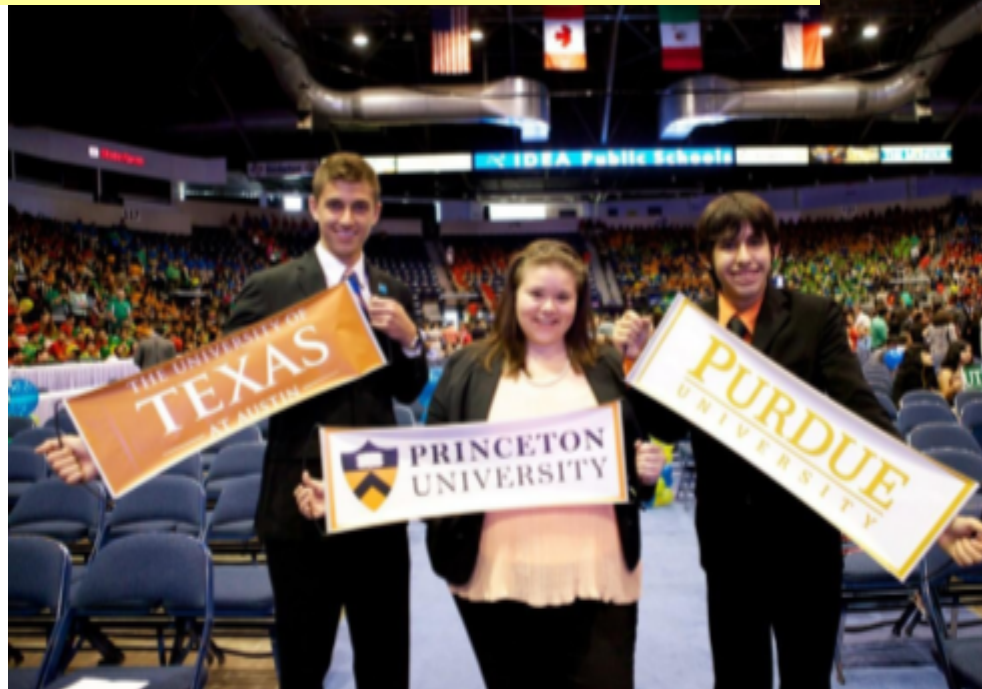


IDEA Greater Cincinnati, Inc.

ACCOUNTS PAYABLE POLICY



Sec. 1. PURPOSE OF POLICY.

The Board of Directors and all “public officials or employees” as defined by Ohio law shall endeavor, in accordance with their fiduciary duty and applicable law, to honor any legal restrictions on federal or state funds and donor restrictions (that can be accepted) on philanthropic funds, and to ensure that the use and obligation of all funds, for the purchase of goods and services that have a direct benefit to students, are in the best interest of students and facilitate the implementation of IDEA Cincinnati’s charter program. Through this policy, the Board of Directors (“Board”) of IDEA Greater Cincinnati, Inc. (“IDEA Cincinnati”) shall address applicable legal requirements, including:

- (a) Ohio Community Schools Act, notably Chapter 3314;
- (b) Ohio Nonprofit Corporation Law, notably Chapter 1702;
- (c) Ohio Administrative Code 3301-102 et. seq.;
- (d) Code of Federal Regulations, Title 2, Part 200 (“2 CFR 200”);
- (e) *Standards for Internal Control in the Federal Government*; and
- (f) *Government Auditing Standards*.

Sec. 2. APPLICABILITY OF POLICY.

This policy pertains to the payment of invoiced amounts or accounts payable, pertaining to the purchase of goods and services, through the use of local, state, or federal funds. If not otherwise defined herein, capitalized terms shall have the same meaning as found in applicable state or federal law.

Sec. 3. AUTHORITY OVER FISCAL MATTERS.

In accordance with state law, the Board has primary and ultimate authority over fiscal matters. If a matter or decision-making process is not addressed in this or other duly adopted policies of the Board, authority rests with the Board. In the event of a conflict between this policy and any other Board policy, such conflict shall be brought to the Board for resolution. Refer to the Board’s Authority Over Fiscal Matters Policy (the “Controlling Policy”) for requirements applicable to this policy.

