

Agenda
T.E.A.C.H., Inc.
Board of Directors Meeting
TEACH Inc.
112 E. 2nd St.
Alturas, CA 96101

September 28, 2026
5:15 p.m.

1. CALL TO ORDER:

To Our Visitors:

Addressing Agenda Items:

Members of the public may place items on the agenda of any regular Board meeting. The items must be directly related to T.E.A.C.H., Inc.'s business. Requests for placement must be made in writing and delivered to the T.E.A.C.H., Inc. office no later than 12:00 noon on the ninth (9th) business day prior to the meeting. The placement of the item on the agenda will be determined by the Executive Director who may consult with the Board Chairman on the matter. Items placed on the agenda by the public will be for information and discussion so that the Board may be advised of the views of the community. The Board Chairman reserves the right to place the item on the agenda, (as an action item) on a subsequent meeting for action.

2. ROLL CALL:

Present: ____Curtis ____Forrest ____Keostier ____ Shimamoto____ Stockwell ____Wanye

Staff: ____Madison____MacDonnell

Visitors: _____

3. POSTING OF AGENDA: Notice that the Agenda has been properly posted.

4. APPROVAL OF MINUTES:

The Board will review the minutes for the August 26, 2026 meeting for approval.

Action Item.

5. REVIEW AND APPROVAL OF EXPENDITURES:

The Board will review for approval the August 2026 expenditures. **Action Item.**

**6. REVIEW OF YEAR-TO-DATE EXPENDITURES & SWEEP ACCOUNT
BALANCE:**

The Board will review year-to-date expenditures. **Information Item.**

7. PUBLIC INPUT:

PUBLIC COMMENTS:

Citizens may address the T.E.A.C.H., Inc. Board of Directors at this time on any items not on the agenda. Following recognition by the Chairman, each speaker may have the floor for two (2)

minutes. Persons addressing the Board are requested to give their name, address, and the group organization they represent, if any, in order that an accurate record can be made in the minutes. If the Board desires action, the item can be put on the agenda of a future meeting ***NOTE: Citizens should be aware that, in accordance with the Brown Act, the Board is not allowed to act on non-agenda items**

8. STAFF REPORTS:

9. BOARD/COMMITTEE REPORTS:

10. OLD BUSINESS:

11. NEW BUSINESS:

- a. Fiscal Policies and Procedures Manual *Action Item*
- b. Salary Schedule 2027 *Action Item*

12. CORRESPONDENCE:

13. NEXT MEETING:

14. CLOSED SESSION:

15. ADJOURNMENT:

T.E.A.C.H., INC.
Board of Directors
Regular Meeting Minutes
August 26th, 2026
5:15 p.m.

1. CALL TO ORDER:

Chairperson Keostier called the meeting to order at 5:23 p.m.

2. ROLL CALL:

PRESENT: Members Koetsier, Forrest, Shimamoto, and Wayne

ABSENT: Members Curtis and Stockwell

STAFF: Madison and MacDonnell

VISITORS:

3. POSTING OF AGENDA:

Member Koetsier noted that the agenda had been properly posted.

4. APPROVAL OF MINUTES:

The minutes from the July 8th, 2026, meeting were reviewed.

Member Wayne made a motion to approve the minutes. Member Forrest seconded the motion. The motion carried with all ayes.

5. REVIEW AND APPROVAL OF EXPENDITURES:

Expenditures for the month of July 2026 were discussed. **Member Forrest made a motion to approve the expenditures for the month of July 2026.**

Member Wayne seconded the motion. Motion carried. All ayes.

6. REVIEW OF YEAR-TO-DATE EXPENDITURES & SWEEP ACCOUNT BALANCE:

Year-to-date expenditures and Sweep Account Balance was reviewed.

7. PUBLIC INPUT: None

8. STAFF REPORTS:

a. Carol Madison made the following report:

- We experienced several unexpected equipment and facility maintenance expenses this month. At the Senior Center, two refrigerators and one freezer had to be replaced after all three units stopped functioning and were determined to be beyond repair. The garbage disposal also failed, and we are currently working to have it repaired or replaced.
- At the Community Connections Center, a contractor has been working at the facility over the past

two weeks to address needed repairs and improvements. Fungus was also discovered beneath the building, and we have contracted with Terminix at a cost of approximately \$6,000 to treat the affected area and provide necessary pest-control services. Additional improvements are underway, including cleaning up the exterior grounds, painting, and installing new carpeting.

- We continue to see strong interest in Community Connections. Since July 1, we have received 15 new referrals, bringing our current enrollment to 23 clients.
- The annual Alzheimer's Awareness Color Run is scheduled for Saturday, September 19th.

9. BOARD REPORTS:

- a. **Member Koetsier:** Reported that he attended the Take Back the Night event on August 14th and stated that the event was very successful.

10. OLD BUSINESS: None.

11. NEW BUSINESS:

- a. **Resolution 27-03: California Office of Emergency Services Programs:** Member Wayne made a motion to approve Resolution 27-03: California Office of Emergency Services Programs, and Member Forrest seconded the motion. Motion carried, all ayes.

12. CORRESPONDENCE:

- a. **Cal OES Performance Assessment:** The Board reviewed and discussed details regarding the Performance Assessment from Cal OES.
- b. **Cal OES Supplemental Performance Assessment:** The Board reviewed and discussed details regarding the Supplemental Performance Assessment from Cal OES.

13. NEXT MEETING: September 10th, 2026, at the T.E.A.C.H Office , 5:15 p.m.

14. CLOSED SESSION:

15. ADJOURNMENT: The meeting was adjourned at 6:34 p.m.

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Rape Crisis 2123	1001	8/1/2026	Cory Yancey	700.00	SA Aug'26 Rent
Rape Crisis 2123	1001	8/5/2026	Staub & Sons Petroleum	133.95	Gas
Rape Crisis 2123	1001	8/11/2026	ACE / Four Seasons	84.24	SA Cleaning Supplies
Rape Crisis 2123	1001	8/14/2026	Kirsten Easley	293.00	SA Conference K. Easley
Rape Crisis 2123	1001	8/18/2026	Alexandro G. Acuna	60.00	SA Lawn Service
Rape Crisis 2123	1001	8/18/2026	Ubeo Business Services	39.43	SA & DV Printer Maint. Contract
Rape Crisis 2123	1001	8/19/2026	Staub & Sons Petroleum	2.48	Gas
Rape Crisis 2123	1001	8/20/2026	American Express	15.94	Facebook Add Take Back The Night
Rape Crisis 2123	1001	8/20/2026	American Express	13.86	SA & DV Adobe Pro
Rape Crisis 2123	1001	8/20/2026	American Express	186.00	SA & DV Education Materials
Rape Crisis 2123	1001	8/20/2026	American Express	28.00	SA Facebook Add
Rape Crisis 2123	1001	8/20/2026	American Express	47.18	SA Graduation Memory Display
Rape Crisis 2123	1001	8/20/2026	American Express	764.66	SA House Supplies
Rape Crisis 2123	1001	8/20/2026	American Express	51.45	SA Laundry Basket
Rape Crisis 2123	1001	8/20/2026	American Express	85.79	SA Patio Chairs
Rape Crisis 2123	1001	8/24/2026	Frontier	19.89	SA & DV Telephone
Rape Crisis 2123	1001	8/25/2026	Tnet Broadband Internet LLC	33.00	Internet
Rape Crisis 2123	1001	8/31/2026	Alexandro G. Acuna	60.00	SA Lawn Service
Rape Crisis 2123	1001	8/31/2026	City Of Alturas	101.44	SA Water
Rape Crisis 2123	1001	8/31/2026	Modoc Media dba Modoc County Record	20.00	SA & DV Monthly Ad
Rape Crisis 2123	1001	8/31/2026	Pacific Power And Light	104.52	Electricity
Rape Crisis 2123	1001	8/31/2026	Spectrum	160.01	SA Cable
Rape Crisis 2123	1001	8/31/2026	Staub & Sons Petroleum	312.00	Gas
Rape Crisis 2123	1001	8/31/2026	Verizon	56.55	Cellphone & Ipad Lines With Credits
OES Domestic Violence	1200	8/1/2026	Charles D. Yancey	700.00	DV Aug'26 Rent
OES Domestic Violence	1200	8/1/2026	Teach Inc.	805.25	DV Aug'26 Rent
OES Domestic Violence	1200	8/5/2026	Modoc Transportation Agency	20.00	DV Bus Vouchers
OES Domestic Violence	1200	8/5/2026	Staub & Sons Petroleum	133.94	Gas
OES Domestic Violence	1200	8/7/2026	John Wisser Construction	300.00	DV Repair Gym & Fence
OES Domestic Violence	1200	8/10/2026	ACE / Four Seasons	60.01	DV Cleaning Supplies
OES Domestic Violence	1200	8/11/2026	ACE / Four Seasons	24.85	DV Supplies
OES Domestic Violence	1200	8/11/2026	ReloShare, Inc.	2,000.00	DV Safe Stays Prepaid Credits

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
OES Domestic Violence	1200	8/13/2026	Holiday Market	59.28	DV Food
OES Domestic Violence	1200	8/14/2026	Frontier	165.00	Internet
OES Domestic Violence	1200	8/18/2026	Alexandro G. Acuna	130.00	DV Lawn Service
OES Domestic Violence	1200	8/18/2026	Frontier	59.33	DV Telephone
OES Domestic Violence	1200	8/18/2026	Holiday Market	274.16	DV Food
OES Domestic Violence	1200	8/18/2026	Ubeo Business Services	39.42	SA & DV Printer Maint. Contract
OES Domestic Violence	1200	8/19/2026	Staub & Sons Petroleum	2.47	Gas
OES Domestic Violence	1200	8/20/2026	American Express	1,262.00	DV Amtrack Tickets
OES Domestic Violence	1200	8/20/2026	American Express	110.44	DV Bean Bag
OES Domestic Violence	1200	8/20/2026	American Express	82.50	DV Education Materials
OES Domestic Violence	1200	8/20/2026	American Express	123.29	DV Home Supplies
OES Domestic Violence	1200	8/20/2026	American Express	77.61	DV Iphone Accessories
OES Domestic Violence	1200	8/20/2026	American Express	26.99	DV Netflix Monthly Subscription
OES Domestic Violence	1200	8/20/2026	American Express	139.41	DV Portable Air Conditioner
OES Domestic Violence	1200	8/20/2026	American Express	43.29	DV Rise Rubber Thrsold Ramp
OES Domestic Violence	1200	8/20/2026	American Express	13.33	DV Verizon New Cell
OES Domestic Violence	1200	8/20/2026	American Express	13.86	SA & DV Adobe Pro
OES Domestic Violence	1200	8/20/2026	American Express	185.99	SA & DV Education Materials
OES Domestic Violence	1200	8/24/2026	Frontier	19.88	SA & DV Telephone
OES Domestic Violence	1200	8/25/2026	Holiday Market	258.82	DV Food
OES Domestic Violence	1200	8/25/2026	Tnet Broadband Internet LLC	66.00	Internet
OES Domestic Violence	1200	8/31/2026	Alexandro G. Acuna	130.00	DV Lawn Service
OES Domestic Violence	1200	8/31/2026	City Of Alturas	298.13	DV Water
OES Domestic Violence	1200	8/31/2026	Holiday Market	391.94	DV Food
OES Domestic Violence	1200	8/31/2026	Modoc Media dba Modoc County Record	670.00	DV Back the Night Ad
OES Domestic Violence	1200	8/31/2026	Modoc Media dba Modoc County Record	20.00	SA & DV Monthly Ad
OES Domestic Violence	1200	8/31/2026	Pacific Power And Light	467.53	Electricity
OES Domestic Violence	1200	8/31/2026	ReloShare, Inc.	250.00	Safe Stay Prepaid Credits Motel
OES Domestic Violence	1200	8/31/2026	Spectrum	160.01	DV Cable
OES Domestic Violence	1200	8/31/2026	Verizon	56.54	Cellphone & Ipad Lines With Credits
Eddingfield Apartments	1905	8/5/2026	ACE / Four Seasons	121.14	Eddingfield Apt. Materials & Supplies
Eddingfield Apartments	1905	8/5/2026	Staub & Sons Petroleum	54.83	Gas
Eddingfield Apartments	1905	8/25/2026	Tnet Broadband Internet LLC	153.00	Internet

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Eddingfield Apartments	1905	8/31/2026	City Of Alturas	825.36	Eddingfield Apt. Water
Eddingfield Apartments	1905	8/31/2026	Holiday Market	40.27	Eddingfield Apt. Coffee & Products
Eddingfield Apartments	1905	8/31/2026	Holiday Market	22.76	Eddingfield Apt. Water
Parenting Education	2200	8/5/2026	Holiday Market	13.17	Parenting Food
Parenting Education	2200	8/19/2026	Staub & Sons Petroleum	12.10	Gas
Parenting Education	2200	8/20/2026	American Express	170.24	Geogle Workspace Business Plus
Parenting Education	2200	8/20/2026	American Express	116.89	New Server Monthly Payment
Parenting Education	2200	8/20/2026	American Express	12.99	Parenting Microsoft Monthly Renewal
Parenting Education	2200	8/20/2026	American Express	174.00	Parenting QR Code Biannual Subscription
Parenting Education	2200	8/25/2026	Holiday Market	12.97	Parenting Food
Parenting Education	2200	8/28/2026	Miscellaneous Customer Receipt		Cash Receipts Week 7
Parenting Education	2200	8/31/2026	Grocery Outlet	7.67	Parenting Food
Parenting Education	2200	8/31/2026	Verizon	36.37	Cellphone & Ipad Lines With Credits
CASA	2400	8/5/2026	Staub & Sons Petroleum	134.59	Gas
CASA	2400	8/11/2026	Fredrick, Jessica	100.00	R CASA Expense Reimbursement
CASA	2400	8/13/2026	ACE / Four Seasons	151.13	R CASA Materials & Supplies
CASA	2400	8/13/2026	ACE / Four Seasons	225.17	R CASA String Lights
CASA	2400	8/14/2026	ACE / Four Seasons	2.99	R CASA Hook Cup
CASA	2400	8/26/2026	ACT Niles Theater	2,800.00	R CASA Video Ad
CASA	2400	8/26/2026	Teach Senior Center	250.00	R CASA Color Run Sponsorship
CASA	2400	8/27/2026	Julio Cesar Naranjo	150.00	R CASA Subaru Detailing
CASA	2400	8/31/2026	Absher Global Investments, Inc.	8,625.00	R CASA Outdoor Advertising
CASA	2400	8/31/2026	Fredrick, Jessica	420.97	Expense Reimbursement
CASA	2400	8/31/2026	Staub & Sons Petroleum	84.40	Gas
CASA	2400	8/31/2026	Verizon	22.60	Cellphone & Ipad Lines With Credits
Foster Family Agency	2800	8/5/2026	Staub & Sons Petroleum	2.15	Gas
Foster Family Agency	2800	8/14/2026	Frontier	165.00	Internet
Foster Family Agency	2800	8/14/2026	Miscellaneous Customer Receipt		Cash Receipts Week 3
Foster Family Agency	2800	8/19/2026	Staub & Sons Petroleum	200.75	Gas
Foster Family Agency	2800	8/20/2026	American Express	245.00	FFA Active Cases Base Fee
Foster Family Agency	2800	8/20/2026	American Express	510.05	New Server Unlocked Business Payment
Foster Family Agency	2800	8/28/2026	Miscellaneous Customer Receipt		Cash Receipts Week 7

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Foster Family Agency	2800	8/31/2026	Carmen Stra	3,518.00	FFA Aug'26 A. Smith
Foster Family Agency	2800	8/31/2026	Carmen Stra	3,518.00	FFA Aug'26 N. Hardin-Hulsey
Foster Family Agency	2800	8/31/2026	Carmen Stra	50.00	FFA Clothing Reimbursement Aug'26
Foster Family Agency	2800	8/31/2026	Evah Dixon	1,653.00	FFA Aug'26 K. Mesa
Foster Family Agency	2800	8/31/2026	Evah Dixon	1,348.00	FFA Aug'26 L. Hayes
Foster Family Agency	2800	8/31/2026	Evah Dixon	1,348.00	FFA Aug'26 N. Hayes
Foster Family Agency	2800	8/31/2026	Evah Dixon	1,653.00	FFA Aug'26 S. Witzle Jr
Foster Family Agency	2800	8/31/2026	Mary Garner	1,499.00	FFA Aug'26 J. Geipel
Foster Family Agency	2800	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9
Foster Family Agency	2800	8/31/2026	Robert Esparza	3,518.00	FFA Aug'26 Z. Stewart
Foster Family Agency	2800	8/31/2026	Skylar Pina	1,653.00	FFA Aug'26 M. Parraz
Foster Family Agency	2800	8/31/2026	Staub & Sons Petroleum	84.40	Gas
Foster Family Agency	2800	8/31/2026	Swanson Law Office	275.00	FFA Legal Service
IHSS	3000	8/14/2026	Frontier	165.00	Internet
IHSS	3000	8/20/2026	American Express	170.24	Geogle Workspace Business Plus
IHSS	3000	8/20/2026	American Express	116.89	New Server Monthly Payment
IHSS	3000	8/25/2026	Teach Senior Center	250.00	IHSS Color Run Advertising
IHSS	3000	8/31/2026	Verizon	71.83	Cellphone & Ipad Lines With Credits
AB 86 Consortium	3100	8/1/2026	Robert or Dawn Baird	750.00	GED Aug'26 Rent
AB 86 Consortium	3100	8/10/2026	Frontier	119.42	GED Telephone
AB 86 Consortium	3100	8/20/2026	American Express	55.00	GED & Admin STARLINK Internet
AB 86 Consortium	3100	8/20/2026	American Express	43.44	GED Headphones
AB 86 Consortium	3100	8/20/2026	American Express	276.16	GED New Telephone
AB 86 Consortium	3100	8/20/2026	American Express	25.60	GED Paper Mate & Black Tape
AB 86 Consortium	3100	8/24/2026	Sarah Merrick	579.70	CAEP Conference Santa Clara Expense Reimbursement
AB 86 Consortium	3100	8/25/2026	Tnet Broadband Internet LLC	68.00	Internet
AB 86 Consortium	3100	8/31/2026	City Of Alturas	93.05	GED Water
AB 86 Consortium	3100	8/31/2026	Pacific Power And Light	374.36	Electricity
2024-DG Literacy Foun...	3105	8/20/2026	American Express	117.42	DG Planner Pad
2024-DG Literacy Foun...	3105	8/20/2026	American Express	96.08	DG Wall Art Tapestry
2024-DG Literacy Foun...	3105	8/31/2026	Sarah Merrick	14.20	DG Expense Reimbursement
Advancing Modoc Youth	3150	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
Advancing Modoc Youth	3150	8/14/2026	Frontier	106.23	AMY Telephone
Advancing Modoc Youth	3150	8/18/2026	Ubeo Business Services	223.77	AMY Printer Maint. Contract
Job First	3401	8/19/2026	Addyson Wood	350.00	Job's First Training & Outreach
Job First	3401	8/19/2026	Brody Olive	350.00	Job's First Training & Outreach
Job First	3401	8/19/2026	Celeste Gauna	350.00	Job's First Training & Outreach
Job First	3401	8/19/2026	Jordan Niles	350.00	Job's First Training & Outreach

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Job First	3401	8/19/2026	Linnea Price	350.00	Job's First Training & Outreach
Job First	3401	8/31/2026	Tara Yarberry	34.20	JOB's First Request Mileage Refund
26B-4023 LIHEAP	4321	8/5/2026	Anthony Flores Clark	500.00	Liheap Firewood Voucher
26B-4023 LIHEAP	4321	8/14/2026	Staub & Sons Petroleum	955.00	Liheap 129353 Kerosene
26B-4023 LIHEAP	4321	8/25/2026	Staub & Sons Petroleum	974.00	Liheap 101477 Kerosene
26B-4023 LIHEAP	4321	8/27/2026	Don Harbert Oil	1,000.00	Liheap 71290181 Kerosene
26B-4023 LIHEAP	4321	8/27/2026	Staub & Sons Petroleum	1,000.00	Liheap 127705 Kerosene
26B-4023 LIHEAP	4321	8/28/2026	Michael Munoz	1,000.00	Liheap Firewood Voucher
2026 SLIHEAP	4322	8/4/2026	Scofield, Curt	1,000.00	Liheap Firewood Voucher
2026 SLIHEAP	4322	8/5/2026	Scofield, Curt	1,000.00	Liheap Firewood Voucher
2026 SLIHEAP	4322	8/10/2026	Ashley Pratt	1,000.00	Liheap Firewood Voucher
2026 SLIHEAP	4322	8/10/2026	Chris Ward	1,000.00	Liheap Firewood Voucher
2026 SLIHEAP	4322	8/24/2026	Enoch Wood	1,000.00	Liheap Firewood Voucher
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	500.00	Eddingfield Apt. #2 Aug'26 Rent
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	300.00	Eddingfield Apt. #3 Aug'26 Rent
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	300.00	Eddingfield Apt. #4 Aug'26 Rent
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	300.00	Eddingfield Apt. #5 Aug'26 Rent
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	300.00	Eddingfield Apt. #6 Aug'26 Rent
26F-5026-M4 Housing	4506	8/1/2026	TEACH Edding field apartment	300.00	Eddingfield Apt. #7 Aug'26 Rent
CRRP-3036	5001	8/5/2026	Staub & Sons Petroleum	0.43	Gas
CRRP-3036	5001	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
CRRP-3036	5001	8/13/2026	Kermit McCourt	500.00	R & R Luther Red Band (Take Back The Night)
CRRP-3036	5001	8/14/2026	Calif Child Care R&R Network	4,083.96	R & R Network Membership Dues FY26-27
CRRP-3036	5001	8/14/2026	Frontier	165.00	Internet
CRRP-3036	5001	8/18/2026	Modoc Insurance Services	414.00	R & R Event General Liability
CRRP-3036	5001	8/20/2026	American Express	510.05	New Server Unlocked Business Payment
CRRP-3036	5001	8/20/2026	American Express	514.77	R & R Car Seat
CRRP-3036	5001	8/20/2026	American Express	21.42	R & R Stainless Steel E-Clips
CRRP-3036	5001	8/25/2026	Alturas Sunrise Rotary	300.00	R & R 2026 Block M Tournament Ad
CRRP-3036	5001	8/31/2026	Modoc Media dba Modoc County Record	40.00	R & R Monthly Ad
CRRP-3036	5001	8/31/2026	Pacific Power And Light	707.73	Electricity
CRRP-3036	5001	8/31/2026	Staub & Sons Petroleum	3.20	Gas

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
CCPU Dues Deduct	5003	8/10/2026	Department of Human Resources	436.85	Union Dues Jul'26
CCPU Dues Deduct	5003	8/31/2026	Department of Human Resources	433.69	Union Dues Aug'26
CHST-5036	5103	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
Child/Adult Care Food ...	5201	8/31/2026	Arien Church	357.98	Provider Payments Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Autumn Sky Fieguth	132.96	Provider Payments Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Farmer, Kelly	1,125.91	Provider Payments Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Hall, Heidi	837.84	Provider Payments Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Kuhn, Sheryl	429.85	Provider Payments Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Minute Menu Systems, LLC	47.28	Food Program Active Providers Aug'26
Child/Adult Care Food ...	5201	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9
Child/Adult Care Food ...	5201	8/31/2026	Samantha Harer	1,022.76	Provider Payments Aug'26
CAPP-5037	5409	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
CAPP-5037	5409	8/20/2026	American Express	255.03	New Server Unlocked Business Payment
CAPP-5037	5409	8/21/2026	Miscellaneous Customer Reciept		Cash Receipts Week 5
CAPP-5037	5409	8/31/2026	Ada, Duarte	475.71	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Alvin Brown	951.42	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Amber Leigh Marie Anderson	533.09	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Ananda Rabor	1,427.13	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Arien Church	3,933.06	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Autumn Sky Fieguth	2,183.34	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Caroline Griggs	946.48	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Correa, Martha	8,120.01	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Dawn A Hunter	746.32	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Farmer, Kelly	3,413.90	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Hall, Heidi	7,595.86	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Jenna L Warren	3,863.70	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Jennel Pimentel	946.48	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Jodie Phillips	348.18	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Kimberly Colt	1,427.13	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Kuhn, Sheryl	5,415.00	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Lala L. Parrish	948.95	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Minnie J. Reid	951.42	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Miscellaneous Customer Reciept		ACH Paypal 08312026
CAPP-5037	5409	8/31/2026	Nessling, Stephanie	4,850.79	Provider Payments Aug'26

Training, Employment and Community Help Inc.

