of the General Statutes.

10. Complete school data in EDDIE (Due by early July). This is the authoritative source for address, grade levels, etc.

What to Do: Subscribe to EDDIE, details at www.ncpublicschools.org/fbs/accounting/eddie/.

11. Submit a Budget (July) with enough detail to provide meaningful comparisons with actual transactions. Please include Average Daily Membership (ADM) (Due mid-July).

12. Contract with CPA Firm to perform annual audits (Due October 31st).

What to Do:

- LGC approval is required for all contracts and invoices for audit services, including special audits or agreed upon services.
 - The Local Government Commission (LGC) website is at www.nctreasurer.com/.
 - See examples of contracts and other resources. www.nctreasurer.com/slq/Auditing%20and%20Reporting%20Resources/2011AuditContractonlyrev718.pdf.
- 13.** Request access to the Charter school ADM projection system. Provide requested information in late spring.
www.ncpublicschools.org/fbs/charterschools/.
- 14. Prepare a Policies and Procedures Manual to include accounting practices, internal controls, job descriptions etc.**
- 15.** Read the Finance Officers Newsletter sent out through the Office of Charter Schools (OCS). Also found online (without attachments) at www.ncpublicschools.org/fbs/resources/newsletters/.