The Delegates (as defined in Sec. 3(b) of the Controlling Policy) shall not engage in any business arrangement or transaction with an individual that is an officer, as defined in Sec. 5 of the Controlling Policy, and any conflicted, interested or related party, as defined in other Board policy or applicable law, except where explicitly permitted by law. IDEA Cincinnati (and its officers) may not enter into a business arrangement or conduct a transaction in such a manner so as to circumvent this requirement.

Sec. 4. COMPLIANCE WITH BOARD PURCHASING POLICY.

- (a) *General.* This policy must be implemented in conjunction with the Board’s Purchasing Policy.

- (b) *Use of State Aid for Social Activities*. Refer to Board Purchasing Policy, Sec. 6.2.
- (c) *Segregation of Duties; Checks and Balances*. Refer to Board Purchasing Policy, Sec. 6.3.
- (d) *Receipt of Goods and Services*. Refer to Board Purchasing Policy, Sec. 6.8.

Sec. 5. GOOD STANDING.

To ensure that IDEA Cincinnati remains in good standing with its vendors and that its credit or financial ratings are not adversely affected, the Delegates or designee shall issue payments to vendors for invoiced amounts pursuant to this policy and to the agreed-upon terms and conditions noted on the purchase order, executed contract, or invoice.

Sec. 6. AUTHORIZED PAYMENTS FOR AMOUNTS DUE.

- (a) The Delegates or designee shall only disburse IDEA Cincinnati funds to a vendor if the following conditions have been met.
 - (1) The invoice:
 - (A) Fully identifies the vendor, including the vendor's authorized representative, and said identifying information conforms to that on the purchase order issued by IDEA Cincinnati to the vendor and/or the executed contract;
 - (B) Includes an invoice number and date;
 - (C) Is addressed to IDEA Greater Cincinnati, Inc., including the proper mailing address for accounts payable and the address to which goods and/or services were delivered;
 - (D) References the purchase order number issued; and
 - (E) Delineates in sufficient detail the goods and/or services provided to IDEA Cincinnati, including the quantity and the date that the goods were delivered or the services were rendered;
 - (2) As applicable, the vendor has filed:
 - (A) Form W-9,
 - (B) Affidavit of Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying,
 - (C) Felony Conviction Disclosure Statement,
 - (D) Criminal History Record Review Certification,
 - (E) Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transactions,

- (F) Conflict of Interest Questionnaire (Form CIQ) and any related Conflict of Interest Statements (Form CIS) from officers, directors, employees or agents of IDEA Cincinnati,
 - (G) Child Support Certification (Form 1903), and
 - (H) Other affidavits, certifications and forms as required by applicable law;
- (3) IDEA Cincinnati or its Management Company's personnel have confirmed, in writing, that the goods and/or services delineated on the vendor's invoice have in fact been received and there is no cause for dispute;
- (4) IDEA Cincinnati or its Management Company's personnel have confirmed, in writing, that the terms and conditions of a properly issued purchase order and/or the executed contract have been satisfied, including, but not limited to:
- (A) The conformance of the goods and/or services to the agreed-upon specifications;
 - (B) The quantity of goods and/or services ordered; and
 - (C) The agreed-upon price per unit;
- (5) The vendor did not levy a sales or other tax from which IDEA Cincinnati is exempt and did not charge a finance fee or other amount to which IDEA Cincinnati did not previously agree on its invoice; and
- (6) The vendor has satisfactorily addressed any concerns or issues identified by IDEA Cincinnati or its Management Company's personnel regarding the goods and/or services received and/or the invoiced amount(s).
- (b) If the requirements in Sec. 6(a) are met, the Delegates or designee may issue payment to the vendor pursuant to the terms set forth in the invoice or as previously agreed-upon in the purchase order or executed contract.
- (c) The Delegates or designee shall not issue payment to a vendor based upon a statement listing outstanding invoices. The Delegates or designee must review any such statements and satisfactorily address any outstanding amounts due.
- (d) The Delegates or designee should issue payment to the vendor for any invoiced amount(s) that IDEA Cincinnati is not disputing, provided that the resulting payment is not counter to the benefit of IDEA Cincinnati's students.