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
CAPP-5037	5409	8/31/2026	Patricia Perez Carrillo	1,424.66	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Quality Children's Services	1,533.00	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Rangel, Guadalupe	553.64	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Samantha Harer	4,087.79	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Sierra Ann Duran	721.34	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Susan Perales	1,204.46	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	T.E.A.C.H. Budding Tree	5,000.00	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	TEACH, Latchkey	16,290.61	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Timmarie Blankenship	946.48	Provider Payments Aug'26
CAPP-5037	5409	8/31/2026	Victoria L. Still	1,424.66	Provider Payments Aug'26
C2AP - 3036	5501	8/4/2026	California Department of Social Services	7,520.00	Contract #C2AP0035 Overpayment for FY 2020-21 N #CCDP0047
C2AP - 3036	5501	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
C2AP - 3036	5501	8/31/2026	Amber Leigh Marie Anderson	1,670.86	Provider Payments Aug'26
C2AP - 3036	5501	8/31/2026	Arien Church	676.06	Provider Payments Aug'26
C2AP - 3036	5501	8/31/2026	Autumn Sky Fieguth	1,541.03	Provider Payments Aug'26
C2AP - 3036	5501	8/31/2026	Kayla Derner	1,424.66	Provider Payments Aug'26
C2AP - 3036	5501	8/31/2026	TEACH, Latchkey	2,218.38	Provider Payments Aug'26
CFCC	5701	8/31/2026	Amber Leigh Marie Anderson	533.09	Provider Payments Aug'26
CFCC	5701	8/31/2026	Arien Church	1,581.82	Provider Payments Aug'26
CFCC	5701	8/31/2026	Farmer, Kelly	4,262.67	Provider Payments Aug'26
CFCC	5701	8/31/2026	Hall, Heidi	1,503.03	Provider Payments Aug'26
CFCC	5701	8/31/2026	Samantha Harer	2,121.46	Provider Payments Aug'26
CFCC-4013 Family Chil...	5702	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
CFCC-4013 Family Chil...	5702	8/20/2026	American Express	765.08	New Server Unlocked Business Payment
Child Care Bulletin 23-37	5802	8/20/2026	American Express	510.05	New Server Unlocked Business Payment
Child Care Bulletin 23-37	5802	8/31/2026	Ada, Duarte	108.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Alvin Brown	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Amber Leigh Marie Anderson	770.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Ananda Rabor	324.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Arien Church	1,694.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Autumn Sky Fieguth	1,386.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Caroline Griggs	216.00	Provider Payments Aug'26

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Child Care Bulletin 23-37	5802	8/31/2026	Correa, Martha	1,848.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Dawn A Hunter	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Farmer, Kelly	2,002.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Hall, Heidi	3,080.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Jenna L Warren	924.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Jennel Pimentel	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Jodie Phillips	108.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Kayla Derner	324.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Kimberly Colt	324.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Kuhn, Sheryl	1,540.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Lala L. Parrish	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Minnie J. Reid	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Nessling, Stephanie	1,078.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Patricia Perez Carrillo	324.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Quality Children's Services	308.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Rangel, Guadalupe	108.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Samantha Harer	1,540.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Sierra Ann Duran	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Susan Perales	324.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	T.E.A.C.H. Budding Tree	1,540.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	TEACH, Latchkey	9,548.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Timmarie Blankenship	216.00	Provider Payments Aug'26
Child Care Bulletin 23-37	5802	8/31/2026	Victoria L. Still	324.00	Provider Payments Aug'26
Cal Works Stage 1 Chil...	5810	8/31/2026	Autumn Sky Fieguth	316.82	Provider Payments Aug'26
Cal Works Stage 1 Chil...	5810	8/31/2026	Samantha Harer	676.06	Provider Payments Aug'26
TEACH LATCHKEY	5850	8/5/2026	Ubeo Business Services	21.40	Latchkey Printer Maint. Contract
TEACH LATCHKEY	5850	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
TEACH LATCHKEY	5850	8/18/2026	Holiday Market	201.97	Latchkey Food
TEACH LATCHKEY	5850	8/19/2026	City Of Alturas	1,420.00	Latchkey Pool Admission
TEACH LATCHKEY	5850	8/31/2026	Grocery Outlet	43.55	Latchkey Food
TEACH LATCHKEY	5850	8/31/2026	Holiday Market	103.39	Latchkey Food
Budding Tree	5860	8/5/2026	Staub & Sons Petroleum	54.82	Gas
Budding Tree	5860	8/10/2026	Frontier	151.23	BUdding Tree Telephone
Budding Tree	5860	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
Budding Tree	5860	8/18/2026	Alexandro G. Acuna	70.00	Budding Tree Lawn Service
Budding Tree	5860	8/26/2026	Valarie Brandow	61.82	Budding Tree Expense Reimbursement
Budding Tree	5860	8/28/2026	Frontier	109.49	Budding Tree Telephone

Training, Employment and Community Help Inc.

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Budding Tree	5860	8/31/2026	Alexandro G. Acuna	70.00	Budding Tree Lawn Service
Budding Tree	5860	8/31/2026	Pacific Power And Light	210.24	Electricity
Budding Tree	5860	8/31/2026	Verizon	59.99	Cellphone & Ipad Lines With Credits
CCIP-5036 25-26	5904	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
Rainbow	5920	8/20/2026	American Express	765.08	New Server Unlocked Business Payment
Community Connection...	6450	8/4/2026	Pioneer Auto Body, Inc.	450.00	CCC Vehicle Wash & Vacuum
Community Connection...	6450	8/5/2026	Staub & Sons Petroleum	92.88	Gas
Community Connection...	6450	8/7/2026	Carol Madison	149.64	CCC Expense Reimbursement
Community Connection...	6450	8/7/2026	Quick Lube Plus	83.03	CCC 2006 Chevy Oil Change
Community Connection...	6450	8/10/2026	ACE / Four Seasons	33.86	CCC Supplies
Community Connection...	6450	8/10/2026	Waste Management Of Nevada	267.89	CCC Garbage
Community Connection...	6450	8/11/2026	T-Mobile	3.09	CCC Cellular
Community Connection...	6450	8/18/2026	Carol Madison	220.18	Expense Reimbursement
Community Connection...	6450	8/19/2026	Frontier	229.25	CCC Telephone
Community Connection...	6450	8/19/2026	Staub & Sons Petroleum	186.45	Gas
Community Connection...	6450	8/20/2026	American Express	929.88	Admin & CCC Latch 5 Series
Community Connection...	6450	8/20/2026	American Express	30.61	CCC Car Air Refresher
Community Connection...	6450	8/20/2026	American Express	712.96	CCC Cleaning Supplies
Community Connection...	6450	8/20/2026	American Express	25.20	CCC Comet Bleach Powder Cleanser
Community Connection...	6450	8/20/2026	American Express	66.09	CCC Floor Cleaner
Community Connection...	6450	8/20/2026	American Express	34.31	CCC Kitchen Utensil
Community Connection...	6450	8/20/2026	American Express	4,891.76	CCC Pest Control
Community Connection...	6450	8/24/2026	ACE / Four Seasons	5.34	CCC Key
Community Connection...	6450	8/24/2026	Canon Financial Services Inc	98.65	CCC Copier Maintenance
Community Connection...	6450	8/24/2026	McCombs Electric Inc.	97.51	CCC Add Outlet
Community Connection...	6450	8/25/2026	ACE / Four Seasons	228.51	CCC Materials & Supplies
Community Connection...	6450	8/25/2026	ACE / Four Seasons	56.23	CCC Pressure Treated
Community Connection...	6450	8/27/2026	ACE / Four Seasons	26.81	CCC Rental Easy Rooter
Community Connection...	6450	8/28/2026	ACE / Four Seasons	110.80	CCC Paint & Supplies
Community Connection...	6450	8/31/2026	ACE / Four Seasons	874.33	CCC Materials & Supplies

Training, Employment and Community Help Inc.

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Community Connection...	6450	8/31/2026	ACE / Four Seasons	72.18	CCC Supplies
Community Connection...	6450	8/31/2026	Alexandro G. Acuna	1,500.00	CCC Lawn Service & Maintenance
Community Connection...	6450	8/31/2026	AMS	1,090.49	Liabilities and bank fees
Community Connection...	6450	8/31/2026	City Of Alturas	218.66	CCC Water
Community Connection...	6450	8/31/2026	Fredrick, Jessica	410.81	Expense Reimbursement
Community Connection...	6450	8/31/2026	Frontier	0.70	CCC Telephone
Community Connection...	6450	8/31/2026	Pacific Power And Light	338.39	CCC Electricity
Community Connection...	6450	8/31/2026	SAM'S CLUB/SYNCH... BANK	153.06	CCC Food
Community Connection...	6450	8/31/2026	Verizon	57.59	Cellphone & Ipad Lines With Credits
Community Connection...	6450	8/31/2026	Waste Management Of Nevada	106.47	CCC Garbage
Modoc Harvest	7701	8/5/2026	Staub & Sons Petroleum	32.68	Gas
Modoc Harvest	7701	8/20/2026	American Express	36.44	Modoc Harvest Android Table Protective Case
Modoc Harvest	7701	8/21/2026	Ary West	500.00	Modoc Harvest Cash For Sales
CDFA	7702	8/5/2026	Holiday Market	921.15	Modoc Harvest Food
CDFA	7702	8/24/2026	Holiday Market	12.38	CDFA Food Bags
CDFA	7702	8/31/2026	Andrea Kew	48.00	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Bidwell Canyon Farm	365.00	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Canyon Creek Ranch	404.34	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Heart T Hogs	442.61	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Joyce Miller	65.25	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Kay Antunez de Mayolo	853.95	CDFA August 2026 Food Hub sales
CDFA	7702	8/31/2026	Miscellaneous Customer Reciept		ACH Paypal 08312026
CDFA	7702	8/31/2026	Pat Anderberg	244.50	CDFA August 2026 Food Hub Sales
CDFA	7702	8/31/2026	Trouble Valley Farm, LLC	591.00	CDFA August 2026 Food Hub Sales
CNIP Expansion	7705	8/24/2026	Noemi Campos-Jones	38.00	CNIP Expansion Request Mileage Refund
CNIP Expansion	7705	8/25/2026	Noemi Campos-Jones	38.00	CNIP Expansion Request Mileage Refund
CNIP Expansion	7705	8/31/2026	Staub & Sons Petroleum	20.40	Gas
NorCal CoC	7905	8/11/2026	Kristen Schreder	11,666.67	NorCal CoC Coordinator Services Jul'26
NorCal CoC	7905	8/20/2026	American Express	510.05	New Server Unlocked Business Payment
NorCal CoC	7905	8/31/2026			Sweep Interest
NorCal CoC	7905	8/31/2026	Social Services Data Solutions, Inc.	8,018.50	Consulting Jul'26
HHAP4	7907	8/18/2026	Pathways to Housing	70,000.00	HHAP-4 Sub-Contract Services
HHAP6	7910	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9

Training, Employment and Community Help Inc.

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Teach Senior Services	8000	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
Teach Senior Services	8000	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
Teach Senior Services	8000	8/27/2026	John Wisser Construction	1,100.00	Senior Center Removed Old Freezer & Disposal
Teach Senior Services	8000	8/27/2026	John Wisser Construction	100.00	Senior Center Sewer Service
Teach Senior Services	8000	8/28/2026	Miscellaneous Customer Reciept		Cash Receipts Week 7
PSA 2 C-1 Congregate ...	8001	8/5/2026	Double Down Distributing Inc.	17.58	Senior Serv. Supplies
PSA 2 C-1 Congregate ...	8001	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
PSA 2 C-1 Congregate ...	8001	8/10/2026	Vestis	170.19	Senior Serv. Lndry
PSA 2 C-1 Congregate ...	8001	8/11/2026	Double Down Distributing Inc.	75.23	Senior Serv. Supplies
PSA 2 C-1 Congregate ...	8001	8/14/2026	Frontier	71.97	Senior Serv. Telephon
PSA 2 C-1 Congregate ...	8001	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
PSA 2 C-1 Congregate ...	8001	8/21/2026	Miscellaneous Customer Reciept		Cash Receipts Week 5
PSA 2 C-1 Congregate ...	8001	8/25/2026	Vestis	170.19	Senior Serv. Lndry
PSA 2 C-1 Congregate ...	8001	8/27/2026	Double Down Distributing Inc.	57.06	Senior Serv. Supplies
PSA 2 C-1 Congregate ...	8001	8/28/2026	Miscellaneous Customer Reciept		Cash Receipts Week 7
PSA 2 C-1 Congregate ...	8001	8/31/2026	McCombs Electric Inc.	90.00	Senior Serv. Freezer Install
PSA 2 C-1 Congregate ...	8001	8/31/2026	McCombs Electric Inc.	162.62	Senior Serv. Materials & Supplies
PSA 2 C-1 Congregate ...	8001	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9
PSA2 C-2 Homebound ...	8002	8/5/2026	Double Down Distributing Inc.	17.58	Senior Serv. Supplies
PSA2 C-2 Homebound ...	8002	8/5/2026	Staub & Sons Petroleum	167.27	Gas
PSA2 C-2 Homebound ...	8002	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
PSA2 C-2 Homebound ...	8002	8/10/2026	Vestis	170.18	Senior Serv. Lndry
PSA2 C-2 Homebound ...	8002	8/11/2026	Double Down Distributing Inc.	75.22	Senior Serv. Supplies
PSA2 C-2 Homebound ...	8002	8/14/2026	Frontier	71.97	Senior Serv. Telephone

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
PSA2 C-2 Homebound ...	8002	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
PSA2 C-2 Homebound ...	8002	8/19/2026	Staub & Sons Petroleum	87.04	Gas
PSA2 C-2 Homebound ...	8002	8/25/2026	Vestis	170.18	Senior Serv. Lndry
PSA2 C-2 Homebound ...	8002	8/27/2026	Double Down Distributing Inc.	57.06	Senior Serv. Supplies
PSA2 C-2 Homebound ...	8002	8/31/2026	McCombs Electric Inc.	90.00	Senior Serv. Freezer Install
PSA2 C-2 Homebound ...	8002	8/31/2026	McCombs Electric Inc.	162.61	Senior Serv. Materials & Supplies
PSA2 C-2 Homebound ...	8002	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9
PSA2 C-2 Homebound ...	8002	8/31/2026	Staub & Sons Petroleum	94.09	Gas
Meals on Wheels, Shar...	8007	8/20/2026	American Express	11,618.68	Senior Serv. New Refrigerator & Freezer
26F-5026-M3 MSCAA S...	8026	8/5/2026	Double Down Distributing Inc.	160.66	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/5/2026	Double Down Distributing Inc.	337.94	MSCAA Senior Serv. Food
26F-5026-M3 MSCAA S...	8026	8/5/2026	Grocery Outlet	86.34	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/7/2026	Double Down Distributing Inc.	322.28	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/11/2026	Double Down Distributing Inc.	272.99	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/11/2026	Grocery Outlet	29.21	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/13/2026	Double Down Distributing Inc.	576.15	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/13/2026	Grocery Outlet	2.98	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/24/2026	Double Down Distributing Inc.	357.55	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/24/2026	Grocery Outlet	12.11	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/24/2026	Grocery Outlet	23.66	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/26/2026	Grocery Outlet	107.80	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/27/2026	Double Down Distributing Inc.	130.95	MSCAA Senior Food
26F-5026-M3 MSCAA S...	8026	8/27/2026	Grocery Outlet	80.26	MSCAA Senior Food
Housing and Disability ...	9000	8/5/2026	Nifty Moblie Home & Rv Park	633.05	HDAP Aug'26 rent
Housing and Disability ...	9000	8/5/2026	Staub & Sons Petroleum	1.72	Gas
Housing and Disability ...	9000	8/20/2026	American Express	93.47	HDAP Tracfone
Housing and Disability ...	9000	8/31/2026	Verizon	90.60	Cellphone & Ipad Lines With Credits
24-120 Bridge Housing...	9001	8/1/2026	Alan Botello	800.00	BHBH Aug'26 Rent
24-120 Bridge Housing...	9001	8/1/2026	John Wisser	800.00	BHBH Aug'26 Rent
24-120 Bridge Housing...	9001	8/1/2026	Juan Ledezma	450.00	BHBH Aug'26 Rent

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24-120 Bridge Housing...	9001	8/4/2026	Department Of Motor Vehicles	160.00	BHBH Vehicle Registration Renewal LP 5MRN262
24-120 Bridge Housing...	9001	8/5/2026	John Love	1,500.00	BHBH Aug'26 Rent
24-120 Bridge Housing...	9001	8/5/2026	Nifty Moblie Home & Rv Park	480.49	BHBH Aug'26 Rent
24-120 Bridge Housing...	9001	8/5/2026	Staub & Sons Petroleum	9.89	Gas
24-120 Bridge Housing...	9001	8/7/2026	John Wissner Construction	1,200.00	BHBH Nifty's Trailer Repairs
24-120 Bridge Housing...	9001	8/7/2026	Liliana Vass	1,260.00	BHBH Aug'26 Deposit & Rent
24-120 Bridge Housing...	9001	8/7/2026	Liliana Vass	1,500.00	BHBH Aug'26 Rent
24-120 Bridge Housing...	9001	8/7/2026	Modoc Inn	693.00	BHBH Room Voucher
24-120 Bridge Housing...	9001	8/14/2026	Frontier	55.00	Internet
24-120 Bridge Housing...	9001	8/19/2026	Staub & Sons Petroleum	28.05	Gas
24-120 Bridge Housing...	9001	8/20/2026	American Express	1,026.32	BHBH Cleaning Supplies
24-120 Bridge Housing...	9001	8/20/2026	American Express	9.09	BHBH Padlock
24-120 Bridge Housing...	9001	8/20/2026	American Express	242.00	BHBH Room Voucher
24-120 Bridge Housing...	9001	8/20/2026	American Express	386.09	BHBH Sectional Sofa
24-120 Bridge Housing...	9001	8/20/2026	American Express	96.51	BHBH Storage Box
24-120 Bridge Housing...	9001	8/20/2026	American Express	40.74	BHBH Trash Can
24-120 Bridge Housing...	9001	8/24/2026	Modoc Inn	792.00	BHBH Room Voucher
24-120 Bridge Housing...	9001	8/25/2026	Modoc Inn	1,980.00	BHBH Room Voucher
24-120 Bridge Housing...	9001	8/25/2026	Spur Your Success, LLC	236.93	BHBH Financial Coaching
24-120 Bridge Housing...	9001	8/31/2026	Staub & Sons Petroleum	10.00	Gas
Housing And Homeless...	9400	8/5/2026	Modoc Inn	495.00	HHIP Room Voucher
Housing And Homeless...	9400	8/5/2026	Nifty Moblie Home & Rv Park	520.00	HHIP Aug'26 Rent
Housing And Homeless...	9400	8/5/2026	Staub & Sons Petroleum	0.43	Gas
Housing And Homeless...	9400	8/7/2026	ACE / Four Seasons	35.37	Eddingfield Apt. Materials & Supplies
Housing And Homeless...	9400	8/10/2026	Waste Management Of Nevada	33.66	Eddingfiels Apt. Garbage
Housing And Homeless...	9400	8/13/2026	Modoc Inn	99.00	HHIP Room Voucher
Housing And Homeless...	9400	8/13/2026	Sunrays of Hope Inc	25.00	HHIP Laundry Soap & Dryer Sheet
Housing And Homeless...	9400	8/14/2026	Frontier	143.03	Wellness Center Telephone
Housing And Homeless...	9400	8/18/2026	Anthony Lalancette Sr.	100.00	Expense Reimbursement
Housing And Homeless...	9400	8/18/2026	Carol Madison	35.00	Expense Reimbursement
Housing And Homeless...	9400	8/18/2026	Saddleback Sanitation	0.00	Expense Reimbursement
Housing And Homeless...	9400	8/20/2026	American Express	416.40	HHIP DELTA Flight Ticket
Housing And Homeless...	9400	8/31/2026	Pacific Power And Light	620.37	Electricity

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Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Housing And Homeless...	9400	8/31/2026	Staub & Sons Petroleum	1.20	Gas
Housing And Homeless...	9400	8/31/2026	Terminix Processing Center	153.00	Eddigfield Apt. Pest Control
Housing And Homeless...	9400	8/31/2026	Verizon	32.15	Cellphone & Ipad Lines With Credits
Cal Works Housing Sup...	9405	8/5/2026	Nifty Moblie Home & Rv Park	495.00	HSP Aug'26 Rent
Cal Works Housing Sup...	9405	8/7/2026	Alturas Garden Apartments	987.00	HSP Aug'26 Rent
Cal Works Housing Sup...	9405	8/13/2026	ACE / Four Seasons	13.49	HSP Cleaning Supplies
Cal Works Housing Sup...	9405	8/14/2026	Frontier	55.00	Internet
Cal Works Housing Sup...	9405	8/19/2026	Staub & Sons Petroleum	3.30	Gas
Cal Works Housing Sup...	9405	8/24/2026	ACE / Four Seasons	563.02	HSP Paint & Supplies
Cal Works Housing Sup...	9405	8/31/2026	Spur Your Success, LLC	131.63	HSP Financial Coaching Aug'26
Cal Works Housing Sup...	9405	8/31/2026	Verizon	29.65	Cellphone & Ipad Lines With Credits
Home Safe Program	9406	8/1/2026	Alturas Garden Apartments	316.00	HS Aug'26 Rent
Home Safe Program	9406	8/1/2026	Butte Creek Mobile & RV Park	700.00	HS Aug'26 Rent
Home Safe Program	9406	8/5/2026	Danny Dynamo	600.00	HS Cleaning Service
Home Safe Program	9406	8/5/2026	Joseph Lloyd	3,500.00	HS Apr-Aug'26 Rent
Home Safe Program	9406	8/5/2026	Staub & Sons Petroleum	64.50	Gas
Home Safe Program	9406	8/7/2026	ACE / Four Seasons	101.83	HA Storage Box
Home Safe Program	9406	8/7/2026	ACE / Four Seasons	31.09	HS Cat Food
Home Safe Program	9406	8/7/2026	Debbie Northrup	450.00	HS Purchasing a Refrigerator
Home Safe Program	9406	8/7/2026	Modoc Transportation Agency	46.00	HS Bus Passes
Home Safe Program	9406	8/10/2026	Cedarville Co Water District	489.60	HS Water
Home Safe Program	9406	8/13/2026	Debbie Northrup	350.00	HS Purchasing a Freezer
Home Safe Program	9406	8/13/2026	Juan Ledezma	750.00	HS Aug'26 Rent
Home Safe Program	9406	8/13/2026	Waste Management Of Nevada	1,063.16	HS Garbage Jul'26
Home Safe Program	9406	8/14/2026	Frontier	55.00	Internet
Home Safe Program	9406	8/18/2026	ACE / Four Seasons	158.43	HS Materials & Supplies
Home Safe Program	9406	8/18/2026	ACE / Four Seasons	117.87	HS Storage Tote
Home Safe Program	9406	8/18/2026	Matthew Kitchen	350.00	HS Plumbing Repair
Home Safe Program	9406	8/18/2026	Matthew Kitchen	18,500.00	HS Windows Replacement

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Home Safe Program	9406	8/19/2026	Staub & Sons Petroleum	125.40	Gas
Home Safe Program	9406	8/20/2026	American Express	131.55	HS Disposable Gloves & Shoes and Other Supplies
Home Safe Program	9406	8/20/2026	American Express	1,521.07	HS Electricity Payment
Home Safe Program	9406	8/20/2026	American Express	87.43	HS Garbage
Home Safe Program	9406	8/20/2026	American Express	167.25	HS House Furniture
Home Safe Program	9406	8/20/2026	American Express	2,074.00	HS Moving Assistan
Home Safe Program	9406	8/20/2026	American Express	10.71	HS Shower Curtain
Home Safe Program	9406	8/20/2026	American Express	474.41	HS Telephone Payment
Home Safe Program	9406	8/20/2026	American Express	184.71	HS Water Payment
Home Safe Program	9406	8/24/2026	Holiday Market	1,500.00	HS Gift Cards
Home Safe Program	9406	8/28/2026	Matthew Kitchen	120.00	HS Disposal of Items From House #1
Home Safe Program	9406	8/28/2026	Modoc Inn	1,089.00	HS Room Voucher
Home Safe Program	9406	8/28/2026	Modoc Transportation Agency	60.00	HP Bus Passes
Home Safe Program	9406	8/31/2026	Staub & Sons Petroleum	83.60	Gas
Home Safe Program	9406	8/31/2026	Verizon	29.65	Cellphone & Ipad Lines With Credits
Bringing Families Home...	9407	8/1/2026	Lucaina Camarillo	2,500.00	BFH Aug'26 Rent
Bringing Families Home...	9407	8/20/2026	American Express	761.94	BFH Office Supplies
Bringing Families Home...	9407	8/20/2026	American Express	12.86	BFH Rubber Stamp
Bringing Families Home...	9407	8/20/2026	American Express	26.93	BFH Self-Inking Stam
Bringing Families Home...	9407	8/31/2026	Verizon	80.05	Cellphone & Ipad Lines With Credits
CAL-AIM	9500	8/18/2026	Change Healthcare	70.40	CAL-AIM RPA Claims Monthly Fee
CAL-AIM	9500	8/28/2026	Miscellaneous Customer Reciept		Cash Receipts Week 7
Non-Resource Related	9999	8/4/2026	Holiday Market	12.99	Birthday Celebration!!
Non-Resource Related	9999	8/4/2026	Quail Mountain, Inc	80.00	Coffee & Products
Non-Resource Related	9999	8/5/2026	Staub & Sons Petroleum	10.05	Gas
Non-Resource Related	9999	8/7/2026	McCombs Electric Inc.	735.68	Install Cat 6 Lines for Internet
Non-Resource Related	9999	8/7/2026	Miscellaneous Customer Reciept		Cash Receipts Week 1
Non-Resource Related	9999	8/10/2026	Waste Management Of Nevada	491.06	Garbage
Non-Resource Related	9999	8/13/2026	Holiday Market	37.47	Birthday Cake!
Non-Resource Related	9999	8/13/2026	Purchase Power	502.25	Postage
Non-Resource Related	9999	8/14/2026	Frontier	165.00	Internet

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Non-Resource Related	9999	8/14/2026	Frontier	275.48	Telephone
Non-Resource Related	9999	8/14/2026	Miscellaneous Customer Reciept		Cash Receipts Week 3
Non-Resource Related	9999	8/18/2026	Holiday Market	58.72	Thrift Store Food Take Back The Night
Non-Resource Related	9999	8/18/2026	Quail Mountain, Inc	87.50	Coffee & Products
Non-Resource Related	9999	8/18/2026	Ubeo Business Services	56.95	Printer Maint. Contract
Non-Resource Related	9999	8/19/2026	Waste Management Of Nevada	52.50	Garbage
Non-Resource Related	9999	8/20/2026	American Express	309.93	Admin & CCC Latch 5 Series
Non-Resource Related	9999	8/20/2026	American Express	33.34	Admin Glas Cleaner
Non-Resource Related	9999	8/20/2026	American Express	1,014.74	Admin New Blinds
Non-Resource Related	9999	8/20/2026	American Express	77.17	Admin Office Supplies
Non-Resource Related	9999	8/20/2026	American Express	218.66	Admin ULTRALOQ Key Fob
Non-Resource Related	9999	8/20/2026	American Express	390.00	Admin Unit #1010 Monthly Rent
Non-Resource Related	9999	8/20/2026	American Express	86.59	Cleaning Supplies
Non-Resource Related	9999	8/20/2026	American Express	23.58	Flash Drives
Non-Resource Related	9999	8/20/2026	American Express	55.00	GED & Admin STARLINK Internet
Non-Resource Related	9999	8/20/2026	American Express	26.14	Glue Poin Dots & Charger
Non-Resource Related	9999	8/20/2026	American Express	75.93	Hand Soap
Non-Resource Related	9999	8/20/2026	American Express	56.30	Lysol Desinfectant Spray
Non-Resource Related	9999	8/20/2026	American Express	99.00	Microsoft Upgrade To Windows 10/11 Pro
Non-Resource Related	9999	8/20/2026	American Express	1,275.11	New Server Unlocked Business Payment
Non-Resource Related	9999	8/20/2026	American Express	222.62	Postage
Non-Resource Related	9999	8/20/2026	American Express	311.74	Toner cartridge
Non-Resource Related	9999	8/21/2026	Miscellaneous Customer Reciept		Cash Receipts Week 5
Non-Resource Related	9999	8/26/2026	Maria A. Cervantes, Petty Cash Custodian	12.00	Admin Cupcakes
Non-Resource Related	9999	8/27/2026	Antonio's	81.05	Board Meeting Food
Non-Resource Related	9999	8/27/2026	Holiday Market	5.19	Board Meeting Water
Non-Resource Related	9999	8/28/2026	AMS	29,783.00	Insurance
Non-Resource Related	9999	8/28/2026	Miscellaneous Customer Reciept		Cash Receipts Week 7
Non-Resource Related	9999	8/31/2026			Sweep Interest

Training, Employment and Community Help Inc.

Posted General Ledger Transactions

Resource Title	Re... Code	Effective Date	Name	Debit	Document Description
Non-Resource Related	9999	8/31/2026	City Of Alturas	96.08	Water
Non-Resource Related	9999	8/31/2026	Miscellaneous Customer Reciept		Cash Receipts Week 9
Non-Resource Related	9999	8/31/2026	Pacific Power And Light	707.74	Electricity
Non-Resource Related	9999	8/31/2026	Quail Mountain, Inc	80.00	Coffee & Products
Non-Resource Related	9999	8/31/2026	Waste Management Of Nevada	120.75	Garbage
Report Total				445,453.11	

Training, Employment and Community Help Inc.
Statement of Revenues and Expenditures
From 7/1/2026 Through 6/30/2027

	<u>Current Period Actual</u>	<u>Prior Year Actual</u>
Revenue		
Federal Revenue	0.00	131,346.47
State Revenue	85,136.75	10,085,862.92
Other Revenue	2,741.50	63,766.94
Interest Income	7,538.90	47,076.70
Family Fee	3.50	3,335.36
Other local income	39,027.69	3,145,210.85
Tuition	783.53	26,916.10
Apartment Rents	7,568.75	57,031.00
Total Revenue	<u>142,800.62</u>	<u>13,560,546.34</u>
Expenses		
Salaries	408,260.90	2,956,365.80
Benefits	91,984.17	681,119.16
Supplies		
Books & Reference Materials	0.00	11,000.83
Materials & Supplies	48,724.39	282,829.31
Food Supplies	17,839.20	156,116.29
Total Supplies	<u>66,563.59</u>	<u>449,946.43</u>
Operating		
Conference & Travel	2,445.18	55,948.95
Mileage, Fuel, Bus Passes	1,614.00	5,679.32
Dues & Memberships	12,264.42	124,279.43
License and taxes	802.55	17,743.09
Bank Service Fees	25.00	4,347.70
Insurance	37,766.70	85,610.78
Operating & Housekeeping	480.03	3,672.48
Electricity	4,933.65	46,198.63
Water & Sewer	3,509.69	17,353.11
Garbage	3,716.62	11,807.90
Liquid, Propane, Gas, Fuel Oil	2,396.34	18,298.11
Energy Asst./WPO	13,929.00	167,606.00
Other	6,856.49	13,083.06
Room Vouchers	23,453.58	62,682.92
Rentals, Leases Repair	55,873.33	191,588.58
Repairs/Maintenance	43,681.13	162,622.67
Maintenance Agreements	65,098.80	412,640.19
Advertising	14,594.68	43,522.57
Legal Services	1,563.50	9,292.79
Audit Services	0.00	33,900.00
Consultants, Trainers	8,050.38	41,483.21
Information Tech	9,590.40	115,559.95
Sub. Contract Services	496,440.88	2,213,861.12
Other operating	32,333.92	176,985.14
Communications	8,733.00	57,079.27
Postage	778.41	6,349.12
Total Operating	<u>850,931.68</u>	<u>4,099,196.09</u>
Equipment	11,618.68	192.00
Contract 1099 Services	157,742.79	1,730,291.20
Total Expenses	<u>1,587,101.81</u>	<u>9,917,110.68</u>
Revenue Over (Under) Expenses	<u>(1,444,301.19)</u>	<u>3,643,435.66</u>

ACCOUNT NO.	STATEMENT ENDING	PAGE
171019123	08/31/2026	Page 6

8/10/26 CSH MGMNT TRANSFER IN Checking 171019123	616,837.48 +
8/11/26 CSH MGMNT TRANSFER OUT Checking 171019123	19,339.26 -
8/12/26 CSH MGMNT TRANSFER OUT Checking 171019123	14,662.13 -
8/13/26 CSH MGMNT TRANSFER OUT Checking 171019123	13,820.15 -
8/14/26 CSH MGMNT TRANSFER OUT Checking 171019123	75,355.23 -
8/17/26 CSH MGMNT TRANSFER IN Checking 171019123	43,419.36 +
8/18/26 CSH MGMNT TRANSFER OUT Checking 171019123	22,450.99 -
8/19/26 CSH MGMNT TRANSFER OUT Checking 171019123	15,985.05 -
8/20/26 CSH MGMNT TRANSFER OUT Checking 171019123	1,592.74 -
8/21/26 CSH MGMNT TRANSFER IN Checking 171019123	2,301.38 +
8/24/26 CSH MGMNT TRANSFER OUT Checking 171019123	4,669.86 -
8/25/26 CSH MGMNT TRANSFER OUT Checking 171019123	72,932.34 -
8/26/26 CSH MGMNT TRANSFER OUT Checking 171019123	178,153.89 -
8/27/26 CSH MGMNT TRANSFER OUT Checking 171019123	23,514.59 -
8/28/26 CSH MGMNT TRANSFER IN Checking 171019123	31,641.08 +
8/31/26 CSH MGMNT TRANSFER IN Checking 171019123	137,651.91 +
8/31/26 INTEREST DEPOSIT	7,966.38 +
Interest Rate: 1.3500 Ending Balance of	\$ 7,027,398.09

T.E.A.C.H., INC.

Fiscal Policies and Procedures Manual

Accounting Policies, Internal Controls, and Financial Management Standards
Approved as official policy of the Organization by the T.E.A.C.H., Inc. Board of Directors

Document Owner	T.E.A.C.H., Inc. Board of Directors
Applies To	Fiscal Officer, Accounts Payable Clerk, Payroll Clerk, Executive Director, Program Directors, and all staff with financial responsibilities
Effective Date	September 10, 2026
Last Reviewed	March 18, 2026
Next Scheduled Review	September, 2027
Version	1.0

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T.E.A.C.H., Inc. is incorporated in the state of California. T.E.A.C.H., Inc. is exempt from federal income taxes under IRS Section 501 (c)(3) as a nonprofit corporation. T.E.A.C.H., Inc.'s tax-exempt mission is:

T.E.A.C.H., Inc. is dedicated to providing assistance and services to the entire community of Modoc County. A special interest is given to providing social, health and economic services not otherwise available within the county.

This manual shall document the financial operations of T.E.A.C.H., Inc. Its primary purpose is to formalize accounting policies and selected procedures for the accounting staff and to document internal controls.

The contents of this manual were approved as official policy of the Organization by the T.E.A.C.H., Inc. Board of Directors. All T.E.A.C.H., Inc. staff are bound by the policies herein, and any deviation from established policy is prohibited.

General Policies

Organizational Structure

The Role of the Board of Directors

T.E.A.C.H., Inc. is governed by its Board of Directors, which is responsible for the oversight of the organization by:

1. Planning for the future
2. Establishing board policies
3. Identifying and proactively dealing with emerging issues
4. Interpreting the organization's mission to the public
5. Soliciting prospective contributors
6. Hiring the Executive Director
7. Establishing and maintaining programs and systems designed to assure compliance with terms of contracts and grants

The board is responsible for hiring and periodically evaluation the organization's Executive Director, who shall be responsible for the day-to-day oversight and management of T.E.A.C.H., Inc.

Committee Structure

The board of directors **may** form committees in order to assist the board in fulfilling its responsibilities. These committees represent vehicles for parceling out the board's work to smaller groups, thereby removing the responsibility for evaluating all of the details of particular issues from the full board's consideration. Standing board-level committees of T.E.A.C.H., Inc. may consist of the following

1. Executive Committee
2. Finance Committee
3. Audit Committee
4. Nominating Committee
5. Program Committee(s)

6. Public Relations Committee
7. Government Affairs Committee
8. Development Committee
9. Personnel Committee

Specific guidelines regarding the composition and election of the board of directors and committees are described in the organization by-laws. However, roles of committees with direct responsibilities for the financial affairs of the organization are further described in this manual. These committees shall be referred to in the appropriate sections of this manual.

Finance Committee Responsibilities

The Finance Committee is responsible for the direction and oversight regarding the overall financial management of T.E.A.C.H., Inc. Functions of the Finance Committee include:

1. Review and recommendation of the organization's annual budget (prepared by the staff) for final approval by the full board
2. Long-term financial planning
3. Establishment of investment policy and monitoring investment performance
4. Evaluation and approval of facilities decisions (i.e. leasing, purchasing property)
5. Monitoring actual vs. budget financial performance
6. Oversight of reserve funds

The review of the organization's financial statements shall not be limited to the finance committee, but shall involve the entire board of directors.

Audit Committee Responsibilities

The Audit Committee is responsible for recommending the hiring of an independent CPA firm and for directly communicating with the CPA firm to fulfill the requirement for an annual audit, as described in the organization's by-laws. The Audit Committee shall also review and approve the final audited financial statements, as well as any communications received from the auditor regarding internal controls, illegal acts, or fraud.

The Audit Committee also serves as the primary point of contact for any employee who suspects that fraud has been committed against the organization or by one of its employees or board members.

The Audit Committee's role in the annual audit is more fully explained in the section of this manual covering the annual audit.

The Roles of the Executive Director and Staff

The board of directors hires the Executive Director, who reports directly to the board of directors. The Executive Director is responsible for hiring and evaluating program directors for each of the organization's departments. Each program director reports to the Executive Director.

Within each department, program directors are responsible for hiring, with approval from the Executive Director, employees to work for that program. All employees within a program shall report directly to the program's director, who shall be responsible for managing and evaluation all employees within the program.

Accounting Department Overview

Organization

The accounting department consists of two or more staff members who manage and process financial information for T.E.A.C.H., Inc. The positions comprising the accounting department of T.E.A.C.H., Inc. and the abbreviations of each position used throughout this manual, are as follows:

1. Fiscal Officer (FO)
2. Accounts Payable Clerk (AP)
3. Payroll Clerk

Other officers and employees of T.E.A.C.H., Inc. who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows:

1. Executive Director (ED)
2. Program Director (PD)
3. Audit Committee (AC)
4. Full Board of Directors (BOD)

Responsibilities

The primary responsibilities of the fiscal department consist of:

1. General Ledger
2. Budgeting
3. Cash and Investment Management
4. Asset Management
5. Grants and Contracts Administration
6. Purchasing
7. Accounts Receivable and Billing
8. Cash Receipts
9. Cash Disbursements
10. Payroll and Benefits
11. Financial Statement Processing
12. External Reporting of Financial Information
13. Bank Reconciliation
14. Reconciliation of Sub-Ledgers
15. Compliance with Government Reporting Requirements
16. Annual Audit
17. Leases
18. Insurance

Business Conduct

Practice of Ethical Behavior

Unethical actions, or the appearances of unethical actions, are unacceptable under any conditions. The policies and reputation of T.E.A.C.H., Inc. depend to a very large extent on the following considerations.

Each employee must apply her/his own sense of personal ethics, which should extend beyond compliance with applicable laws and regulations in business situations, to govern behavior where no existing regulation provides a guideline. It is employee's responsibility to apply common sense in business decisions where specific rules do not provide all the answers.

In determining compliance with this standard in specific situations, employees should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with T.E.A.C.H., Inc. policy?
4. Am I sure my action does not appear inappropriate?
5. Am I sure I would not be embarrassed or compromised if my action became known with the Organization or publicly?
6. Am I sure that my action meets my person code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each employee should be able to answer "yes" to all these questions before taking action.

Each Director, Manager and supervisor is responsible for the ethical business behavior of her/his subordinates. Directors, Managers and supervisors must weigh carefully all courses of action suggested in ethical as well as economic terms, and base their final decisions on the guidelines provided by this policy as well as their personal sense of right and wrong.

Conflicts of Interest

In addition, no employee, officer, or agent of T.E.A.C.H., Inc. shall participate in the selection, award, or administration of a contract involving T.E.A.C.H., Inc. if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, agent, or any member of her or his immediate family, his or her partner, or an organization that employs or is about to employ any of the parties indicate herein, has financial or other interest in the firm selected.

Compliance with Law, Regulations and Organization Policies

T.E.A.C.H., Inc. does not tolerate the willful violation or circumvention of any Federal, state, local, or foreign law by an employee during the course of that person's employment; nor does Organization tolerate the disregard or circumvention of T.E.A.C.H., Inc. policy or engagement in unscrupulous dealings. Employees should not attempt to accomplish by indirect means, through agents or intermediaries, that which is directly forbidden.

Implementation of the provisions of this policy is one of the standards by which the performance of all levels of employees will be measured.

Disciplinary Action

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Organization or to the government, for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee charged with a violation of this policy will be afforded an opportunity to explain her/his actions before disciplinary action is taken.

Disciplinary action will be taken:

1. Against any employee who authorizes or participates directly in actions that are violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any Director, Manager or supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against employee who reports a violation of this policy

Fraud Policy

Scope

This policy applies to any fraud or suspected fraud involving employees, officers or directors, as well as members, vendors, consultants, contractors, funding sources and/or any other parties with a business relationship with T.E.A.C.H., Inc. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship with T.E.A.C.H., Inc.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity.

Any fraud that is detected or suspected must be reported immediately to the Executive Director or, alternatively, to the Chair of the Fiscal Officer Audit Committee, who coordinates all investigations.

Actions Constituting Fraud

The terms fraud, defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

1. Any dishonest or fraudulent act
2. Forgery or alteration of any document or account belonging to T.E.A.C.H., Inc.
3. Forgery or alteration of a check, bank draft, or any other financial document
4. Misappropriation of funds, securities, supplies, equipment, or other assets of T.E.A.C.H., Inc.
5. Impropriety in the handling or reporting of money or financial transactions
6. Disclosing confidential and proprietary information to outside parties
7. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to T.E.A.C.H., Inc. Exception: gifts of a nominal value.
8. Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment

9. Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the department management and the Executive Director.

If there is a question as to whether an action constitutes fraud, contact the Executive Director or the Board Chair for guidance.

Investigation Responsibilities

The Audit Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. The Audit Committee may utilize whatever internal and/or external resources it considers necessary in conducting an investigation. If an investigation substantiates that fraudulent activities have occurred, the Audit Committee will issue reports to appropriate designated personnel and, if appropriate, to the T.E.A.C.H., Inc. Board of Directors.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final dispositions of the case.

If suspected fraud or other wrongdoing involves programs funded in whole or in part with federal funds, additional responsibilities, such as special reporting and disclosure to the awarding agency, may apply to the organization. It is the policy of T.E.A.C.H., Inc. to fully comply with all additional reporting, disclosure and other requirements pertaining to suspected acts of fraud described in award documents.

Confidentiality

The Audit Committee and the Executive Director treat all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Executive Director of the Audit Committee Chair immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedures** section below).

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect T.E.A.C.H., Inc. from potential civil liability.

Authority for Investigation of Suspected Fraud

Members of the T.E.A.C.H., Inc. Audit Committee will have:

1. Free and unrestricted access to all T.E.A.C.H., Inc. records and premises, whether owned or rented; and
2. The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who may use or have custody or any such items or facilities when it is within the scope of their investigations.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the Executive Director or the Chair of the Audit Committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Audit Committee or legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiry is “the allegation”, “the crime”, “the fraud”, “the forgery”, “the misappropriation”, or any other specific reference.

The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the T.E.A.C.H., Inc. legal counsel or the Audit Committee.

Security

Accounting Department

A lock will be maintained on the door leading into the T.E.A.C.H., Inc. Fiscal Accounting Department. This door shall be closed and locked in the evenings and whatever the Accounting Department is vacant. The key/combination to this lock will be provided to the Executive Director, the Assistant Director and the Fiscal staff. The lock will be changed whenever any of these individuals leaves the employment of T.E.A.C.H., Inc.

Petty cash is stored in a drawer locked with a key. The Petty Cash Custodian and the Executive Director will be the only employees with keys to the petty cash drawer.

Access to Electronically Stored Accounting Data

It is the policy of T.E.A.C.H., Inc. to utilize passwords to restrict access to accounting software and data. Only duly authorized accounting personnel with data input responsibilities will be assigned passwords that allow access to the system.

Accounting personnel are expected to keep their passwords secret and to change their passwords on a regular basis, no less frequently than quarterly. Administration of passwords shall be performed by a responsible individual independent of programming functions.

Each password enables a user to gain access to only those software and data files necessary for each employee’s required duties.

General Office Security

During normal business hours, all visitors are required to check in with the receptionist. After hours, a security key/fob or access code is required for access to the offices of T.E.A.C.H., Inc. Fobs/codes are issued only to employees of T.E.A.C.H., Inc.

Password Security

Users are responsible for safeguarding their login passwords. Passwords may not be shared, nor should they be printed or stored on-line. Users should not leave their computers unattended without logging off.

General Ledger and Chart of Accounts

The general ledger is defined as a group of accounts that supports the information shown in the major financial statements. The general ledger is used to accumulate all financial transactions of T.E.A.C.H. and is supported by subsidiary ledgers that provide details for certain accounts in the general ledger. The general ledger is the foundation for the accumulation of data and reports.

Charts of Accounts Overview

The chart of accounts is the framework for the general ledger system, and therefore the basis for T.E.A.C.H., Inc. accounting system. The chart of accounts consists of account titles and account numbers assigned to the titles. General ledger accounts are used to accumulate transactions and the impact of these transactions on each asset, liability, net asset, revenue, expense and gain and loss account.

T.E.A.C.H., Inc.'s chart of accounts is comprised of six types of accounts:

1. Assets
2. Liabilities
3. Net Assets
4. Revenues
5. Expenses
6. Fund Balance

T.E.A.C.H., Inc. uses the Standardized Account Code Structure (SACS), which utilized by the California Department of Education. The SACS structure contains numerically coded fields.

Chart of Accounts Field	Field Length
Fund/Account Group	2 digits
Resource	4 digits
Project Year	1 digit
Goal	4 digits
Function (Activity)	4 digits
Object	4 digits
School-Location	3 digits

Fund Balance Distribution of Charts of Accounts

All T.E.A.C.H., Inc. employees involved with account coding responsibilities (assignment or review of coding) or budgetary responsibilities will be issued a current chart of accounts. As the chart of accounts is revised, and updated copy of the chart of accounts shall be distributed to these individuals promptly.

Control of Chart of Accounts

T.E.A.C.H., Inc.'s chart of accounts is monitored and controlled by the Fiscal Officers. Responsibilities include the handling of all accounts maintenance, such as additions and deletions. Any additions or deletions of accounts should be approved by the ED, who ensures that the chart of accounts is consistent with the organizational structure of T.E.A.C.H., Inc.; and meets the needs of each division and department.

Account Definitions

Account Range	Category	Definition
9100–9499	Assets	Assets are probable future economic benefits obtained or controlled by the organization as a result of past transactions or events. Assets of T.E.A.C.H., Inc. are classified as current assets, fixed assets, contra-assets, and other assets. Current assets are assets that are available or can be made readily available to meet the cost of operations or to pay current liabilities, such as cash, temporary investments, and receivables that will be collected within one year of the statement of financial position date. Fixed assets are tangible assets with a useful life of more than one year that are acquired for use in the operation of the organization and are not held for resale. Contra-assets are accounts that reduce asset accounts, such as accumulated depreciation and reserves for uncollectible accounts receivable. Other assets include long-term assets acquired without the intention of disposing of them in the near future, such as security deposits, property, and long-term investments.
9500–9699	Liabilities	Liabilities are probable future sacrifices of economic benefits arising from present obligations of the organization to transfer assets or provide services to other entities in the future as a result of past transactions or events. Liabilities are classified as current or long-term. Current liabilities are probable sacrifices of economic benefits that will likely occur within one year of the date of the financial statements or which have a due date of one year or less; common examples include accounts payable, accrued liabilities, short-term notes payable, and deferred revenue. Long-Term Liabilities are probable sacrifices of economic benefits that will likely occur more than one year from the date of the financial statements, such as the non-current portion of a mortgage loan.
—	Net Assets	Net Assets is the difference between total assets and total liabilities. See the following section for T.E.A.C.H., Inc.'s policies on classifying net assets.
8000–8999	Revenues	Revenues are inflows or other enhancements of assets, or settlements of liabilities, from delivering or producing goods, rendering services, or other activities that constitute the organization's ongoing major or central operations. Revenues of T.E.A.C.H., Inc. include membership dues, conference registrations, and sales of productions, as well as contributions received from donors and grants received from government agencies, private foundations, and corporations.
1000–7999	Expenses	Expenses are outflows or other using up of assets or incurrence of liabilities from delivering or producing goods, rendering services, or carrying out other activities that constitute T.E.A.C.H., Inc.'s ongoing major or central operations.
6000–6599	Capital Outlay	Gains or losses occur when T.E.A.C.H., Inc. sells a fixed asset or writes off as worthless a fixed asset with remaining book value.
9700–9799	Fund Balance	Fund Balance represents the difference between the assets and liabilities of a fund.

Net assets of the Organization shall be classified based upon the existence or absence of donor-imposed restrictions as follows:

1. **Unrestricted Net Assets-** Net assets that are not subject to donor imposed stipulations.
2. **Temporarily Restricted Net Assets-** Net assets subject to donor imposed stipulations that may or will be satisfied through the actions of the Organization and/or the passage of time.
3. **Permanently Restricted Net Assets-** Net assets subject to donor imposed stipulations that the Organization permanently maintain certain contributed assets. Generally, donors of such assets permit the Organization to use all or part of the income earned from permanently restricted net assets for general operations or for specific purposes.

Net assets accumulated by T.E.A.C.H., Inc. that are not subject to donor imposed restrictions, but which the board of directors of the Organization has earmarked for specific uses, shall be segregated in the accounting records as “board-designated” funds within the unrestricted category of net assets.

Changes to the Chart of Accounts

Additions to, deletions from, or any other changes to T.E.A.C.H., Inc. standard chart of accounts shall only be done with the approval of the Fiscal Officer.

Accuracy of Expense Classification

It is the policy of T.E.A.C.H., Inc. that every expenditure be recorded in the expense account that reflects its nature, in accordance with the current chart of accounts, and be charged to the correct program or function. Accurate classification is necessary for reliable financial statements and the Statement of Functional Expenses, for meaningful budget-to-actual monitoring, and for compliance with the cost principles that apply to federal and state awards. The following procedures apply:

- **Classification based on the nature of the expenditure.** Expenditures shall be classified based on what was purchased or the service received, not on the vendor’s name. An expenditure shall not be recorded in an account solely because budgeted funds remain available in that account.
- **Coding at the time of processing.** The Accounts Payable Clerk shall document the expense account and program coding on each invoice, expense report, and credit card charge when it is processed, using the Organization’s current chart of accounts. Department director approval of the coding is required as described under “Processing of Invoices.”
- **Consistent treatment.** Similar expenditures shall be recorded in the same account in every period. The Fiscal Officer shall distribute guidance on the classification of commonly incurred expenditures (for example, mileage reimbursement, fuel, lodging, meals, supplies, and repairs) together with each updated chart of accounts.
- **Capital, prepaid, and unallowable costs.** Expenditures shall be classified in accordance with the Capitalization Policy, the Prepaid Expenses policy, and, for federal awards, the requirements for segregating unallowable from allowable costs, so that assets, prepaid items, and unallowable costs are not recorded as ordinary operating expenses.
- **Periodic review.** As part of the monthly closeout process, the Fiscal Officer, or a designee who did not assign the original coding, shall review general ledger detail for the expense accounts most susceptible to misclassification (including travel, vehicle and fuel, supplies, repairs, and miscellaneous accounts) and investigate unusual or inconsistent activity. Program Directors shall review the monthly report of invoices

paid and the budget-to-actual reports provided to them and shall notify the Fiscal Officer of any apparent misclassification.

- **Corrections.** An expenditure found to be recorded in an incorrect account shall be corrected promptly by a reclassifying journal entry, prepared and approved as described under “Journal Entries.” If the misclassification affects amounts previously billed or reported to a funding source, the Fiscal Officer shall determine whether an adjustment to the billing or report is required and shall make it in accordance with the terms of the award.

Fiscal Year of Organization

T.E.A.C.H., Inc. shall operate on a fiscal year that begins on July 1 and ends on June 30. Any changes to the fiscal year of the organization must be ratified by majority vote of T.E.A.C.H., Inc. Board of Directors.