Sec. 7. DEFECTIVE INVOICE.

The Delegates or designee shall return any invoice that fails to conform to the requirements of Sec. 6(a)(1) of this policy. In doing so, the Delegates or designee shall issue a letter to the vendor along with the defective invoice describing the defect(s) and requesting the issuance of a new invoice and requiring that a revised due date for the invoiced amount(s) be provided.

Sec. 8. INVOICE REVIEW AND APPROVAL.

- (a) The Delegates or designee may only issue payment to a vendor for an invoice meeting the requirements of Sec. 6(a) of this policy after it has been reviewed and approved by the Delegates or designee. If the requirements of Sec. 6(a) have been satisfactorily addressed, the Delegates or designee may issue payment to the vendor in the most administratively expeditious manner if the invoice amount is less than \$1,000.
- (b) The Delegates or designee shall have any invoices for construction services relating to a public works contract reviewed by IDEA Cincinnati's third-party construction management consultant. The consultant shall provide a recommendation to the Delegates. The Board shall review and approve (or disapprove) the consultant's and Delegates recommendation.

Sec. 9. PREPAID ITEMS.

The Delegates or designee may prepay an amount to a vendor but must account for such prepaid items in accordance with generally accepted accounting principles, state and federal fiscal requirements, and Board policy, including the Board Fixed Asset Policy.

Sec. 10. COMMUNICATION WITH VENDORS.

IDEA Cincinnati or its Management Company personnel shall document all communications with vendors regarding their invoice(s) for any goods and/or services, including concerns relating to price, quality, quantity, type, and other agreed-upon terms or conditions.

Sec. 11. DISBURSEMENT FROM PROPER FUND SOURCE.

The Delegates or designee shall disburse funds from a fund source to the vendor for an invoiced amount(s) if the goods and/or services received were:

- (a) For an allowable activity, pursuant to applicable law and rule;
- (b) For an allowable use of funds, in accordance with applicable law and rule; and
- (c) In compliance with other applicable law, rule and policy.

Sec. 12. DISBURSEMENT TO VENDORS.

The Delegates or designee shall only issue payment to a vendor's mailing address or directly into the vendor's bank account.

Sec. 13. RECORDS.

The Delegates or designee shall create, obtain, and maintain adequate and sufficient records to support the disbursement of IDEA Cincinnati funds to a vendor for invoice amounts, as

required by applicable law, rule and policy.

Sec. 14. TRAINING AND UPDATES.

The Delegates or designee shall properly train IDEA Cincinnati officers and employees on the requirements of this policy and any administrative procedure(s) adopted to implement this policy. Additionally, the Delegates or designee shall keep IDEA Cincinnati officers and employees informed of any changes to this policy and related requirements.

Sec. 15. ADMINISTRATIVE PROCEDURES.

The Delegates shall formally adopt administrative procedures as reasonably necessary to properly administer this policy and to adhere to applicable legal requirements. In doing so, the Delegates shall not adopt, and are prohibited from adopting, an administrative procedure that is not authorized by and that conflicts with applicable law or this policy. Accordingly, the Delegates shall confer with the Board or legal counsel before deviating from the requirements set forth in this policy. In the event that a deviation from this policy becomes necessary, the Delegates shall either recommend an amendment to this policy or the Board's approval of a specific deviation, including the purpose, scope and duration of the requested deviation.

Sec. 16. DATE ADOPTED AND EFFECTIVE.

As set forth in the pertinent minutes to the meeting of the Board, the Board adopted this policy on _____.

Sec. 17. RETENTION.

This policy shall be retained until superseded, expired, or discontinued and for five (5) years thereafter.