Journal Entries

All general ledgers entries that do not originate from subsidiary ledger shall be supported by adjusting journal entries, which shall include a reasonable explanation of each such entry. Examples of such journal entries include:

1. Recording of noncash transactions
2. Corrections of posting errors, including reclassification of expenditures recorded in an incorrect account
3. Non-recurring accruals of income and expenses

Journal entries that reclassify an expenditure from one account to another shall identify the original and corrected accounts, state the reason for the correction, reference the supporting documentation, and be approved in writing by the Fiscal Officer.

Certain journal entries, called recurring journal entries, occur in every accounting period. These entries may include, but not limited to:

1. Depreciation of fixed assets
2. Amortization of prepaid expenses
3. Accretion of discounts on promises to give
4. Accruals of recurring expenses
5. Amortization of deferred revenue

Support for recurring journal entries shall be in the form of a schedule associated with the underlying asset or liability account or, in the case of short-term recurring journal entries or immaterial items, in the form of an adjusting journal entry

It is the policy of T.E.A.C.H., Inc. that all journal entries originating from subsidiary ledgers shall be authorized in writing by the Fiscal Officer by initialing or signing the entries.

Policies Associated with Revenues and Cash Receipts

Revenue

Revenue Recognition Policies

T.E.A.C.H., Inc. receives revenue from several types of transactions. Revenue from each of these types of transactions is recognized in the financial statements of T.E.A.C.H., Inc. in the following manner:

1. **Membership dues and fees-** Ratably over the membership term (1/12 per month for annual memberships)
2. **Grant Income-** Monthly accrual based on incurrence of allowable costs (for cost-reimbursement awards) or based on other terms of the award (for fixed price, unit-of-service, and other types of awards)
3. **Rent Income-** Monthly accrual, based on the terms of each sublease
4. **Periodical subscriptions and advertisements-** Recognized as income when received (based on overall immateriality, no deferral of income is calculated)
5. **Publications and product sales, mailing list rentals-** As sold and shipped
6. **Conference and seminar revenue-** Deferred as received, reclassified to income at close of the month in which the conference or seminar is held
7. **Exhibit space income-** Deferred as received, then recognized as income when the conference is held
8. **Sponsorships-** Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)
9. **Contributions-** Recognized as income when received, unless accompanied by restrictions or conditions (see the next section on contribution income)

Immaterial categories of revenue may be recorded on the cash basis of accounting (i.e. recorded as revenue when received) as deemed appropriate by the FO.

Contributions Received

Definitions

The following definitions shall apply with respect to the policies described in this section:

Contribution- An unconditional transfer of cash or other assets to the Organization, or settlement or cancellation of the Organization's liabilities, in a voluntary nonreciprocal transfer by another entity acting other than as an owner.

Condition- A donor-imposed stipulation that specifies a future and uncertain event whose occurrence or failure to occur gives the promissory a right of return of the assets it has transferred to the Organization or releases the promissory from its obligation to transfer its assets.

Restriction- A donor-imposed stipulation that specifies a use for the contributed asset that is more specific than broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in T.E.A.C.H., Inc. articles of incorporation and bylaws. Restrictions on T.E.A.C.H., Inc. use of an asset may be temporary or permanent.

Nonreciprocal Transfer- A transaction in which an entity incurs a liability or transfers assets to T.E.A.C.H., Inc. without directly receiving a value from T.E.A.C.H., Inc. in exchange.

Promise to Give- A written or oral agreement to contribute cash or other assets to T.E.A.C.H., Inc.

Exchange Transaction- A reciprocal transaction in which T.E.A.C.H., Inc. and another entity each receive and sacrifice something of approximately equal value.

Distinguishing Contributions from Exchange Transactions

T.E.A.C.H., Inc. receives income in the form of contributions, revenue from exchange transactions, and income from activities with characteristics of both contributions and exchange transactions. T.E.A.C.H., shall consider the following criteria, and any other relevant factors, in determining whether income will be accounted for as contribution income, exchange transaction revenue, or both:

1. T.E.A.C.H., Inc.'s intent in soliciting the asset, as stated in the accompanying materials;
2. The expressed intent of the entity providing resources to T.E.A.C.H., Inc. (i.e. does the resource provider state its intent is to support T.E.A.C.H., Inc. programs or that it anticipates specified benefits in exchange?);
3. Whether the method of delivery of the asset is specified by the resource provider (exchange transaction) or is at the discretion of T.E.A.C.H., Inc. (contribution);
4. Whether payment received by T.E.A.C.H., Inc. is determined by the resource provider (contribution) or is equal to the value of the assets/services provided by T.E.A.C.H., or the cost of those assets plus a markup (exchange transaction);
5. Whether there are provisions for penalties (due to nonperformance) beyond the amount of payment (exchange transaction) or whether penalties are limited to the delivery of assets already produced and return of unspent funds (contribution); and
6. Whether assets are to be delivered by T.E.A.C.H., to individuals or organizations other than the resource provider (contribution) or whether they are delivered directly to the resource provider or to individuals or organizations closely connected to the resource provider.

Accounting for Contributions

T.E.A.C.H., Inc. shall recognize contribution income in the period in which the Organization receives restricted or unrestricted assets in nonreciprocal transfers, or unconditional promises of future nonreciprocal asset transfers, from donors. Contribution income shall be classified as increases in unrestricted, temporarily restricted, or permanently restricted net assets based on the existence or absence of such restrictions.

Unconditional promises to give shall be recorded as assets and increases in temporarily restricted net assets (contribution income) of T.E.A.C.H., in the period that T.E.A.C.H., receives evidence that a promise to support the Organization has been made. Unconditional promises to give that are to be collected within one year shall be recorded at their face value, less any reserve for uncollectible promises, as estimated by management.

Unconditional promises to give that are collectible over time periods in excess of one year shall be recorded at their discounted net present value. Accretion of discount on such promises to give shall be recorded as contribution income in each period leading up to the due date of the promise to give. The interest rate that shall be used in calculating net present values of unconditional promises to give is the risk-free rate of return available to T.E.A.C.H., at the time the Organization receives a promise from a donor.

When the final time or use restriction associated with a contributed asset has been met, a reclassification between temporarily restricted and unrestricted net assets shall be recorded.

When it receives support in form of volunteer labor, T.E.A.C.H., Inc. shall record contribution income and assets or expenses if one of the following criteria is met:

1. The contributed service creates or enhances a no financial asset (such as a building or equipment), or
2. The contributed service possesses all three of the following characteristics:
 - a. It is the type of service that would typically need to purchase by T.E.A.C.H., Inc. if it had not been contributed,

- b. It requires specialized skills (i.e. formal training in a trade or profession), and
- c. It is provided by an individual possessing those specialized skills.

Examples of contributed services received and recorded as income and expense by T.E.A.C.H., Inc. include Volunteer hotline hours.

Contributed services that meet one of the two preceding criteria shall be recorded at the fair market value of the service rendered.

Receipts and Disclosures

T.E.A.C.H., Inc. and its donors are subject to certain disclosure and reporting requirements imposed under the Internal Revenue Code and the underlying Regulations. To comply with those rules, T.E.A.C.H., Inc. shall adhere to the following guidelines with respect to contributions received by the Organization.

For any separate contribution received by T.E.A.C.H., Inc. it shall provide a receipt to the donor. The receipt shall be prepared by the T.E.A.C.H., Inc. Accounting Department. All receipts prepared by T.E.A.C.H., Inc. shall include the following information:

1. The amount of cash received and/or description (but not an assessment of the value) of any noncash property received;
2. A statement of whether T.E.A.C.H., Inc. provided any goods or services to the donor in consideration, in whole part, for any of the cash or property received by the Organization from the donor, and
3. If any goods or services were provided to the donor by T.E.A.C.H., Inc. a description and good faith estimate of the value of those goods or services.

When T.E.A.C.H., Inc. receives cash in excess of \$75, or noncash property with a value in excess of \$75, as part of a quid pro quo transaction, the Organization shall follow additional disclosure procedures. For purposes of this paragraph, a “quid pro quo” transaction is one in which T.E.A.C.H., receives cash or property in a transaction that is part contribution and part exchange transaction (i.e. the value of the goods or services provided to the donor by T.E.A.C.H., is less than the value of cash or property provided by the donor). In such instances, T.E.A.C.H., shall provide to the donor a receipt stating that only the amount contributed in excess of the fair market value of the goods or services provided by T.E.A.C.H., may be deducted as a charitable contribution. The receipt shall also include a good-faith estimate of the fair market value of the goods or services provided to the donor by T.E.A.C.H., Inc.

IRS rules provided for certain exceptions to the preceding disclosure rules applicable to quid pro quo transactions. As such, T.E.A.C.H., Inc. shall not provide receipts when it receives cash or property in excess of \$75 in any of the following circumstances:

1. The goods provided to the donor during 2001 bear T.E.A.C.H., Inc. name or logo and have an aggregate cost of \$7.60 or less;
2. The goods provided to the donor in 2001 have a fair market value equal to no more than 2% of the contribution or \$76, whichever is less; or
3. The gift received by T.E.A.C.H., Inc. resulted from the Organization’s 2001 fundraising appeal that included articles worth no more than \$7.60, as well as a request for contributions and a statement that the recipient may keep the article even if a contribution is not made.

The preceding thresholds are adjusted for inflation by the IRS on an annual basis. Inflation adjustments subsequent to 2001 are incorporated into this policy manual by reference.

All estimates of the fair market value of goods or services provided by T.E.A.C.H., Inc. shall be prepared by the accounting department.

It is the policy of T.E.A.C.H., Inc. to comply with all current federal and state rules regarding solicitation and collection of charitable contributions, whether specifically addressed in this manual or not, as well as all future revisions to those rules.

Cash Receipts

Overview

Cash (including checks payable to the organization) is the most liquid asset an organization has. Therefore, it is the objective of T.E.A.C.H., Inc. to establish and follow the strongest possible internal controls in this area.

Processing of Checks and Cash Received in the Mail

For funds that are received directly at T.E.A.C.H., Inc. (i.e. payments not mailed to a lockbox), cash receipts are centralized to ensure that cash received is appropriately directed, recorded and deposited on a timely basis.

Mail is opened and a listing of cash/checks received shall be prepared in an open area, in the presence of other employees, and under the supervision of a senior accounting department representative. The individual preparing the daily list of receipts shall be someone that is not involved in the accounts receivable or accounts payable process.

A deposit slip is prepared from the cash/checks received and compared to the daily receipts listing for discrepancies. Deposits are prepared and taken to the bank by an individual other than the employee who prepared the daily cash receipts listing.

Endorsement of Checks

It is in the policy of T.E.A.C.H., Inc. that all checks received that are payable to the Organization shall immediately be restrictively endorsed by the individual who prepares the daily receipts listing. The restrictive endorsement shall be a rubber stamp that includes the following information:

1. For Deposit Only
2. T.E.A.C.H., Inc.
3. Pay to the Order of the Modoc County Treasurer

Timeliness of Bank Deposits

It is the policy of T.E.A.C.H., Inc. that bank deposits will be made on a daily basis, unless the total amount received for deposit is less than \$1500. In no event shall deposits be made less frequently than weekly.

Reconciliation of Deposits

Deposits shall be reconciled monthly.

Accounts Receivable Management

Monitoring and Reconciliations

On a monthly basis, a detailed accounts receivable report (showing aged, outstanding invoices by vendor) is generated and reconciled to the general ledger by the accounting department. All differences are immediately investigated and resolved, and the reconciliation is reviewed by the Fiscal Officer.

Collections

Collections are performed on a monthly basis, according to a review of the outstanding items shown on the accounts receivable aging report. This report shows the current month's activity for each customer and prior month's balances outstanding for 30, 60, 90, 120 days.

Credits and Other Adjustments to Accounts Receivable

From time to time, credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned products and adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipts function. In addition, all credits shall be authorized by the Executive Director.

Accounts Receivable Write-Off Authorization Procedures

It is the policy of T.E.A.C.H., Inc. to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated by the Department associated with the amount to be written off, in conjunction with the accounting department. If an account receivable is deemed uncollectible, the following approvals are required before the write-off is processed:

Amount	Authorized in Writing By
Less than \$1,500	Chief Fiscal Officer
\$1,500 or more	Executive Director

Once a write-off has been processed, appropriate individuals in the originating department are to be advised to ensure that further credit is not granted and to update the master list of bad accounts. Customers listed as poor credit risks will be extended future credit only if the back dept. is paid and the customer is no longer deemed a collection problem.

If write-off procedures have been initiated, the following accounting treatment applies:

1. Current year invoices that are written off will either be charged against an appropriate revenue or revenue adjustment account or against the original account credited.
2. Invoices written off that are dated prior to the current year will be treated as bad debt and will reduce the allowance for doubtful accounts, discussed in the next section.

Reserve for Uncollectible Accounts

It is the policy of T.E.A.C.H., Inc. to maintain a reserve for uncollectible accounts receivable. At the end of each fiscal year, the allowance for doubtful accounts is adjusted based on the following factors:

1. An analysis of outstanding aged accounts receivable
2. Historical collection and bad debt experience

3. Evaluations of specific accounts based on discussions with the department that originated the sale resulting in the receivable

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the Executive Director.

This reserve account is used in the following year to write off those items that are deemed uncollectible from the prior year after further collection efforts have been abandoned, as described earlier.

Policies Associated with Expenditures and Disbursements

Purchasing Policies and Procedures

Overview

THE POLICIES DESCRIBED IN THIS SECTION APPLY TO ALL PURCHASES MADE BY T.E.A.C.H., Inc.

ADDITIONAL POLICIES APPLICABLE ONLY TO THOSE PURCHASES MADE UNDER FEDERAL AWARDS ARE DESCRIBED IN THE SECTION "POLICIES ASSOCIATED WITH FEDERAL AWARDS."

It is the policy of T.E.A.C.H., Inc. to follow a practice of ethical, responsible and reasonable procedures related to purchasing, agreements and contracts, and related forms of commitment. The policies in this section describe the principles and procedures that all shall adhere to in the completion of their designated responsibilities.

Responsibility for Purchasing

All Program Managers/Directors shall have the authority to initiate purchases on behalf of their department, within the guidelines described in this policies manual.

The accounting department shall be responsible for processing purchase orders. The Fiscal Officer has approval authority over all purchases and contractual commitments as defined in this policy. The Executive Director shall make the final determination on any proposed purchases where budgetary or other conditions may result in denial.

Non-Discrimination Policy

All vendors/contractors who are recipients of Organization funds, or who proposed to perform any work or furnish any goods under agreements with T.E.A.C.H., Inc. shall agree to these important principles:

1. Vendors/Contractors will not discriminate against any employee or applicant for employment because of race, religion, color, sexual orientation or national origin, except where religion, sex, or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the vendors/contractors.
2. Vendors/contractors agree to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Notices, advertisement and solicitations placed in accordance with Federal law, rule or regulation shall be deemed sufficient for meeting the intent of this section.

A. Preapproval Requirements for purchasing (2 CFR 200.313, 200.439(b)(1), 5 CCR 18029 and 18040)

All equipment, as defined in Section X, Definitions below, including equipment replacement, purchases that meet of the following criteria shall be approved in writing in advance by the CDSS.

1. The per-unit acquisition cost equals or exceeds the lesser of the capitalization level established by the contractor for financial statement purposes, or ten thousand dollars (\$10,000), including tax, shall be approved in writing in advance by the CDSS.
2. The sum of all items included in the purchase equals ten thousand dollars (\$10,000) or more, including tax, shall be approved in writing in advance by the CDSS.
 - a. All expenses associated with a purchase that are necessary for the equipment to perform its intended purpose, prior to cost allocation, should be included in determining if prior approval is required (e.g., a playground structure includes multiple components, although each component may be purchased separately. When determining pre-approval requirements, all components purchased for the playground should be considered).
 - b. Subdividing equipment purchases into separate items to avoid the preapproval requirement is prohibited.
 - c. Proposed renovation and repair work for ten thousand dollars (\$10,000) or more, including the invoiced cost, plus any applicable sales tax, delivery fees, or installation charges, shall be approved in writing in advance by the CDSS. (2 CFR 200.439(b)(3))
1. All expenses associated with a purchase that are necessary for the improvement to perform its intended purpose, prior to cost allocation, should be included in determining if prior approval is required.
2. Subdividing renovation and repair work into separate purchases to avoid the preapproval requirement is prohibited.
 - a. Approval requests shall be submitted on the Request for Approval of Equipment form.
 - b. Bids, if applicable, shall be attached to the Request for Approval of Equipment when submitted to the CDSS for approval.
1. One copy of the request shall be retained by the CDSS.
2. One copy will be returned to the contractor approved or disapproved within thirty (30) calendar days of receipt.
3. If the request for approval of an equipment purchase is disapproved, the contractor may appeal the decision in accordance with Section II, paragraph P, Resolution of Contract Administration Disputes.
4. Procurement practices must also be in accordance with the following provisions:
 - a. Public Agencies shall comply with the applicable sections of the PCC.
 - b. Lease-purchase agreements are subject to the above requirements.
 - c. If the work is to be performed through a subcontract, the requirements of Section V, Subcontracts, above apply.
 - d. When private agencies submit proposed subcontracts for renovation and repair for approval, evidence shall be included that the proposed subcontractor has obtained a payment bond in an amount not less than one-half (1/2) the amount of the proposed subcontract.

B. Obtaining Bids for Equipment Purchases, Leases, Replacements, and Improvements for Private Agencies (2 CFR 200 and 5CCR 18040)

All equipment purchases, replacements, and improvements not performed by the contractor's staff exceeding ten thousand dollars (\$10,000), including tax, must have at least three (3) bids or estimates.

1. Each bid or estimate must contain prices for equivalent and comparable items and/or services.
2. When available, consolidating procurements to obtain a more economical purchase is required.

3. Subdividing equipment purchases into separate items to avoid the competitive bidding requirement is prohibited.
 - a. If bids or estimates are required, the contractor shall purchase the goods or services from the lowest responsible bidder or estimator. The contractor shall conform to the materials, terms and conditions of the invitation for bid, and with paragraph E, Preapproval Requirements, above.
 - b. If bids or estimates are required, and three (3) bids or estimates cannot be obtained, the contractor shall provide adequate documentation of the reason(s) why three (3) bids or estimates could not be obtained (e.g., an emergency situation, or the item is only available from a single source).
 - c. Lease-purchase agreements are subject to the above requirements.

C. Obtaining Bids for Equipment Purchases for Public Agencies

Public Agencies, as defined in Section X, *Definitions*, shall comply with the applicable sections of the *Public Contract Code*.

Credit Card Usage Policy

The purpose of this policy is to establish uniform standards for the issuance, use, monitoring, and documentation of T.E.A.C.H., Inc. credit cards. This policy ensures compliance with:

- **2 CFR §200.303** (Internal controls for recipients of federal funds)
- **California Corporations Code §6320** (Board and member rights to examine corporate accounting books and records)
- **CDSS Manual of Policies & Procedures §11-405.112** (Allowable costs, documentation requirements, and fiscal controls)

This policy exists to safeguard organizational assets, ensure transparent and allowable expenditures, and maintain accountability for all credit card transactions conducted on behalf of T.E.A.C.H., Inc.

2. Scope

This policy applies to **all employees, officers, contractors, and volunteers** who are issued a credit card or who charge goods or services to a T.E.A.C.H., Inc. credit card.

3. Policy Statement

Credit cards are provided strictly for **official organizational business**. All cardholders must exercise prudent judgment, maintain fiscal integrity, and comply with all federal, state, and organizational requirements.

4. Compliance Requirements

4.1 Federal Requirements – 2 CFR §200.303 Internal Controls

T.E.A.C.H., Inc. shall maintain effective internal controls to:

- Safeguard credit cards from unauthorized use or loss
- Ensure expenditures are **authorized, reasonable, necessary, allocable, and allowable** under federal cost principles
- Document transactions through receipts, approvals, and coding consistent with federal award requirements
- Prevent conflict-of-interest violations, self-dealing, and misuse of funds

- Provide reasonable assurance of compliance with statutes, regulations, and federal award terms

Internal controls include segregation of duties, supervisory review, monthly reconciliation, and annual monitoring by the Executive Director and independent auditors.

4.2 California Corporations Code §6320 – Transparency and Record Access

In accordance with §6320:

- Credit card statements, receipts, reconciliations, and related documentation shall be maintained as part of the organization's accounting records.
- These records shall be **available for inspection by directors** for legitimate corporate purposes.
- Records must be retained in accordance with T.E.A.C.H., Inc.'s fiscal record retention policy (minimum 7 years; longer if required by federal award).

4.3 CDSS MPP §11-405.112 – Cost Allowability & Documentation

All credit card expenditures must:

1. Be **allowable, reasonable, and necessary** for program operations
2. Be supported by:
 1. Itemized receipts
 2. Program allocation coding
 3. Business purpose documentation
1. Comply with all applicable CDSS contracts, MPP requirements, and cost guidelines
2. Be charged only to the benefiting cost objective
3. Remain subject to CDSS fiscal audits and monitoring

Unallowable or inadequately documented costs must be repaid immediately by the employee responsible.

5. Issuance of Credit Cards

- Cards are issued only with written authorization from the **Executive Director**.
- Cards will be issued **in the employee's name** and remain property of T.E.A.C.H., Inc.
- A signed **Cardholder Agreement** is required before activation.
- Credit limits shall be approved by the Executive Director and may vary based on job duties.

6. Allowable Credit Card Purchases

Credit cards may be used for:

- Program supplies
- Approved travel expenses
- Meeting or training expenses
- Emergency purchases when other procurement methods are unavailable
- Payment for approved vendor services

All purchases must:

- Serve a business purpose

- Benefit the organization and/or program for which the cost is charged
- Comply with federal, state, and contractual requirements

7. Prohibited Purchases

The following expenditures are strictly prohibited:

- Personal purchases of any kind
- Alcohol (unless specifically allowed by a donor-funded event and not charged to a federal or state contract)
- Fuel for personal vehicles except as specifically authorized by travel policy
- Items not permitted under federal or CDSS contract restrictions
- Splitting purchases to avoid procurement thresholds
- Purchases for non-TEACH activities

Violation may result in disciplinary action up to termination, repayment, or legal action.

8. Documentation Requirements

Each transaction must be supported by:

- Itemized receipt
- Business purpose explanation
- Program/contract allocation coding
- Pre-approval documentation (when required)
- Travel-related documentation consistent with TEACH's Travel Policy
- Fuel receipts that are itemized and annotated with a clear business purpose, as described under "Documentation of Mileage and Fuel Expenses"

Missing receipts require a written explanation and may result in reimbursement by the employee. A fuel receipt that is not itemized, or that lacks a business purpose annotation, is treated as a missing receipt.

9. Monthly Reconciliation & Oversight

9.1 Cardholder Responsibilities

Cardholders must:

- Submit receipts within **3 business days** of transaction
- Review charges for accuracy
- Allocate costs to the correct program and expense category
- Annotate each receipt, including each fuel receipt, with its business purpose
- Complete any required reconciliation forms

9.2 Fiscal Department Responsibilities

The Fiscal Department shall:

- Reconcile monthly statements
- Match receipts to statements
- Confirm allow ability and coding

- Confirm that each charge is recorded in the appropriate expense account
- Confirm that fuel receipts are itemized and annotated with a clear business purpose
- Ensure adherence to federal cost principles (2 CFR Part 200 Subpart E)
- Maintain records in accordance with §6320 and CDSS documentation rules

9.3 Executive Director & Board Oversight

- The Executive Director reviews and approves monthly reconciliations
- Executive Director transactions must be reviewed by the **Board Treasurer**
- The Board of Directors may request statements and documentation at any time under §6320
- Internal control compliance is reviewed during the annual audit

10. Lost or Stolen Credit Cards

If a card is lost or stolen:

- The cardholder must immediately notify the issuing bank and the Executive Director
- A written incident report must be submitted within **24 hours**
- The Executive Director will determine whether replacement is appropriate

11. Employee Separation

Upon separation from employment:

- The credit card must be immediately surrendered
- No further purchases are permitted after notice of separation
- Final reimbursement or reconciliation must be completed before final paycheck issuance

12. Violations of Policy

Policy violations may result in:

- Revocation of credit card privileges
- Mandatory reimbursement
- Disciplinary action, including termination
- Reporting to law enforcement for suspected fraud
- Repayment to federal or state agencies if unallowable costs were charged

13. Record Retention

All credit card documentation shall be retained:

- For **7 years minimum**, or
- Longer if required by federal contracts, litigation holds, or CDSS MPP requirements

Records must be stored so they can be inspected pursuant to California Corporations Code §6320.

D. Asset Management

1. Asset Control System (2 CFR 200.313(d)(3))

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft (any loss, damage or theft must be investigated) and adequate maintenance procedures must be developed to keep the equipment in good condition.

1. Inventory (2 CFR 200.313 (d)(1))

- a. An inventory of all equipment and all non-disposable items with an estimated useful life of more than one year, purchased in whole or in part with child care and development contract funds, shall be maintained. For more guidance refer to California School Accounting Manual Procedure 700.
- b. Property records must be maintained that include the following:
 - i. Description;
 - ii. Serial number or other identification number;
 - iii. The source of funding;
 - iv. The acquisition date;
 - v. The cost;
 - vi. The location, use and condition; and
 - vii. Any ultimate disposition date including date of disposal and sale price if applicable.
- a. A physical inventory must be taken at least every two (2) years and reconciled with property records. (2 CFR 200.313(d)(2))

E. Title, Use, Disposition and Retention (5 CCR 18025)

1. Buildings and Improvements

- a. Title to real property acquired in whole or part with state child care and development (CCD) funds shall vest in the contractor subject to the condition that the contractor shall use the real property for the authorized purpose of the child care and development program as long as it has a contract with the CDSS and shall not encumber the property without the prior written approval of the CDSS. (2 CFR 200.311(a))
- b. When the real property is no longer needed for the purposes of any CDSS program, the Contractor shall request disposition instructions from the CDSS, which shall observe one of the following three disposition instructions:
 - i. The CDSS may permit the contractor to retain title without further obligation to the CDSS after the contractor compensates the CDSS or that percentage of the current fair market value of the property, net of reasonable and necessary selling costs, attributable to the CDSS's share of the acquisition cost.
 - ii. The contractor may be directed to sell the property under guidelines provided by the CDSS and pay the CDSS for that percentage of the current fair market value of the property, net of reasonable and necessary selling and fix-up costs, attributable to the CDSS's share of the acquisition cost.
 - iii. The contractor may be directed to transfer title to the property to the CDSS or to an eligible third party, provided that, in such cases, the contractor shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

1. Equipment (5 CCR 18025)

- a. Title – When equipment is purchased with state funds, title shall vest with the contractor only for such period of time as the contractor has a contract with the CDSS.

- b. Retention of Equipment – The CDSS may provide written authorization for the contractor to retain the equipment for the contractor's own use if a fair compensation is paid to the state for the state's share of the cost of the equipment. Fair compensation shall be determined by the state using the state's share of original acquisition cost, less depreciation, computed on a straight-line method over the estimated useful life expectancy of the equipment.
- c. Use – When equipment is purchased in whole or in part with state funds, the contractor shall use the equipment exclusively in the program(s) from which funds were used to purchase the equipment. If the contractor wishes to share the use of the equipment between/among two (2) or more programs, the cost of such equipment shall be prorated between/among the programs.
- d. Disposition – The contractor may dispose of obsolete equipment and remove the asset at its recorded value. If the sale of equipment originally purchased with state funds occurs, the proceeds from the sale of the equipment must be returned to the program. If the contractor no longer has a contract with the CDSS, the contractor shall dispose of the equipment in accordance with written directions from the CDSS.

Authorizations and Purchasing Limits

All completed purchase orders must be signed by the preparer and approved by the department director. In addition, the Executive Director must approve all purchases in excess of \$100.00

Required Solicitation of Quotations from Vendors

Purchase decisions in excess of \$5,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving, whenever possible, oral quotations from at least two (2) vendors.

Purchase decisions exceeding \$25,000 for labor, equipment, supplies or services purchased, leased or contracted for shall be made only after receiving whenever possible, written quotations from at least two (2) vendors. Specific selections shall be recommended, via the Program Directors, to the Fiscal Officer or Finance for approval with written quotations attached for review. Recommendations shall be based on consideration of all applicable criteria as described under "Evaluation of Alternative Vendors" below.

Solicitations for goods and services (request for proposals) should provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features, which unduly restrict competition.
2. Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluation bids or proposals (see the next sections entitled "Evaluation of Alternative Vendors" for required criteria)
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
4. The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitations.
5. The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
6. Preference, to the extent practicable and economically feasible, of products and services that conserve natural resources and protect the environment and are energy efficient.

7. A description of the proper format, if any, in which proposals must be submitted, including the name of the T.E.A.C.H., Inc. person to whom proposals should be sent.
8. The date by which proposals are due.
9. Required delivery or performance dates/schedules.
10. Clear indications of the quantity(ies) requested and unit(s) of measure.

Extensions of Due Dates and Receipt of Late Proposals

Solicitations should provide for sufficient time to permit the preparation and submission of offers before the specified due date. However, in the event that a prospective offer or requests an extension to a due date specified in a solicitation, and such an extension is both justified and compatible with the requirements of T.E.A.C.H., Inc. and extension may be granted by the purchasing representative.

Vendor proposals are considered late if received after the due date and time specified in the solicitation. All such late proposals shall be marked "Late Proposals" on the outside of the envelope and retained, unopened, in the procurement folder. Vendors that submit late proposals shall be sent a letter notifying them that their proposal was late and could not be considered for award.

Evaluation of Alternative Vendors

Alternative vendors shall be evaluated on a weighted scale that considers the following criteria:

1. Adequacy of the proposed methodology of the vendor
2. Skill and experience of key personnel
3. Demonstrated company experience
4. Other technical specifications (designated by department requesting proposals)
5. Compliance with administrative requirements of the request for proposal (format, due date, etc.)
6. Vendor's financial stability
7. Vendor's demonstrated commitment to the nonprofit sector
8. Results of communications with references supplied by vendor
9. Ability/commitment to meeting time deadlines
10. Cost
11. Minority- or women-owned business status of vendor
12. Other criteria (to be specified by department requesting proposal)

Not all the preceding criteria may apply in each purchasing scenario. However, in each situation requiring consideration of alternative vendors, the department responsible for the purchase shall establish the relative importance of each criterion prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

After a vendor has been selected and approved by the department director, the final selection shall be approved by the Executive Director prior to entering into a contract.

Affirmative Consideration of Minority, Small Business, and Women-Owned Businesses

Positive efforts shall be made by T.E.A.C.H., Inc. to utilize small businesses, minority-owned firms, and women's-owned business enterprises, whenever possible. The following steps shall be taken in furtherance of this goal:

1. Ensure that all small business, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.
2. Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small business, minority-owned firms, and women's business enterprises.
3. Consider in the contract process whether firms competing for larger contracts tend to subcontract with small businesses, minority-owned firms and women's business enterprises.
4. Encourage contracting enterprises with consortiums of small businesses, minority owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the minority-owned firms and women's business enterprises.

Special Purchasing Conditions

Emergencies:

Where equipment, materials, parts, and/or services are needed, quotations will not be necessary if the health, welfare, safety, etc., of staff and protection of T.E.A.C.H. property is involved.

Single Distributor/Source:

Where there is only one (1) distributor for merchandise needed and no other product meets the stated needs or specifications, quotations will not be necessary.

Federally-Funded Programs:

Purchases that will be charged to programs funded with federal awards will be subject to additional policies. These policies are described in a separate section, "Policies Associated with Federal Awards."

Vendor Files and Required Documentation

The Accounting Department shall create a vendor folder for each new vendor from whom T.E.A.C.H., Inc. purchases goods or services.

Upon making the initial purchase from any vendor (regardless of whether a contract is involved), the Accounting Department, Accounts Payable Clerk shall mail a blank Form W-9 to that vendor, along with a request for the vendor to complete and sign the W-9 or provide equivalent, substitute information and return it in the postage-paid envelope provided. Completed, signed W-9 or substitute documentation shall be filed in each vendor's folder. Vendors who do not return a completed, signed W-9 or provide an equivalent documentation shall be issued a Form 1099 at the end of each calendar year in accordance with the policies described in the section of this manual on "Government Returns."

See the section of "Payroll and Related Policies" for guidance and determining whether a vendor should be treated as an employee.

Ethical Conduct in Purchasing

Ethical conduct in managing the Organization's purchasing activities is an absolute essential. Staff must always be mindful that they represent the Board of Directors and share a professional trust with other staff and the general membership.

Staff shall discourage the offer of, and decline, individual gifts or gratuities of value in any way that might influence the purchase of supplies, equipment, and/or services. Staff shall notify their immediate supervisor if they offered such gifts. Gifts to the Organization, viewed as normal business incentives to obtain future Organization-approved business such as for meeting sites, are acceptable donations.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of T.E.A.C.H., Inc. shall participate in the selection or administration of a vendor if a real or apparent conflict of interest would be involved. Such a conflict would arise if an officer, board member, employee or agent, or any member of his/her immediate family, his/her spouse/partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in the vendor selected.

Officers, board members, employees and agents of T.E.A.C.H., Inc., shall neither solicit nor accept gratuities, favors, or anything of monetary value from vendors or parties to sub-agreements. However, unsolicited gifts of a nominal value may be accepted with the approval of the Executive Director.

Receipt and Acceptance of Goods

The receiving department, or designated individual shall inspect all goods received. Upon receipt of any item from a vendor, the following actions shall immediately be taken:

1. Review bill of lading for correct delivery point
2. Verify the quantity of boxes/containers with the bill of lading
3. Examine boxes/containers for exterior damage
4. Note on the bill of lading any discrepancies (missing or damaged boxes/containers, etc.)
5. Sign and date the bill of lading
6. Retain a copy of the bill of lading

When goods are moved to another area for thorough inspection, the following inspection procedures shall be performed:

1. Remove the packing slip from each box/container
2. Compare the description and quantity of goods per the purchase order to the packing slip
3. Examine goods for physical damage
4. Count or weigh items, if appropriate
5. Record an indication of counts on the purchase order

It is the policy of T.E.A.C.H., Inc., to perform the preceding inspection procedures in a timely manner in order to facilitate prompt return of goods and/or communication with vendors.

Political Intervention

Prohibited Expenditures

Consistent with its tax-exempt status under the Internal Revenue Code, it is the policy of T.E.A.C.H., Inc., that the Organization shall not incur any expenditure for political intervention. For purposes of this policy, political intervention shall be defined as any activity associated with the direct or indirect support or opposition of a candidate for elective public office at the federal, state or local level. Political intervention does not include

lobbying activities, defined as the direct or indirect support or opposition for legislation, which is not prohibited under the Internal Revenue Code for T.E.A.C.H., Inc. Examples of prohibited political expenditures include, but are not limited to, the following:

1. Contributions to political action committees
2. Contributions to the campaigns of individual candidates for public office
3. Contributions to political parties
4. Expenditures to produce printed materials (including materials included in periodicals) that support or oppose candidates for public office
5. Expenditures for the placement of political advertisements in periodicals

Endorsements of Candidates

It is the policy of T.E.A.C.H., Inc., not to endorse any candidates for public office in any manner, either verbally or in writing. This policy extends to the actions of management and other representatives of T.E.A.C.H., Inc., when these individuals are acting on behalf of, or are otherwise representing the Organization.

Prohibited Use of Organization Assets and Resources

It is the policy of T.E.A.C.H., Inc., that no assets or human resources of the organization shall be utilized for political activities, as defined above. This prohibition extends to the use of Organization assets or human resources in support of political activities that are engaged in personally by board members, members of management, employees, or any other representatives of T.E.A.C.H., Inc., While there is no prohibition against these individuals engaging in political activities personally (on their own time, and without representing that they are acting on behalf of the Organization), these individuals must at all times be aware that Organization resources cannot at any time be utilized in the support of political activities.

Accounts Payable Management

Overview

T.E.A.C.H., Inc. strives to maintain efficient business practices and good cost control. A well-managed accounts payable function can assist in accomplishing this goal from the purchasing decision through payment and check reconciliation.

It is the policy of T.E.A.C.H., Inc., that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. The amounts recorded are based on the vendor invoice for the related goods or services. The vendor invoice should be supported by an approved purchase order where necessary, and should be reviewed and approved by the department director prior to being processed for payment. Invoices and related general ledger account distribution codes are reviewed prior to posting to the subsidiary system.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Recording Accounts Payable

All valid accounts payable transactions, properly supported with the required documentation, shall be recorded as accounts payable in a timely manner.

Accounts payable are processed on a daily basis. Information is entered into the system from approved invoices or disbursement vouchers with appropriate documentation attached.

It is the policy of T.E.A.C.H., Inc., that only original invoices will be processed for payment unless duplicated copies have been verified as unpaid by researching the vendor records. No vendor statements shall be processed for payment.

Review of Expenditures

A detailed report of all invoices paid will be provided to Program Directors on a monthly basis for their review and oversight. In addition, the Board of Directors will review and ratify expenditures from the preceding month at each regularly scheduled Board meeting. Program Directors shall review this report for accuracy of program and expense account coding and shall notify the Fiscal Officer of any apparent misclassification.

Establishment of Control Devices

Control of invoices is established by the Accounts Payable Clerk as soon as invoices are received. Vendors will be instructed to mail all invoices directly to the accounts payable department.

Upon receipt of invoices, stamped, and distributed to the appropriate personnel for approval reparation of a Voucher Package.

Prior to any account payable being submitted for payment, a package called a "voucher package" shall be assembled. Each voucher package shall contain the following documents:

1. Vendor Invoice (or employee expense report)
2. Packing slip (where appropriate)
3. Receiving report (or other indication of receipt of merchandise and authorization or acceptance)
4. Purchase order (for purchases in excess of)
5. Mileage log and itemized, annotated fuel receipts (for employee expense reports that include mileage or fuel)
6. Any other supporting documentation deemed appropriate

Processing of Invoices

The following procedures shall be applied to each voucher package by the accounts payable clerk:

1. Check the mathematical accuracy of the vendor invoice.
2. Compare the nature, quantity and prices of all items ordered per the vendor invoice to the purchase order, packaging slip and receiving report
3. For employee expense reports, verify that mileage logs and itemized, annotated fuel receipts are attached and complete, and that the mileage claimed agrees to the mileage log
4. Document the general ledger distribution, using the Organization's current chart of accounts, assigning each expenditure to the expense account that reflects its nature (see "Accuracy of Expense Classification")

5. Obtain the review and approval of the department director (or their designee) associated with the goods or services purchased

Approvals by department directors indicate their acknowledgement of satisfactory receipt of the goods and services invoiced, agreement with all terms appearing on the vendor invoice, agreement with general ledger account coding, and agreement to pay vendor full. Approvals shall be documented with initials or signatures of the approving individual.

Payment Discounts

To the extent practical, it is policy of T.E.A.C.H., Inc. to take advantage of all prompt payment discounts offered by vendors. When availability of such discounts is noted, and all required documentation in support of payment is available, payments will be scheduled so as to take full advantage of the discounts.

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed expense reimbursement form (see further policies under “Travel and Business Entertainment”). All receipts must be attached, and a brief description of the business purpose of trip or meeting must be noted on the form. Mileage claims must be accompanied by a mileage log, and fuel receipts must be itemized and annotated with their business purpose, as described under “Documentation of Mileage and Fuel Expenses.” Each expense must be assigned to the appropriate expense category on the form (for example, mileage, lodging, meals, or fuel) so that it can be recorded in the correct expense account. Expense reports will be processed for payment in the next vendor payment cycle if received within two business days of the deadline. Expenses older than 3 months will not be reimbursed.

Travel and Business Entertainment

The following travel expense reimbursement policies apply to all employees and all travel expenses paid by T.E.A.C.H., Inc. These policies were adopted by the T.E.A.C.H., Inc. Board of Directors on October 5, 2004, and most recently revised August 13, 2024.

Conditions of Travel

All travel must have the prior approval of the Executive Director. Employees should refer to the T.E.A.C.H. Employee Handbook for policy regarding pay for travel time. Reimbursement shall not be made for meals and lodging expenses incurred within 50 miles of the employee’s home or T.E.A.C.H.’s headquarters.

Employees are allowed, with supervisor approval, to extend a business trip using vacation time. Employees choosing to do so must personally incur the cost of the additional travel and will be reimbursed only for the business portion of the trip upon their return.

Lodging Reimbursement Rates – In State

Lodging reimbursement applies when T.E.A.C.H. business requires an overnight stay and the employee uses a good, moderately priced commercial lodging establishment (hotel, motel, bed and breakfast, or public campground) that caters to the short-term traveler, and for day trips of less than 24 hours. Lodging receipts must be turned in to the fiscal office upon return; all expense reimbursement payments will be withheld until lodging receipts are submitted. Lodging will be reimbursed in accordance with current State of California reimbursement rates.

Meals and Incidentals

Meals will be reimbursed in accordance with current State of California reimbursement rates. Employees traveling on federal grant funds from a federal funding agency may use GSA reimbursement rates instead. Incidental expenses are paid only for full days of travel.

Receipts are not required to claim meal and incidental expenses up to the maximum allowable reimbursement rates. However, employees must retain receipts for meals as substantiation that the amount claimed did not exceed the actual expense incurred; T.E.A.C.H. may request such receipts at any time.

Meal claims are subject to the following time frames:

- **First day of a trip lasting more than 24 hours:** if the trip begins at or before 6:00 a.m., breakfast may be claimed; if the trip begins at or before 11:00 a.m., lunch may be claimed; if the trip begins at or before 5:00 p.m., dinner may be claimed.
- **Fractional day after 24 hours of travel:** if the trip ends at or after 8:00 a.m., breakfast may be claimed; if the trip ends at or after 2:00 p.m., lunch may be claimed; if the trip ends at or after 7:00 p.m., dinner may be claimed.
- **Fractional day – trip of less than 24 hours:** the trip must begin at or before 6:00 a.m. and end at or after 9:00 a.m. to claim breakfast, and must begin at or before 4:00 p.m. and end at or after 7:00 p.m. to claim dinner. No lunch or incidentals may be claimed for a trip of less than 24 hours.

Full meals included in airfare, hotel or conference fees, or otherwise provided, may not also be claimed for reimbursement. The same meal may not be claimed more than once on any date. A continental breakfast of rolls, coffee, and juice is not considered a full meal.

Out-of-State Travel

All state-funded programs must obtain prior permission from the funding source before traveling out of state. Lodging with a receipt is reimbursed at actual expense, subject to department approval. Meals and incidentals are reimbursed at the same rates and under the same requirements as in-state travel.

Mileage Reimbursement Rates

All privately owned vehicle mileage driven on T.E.A.C.H. business is subject to advance approval by the Executive Director. The rate claimed is considered full reimbursement for all costs related to the operation and maintenance of the vehicle, including both liability and comprehensive insurance. Mileage will be reimbursed in accordance with current State of California reimbursement rates. Mileage claims must be supported by a mileage log, and fuel for a privately owned vehicle is not separately reimbursable, as described under "Documentation of Mileage and Fuel Expenses."

Transportation

Reimbursement for transportation expenses will be made only for the method of transportation that is in the best interest of T.E.A.C.H., considering both direct expense and the employee's time. Employees are responsible for locksmith charges if keys are locked in a vehicle, for safeguarding personal and business belongings left in a vehicle, and for any parking tickets or tow-away charges incurred while conducting T.E.A.C.H. business.

Rental Vehicles

Rental vehicles are appropriate when it is necessary to have the use of a vehicle while on travel status in order to conduct T.E.A.C.H. business. The fuel tank should be filled before the vehicle is returned to avoid an excessive

refueling charge from the vendor; gas receipts should be retained for reimbursement itemized fuel receipts, annotated with the business purpose of the trip, must be retained and submitted for reimbursement (see “Documentation of Mileage and Fuel Expenses”). Employees extending a trip for personal vacation must return the T.E.A.C.H.-charged rental vehicle and rent a separate vehicle in their own name for the personal portion of the trip; T.E.A.C.H.-charged rentals are for business travel only.

Receipts and Other Requirements

Receipts are required for each item of expense for streetcar, ferry fares, bridge and road tolls, local transit, taxi, shuttle or hotel bus, and parking over \$10; business phone calls over \$5.00; all gas for rental cars all fuel for rental cars (itemized and annotated with the business purpose); and all lodging, regardless of amount.

Employees are responsible for the accuracy of their own reimbursement requests. All travel and business expenses must result from conducting T.E.A.C.H. business and are subject to review and verification by the administrative office. Reimbursement forms must be complete, submitted timely, and accompanied by all supporting documentation, including mileage logs and annotated fuel receipts where applicable.

Documentation of Mileage and Fuel Expenses

It is the policy of T.E.A.C.H., Inc. that all mileage and fuel expenses be supported by complete and consistent documentation showing the amount of the expense and its business purpose. This policy applies to mileage claimed for privately owned vehicles and to fuel purchased for rental vehicles or other vehicles used on T.E.A.C.H. business, whether paid with a T.E.A.C.H., Inc. credit card or by the employee and submitted for reimbursement. The following requirements apply:

- **Mileage logs.** Every mileage claim must be supported by a mileage log, prepared on the Organization’s standard form (or an equivalent log containing all required information) at the time of travel. For each trip, the log must show the date; the starting point, destination, and any intermediate stops; beginning and ending odometer readings (or, if odometer readings are unavailable, the distance shown by a mapping application, with a printout attached); total business miles; and the business purpose and the program benefiting from the travel. The log must be signed by the employee.
- **Itemized fuel receipts.** Every fuel purchase must be supported by the original itemized receipt showing the date, vendor name and location, type of fuel, number of gallons, price per gallon, and total amount paid. A card-terminal slip or statement entry showing only the total amount charged is not an itemized receipt.
- **Business purpose annotations.** Each fuel receipt must be annotated by the employee with the business purpose of the trip, the program or grant to be charged, and the vehicle fueled. For an Organization-owned or leased vehicle, the annotation must also identify the vehicle and its odometer reading at the time of fueling. The annotation must be specific enough that a reviewer who did not take the trip can understand why the expense was necessary; entries such as “gas,” “travel,” or “program” are not sufficient. Example: “Round trip Alturas to Redding for CDSS training – Modoc Foster Family Agency.”
- **Privately owned vehicles.** The mileage rate is full reimbursement for the operation of a privately owned vehicle. Fuel purchased for a privately owned vehicle is therefore not separately reimbursable and may not be charged to a T.E.A.C.H., Inc. credit card (see Credit Card Usage Policy, Section 7).
- **Timeliness.** Receipts must be annotated when the expense is incurred. Mileage logs must be submitted with the expense report to which they relate, within the deadlines described under “Reimbursement Submission Deadline.” Credit card fuel receipts must be submitted within three business days, as required by the Credit Card Usage Policy.

Review. Before an expense report or credit card reconciliation that includes mileage or fuel is processed, the Accounts Payable Clerk shall confirm that the required documentation is attached and complete, that the mileage claimed agrees to the mileage log, and that the miles reported are reasonable for the points traveled. Documentation that is incomplete, not itemized, or lacking a business purpose annotation will be returned to the employee for correction, and reimbursement will be withheld until the documentation is complete. A credit card fuel charge that remains undocumented shall be treated as a missing receipt under Section 8 of the Credit Card Usage Policy. By approving an expense report, the department director certifies that the business purpose stated is accurate.

Retention. Mileage logs and fuel receipts shall be attached to the related expense report or voucher package and retained with it for the period specified under “Record Retention.”

Reimbursement Submission Deadline

T.E.A.C.H. will not reimburse expenses submitted more than 90 days after the date of travel, within the Organization’s July 1 – June 30 fiscal year. Upon fiscal year end, all expenses incurred prior to June 30 must be submitted to the fiscal office no later than July 15. Prior fiscal year reimbursement requests received after July 15 will be returned, unpaid, to the employee.

Cash Disbursements (Check-Writing) Policies

Check Preparation

It is the policy of T.E.A.C.H., Inc., to print vendor checks and expense reimbursement checks on a weekly basis. Checks shall be prepared by persons independent of those who initiate or approve expenditures, as well as those who are authorized check signers.

All vendors and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the purchasing, accounts payable, and travel and business entertainment policies described in this manual
2. Timing of disbursements should generally be made to take advantage of all early-payment discounts offered by vendors
3. Generally, all vendors shall be paid within 30 days of submitting a proper invoice upon delivery of the requested goods or services
4. Total cash requirements associated with each check run is monitored in conjunction with available cash balance in bank prior to the release of any checks
5. All supporting documentation is attached to the corresponding check prior to forwarding the entire package to an authorized check signer
6. Checks shall be utilized in numerical order (unused checks are stored in a locked safe in the accounting department)
7. Checks shall never be made payable to “bearer” or “cash”
8. Checks shall never be signed prior to being prepared
9. Upon the preparation of a check, vendor invoices and other supporting documentation shall immediately be canceled in order to prevent subsequent reuse.

Mailing of Checks

After signature, checks are returned to the individual who prepared them, who then mails checks immediately. Checks shall not be mailed by individuals who authorize expenditures.

Voided Checks and Lost/Destroyed Checks

Checks may be voided due to processing errors by making proper notations in the check register and defacing the check by clearly marking it as "VOID". All voided checks shall be retained to aid in preparation of bank reconciliations.

Lost/Destroyed checks orders may be made for checks lost in the mail or other valid reasons. Lost/Destroyed check orders are completed by the Fiscal Office. The Executive Director issues a stop payment on the check.

Record-Keeping Associated with Independent Contractors

T.E.A.C.H., Inc. shall obtain a completed Form W-9 or equivalent substitute documentation from all vendors to whom payments are made. A record shall be maintained of all vendors to whom a Form 1099 is required to be issued at year-end. Payments to such vendors shall be accumulated over the course of a calendar year.

Payroll and Related Policies

Classification of Workers as Independent Contractors or Employees

It is the policy of T.E.A.C.H., Inc., to consider all relevant facts and circumstances regarding the relationship between T.E.A.C.H., Inc., and the individual in making determinations about the classification of workers as independent contractors or employees. This determination is based on the degree of control and independence associated with the relationship between T.E.A.C.H., Inc., and the individual. Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral control
2. Financial control
3. The type of relationship of the parties

Facts associated with each of these categories that will be considered by T.E.A.C.H., Inc., in making employee/contractor determinations shall include:

1. Behavioral control:
 - a. Instructions given by T.E.A.C.H., Inc., to the worker that indicated control over the worker (suggesting an employee relationship), such as:
 1. When and where to work
 2. What tools or equipment to use
 3. What workers to hire or to assist with the work
 4. Where to purchase supplies and services
 5. What work must be performed by a specified individual
 6. What order or sequence to follow
 - a. Training provided by T.E.A.C.H., Inc., to the worker (i.e. employees typically are trained by their employer, whereas contractors typically provide their own training)
1. Financial control:

- a. The extent to which the worker has unreimbursed business expenses (i.e. employees are more likely to be fully reimbursed for their expenses than is a contractor)
 - b. The extent of the worker's investment in the facilities/assets used in performing services for T.E.A.C.H., Inc., (greater investment associated with contractors)
 - c. The extent to which the worker makes services available to the relevant market
 - d. How T.E.A.C.H., Inc., pays the worker (i.e. guaranteed regular wage for employees vs. flat fee paid to some contractors)
 - e. The extent to which the worker can realize a profit or loss.
1. Type of Relationship:
- a. Written contracts describing the relationship that T.E.A.C.H., Inc., and the individual intend to create
 - b. Whether T.E.A.C.H., Inc., provides the worker with employee-type benefits, such as insurance, paid leave, etc.
 - c. The permanency of the relationship
 - d. The extent to which services performed by the worker are a key aspect of the regular business of T.E.A.C.H., Inc.

If an individual qualifies for independent contractor status, the individual will be sent a Form 1099 if total compensation paid to that individual for any calendar year, on the cash basis, is \$600 or more. The amount reported on a Form 1099 is equal to the compensation paid to that person during a calendar year (on the cash basis). Excluded from "compensation" are reimbursements of business expenses that have been accounted for by the contractor by supplying receipts and business explanations.

If an individual qualifies as an employee, a personnel file will be created for that individual and all documentation required by the T.E.A.C.H., Inc. personnel policies shall be obtained. The policies described in the remainder of this section shall apply to all works classified as employees.

Payroll Administration

T.E.A.C.H., Inc. operates on a semi-monthly payroll. For all T.E.A.C.H., Inc. employees, a personnel file is established and maintained with current documentation, as described throughout this section and more fully described in T.E.A.C.H., Inc. Personnel Manual.

The following forms, documents and information shall be obtained and included in the personnel files of all new employees:

1. T.E.A.C.H., Inc. Employment Application (and resume, if applicable)
2. Applicant references (work & personal)
3. Interview questions and notes
4. Form W-4 Employee Federal Withholding Certificate
5. Form I-9 Employment Eligibility Verification
6. Copy of driver's license
7. Copy of Social Security card issued by the Social Security Administration
8. Starting date and scheduled hours (Personnel Action Form)
9. Job title and starting salary (Personnel Action Form)

10. Authorization for direct deposit of paycheck, along with a voided check or deposit slip

For employees without a current, valid driver's license, acceptable alternative documents shall include:

1. U.S. Passport
2. Certified of U.S. Citizenship (INS Form N-560 or N-561)
3. Voter's registration card
4. U.S. Military card
5. ID card issued by a federal, state or local government, provided it contains a photo
6. School record or report card (for persons under age 18 only)

For employees without a Social Security card, acceptable alternative documents shall include:

1. U.S. Passport
2. Certified of U.S. Citizenship (INS Form N-560 or N-561)
3. Original or certified a copy of a birth certificate issued by a state, county or municipal authority
4. Certified of Birth Abroad issued by the Department of State (Form FS-545 or Form DS-1350)
5. U.S. Citizen ID Card (INS Form I-197)
6. Native American tribal document
7. ID Card for use of Resident Citizen in the United States (INS Form I-179)

Each employee payroll file shall also indicate whether the employee is exempt or non-exempt from the provisions of the Fair Labor Standard Act.

Changes in Payroll Data

It is the policy of T.E.A.C.H., Inc. that all of the following changes in payroll data are to authorized in writing:

1. New hires
2. Terminations
3. Changes in salaries and pay rates
4. Voluntary payroll deductions
5. Changes in income tax withholding status
6. Court-ordered payroll deductions

New hires, terminations, and changes in salaries or pay rates shall be authorized in writing by the appropriate program director.

Voluntary payroll deductions and changes in income tax withholding status shall be authorized in writing by the individual employee.

Documentation of all changes in payroll data shall be maintained in each employee's personnel file.

Payroll Taxes

The Payroll Clerk is responsible for ensuring all required tax forms are properly completed and submitted, and that all required taxes are withheld and paid. The Accounting Department may utilize the services of an outside payroll service center for the processing of payroll, as determined by the Executive Director. It is the policy of

T.E.A.C.H. to obtain an updated Form W-4 from each employee in January of each year. Withholding of federal income taxes shall be based on the most current Form W-4 prepared by each employee.

Preparation of Timesheets

Each T.E.A.C.H., Inc. employee must submit to the Payroll Clerk a signed and approved timesheet no later than 12:00 noon on the next day following the close of each pay period. Employees may fax or email timesheets; followed by original. Timesheets shall be prepared in accordance with the following guidelines:

1. Each timesheet shall reflect all hours worked during the pay period (time actually spent on the job performing assigned duties), whether compensated or not
2. Timesheets shall be prepared in ink
3. Errors shall be corrected by crossing through the incorrect entry, filling in the correct entry, and placing the employee's initials next to the change (i.e. employees shall not use "white out" or correction tape)
4. Employees shall identify and record hours worked based on the nature of the work performed;
5. Compensated absences (vacation, holiday, sick leave, etc.) should be clearly identified as such;
6. Timesheets shall be signed by the employee prior to submission.

After preparation, timesheets shall be approved by Department Directors or their designees, prior to submission to the Payroll Clerk. Corrections identified by an employee's supervisor shall be authorized by the employee by placing the employee's initials next to the change.

An Organization employee who is on leave, on travel, or is ill on the day that timesheets are due may telephone or e-mail timesheet information to his or her supervisor (or designated alternate). Time so submitted must reflect the actual time worked and the appropriate classifications. The employee must initial a timesheet submitted in this manner immediately upon his/her return to the office. Timesheets submitted in this manner shall bear the notation, "Time reported by telephone or e-mail by (employee) to (supervisor or designated alternate)." The timesheet shall be signed by the supervisor or the designated alternate.

Processing of Timesheets

Processing of timesheets in the accounting department is performed by the Payroll Clerk. The Payroll Clerk checks all timesheets for mathematical accuracy, the inputs all timesheets into the payroll system.

The Payroll Clerk may not change or correct timesheets. When errors are noted, if a corrected and approved timesheet is not re-submitted in the time to the payroll clerk.

Tampering with, altering, or falsifying time records, recording time on another employee's time record, or willfully violating any other timesheet policy or procedure may result in disciplinary action, up to and including discharge.

Review of Payroll

Upon return of payroll reports and checks from the payroll service center, the Fiscal Officer reviews payroll prior to its distribution to employees. The Executive Director shall sign the payroll register, indicating approval of the payroll.

Distribution of Payroll

Payroll payments (or check stubs for electronic deposits) shall be distributed by individuals who do not approve time sheets, are not responsible for hiring and firing, and do not control the preparation of payroll.

Policies Pertaining to Specific Asset and Liability Accounts

Cash and Cash Management

Cash Accounts

General Checking Account (operating account):

The primary operating account provides for routine business check disbursements. All cash deposits, whether received at the T.E.A.C.H., Inc. office are made to this account.

Bank Reconciliations

Bank account statements are received each month and forwarded unopened to a Director-level employee who is not involved in the accounting department. This individual shall open the statement and review its contents for unusual or unexplained items, such as unusual endorsements on checks, indications of alterations to checks, etc. Unusual or unexplained items shall be reported immediately to the audit committee.

After this review is complete, the entire bank statement is forwarded to the accounting department, where a reconciliation between the bank balance and general ledger balance is prepared by someone who is not an authorized check signer. It is the policy of T.E.A.C.H., Inc. to complete the bank reconciliation process within one week of receipt of each bank statement.

All bank reconciliations, including any adjusting journal entries resulting from preparing bank reconciliations, are reviewed by the Fiscal Officer on a monthly basis.

Bank reconciliations and copies of resulting journal entries are filed in the current year's accounting files. All canceled checks returned with bank statements shall be filed in numerical order by bank account and month.

Cash Flow Management

The Fiscal Officer monitors cash flow needs on a weekly basis to eliminate idle funds and to ensure that payment obligations can be met. Cash transfers between accounts are performed on an as-needed basis.

Stale Checks

It is the policy of T.E.A.C.H., Inc. to write off checks of \$1,000 or less that are more than 6 months old that have not cleared the Organization's bank. For uncashed checks that are more than 6 months old and that exceed \$1,000, contact will be made with the payee to resolve the issue.

All stale checks that are written off within the same fiscal year as they are written shall be credited to the same expense or asset that was debited when the check was written, or the expenditure incurred. For stale checks written off in fiscal years subsequent to the year in which the check was written, the credit shall be to miscellaneous income.

Petty Cash

It is the policy of T.E.A.C.H., Inc. to provide for imprest funds (used for payment of minor office expenditures, not for travel or employee advances) only for valid transactions and to periodically replenish these funds up to its authorized balance of. It is the responsibility of the Accounts Payable Clerk to ensure that the petty cash fund is locked at all times.

All disbursements from the petty cash fund must be accompanied by a completed and approved petty cash voucher. Receipts are required for all disbursements from petty cash.

The petty cash custodian shall prepare a reconciliation of the petty cash account on a periodic basis. Petty cash reconciliations are subject to review by the Fiscal Officer, who may also perform periodic surprise cash counts and reconciliations.

Inventory

Description of Inventory

T.E.A.C.H., Inc. maintains an inventory of goods for resale. Specifically, items that are held in inventory for resale include:

Car Seats/Booster Seats

Accounting for Inventory

It is the policy of T.E.A.C.H., Inc. to account for inventory at cost, using first-in, first-out method of valuation. Unit cost shall be computed by adding freight, insurance and other shipping costs to the actual cost of purchased inventory, dividing this total amount by the number of units purchased.

Physical Counts

It is the policy of T.E.A.C.H., Inc. to perform a physical count of inventory on yearly basis. Any inventory items that appear damaged, obsolete or otherwise unable to be sold shall be excluded from the counts. A detailed record of the physical count shall be kept by the individuals involved in taking the inventory.

At the conclusion of the physical count, the inventory count sheets shall be extended by applying the most recent unit costs to the physical quantities of each item on hand. The general ledger balance shall be adjusted to reflect the total inventory on hand as determined by the physical count.

Prepaid Expenses

Accounting Treatment

It is the policy of T.E.A.C.H., Inc. to treat payments of expenses that have a time-sensitive future benefit as prepaid expenses and to amortize these items over the corresponding time period. For purposes of this policy, payments of less than \$500 shall be expensed as paid and not treated as prepaid expenses, regardless of the existence of a future benefit.

Prepaid expenses with future benefits that expire within one year from the date of the financial statements shall be classified as current assets. Prepaid expenses that benefit future periods beyond one year from the financial statement date shall be classified as non-current assets.

Procedures

As part of the account coding process performed during the processing of accounts payable, all incoming vendor invoices shall be reviewed for the existence of time-sensitive future benefits. If future benefits are identified, the payment shall be coded to a prepaid expense account code.

The accounting department shall maintain a schedule of all prepaid expenses. The schedule shall indicate the amount and date paid, the period covered by the prepayment, the purpose of the prepayment, and the monthly

amortization. This schedule shall be reconciled to the general ledger balance as part of the monthly closeout process.

Investment Policies

Introduction

It is the policy of T.E.A.C.H., Inc. to treat all assets of the organization, including those funds that are legally unrestricted, as though they are held by T.E.A.C.H., Inc. in a fiduciary capacity for the purpose of accomplishing the organization's tax-exempt mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of T.E.A.C.H., Inc. shall be those of a prudent investor.

Delegation of Authority

The board of directors of T.E.A.C.H., Inc. has delegated supervisory authority over its investing activities to the Finance Committee of the board. The Finance Committee is responsible for regularly reporting on the organization's investments to the full board of directors.

The Finance Committee is authorized to retain one or more Investment Counselors to assume the investment management function. In that regard, the Finance Committee may enter into agreements with, delegate investment authority to, pay compensation to, and receive reports from one or more Investment Counselors.

Investment Objectives

T.E.A.C.H., Inc.'s investment objectives are the preservation and protection of the organization's assets, as well as the maintenance of liquid reserves to meet obligations arising from unanticipated activities, by earning an appropriate return on investments.

Allowable Investments

Investments of T.E.A.C.H., Inc. shall be made exclusively with the following securities:

1. Federally-insured Certificates of Deposit, not to exceed \$100,000 including interest, at commercial banks or savings and loan institutions;
2. U.S. Treasury securities and securities of Federal agencies and instrumentalities;
3. Repurchase agreements with financial institutions, collateralized by U.S. Treasury or Federal agency securities;
4. Corporate bonds and notes rated A or better by Moody's and Standard & Poor's;
5. Commercial paper rated P-1/A-1 by Moody's and Standard & Poor's;
6. Money market funds that invest in securities approved under these guidelines

T.E.A.C.H., Inc. shall not engage in margin transactions, short selling, commodity transactions or use of derivatives.

Diversification

No more than ten percent of the investments of T.E.A.C.H., Inc. shall be in the securities of any one issuer, with the exception of obligations of the U.S. government, its agencies and instrumentalities, and federally-insured certificates of deposit.

Accounting Treatment

All purchased investments shall initially be recorded at cost. All investments acquired by donation to T.E.A.C.H., Inc. shall initially be recorded at their fair market value as the date of donation. Donated investments shall be recorded as unrestricted, temporarily restricted, or permanently restricted income and net assets based on the existence or absence of such restrictions, as defined earlier.

Subsequent to acquisition, it shall be the policy of T.E.A.C.H., Inc. carry all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made in the accounting records and financial statements of T.E.A.C.H., Inc. on a quarterly basis.

Adjustments to market value result in unrealized gains and losses on investments. Such as gains and losses resulting from contributed investments shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the donor, as defined earlier.

Procedures and Reporting

The following procedures will be followed to ensure that investments are properly managed and that these investment policies are consistent with the mission of T.E.A.C.H., Inc. and accurately reflect the current financial condition of the Organization:

1. The Fiscal Officer shall maintain a schedule of investments and reconcile this schedule with the general ledger and with investment account statements on a monthly basis. The schedule of investments shall include the following information with respect to each investment
 - a. Date acquired
 - b. Method of acquisition (purchase or donation)
 - c. Cost or basis at acquisition
 - d. Description of investment
 - e. Interest rate (if applicable)
 - f. Date of maturity (if applicable)
 - g. Holder/issuer of security
 - h. Current market value
 - i. Unrealized gain or loss
 - j. Accrued interest receivable (if applicable)
 - k. Income received, year-to-date (i.e. interest, dividends, etc.)
1. The Investment Counselor shall prepare a schedule of investments for presentation on a quarterly basis for the Finance Committee and on an annual basis for the Board of Directors.
2. The quarterly investment reports shall detail the portfolio's composition and performance for the quarter and year-to-date, along with a comparison to budget and to the prior year.

3. The annual investment report shall be presented to the Board of Directors at the time the T.E.A.C.H., Inc. audit is presented, outlining in detail the investment portfolio's composition and performance for the fiscal year, along with a comparison to appropriate market indices. The report will show results for the most recently-completed fiscal year and for last three years.
4. Investment policies shall be reviewed annually by the Executive Director, working with the Finance Committee, to determine any appropriate modifications.
5. Recommendations for any revisions or modifications to the investment policy will be made by the Finance Committee to the Board of Directors for their approval.

Fixed Asset Management

Capitalization Policy

Physical assets acquired with unit costs in excess of \$500 are capitalized as fixed assets on the financial statements. Items with unit costs below this threshold shall be expensed in the year purchased.

Capitalized fixed assets are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Contributed Assets

Assets with fair market value in excess of \$500 (per unit) that are contributed to T.E.A.C.H., Inc. shall be capitalized as fixed assets on the financial statements. Contributed items with market values below this threshold shall be expensed in the year contributed.

Capitalized contributed assets are accounted for at their market value at the time of the donation and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives, as described later.

Establishment and Maintenance of a Fixed Asset Listing

All capitalized fixed assets shall be recorded in a property log. This log shall include the following information with respect to each asset:

1. Date of acquisition
2. Cost
3. Description (including color, model, and serial number)
4. Location of asset
5. Depreciation method
6. Estimated useful life

A physical inventory of all assets capitalized under the preceding policies will be taken on an annual basis by T.E.A.C.H., Inc. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation will be approved by the Executive Director.

Receipt of Newly-Purchased Equipment and Furniture

At the time of arrival, all newly-purchased equipment and furniture shall be “eyeballed” for obvious physical damage. If an asset appears damaged or is not in working order, it shall be returned to the vendor immediately.

In addition, descriptions and quantities of assets per the packing slip or bill of lading shall be compared to the assets delivered. Discrepancies should be resolved with the vendor immediately.

Depreciation and Useful Lives

All capitalized assets are maintained in the special fixed assets account group and are not to be included as an operating expense. Fixed assets depreciated over their estimated useful lives using the straight-line method.

In the year of acquisition, depreciation is recorded based on the number of months the asset is in service, counting the month of acquisition as a full month (Example: an asset purchased on the 15th day of the fifth month shall have 8 full months of depreciation (eight-twelfths of one year) recorded for that year.

Estimated useful lives of capitalized assets shall be determined by the Accounting Department in the conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Asset Category	Useful Life
Furniture and fixtures	Up to 10 years
General office equipment	5 years
Computer hardware and peripherals	3–5 years
Computer software	2–3 years
Leased assets	Life of lease
Leasehold improvements	Remaining lease term

Alternatively, at the direction of the Director of Finance, capitalized assets may be depreciated over useful lives expressed in terms of units of production or hours of service in place of the preceding useful lives expressed in terms of time.

For accounting and interim financial reporting purposes, depreciation expense will be recorded on a quarterly basis.

Repairs of Fixed Assets

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property.

Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining estimated useful life of the property. If the repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Dispositions of Fixed Assets

In the event a non-expendable asset is sold, scrapped, donated or stolen, adjustments need to be made to the fixed asset listing and property log. If money is received for the asset, then the difference between the money received and the "book value" (purchase price less depreciation) of the asset will be recorded as a loss if the money received is less than the book value and a gain if the money received is more than the book value.

Write-Offs of Fixed Assets

The Fiscal Officer approves the disposal of all capitalized fixed assets that may be worn-out or obsolete. Property that is discovered to be missing or stolen will be reported immediately to the Director of Finance. If not located, this property will be written off the books with the proper notation specifying the reason.

Leases

Classification of Leases

It is the policy of to classify all leases in which the Organization is a lessee as either capital or operating leases. T.E.A.C.H., Inc. shall utilize the criteria described in Statement of Financial Accounting Standards No. 13 in determining whether a lease is capital or operating in nature. Under those criteria, a lease shall be treated as a capital lease if, at the time of entering into the lease, any of the following factors are present:

1. The lease transfers ownership to T.E.A.C.H., Inc. at the end of the lease term;
2. The lease contains a bargain purchase option;
3. The lease term is equal to 75% or more of the estimated economic life of the leased property; or
4. The present value of the minimum lease payments is 90% or more of the fair value of the leased property (using, as the interest rate, the lesser of T.E.A.C.H., Inc. incremental borrowing rate or, if known, the lessor's implicit rate).

All leases that do not possess any of the four preceding characteristics shall be treated as operating leases. In addition, all leases that are immaterial in nature shall be accounted for as operating leases.

Accounting for Leases

All leases that are classified as operating leases and immaterial capital leases shall be accounted for as expenses in the period in which the obligation to make a lease payment is incurred. For leases with firm commitments for lease payments that vary over the term of the lease (i.e. a lease with fixed annual increases that are determinable upon signing the lease), the amount that T.E.A.C.H. shall recognize as monthly lease expense shall equal the average monthly payment and the actual monthly payment shall be accounted for as an asset or liability of T.E.A.C.H., Inc.

All leases that are classified as a capital lease shall be treated as a fixed asset addition of T.E.A.C.H., Inc. As such, upon the inception of a capital lease, T.E.A.C.H., Inc. shall record a fixed asset and a liability under the lease, based on the net present value of the minimum lease payments (or the fair value of the leased asset, if it is less than the present value of the lease payments). Periodic lease payments shall be allocated between a reduction in the lease obligation and interest expense. The fixed asset recorded under a capital lease shall be depreciated over the term of the lease, using the straight-line method of depreciation.

T.E.A.C.H., Inc. shall also maintain a control list of all operating and capital leases. This list shall include all relevant lease terms.

Accrued Liabilities

Identification of Liabilities

The accounting department shall establish a list of commonly incurred expenses that may have to be accrued at the end of an accounting period. Some of the expenses that shall be accrued by T.E.A.C.H., Inc., at the end of an accounting period are:

1. Salaries and wages
2. Payroll taxes
3. Vacation pay (see policy below)
4. Rent
5. Interest on notes payable
6. Commissions
7. Royalties

In addition, T.E.A.C.H., Inc. shall record a liability for deferred revenue (revenue received but not yet earned) in accordance with the revenue recognition policies described elsewhere in this manual. Adjustments to deferred revenue accounts shall be made monthly.

Accrued Leave

Personnel policies of T.E.A.C.H., Inc. permit employees to carry forward up to 3 weeks of save from year to year. Such unused leave is payable to an employee upon termination of employment.

Accordingly, it shall be the policy of T.E.A.C.H., Inc. to record a liability for accrued leave to which employees are entitled. The total liability is the end of an accounting period shall equal the total earned but unused hours of leave, up to a maximum of 120 hours, multiplied by each employee's current hourly pay rate.

Leave that does not "vest" with employees (i.e. leave that is not paid to employees if unused at the time of termination of employment), such as sick leave, shall not be accrued as a liability of T.E.A.C.H., Inc.

Notes Payable

Record-Keeping

It is the policy of T.E.A.C.H., Inc. to maintain a schedule of all notes payable, mortgage obligations, lines of credit, and other financing arrangements. This schedule shall be based on the underlying loan documents and shall include all of the following information:

1. Name and address of lender
2. Date of agreement or renewal/extension
3. Total amount of debt or available credit
4. Amounts and dates borrowed
5. Description of collateral, if any
6. Interest rate
7. Repayment terms
8. Maturity date
9. Address to which payments should be sent

10. Contact person at lender

Accounting and Classification

An amortization schedule shall be maintained for each note payable. Based upon the amortization schedule, the principle portion or payments due with the next year shall be classified as a current liability in the statement of financial position of T.E.A.C.H., Inc. The principle portion of payments due beyond one year shall be classified as long-term/ non-current liabilities in the statement of financial position.

Demand notes and any other notes without established repayment dates shall always be classified as current liabilities.

Unpaid interest expense shall be accrued as a liability at the end of each accounting period.

A detailed record of all principle and interest payments made over the entire term shall be maintained with respect to each note payable. Periodically, the amounts reflected as current and long-term notes payable per the general ledger shall be reconciled to these payment schedules and the amortization schedules, if any, provided by the lender. All differences shall be investigated.

Non-Interest –Bearing Notes Payable

As a charitable organization, T.E.A.C.H., Inc. may from time to time receive notes payable that do not require the payment of interest, or that require the payment of a below-market rate of interest for the type of obligation involved. In such cases, it shall be the policy of T.E.A.C.H., Inc. to record contribution income for any unpaid interest.

For demand loans, recording of interest expense and contribution income shall be performed at the end of each accounting period, based on outstanding principal balance of the loan during that rate period, multiplied by the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by T.E.A.C.H., Inc.

For loans with fixed maturities or payment dates, the note payable shall be recorded at the present value of the future principle payments, using a discount rate the difference between a normal interest rate for that type of loan and the rate, if any, that is required to be paid by T.E.A.C.H., Inc. The difference between the cash proceeds of the note and the present value shall be recorded as contribution income in the period the loan is made.

Thereafter, interest expense shall be recorded in each accounting period using the effective interest method, with the corresponding credit entry increasing the note payable account to reflect the amount(s) that shall be repaid.

Policies Associated with Financial and Tax Reporting

Financial Statements

Standard Financial Statements of the Organization

Preparing financial statements and communicating key financial information is a necessary and critical accounting function. Financial statements are management tools used in making decisions, in monitoring the achievement of financial objectives, and as a standard method for providing information to interested parties external to the organization. Financial statements may reflect year-to-year historical comparisons or current year budget to actual comparisons.

The basic financial statements of T.E.A.C.H., Inc. that are maintained on an organization-wide basis shall include:

1. **Statement of Financial Position-** reflects assets, liabilities and net assets of the organization and classifies assets and liabilities as current or non-current/long-term
2. **Statement of Activities-** presents support, revenues, expenses, and other changes in net assets of the organization, by category of net asset (unrestricted, temporarily restricted and permanently restricted)
3. **Statement of Cash Flows-** reports the cash inflows and outflows of the organization in three categories: operating activities, investing activities, and financing activities
4. **Statement of Functional Expenses-** presents the expenses of the organization in both a natural, or objective, format and by function (i.e. which program or supporting service was served)

Frequency of Preparation

The objective of the accounting department is to prepare accurate financial statements in accordance with generally accepted accounting principles and distribute them in a timely and cost-effective manner. In meeting the responsibility, the following policies shall apply:

A standard set of financial statements described in the preceding section shall be produced on a monthly basis, by the 15th of each month. The standard set of financial statements described in the preceding section shall be supplemented by the following schedules:

1. Individual statements of activities on a department and functional basis (and/or program/grant basis)
2. Comparisons of actual year-to-date revenues and expenses with year-to-date budgeted amounts

The monthly set of financial statements shall be prepared on the accrual method of accounting, including all receivables, accounts payable received by the 10th of the month and actual depreciation expense.

Review and Distribution

All financial statements and supporting schedules shall be review and approved by the Fiscal Officer prior to being issued by the Accounting Department.

After approval by the Fiscal Officer, a complete set of monthly financial statements, including the supplemental schedules described above, shall be distributed to the following individuals:

1. Treasurer and all members of the Finance Committee
2. Executive Director
3. Department Directors and any other employee with budget-monitoring responsibilities

Financial statements may include an additional supplemental schedule prepared or compiled by the Fiscal Officer. The purpose of this schedule is to provide known explanations for material budget variances in accordance with T.E.A.C.H., Inc. budget monitoring policies described later in this manual (under the “Financial Management Policies” section).

Annual Financial Statements

A formal presentation of the Organization’s annual financial statements shall be provided by the Independent Auditor to the full Board of Directors at the Organization’s Annual Meeting. This presentation will be preceded by a meeting with T.E.A.C.H., Inc. Audit Committee, at which the Audit Committee will vote to accept or reject the annual financial statements. See separate policies regarding the annual audit under “Financial Management Policies.”

Government Returns

Overview

To legitimately conduct business, T.E.A.C.H., Inc. must be aware of its tax and information return filing obligations and comply with all such requirements of federal, state and local jurisdictions. Filing requirements of T.E.A.C.H., Inc. include, but not limited to, filing annual information returns with IRS, state charitable solicitation reports, annual reports for corporations, property tax returns, income tax returns, sales tax returns, information returns for retirement plans, annual reporting of compensation paid, and payroll tax withholding tax returns.

Filing of Returns

It is the policy of T.E.A.C.H., Inc. to become familiar with the obligations in each jurisdiction and to comply with all known filing requirements. The Fiscal Officer shall be responsible for identifying all filing requirements and assuring that T.E.A.C.H., Inc. is in compliance with all such requirements.

It is also policy of T.E.A.C.H., Inc. to file complete and accurate returns with all authorities. T.E.A.C.H., Inc. shall make all efforts to avoid filing misleading, inaccurate or incomplete returns.

Filings made by T.E.A.C.H., Inc. include, but are not limited to, the following returns:

1. **Form 990-** Annual information return of tax-exempt organizations, filed with IRS. Form 990 for T.E.A.C.H., is due on the fifteenth day of the month following year-end. An automatic 3-month extension of time to file Form 990 may be obtained filing Form 8868. Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868.
2. **Form 990-T-** Annual tax return report T.E.A.C.H., unrelated trade or business activities (if any), filed with IRS. Form 990-T is due on the fifteenth day of the fifth month following year-end. An automatic 6-month extension of time to file Form 990-T may be obtained by filing Form 8868.
3. **Form 550-** Annual return for T.E.A.C.H., employee benefit plans. Form 5500 is due July 31, but a request for extension of time to file may be filed.
4. **Personal Property Tax Return-** Filed with the State of California report personal property and officers of the corporation. T.E.A.C.H., personal property tax return is due July 31.
5. **W-2's and 1099's-** Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31 and to federal government by February 28.
6. **Form 941-** Quarterly payroll tax return filed with IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.

T.E.A.C.H., Inc.'s fiscal and tax year-end is June 30. All annual tax information Returns of T.E.A.C.H., are filed on the accrual basis of reporting.

It is the policy of T.E.A.C.H., Inc. to comply with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each T.E.A.C.H., Inc. employee.

Public Access to Information Returns

Under regulations that became effective in 1999, T.E.A.C.H., Inc. is subject to federal requirements to make the following forms "widely available" to all members of the general public:

1. The three most recent annual information returns Form 990, excluding the list of significant donors (Schedule B) that is attached to the Form 990, but including the accompanying Schedule A, and
2. T.E.A.C.H., Inc. original application for recognition of its tax-exempt status form filed with IRS, and all accompanying schedules and attachments.

It is the policy of T.E.A.C.H., Inc. to adhere to the following guidelines in order to comply with the preceding public disclosure requirements:

1. Anyone appearing in person at the offices of T.E.A.C.H., Inc. during normal working hours making a request to inspect forms will be granted access to a file copy of the forms. The Fiscal Officer shall be responsible for maintaining this copy of each form and for making it available to all requesters.
2. For written requests for copies of forms received by T.E.A.C.H., Inc. shall require pre-payment of all copying and shipping charges. For requests for copies that are received without pre-payment, T.E.A.C.H., will notify the requester of this policy via phone call or by letter within 7 days of receipt of the original request.
3. The copying cost charged by T.E.A.C.H., Inc., for providing copies of requested forms shall be \$1.00 for the first page copies and \$0.25 for each subsequent page. All copies shall be shipped to requesters via Priority Mail flat rate envelope.
4. After payment is received by T.E.A.C.H., Inc. all requested copies shall be shipped to requesters within 30 days. Making of all copies and shipping within the 30-day time period shall be the responsibility of the accounting department.
5. For requests for copies made in person during normal business hours, copies shall be provided while the requester waits.
6. T.E.A.C.H., Inc. shall accept certified checks and money orders for requests for copies made in person. T.E.A.C.H., shall accept certified checks, money orders and personal checks as payment for copies of forms requested in writing.
7. T.E.A.C.H., Inc. shall comply with the federal requirements to make its forms widely available by posting all required forms on the Organization's World Wide Web site and referring all requesters to this Web site within 7 days of receipt of any request for copies. In addition to making its returns widely available on its Web site, T.E.A.C.H., Inc. will also permit visual inspections of its returns to anyone personally appearing at the Organization's offices during normal working hours and making such a request.

Unrelated Business Activities

Identification and Classification

It is the policy of T.E.A.C.H., Inc. to properly identify and classify income-producing activities that are unrelated to the Organization's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income accounts shall be segregated in separate accounts in the general ledger of T.E.A.C.H., Inc. in order to facilitate tracking and accumulation of unrelated trade or business activities.

Reporting

It is the Policy of T.E.A.C.H., Inc. to file IRS Form 990-T to report taxable income from unrelated trade or business activities. Form 990-T is not subject to any public access or disclosure requirements. Accordingly, it is the policy of T.E.A.C.H., Inc. not to distribute copies of Form 990-T to anyone other than management of the Organization.

Financial Management Policies

Budgeting

Overview

Budgeting is an integral part of managing any organization in that it is concerned with the translation of organizational goals and objectives into financial and human resource terms. A budget should be designed and prepared to direct the most efficient and prudent use of the organization's financial and human resources. A budget is a management commitment of a plan for present and future organizational activities that will ensure survival. It provides an opportunity to examine the composition and viability of the organization's programs and activities simultaneously in light of the available resources.

Preparation and Adoption

It is the policy of T.E.A.C.H., Inc. to prepare an annual budget on the accrual basis of accounting. To prepare the Organization budget, the Fiscal Officer shall gather proposed budget information from all Department Directors and prepare the first draft of the budget. Budgets proposed and submitted by each department should be accompanied by a narrative explanation of the sources and uses of funds and explaining all material fluctuations in budgeted amounts prior years.

After appropriate revisions and a compilation of all department budgets by the Fiscal Officer, a draft of the organization-wide budget, as well as individual department budgets, is presented to the Executive Director for discussion, revision, and initial approval.

The revised draft is the submitted to the Board of Directors for adoption.

It is the policy of T.E.A.C.H., Inc. to adopt a final budget at least 30 days before the beginning of the Organization's fiscal year. The purpose of adopting a final budget at this time is allow adequate time for the accounting department to input the budget into the accounting system and establish appropriate accounting and reporting procedures (including any necessary modifications to the chart of accounts) to ensure proper classification of activities and comparison of budget versus actual once the year begins.

Monitoring Performance

It is the policy of T.E.A.C.H., Inc. to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

On a monthly basis, financial reports comparing actual year-to-date revenues and expenses with budgeted year-to-date amounts shall be produced by the accounting department and distributed to each employee with budgetary responsibilities. These individuals shall be responsible for responding with a written explanation of all budget variances in excess of (ten percent) on a quarterly basis.

Budget Modifications

After a budget has been approved by the board of directors and adopted by the Organization, reclassifications of budgeted expense amounts of less than \$5,000 within a single department may be made by the Department Director, with approval from the Fiscal Officer. Reclassifications of budgeted expense amounts across departments of less than \$10,000 may be made only with approval of the Executive Director.

Annual Audit

Role of the Independent Auditor

It is the policy of T.E.A.C.H., Inc. to arrange for an annual audit of the Organization's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by T.E.A.C.H., Inc. will be required to communicate directly with the Organization's Audit Committee upon the completion of their audit. In addition, members of the Audit Committee and Executive Committee are authorized to initiate communication directly with the independent accounting firm.

Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm at the Organization's Annual Meeting, after the financial statements have been reviewed and approved by the Audit Committee.

Federal Single Audit Requirements (2 CFR Part 200, Subpart F)

In accordance with 2 CFR Part 200, Subpart F – Audit Requirements, of the Uniform Guidance, T.E.A.C.H., Inc. shall obtain a Single Audit (or, where permitted, a program-specific audit) for any fiscal year in which the Organization expends \$1,000,000 or more in Federal awards, as that threshold may be adjusted by the Office of Management and Budget (OMB) from time to time. The Single Audit shall be conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS) and shall address both the Organization's financial statements and its compliance with the requirements applicable to each major Federal program, including internal control over compliance.

The Single Audit shall be performed by a qualified, independent CPA firm with demonstrated experience conducting audits under the Uniform Guidance. Coordination of the Single Audit is the responsibility of the Fiscal Officer, in consultation with the Executive Director and Audit Committee, and includes the following:

1. **Determining** at the close of each fiscal year, the total amount of Federal awards expended and whether the \$1,000,000 expenditure threshold has been met, in accordance with 2 CFR 200.502 (Basis for determining Federal awards expended).
2. **Identifying** major programs subject to audit using the risk-based approach described in 2 CFR 200.518.
3. **Ensuring** the auditor's engagement letter and scope of work specifically address the Single Audit requirements of Subpart F, including a Schedule of Expenditures of Federal Awards (SEFA) prepared by the Organization in accordance with 2 CFR 200.510.
4. **Submitting** the completed audit reporting package — including the auditor's report(s), the Schedule of Findings and Questioned Costs, and the Organization's Corrective Action Plan (if applicable) — to the Federal Audit Clearinghouse (FAC) within the earlier of 30 calendar days after receipt of the auditor's report or nine (9) months after the end of the audit period, as required by 2 CFR 200.512.
5. **Preparing** a written Corrective Action Plan for any audit findings, in accordance with 2 CFR 200.511, and monitoring the timely resolution of all findings.

6. **Retaining** all audit documentation, including the SEFA and the reporting package, for a minimum of three (3) years from the date of submission to the FAC, or longer if required by a specific Federal award or by an ongoing audit, litigation, or investigation, consistent with 2 CFR 200.334.

Failure to meet the \$1,000,000. expenditure threshold in a given fiscal year does not relieve T.E.A.C.H., Inc. of its responsibility to maintain the internal controls, cost documentation, and financial management systems necessary to support Federal awards, as described elsewhere in this manual.

How Often to Review the Selection of the Auditor

T.E.A.C.H., Inc. shall review the selection of its independent auditor in the following circumstances:

1. Anytime there is dissatisfaction with the service of the current firm
2. When a fresh perspective and new ideas are desired

Selecting an Auditor

The selection of an accounting firm to conduct the annual audit is a task that should be taken very seriously. The following factors shall be considered by T.E.A.C.H., Inc. in selecting an accounting firm:

1. The firm's reputation in the nonprofit community
2. The depth of the firm's understanding of and experience with not-for-profit organizations
3. The firm's demonstrated ability to provide the services requested in a timely manner
4. The ability of firm personnel to communicate with Organization personnel in a professional and congenial manner

If T.E.A.C.H., Inc. decides to prepare and issue a written Request for Proposal (RFP) to be sent to prospective audit firms, the following information shall be included:

1. Period of services required
2. Type of contract to be awarded (fixed fee, cost basis, etc.)
3. Complete description of the services requested (audit, management letter, tax returns, etc.)
4. Identification of meetings requiring their attendance, such as staff of Board of Director meetings
5. Agency Organization Chart
6. Chart of account information
7. Financial information about the organization
8. Copy of prior year reports (financial statements, management letters, etc.)
9. Identification of need to perform a Single Audit in accordance with 2 CFR Part 200, Subpart F
10. Other information considered appropriate
11. Description of proposal and format requirements
12. Due date of proposals
13. Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)
14. Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms shall be:

1. Firm background
2. Biographical information (resumes) of key firm member who will serve T.E.A.C.H., Inc.
3. Client references
4. Information about the firm's capabilities
5. Firm's approach to performing an audit
6. Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
7. Other resources available with the firm
8. Expected timing and completion of the audit
9. Expected delivery of reports
10. Cost estimate including estimated number of hours per staff member
11. Rate per hour for each auditor
12. Other information as appropriate

In order to narrow down the proposals to the top selections, the Executive Director shall meet with the prospective engagement teams from each proposing firm to discuss their proposal. Copies of all proposals shall be forwarded to each member of the Audit Committee. After the Executive Director narrows down the field of prospective auditors to three firms, final interviews of each firm are conducted by the Audit Committee, who makes the final recommendation to the board of directors for approval.

Preparation for the Annual Audit

T.E.A.C.H., Inc. shall be actively involved in planning for and assisting with the Organization's independent accounting firm in order to ensure a smooth and timely audit of its financial statements. In that regard, the accounting department shall provide assistance to the independent auditors in the following areas:

7. **Planning-** The Fiscal Officer is responsible for delegating the assignments and responsibilities to accounting staff in preparation for the audit. Assignments shall be based on the list of requested schedules and information provided by the independent accounting firm.
8. **Involvement-** Organization staff will do as much work as possible in order to assist the auditors and, therefore, reduce the cost of the audit.
9. **Interim Procedures-** To facilitate the timely completion of the annual audit, the independent auditors may perform selected audit procedures prior to the Organization's year-end. By performing significant portions of audit work as of an interim date, the work required subsequent to year-end is reduced. Organization staff will do as much as possible in order to provide requested schedules and documents and to otherwise assist the auditors during any interim audit fieldwork that is performed.

Throughout the audit process, it shall be the policy of T.E.A.C.H., Inc. to make every effort to provide schedules, documents and information requested by the auditors in a timely manner.

Concluding the Audit

Upon receipt of a draft of the audited financial statements of T.E.A.C.H., Inc. from its independent auditor, the Executive Director and Fiscal Officer shall perform a detailed review of the draft, consisting of the following procedures:

1. Carefully read the entire report for typographical errors

2. Trace and agree each number in the financial statements and accompanying footnotes to the accounting records and/or internal financial statements of T.E.A.C.H.,
3. Review each footnote for accuracy and completeness

Any questions or errors noted as part of this review shall be communicated to the independent auditor in a timely manner and resolved to the satisfaction of the Executive Director.

It shall also be the responsibility of the ED to review and respond in writing to all management letter or other internal control and compliance report findings and recommendations made by the independent auditor.

Insurance

Overview

It is fiscally prudent to have an active risk management program that includes a comprehensive insurance package. This will ensure the viability and continued operations of T.E.A.C.H., Inc.

It is the policy of T.E.A.C.H, Inc. to maintain adequate insurance against general liability, as well as coverage for buildings, contents, computers, fine arts, equipment, machinery and other items of value.

Coverage Guidelines

As a guideline, T.E.A.C.H., Inc. will arrange for the following types of levels of insurance as a minimum:

Type of Coverage	Amount of Coverage
Comprehensive Liability	\$2,000,000
Automobiles for Employees, Volunteers, or Escorts	\$1,000,000
Employee Dishonesty / Bonding	\$1,000,000 for the Executive Director \$ 250,000 for all other employees
Fire and Water Damage	Coverage for all items with acquisition cost greater than \$1,000
Directors and Officers	\$1,000,000 (with an appropriate deductible level)
Theft	Coverage for all items with acquisition cost greater than \$1,000
Workers' Compensation	To the extent required by law

T.E.A.C.H., Inc. shall maintain a detailed listing of all insurance policies in effect. This listing shall include the following information, at a minimum:

- Description (type of insurance)
- Agent's name, address, and phone number
- Coverage and deductibles
- Premium amounts and frequency of payment
- Policy effective dates
- Date(s) premiums paid and check numbers

Insurance Definitions

Workers' Compensation and Employer's Liability

Contractors are required to comply with applicable Federal and State worker's compensation and occupational disease statutes. If occupation diseases are not compensated under those statutes, they shall be covered under the employer's liability insurance policy except when contract operations are so commingled that it would not be practical to require this coverage.

Fidelity Bond

For all personnel handling cash, preparing or signing checks, T.E.A.C.H., Inc. shall obtain insurance that provides coverage in a blanket fidelity bond. The specific needs of the organization will determine the dollar limit of this coverage.

Comprehensive Liability

This type of coverage may include directors, officers and employee general liability insurance, buildings, contents, computers, fine arts, boilers and machinery.

Record Retention

Policy

It is the policy of T.E.A.C.H., Inc. to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the Executive Director, and logged into the Organization's Destroyed Records Log. The formal records retention policy of T.E.A.C.H., Inc. is as follows:

Notwithstanding the general schedule below, records pertinent to a Federal award (financial records, supporting documents, statistical records, and related records) shall, at a minimum, be retained for three years from the date of submission of the final expenditure report for that award, or, for awards renewed quarterly or annually, from the date of submission of the applicable quarterly or annual financial report, in accordance with 2 CFR 200.334. This minimum period shall be extended if litigation, a claim, or an audit involving the records is started before the three-year period expires, until all such litigation, claims, or audit findings are resolved, and for equipment and real property records, shall run three years from the date of final disposition. Where the general retention schedule below specifies a period longer than these federal minimums, the longer period shall govern.

Record	Retention Period
Accident reports/claims (settled cases)	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports	Permanently
Bank reconciliations	3 years
Bank statements	3 years
Chart of accounts	Permanently

Cancelled checks	7 years
Contracts, mortgages, notes, and leases — expired	7 years
Contracts, mortgages, notes, and leases — still in effect	Permanently
Correspondence — general	2 years
Correspondence — legal and important matters only	Permanently
Correspondence — routine with customers and/or vendors	2 years
Deeds, mortgages, and bills of sale	Permanently
Depreciation schedules	Permanently
Duplicate deposit slips	3 years
Employment applications	3 years
Expense analyses/expense distribution schedules	7 years
Check Registers and Bank Statements	7 years
Financial statements — year end	Permanently
Financial statements — other	Optional
Garnishments	7 years
General ledgers/year-end trial balance	Permanently
Insurance policies (expired)	3 years
Insurance records (policies, claims, etc.)	Permanently
Internal audit reports	3 years or more
Internal reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Journals	Permanently
Minute books of directors, bylaws, and charters	Permanently
Notes receivable ledgers and schedules	7 years
Payroll records and summaries	7 years
Personnel records (terminated)	7 years
Petty cash vouchers	3 years
Physical inventory tags	3 years
Property records (incl. depreciation schedules)	Permanently

Purchase orders — purchasing department copy	7 years
Purchase orders — other copies	1 year
Receiving sheets	1 year
Retirement and pension records	Permanently
Requisitions	1 year
Sales records	7 years
Subsidiary ledgers	7 years
Tax returns, worksheets, examination reports, and other documents relating to determinations of income tax liability	Permanently
Time sheets/cards	7 years
Trademark registrations and copyrights	Permanently
Training manuals	Permanently
Withholding tax statements	7 years

Functional Expense Allocations

Overview

As one of its financial managements objectives, T.E.A.C.H., Inc. strives to determine the actual costs of carrying out each of its program service and supporting activities. In this regard, it is the policy of T.E.A.C.H., Inc. to charge expenses to the appropriate category of program service or supporting activity. Expenses that serve multiple functions or are not readily identifiable with one function shall be allocated between functions whenever possible. Within each function, expenses shall also be recorded in the appropriate natural expense account, as described under “Accuracy of Expense Classification,” so that the Statement of Functional Expenses presents expenses accurately in both natural and functional formats.

Program and supporting service functions of T.E.A.C.H., Inc. are:

Programs:

1. Modoc Child Care Resource and Referral
2. Modoc Crisis Center
3. T.E.A.C.H. Senior Services
4. T.E.A.C.H. Adult Education
5. Latchkey School Age Child Care
6. Budding Tree Preschool
7. Youth and Family Services
8. Emergency Services
9. Modoc Foster Family Agency

10. Modoc College Center
11. T.E.A.C.H. Housing Programs
12. IHSS
13. Nor Cal COC Administrative Agency
14. Modoc Harvest
15. Creative Creations

Supporting Services

1. Management and general

Direct Charging of Costs

Certain internal costs shall be directly charged to the appropriate T.E.A.C.H., Inc. function based upon underlying documentation. The following costs shall be directly charged based on the documentation or factor listed next to each:

Cost	Basis for Charge
Salaries	Timesheets (hours) or number of employees in a function
Occupancy (facilities) costs	Actual square footage used by each function
Long-Distance Telephone	Actual use, based on codes
Photocopying	Actual use, based on codes
Postage	Actual, per postage log
Supplies	Actual, per usage forms

With the exception of salaries, which are recorded with each payroll cycle, all other costs identified above shall be initially charged to one account when incurred, then allocated and recorded to the appropriate functions via quarterly journal entries.

Allocations of Overhead Costs

Annually, an allocation of overhead to each program service and supporting activity area shall be recorded via a journal entry. Overhead shall be allocated based on direct salaries charged to each function. Costs included in overhead to be allocated include all costs associated with building occupancy, building and equipment maintenance, and any other cost that benefits all functions or the Organization.

General and administrative costs shall not be allocated to program service or other supporting functions of the Organization.

Policies Pertaining to Federal Awards

Administration of Federal Awards

Definitions

There are several types of agreements through which T.E.A.C.H., Inc. may receive financial assistance from a donor/grantor agency:

Grant: A financial assistance award given to the organization to carry out its programmatic purpose.

Contract: A mutually binding legal agreement where the organization agrees to provide supplies or services and the donor agrees to pay for them.

Cooperative Agreement: A legal agreement where the organization implements a program with the direct involvement of the donor.

Throughout this manual, federal assistance received in any of these forms will be referred to as a federal “award.”

Preparation and Review of Proposals

Individual departments are responsible for preparing proposals for projects that the department intends to pursue. However, all proposals shall be reviewed by the Fiscal Officer prior to submission to government agencies or other funding sources. Final proposals shall be reviewed and approved in writing by the Executive Director.

Post-Award Procedures

After an award has been made, the following steps shall be taken:

1. Verify the specifications of the grant or contract. The Accounting Department shall review the terms, time periods, award amounts and expected expenditures associated with the award. An Assistance Listing Number (ALN) (*formerly the Catalog of Federal Domestic Assistance, or CFDA, number*) shall be determined for each award. All reporting requirements under the contract or award shall be summarized.
2. Create new general ledger account numbers. New accounts shall be established for the receipt and expenditure categories in line with the grant or contract budget.
3. Gather documentation. A file is established for each grant or contract. The file contains the proposal, all correspondence regarding the grant or contract, the final signed award document and all reports submitted to the funding sources.

Compliance with Laws, Regulations and Provisions of Awards

T.E.A.C.H., Inc. recognizes that as a recipient of Federal funds, the Organization is responsible for compliance with all applicable laws, regulations, and provisions of contracts and grants. To ensure that the Organization meets this responsibility, the following policies apply with respect to every grant or contract received directly or indirectly from a Federal agency:

1. For each Federal award, an T.E.A.C.H., Inc. employee within the department responsible for administering the award will be designated as “Grant/Project Manager” (GPM).
2. Each GPM shall attend a class on a grant management prior to beginning their role as a GPM (or as early in their functioning as a GPM as practical). Thereafter, all GPM’s shall attend refresher/update courses on grant management every two years.
3. The GPM shall take the following steps to identify all applicable laws, regulations, and provisions of each grant and contract:
 - a. Read each award and prepare a summary of key compliance requirements and references to specific laws and regulations.
 - b. Review the “OMB Compliance Supplement” (updated annually and issued under 2 CFR Part 200, Subpart F) published by the Office of Management and Budget (OMB) for compliance requirements unique to the award and for compliance requirements common to all Federal awards.
 - c. Review the section of the Catalog of Federal Domestic Assistance applicable to the award.
1. The Accounting Department shall forward copies of applicable laws regulations to the The GPM and/or the T.E.A.C.H. Inc. Accounting Department shall identify and communicate any special changes in policies and procedures necessitated by Federal awards as a result of the review of each award.
2. The GPM shall take all reasonable steps necessary to identify applicable changes in laws, regulations, and provisions of contracts and grants. Steps taken in this regard shall include, but not be limited to, reviewing subsequent grant and contract renewals, reviewing annual revisions to the “OMB Compliance Supplement” issued under 2 CFR Part 200, Subpart F, and communications with Federal awarding agency personnel.
3. The GPM shall cooperate with the Organization’s Independent Auditors by informing the CPA firm as to applicable laws, regulations, and provisions of contracts and grants communicating known instances of noncompliance with laws, regulations, and provisions of contracts and grants to the auditors.

Billing and Financial Reporting

T.E.A.C.H., Inc. strives to provide management, staff and funding sources with timely and accurate financial reports applicable to federal awards. These reports include monthly and cumulative expenditures, a project budget, and a balance remaining column.

T.E.A.C.H., Inc. shall prepare and submit financial reports as specified by the financial reporting clause of each grant or contract award document. Preparation of these reports shall be responsibility of the Fiscals Officer.

The following policies shall apply to the preparation and submission of billings to federal agencies under awards made to T.E.A.C.H., Inc.:

1. It is the policy of T.E.A.C.H., Inc. to request reimbursement after expenditures have been incurred, unless an award specifies another method.
2. Each award normally specifies a particular billing cycle; Therefore, a schedule is established for each grant and contract to ensure that reimbursement is made on a timely basis along with any other reporting that is required in addition to the financial reports.
3. Requests for reimbursements of award expenditures will use the actual amounts as posted to the general ledger as the source for all invoice amounts. If a source other than the general ledger is used for preparing requests for reimbursement, this policy should include an additional statement that this alternate source shall be reconciled to the general ledger balances on a monthly basis.

4. All financial reports required by each federal award will be prepared and filed on a timely basis. To the extent T.E.A.C.H., Inc.'s year-end audit results in adjustments to amounts previously reported to federal agencies, revised reports shall be prepared and filed in accordance with the terms of each federal award.

T.E.A.C.H., Inc. shall maintain separate billing records in addition to the official general ledger accounting records. Billing records shall be reconciled to the general ledger on a monthly basis.

At the time invoices (requests for reimbursement) are prepared, revenue and accounts receivable shall be recorded on the books of T.E.A.C.H., Inc. by Fiscal Officer.

If a federal award authorizes the payment of cash advances to T.E.A.C.H., Inc. the Fiscal Officer may request that a request for such an advance be made. Upon receipt of a cash advance from a federal agency, T.E.A.C.H., Inc. shall reflect a liability equal to the advance. As part of the monthly close-out and invoicing process, the liability shall be reduced, and revenue recognized, in an amount equal to the allowable costs incurred for that period.

Consistent with 2 CFR 200.305, T.E.A.C.H., Inc. shall minimize the time elapsing between the drawdown of any Federal cash advance and its disbursement, and shall request advances only in amounts necessary to meet immediate cash needs. Interest earned on Federal advances in excess of \$500 per year (across all Federal awards, in the aggregate) shall be remitted annually to the Department of Health and Human Services Payment Management System, in accordance with 2 CFR 200.305(b)(9); T.E.A.C.H., Inc. may retain up to \$500 per year of such interest for administrative expenses.

Procurement Under Federal Awards

Procurement of goods and services whose costs are charged to federal awards received by T.E.A.C.H., Inc. are subject to all of the specific T.E.A.C.H., Inc. purchasing policies described earlier, under "Purchasing Policies and Procedures." In addition, procurements associated with Federal awards are subject to the following supplemental policies:

1. T.E.A.C.H., Inc. shall avoid purchasing items that are not necessary for the performance of the activities required by a Federal award.
2. Where appropriate, an analysis shall be made of leases and purchase alternative to determine which would be the most economical and practical procurement for the Federal government.
3. Documentation of the cost and price analysis associated with each procurement decision shall be retained in the procurement files pertaining to each Federal award.
4. For all procurements in excess of the Simplified Acquisition Threshold as defined at 2 CFR 200.1 (currently \$350,000, and periodically adjusted for inflation pursuant to 41 U.S.C. 1908), procurement records and files shall be maintained and include all of the following:
 - a. The basis for contractor selection.
 - b. Justification for lack of competition when competitive bids or offers are not obtained.
 - c. The basis for award cost of price.
1. T.E.A.C.H., Inc. shall make all procurement files available for inspection upon request by a Federal Awarding Agency.
2. All contracts with vendors shall require the vendor to certify in writing that it has not been suspended or disbarred from doing business with any federal agency.

In addition, no employee, officer, or agent of T.E.A.C.H., Inc. shall participate in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be

involved. Such a conflict would arise when the employee, officer, or agent, any member of her or his immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award.

Procurement Policies for Cal OES Grant Subawards

In addition to the general purchasing policies described earlier under “Purchasing Policies and Procedures” and the federal procurement requirements described above under “Procurement Under Federal Awards,” T.E.A.C.H., Inc. shall comply with the following supplemental procurement standards for Grant Subawards administered by the California Governor’s Office of Emergency Services (Cal OES), consistent with the FY 2026-27 Subrecipient Handbook, Part 6 – Contract and Procurement Requirements (Sections 6.025–6.045). Where these supplemental standards are more restrictive than T.E.A.C.H., Inc.’s general purchasing policies, the more restrictive standard shall govern for the applicable Grant Subaward.

Definition of Procurement

Procurement refers to the process of acquiring goods and services through various means, which may include formal contracts, purchase orders, informal agreements, or direct purchases. All procurements must be conducted based on documented procedures that comply with applicable standards. Procurement standards apply to all transactions involving goods and services, including office supplies and equipment, that are funded entirely or partially by Grant Subaward funds.

Procurement Methods

Procurements are classified into three primary methods: Informal, Formal, and Noncompetitive. With the exception of specific informal and noncompetitive procurements, all procurement activities must be conducted in a manner that ensures full and open competition, which is essential for fostering transparency and achieving the best value for public funds. Procurements must not be divided into smaller amounts to circumvent compliance with competitive bidding requirements or to evade thresholds that would trigger additional procurement obligations.

A. Informal Procurements

Informal procurements encompass methods used to acquire goods and services characterized by simplicity and flexibility, typically for lower-value transactions. Informal procurements are generally divided into two categories based on the dollar amount of the procurement:

- **Procurements of up to \$15,000:** Subrecipients are not required to solicit competitive price or rate quotations; however, reasonableness of price or rate must be documented.
- **Procurements of \$15,001–\$100,000:** Subrecipients must obtain price or rate quotations from a minimum of three qualified sources. A quote that is not the lowest price can be selected, provided that the selection process is documented and justified.

B. Formal Procurements

Formal procurements involve structured and regulated methods for acquiring goods and services, typically utilized for higher-value transactions, and require a competitive bidding approach in which contracts are awarded based on predetermined criteria such as cost and quality. For procurements exceeding \$100,000, Subrecipients are required to employ a formal procurement method, divided into two primary types:

- **Invitation for Bids (IFB):** Used when the procurement process is straightforward and specifications are clear, well-defined, and do not unnecessarily restrict competition. The bid must be publicly advertised; bids must be submitted in a sealed format by a specified deadline; for local/tribal governments, bids must be

opened publicly at the time and place prescribed in the IFB; and contracts are awarded to the lowest responsive and responsible bidder meeting the IFB requirements. If an IFB yields only a single bid, the Non-Competitive Procurement requirements below apply.

- **Request for Proposals (RFP):** Used when acquiring more complex services or when requirements are not clearly defined, and factors beyond price — such as technical expertise, approach, and methodology — matter. The RFP must be publicly advertised; proposals must include detailed information on how the vendor plans to meet requirements, including timelines and costs; evaluation criteria must be clearly outlined; and contracts are awarded based on the best value to the Subrecipient. If an RFP yields only a single proposal, the Non-Competitive Procurement requirements below apply.

C. Non-Competitive Procurements

Noncompetitive procurements refer to situations where goods or services are acquired without engaging in a full and open competitive process. These procurements can only be awarded if one or more of the following circumstances apply:

- **Sole Source:** The goods or services required are available from only one supplier, and no reasonable alternative exists.
- **Public Emergency:** An urgent situation, such as a natural disaster or immediate threat to public safety, makes the time constraints of a competitive process impractical.
- **Inadequate Competition:** Competitive solicitation efforts (IFBs or RFPs) result in only one viable bid or proposal.
- **Temporary Requirement:** The Contractor meets a temporary or time-limited employment need.
- **Expert Witnesses:** The contract is solely for the purpose of obtaining expert witnesses.
- **Interim Services:** To provide interim services while conducting a competitive bid.

Prior written approval from Cal OES is required for all non-competitive procurements more than \$15,000. The non-competitive procurement justification must describe the product or service being procured, explain why it is necessary to procure the good or service in a non-competitive manner, and address the applicable circumstance(s) above, including (as applicable) the uniqueness of the item or service, how the Subrecipient determined it is available only from one source, the nature of the public exigency or emergency and its impact on the Grant Subaward, and the results of any market survey conducted to assess competition.

Price/Cost Analysis and Profit Negotiation

For all procurements over \$15,000, including contract modifications, Subrecipients must evaluate pricing using either cost or price analysis to ensure that required goods and/or services are procured at fair and reasonable prices. As a starting point, the Subrecipient must develop independent price or cost estimates before receiving bids or proposals.

A. Price Analysis

Price analysis involves examining and evaluating a proposed price without delving into its individual cost elements or the proposed profit margin, and is particularly suitable for acquiring commercial items. Common techniques include comparing proposed prices with independently developed price estimates, assessing solicitation responses for competitiveness, evaluating prior contract prices against current proposed prices, and benchmarking offers against published catalog or market prices.

B. Cost Analysis

Cost analysis is the review and evaluation of the separate cost elements (e.g., labor hours, overhead, materials) and proposed profit or fee in an offeror's proposal to determine a fair and reasonable price. Cost analysis is particularly suitable when there is insufficient price information to perform price analysis effectively.

Affirmative Steps for Federally-Funded Procurements

When conducting procurements supported in whole or in part with federal funds, Subrecipients are encouraged, where practicable, to consider small businesses, minority-owned businesses, women's business enterprises, veteran-owned businesses, and Labor Surplus Area (LSA) firms as potential sources. Such consideration may include:

- Including these business types on solicitation lists.
- Soliciting these business types whenever they are deemed eligible as potential sources.
- Dividing procurement transactions into separate procurements, when economically feasible, to permit maximum participation by these business types.
- Establishing delivery schedules, where practicable, that encourage participation by these business types.
- Utilizing organizations such as the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce.
- Requiring contractors, when subcontracting under a federally funded procurement, to apply these same practices to their subcontracts.

Written Contract and Procurement Policies

Consistent with Section 6.045 of the FY 2026-27 Subrecipient Handbook, T.E.A.C.H., Inc. shall maintain comprehensive written contract and procurement policies that include:

- Standards of conduct addressing conflicts of interest that govern employees involved in the selection, award, and administration of contracts, integrated into the Organization's Conflict of Interest Policy, including disciplinary measures for violations.
- Policies consistent with the requirements of this section and all applicable federal and state regulations.
- Provisions requiring the maintenance of all documentation related to procurements and contracts, to ensure transparency and accountability.
- Procedures that comply with Drug-Free Workplace Certification requirements.
- Verification of eligibility to participate in state and federal awards via the System for Award Management (SAM) before entering into contracts equal to or greater than \$25,000.

Solicitations of Bids from Vendors

T.E.A.C.H., Inc. shall not utilize the "cost-plus-percentage-of-cost" method of contracting with vendors.

All other policies and procedures associated with procurement under Federal awards shall be governed by the policies applicable to all purchases of T.E.A.C.H., Inc. described in the section of this manual on "Policies Associated with Expenditures and Disbursements."

Provisions Included in all Contracts

It is the policy of T.E.A.C.H., Inc. to include all of the following provisions, as applicable, in all contracts (including small purchases) with vendors and sub-grants to grantees:

1. **Equal Employment Opportunity-** All contracts shall contain a provision requiring the contractor to comply with all applicable Federal nondiscrimination laws, including Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, as applicable. (Note: Executive Order 11246, "Equal Employment Opportunity," was rescinded by Executive Order 14173, "Ending Illegal Discrimination and Restoring Merit-Based Opportunity," issued January 21, 2025, and its affirmative-action requirements are no longer enforced by the Office of Federal Contract Compliance Programs. Contracts shall not cite E.O. 11246 as a current compliance obligation.)
2. **Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)-** All contracts and subgrants in excess of \$2,000 for construction or repair awarded by T.E.A.C.H., Inc. and its sub-recipients shall contain a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations 29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States." This Act provides that each contractor or sub recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. It is the policy of T.E.A.C.H., Inc. to report all suspected or reported violations to the Federal awarding agency.
3. **Davis-Bacon Act, as amended (40 U.S.C. 276A to a-7)-** If included in the federal agency's grant program legislation, all construction contracts or more than \$2,000 awarded by T.E.A.C.H., Inc. and its sub recipients shall include a provision for compliance with the regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors are required to pay wages determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. It is the policy of T.E.A.C.H., Inc. to place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and award of a contract shall be conditioned upon the acceptance of the wage determination. T.E.A.C.H., Inc. shall also obtain reports from contractors on a weekly basis in order to monitor compliance with the Davis-Bacon Act. T.E.A.C.H., Inc. shall report all suspected or reported violations to the Federal awarding agency.
4. **Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)-** All contracts awarded by T.E.A.C.H., Inc. in excess of \$2,000 for construction contracts and in excess of \$2,500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Works Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor is required to compute wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1-1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surrounding or under working conditions that are unsanitary, hazardous, or dangerous. There requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.
5. **Rights to Inventions Made Under a Contract or Agreement-** Contracts or agreements for the performance or experimental, developmental, or research work shall provide for the rights of the Federal Government and T.E.A.C.H., Inc. in any resulting invention with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

6. **Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended-** Contracts and sub grants of amounts in excess of \$150,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
7. **Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)-** For all contracts or sub-grants of \$100,000 or more, T.E.A.C.H., Inc. shall obtain from the contractors or sub-grantee a certification that will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Likewise, since each tier provides such certifications to the tier above it, T.E.A.C.H., Inc. shall provide such certifications in all situations in which it acts as a sub-grant of \$100,000 or more.
8. **Department and Suspension (E.O.s 12549 and 12689)-** For all contracts in excess of the Simplified Acquisition Threshold as defined at 2 CFR 200.1 and fixed pursuant to 41 U.S.C. 1908 (currently \$350,000, and periodically adjusted for inflation), T.E.A.C.H., shall obtain from the contractor a certification that neither the contractor nor any of its principal employees are listed on the General Services Administration's List of Parties Excluded from Federal Procurement or No procurement programs.
9. **Remedies-** All contracts in excess of the Simplified Acquisition Threshold as defined at 2 CFR 200.1 and fixed pursuant to 41 U.S.C. 1908 (currently \$350,000, and periodically adjusted for inflation) shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms.
10. **Termination-** All contracts in excess of the Simplified Acquisition Threshold as defined at 2 CFR 200.1 and fixed pursuant to 41 U.S.C. 1908 (currently \$350,000, and periodically adjusted for inflation) shall contain suitable provisions for termination by T.E.A.C.H., Inc. including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe the conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated due to circumstances beyond the control of the contractor.

Making of Sub Awards

From time to time, T.E.A.C.H., may find it practical to make sub awards of federal funds to other organizations. All sub-awards in excess of \$5,000 shall be subject to the same procurement policies described in the preceding section. In addition, all sub-recipients must be approved in writing by the federal awarding agency and agree to the sub recipient monitoring provisions described in the next section.

With respect to sub recipients with whom T.E.A.C.H., Inc. has not recently had a sub award relationship, the ED shall determine an appropriate level of pre-award inquiry that shall be performed. The purpose of such inquiry, which may involve a site visit to a potential sub recipient, is to gain assurance that a potential sub recipient has adequate policies and procedures in place to provide reasonable assurance that it is capable complying with all applicable laws, regulations and award provisions. In addition, T.E.A.C.H., Inc. shall obtain the following documents from all new sub recipients:

1. Articles of incorporation
2. By-laws or other governing documents

3. Determination letter from the IRS (recognizing the sub recipient as exempt from income taxes under IRC Section 501(c) (3))
4. Last 3 years' Forms 990 or 990-EZ, including all supporting schedules and attachments (also Form 990-T, if applicable)
5. Copies of the last 3 years' audit reports and management letters received from sub recipient's independent auditor (including all reports associated with Single Audits performed in accordance with 2 CFR Part 200, Subpart F, if applicable)
6. Copy of the most recent internally-prepared financial statement and current budget
7. Copies of reports of government agencies (Inspector General, state or local government auditors, etc.) resulting from audits, examinations or monitoring procedures performed in the last three years.

Monitoring of Sub Recipients

When T.E.A.C.H., Inc. utilizes Federal funds to make sub-awards to sub recipients, T.E.A.C.H., Inc. is subject to a requirement to monitor each sub recipient in order to provide reasonable assurance that sub recipients are complying, in all material respects, with laws, regulations, and award provisions applicable to the program.

In fulfillment of its obligation to monitor sub recipients, the following policies apply to all sub-awards of federal funds made by T.E.A.C.H., Inc. to sub recipients:

1. Sub award agreements shall include all information necessary to identify the funds as federal funding. This information shall include:
 - a. The applicable Assistance Listing Number (ALN) (formerly Catalog of Federal Domestic Assistance/CFDA) title and number
 - b. Award name
 - c. Name of Federal agency
 - d. Amount of award
1. Sub award agreements shall identify all applicable audit requirements, including the requirement to obtain a Single Audit in accordance with 2 CFR Part 200, Subpart F, if the sub recipient meets the applicable Federal expenditure threshold for having to undergo such an audit.
2. Sub awards shall include a listing of all applicable Federal requirements that each sub recipient must follow.
3. Sub awards shall require that sub recipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
4. Sub awards shall require that sub recipients submit financial and program reports to T.E.A.C.H., Inc. on a basis no less frequently than monthly.
5. T.E.A.C.H., Inc. will follow up with all sub recipients to determine whether all required audits have been completed. T.E.A.C.H., Inc. will cease all funding of sub recipients failing to meet the requirement to undergo a Single Audit in accordance with 2 CFR Part 200, Subpart F. For sub recipients that properly obtain an audit in accordance with 2 CFR Part 200, Subpart F, T.E.A.C.H., Inc. shall obtain and review the resulting audit reports for possible effects on Example Knop's accounting records or audit.
6. T.E.A.C.H., Inc. shall assign one of its employees the responsibility of monitoring of each sub recipient on an ongoing basis, during the period of performance by the sub recipient. This employee will establish and

document, based on her/his understanding of the requirements that have been delegated to the sub recipient, a system for the ongoing monitoring of the sub recipient.

7. Ongoing monitoring of sub recipients by T.E.A.C.H., Inc. will inherently vary from sub recipient to sub recipient, based on the nature of work assigned to each sub recipient. However, ongoing monitoring activities may involve any or all of the following:
 - a. Regular contact with sub recipients and appropriate inquiries regarding the program
 - b. Reviewing programmatic and financial reports prepared and submitted by the sub recipient and following up on areas of concern
 - c. Monitoring sub recipient budgets
 - d. Performing site visits to the sub recipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the sub award.
 - e. Offering sub recipient technical assistance where needed
 - f. Maintaining a system to track and follow up on deficiencies noted at the sub recipient in order to assure that appropriate corrective action is taken
 - g. Establishing and maintaining a tracking system to assure timely submission of all reports required of the sub recipient.
1. Documentation shall be maintained in support of all efforts associated with T.E.A.C.H., Inc.'s monitoring of sub-recipients.

Equipment and Furniture Purchased with Federal Funds

T.E.A.C.H., may occasionally purchase equipment and furniture that will be used exclusively on a program funded by a Federal agency. In addition to those policies on Asset Management described earlier, equipment and furniture charged to Federal awards will be subject to certain additional policies as described below.

For purposes of Federal award accounting and administration, "equipment" shall include all assets with a unit cost equal to the lesser of \$5,000 or the capitalization threshold utilized by T.E.A.C.H., Inc. described under Asset Management.

All purchases of "equipment" with federal funds shall be approved in advance in writing by the federal awarding agency. In addition, the following policies shall apply regarding equipment purchased and charged to federal awards:

1. Any equipment that is owned by the Federal government and given to T.E.A.C.H., Inc. for use in a program shall be marked as such.
2. Adequate insurance coverage will be maintained with respect to equipment and furniture charged to Federal awards.
3. For equipment (or residual inventories of supplies) with a remaining per unit fair market value of \$5,000 or less at the conclusion of the award, T.E.A.C.H., Inc. shall retain the equipment without any requirement for notifying the federal agency. If the remaining per unit fair market value is \$5,000 or more, T.E.A.C.H., Inc. shall gain a written understanding with the federal agency regarding disposition of the equipment. This understanding may involve returning the equipment to the federal agency, keeping the equipment and compensating the federal agency, or selling the equipment and remitting the proceeds, less allowable selling costs, to the federal agency.

4. The T.E.A.C.H., Inc. Grant Manager shall determine whether a specific award with a Federal agency includes additional equipment requirements or thresholds and requirements that differ from those described above.
5. A physical inventory of all equipment purchased with federal funds shall be performed at least once every two years. The results of the physical inventory shall be reconciled to the accounting records of and federal reports filed by T.E.A.C.H., Inc.

Standards for Financial Management Systems

In accordance with Uniform Guidance 2 CFR 200, it is the policy of T.E.A.C.H., Inc. maintain a financial management system that provides for the following:

1. Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements of 2 CFR 200.302 and/or the award.
2. Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unbigoted balances, assets, outlays, income and interest.
3. Effective control over and accountability for all funds, property and other assets. T.E.A.C.H., Inc. shall adequately safeguard all such assets and assure they are used solely for authorized purposes.
4. Comparison of outlays with budget amounts for each award. Whenever possible, financial information shall be related to performance and unit cost data.
5. Written procedures to minimize the time elapsing between the transfer of funds to T.E.A.C.H., Inc. from the U.S. Treasury and the issuance of redemption of checks, checks or payments by other means for program purposes by the recipient.
6. Written procedures for determining the reasonableness, allocability and allow ability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
7. Accounting records including cost accounting records that are supported by source documentation.

Budget and Program Revisions

It is the policy of T.E.A.C.H., Inc. to request prior approval from Federal awarding agencies for any of the following program or budget revisions:

1. Change in the scope or objective of the project or program, even if there is no associated budget revision requiring prior written approval.
2. Change in a key person (project director, etc.) specified in the application or award document.
3. The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.
4. The need for additional Federal funding.
5. The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.
6. The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Uniform Guidance 2 CFR 200.
7. The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

8. Unless described in the application and funded in the approved awards, the sub award, transfer or contracting out of any work under an award (However, if this provision does not apply to purchases of supplies, materials, equipment or general support services).

Close out of Federal Awards

T.E.A.C.H., Inc. shall follow the close out procedures described in Uniform Guidance 2 CFR 200 and in the grant agreements as specified by the granting agency.

T.E.A.C.H., Inc. and all sub recipients shall liquidate all obligations incurred under the grant or contract within 90 days of the end of the grant or contract agreement.

Charging of Costs to Federal Awards

Overview

It is the policy of T.E.A.C.H., Inc. that only costs that are reasonable, allowable and allocable to a Federal award shall be charged to that award directly or indirectly. All unallowable costs shall be appropriately segregated from allowable costs in the general ledger in order to assure that unallowable costs are not charged to Federal awards.

Segregating Unallowable from Allowable Costs

The following steps shall be taken to identify and segregate costs that are allowable and unallowable with respect to each federal award:

1. The budget and grant or contract for each award shall be reviewed for costs specifically allowable or unallowable.
2. Accounting personnel shall be familiar with the allow ability of costs provisions of Uniform Guidance 2 CFR Part 200, Subpart E, "Cost Principles," particularly:
 - a. The list of specifically unallowable or conditionally allowable costs found in 2 CFR Part 200, Subpart E, §§200.420–200.475 (Selected Items of Cost), such as alcoholic beverages, bad debts, contributions, fines and penalties, lobbying, etc.
 - b. Those costs requiring advance approval from Federal agencies in order to be allowable in accordance with 2 CFR Part 200, Subpart E, such as foreign travel, equipment purchases, etc.
1. No costs shall be charged directly to any Federal award until the cost has been determined to be allowable under the terms of the award and/or Uniform Guidance 2 CFR 200.
2. For each Federal award, an appropriate set of general ledger accounts shall be established in the chard of accounts of T.E.A.C.H., Inc. to reflect the categories of allowable costs identified in the award or the award budget.
3. All items of miscellaneous income or credits, including the subsequent write-offs of uncased checks, rebates, refunds, and similar items, shall be reflected for grant accounting purposes as reductions in allowable expenditures if the credit relates to charges that were originally charged to a Federal award or to activity associated with a Federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e. if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit.)

Criteria for Allow Ability

It is the policy of T.E.A.C.H., Inc. that all costs must meet the following criteria in order to be treated as allowable direct or indirect costs under a Federal award:

1. The cost must be “reasonable” for the performance of the award, considering the following factors:
 - a. Whether the cost is of a type that is generally considered as being necessary for the operation of the organization or the performance of the award.
 - b. Restraints imposed by such factors as generally accepted sound business practices, arm’s length bargaining, Federal and state laws and regulations, and the terms and conditions of the award;
 - c. Whether the individuals concerned acted with prudence in the circumstances;
 - d. Consistency with established policies and procedures of the Organization, deviations from which could unjustifiably increase the costs of the award.
1. The cost must be “allocable” to an award by meeting on of the following criteria:
 - a. The cost is incurred specifically for a Federal award;
 - b. The cost benefits both the Federal award and other work, and can be distributed in reasonable proportion to the benefits received; or
 - c. The cost is necessary to the overall operation of the Organization, but, where a direct relationship to any particular program or group of programs cannot be demonstrated.
1. The cost must conform to any limitations or exclusions of Uniform Guidance 2 CFR 200 or the Federal award itself.
2. Treatment of costs must be consistent with policies and procedures that apply to both Federally financed activities and other activities of the Organization.
3. Costs must be consistently treated over time.
4. The cost must be determined in accordance with generally accepted accounting principles.
5. Costs may not be included as a cost of any other Federally financed program in the current or prior periods.
6. The cost must be adequately documented, including, for mileage and fuel costs, mileage logs and itemized fuel receipts annotated with a clear business purpose.
7. The cost must be recorded in the appropriate expense account and charged to the correct award and budget category.

Direct Costs

Direct costs include those costs that are incurred specifically for one award or non-Federal function. T.E.A.C.H., Inc. identifies and charges these cost exclusively to each award or program.

Each invoice shall be coded with the appropriate account number reflecting which program received direct benefit from the expenditure. Invoices are approved by the appropriate project director and reviewed by the Fiscal Officer. Each expenditure shall also be recorded in the expense account that reflects its nature, as described under “Accuracy of Expense Classification,” so that costs charged to an award are reported in the correct budget category.

Time sheets or personnel activity reports, described earlier, are also submitted on a regular basis reflecting employees’ work and which programs directly benefited from their effort. Time sheets or personnel activity reports shall serve as the basis for charging salaries directly to Federal awards and non-Federal functions.

Equipment purchased for exclusive use on a federal award and reimbursed by a federal agency shall be accounted for a direct cost of that award (i.e. such equipment shall not be capitalized and depreciated).

Indirect Costs

Indirect costs are those costs that either benefit more than one award (overhead costs) or non-federal function or that are necessary for the overall operation of T.E.A.C.H., Inc. (management and general costs).

T.E.A.C.H., Inc. maintains an annual indirect cost budget. Each year a new indirect cost budget is prepared and submitted to T.E.A.C.H., Inc. Cognizant Agency for approval. The indirect cost rate approved is used when determining the overhead applied to each federal award.

In accordance with 2 CFR 200.414(f), if T.E.A.C.H., Inc. does not have a current Negotiated Indirect Cost Rate Agreement (NICRA), it is entitled to elect a de minimis indirect cost rate of 10% of Modified Total Direct Costs (MTDC), which it may apply indefinitely without further negotiation. Consistent with the requirements of 2 CFR 200.414, Federal awarding agencies and pass-through entities must accept T.E.A.C.H., Inc.'s current negotiated indirect cost rate, or its elected de minimis rate, and may not require T.E.A.C.H., Inc. to accept a lower rate as a condition of a Federal award or subaward.

Examples of the types of expenditures normally included in the indirect cost pool are:

1. General administration
2. Salaries and benefits of the executive officers, finance, accounting and administrative personnel
3. Depreciation of equipment and buildings
4. Office rent and maintenance
5. General office repairs and maintenance

T.E.A.C.H., Inc.'s independent auditor has the responsibility of reviewing T.E.A.C.H., Inc.'s indirect cost rates. These rates are submitted to T.E.A.C.H., Inc.'s Oversight Agency and will be binding on all other federal agencies and their contracting officers unless specifically prohibited by statute.

Accounting for Specific Elements of Cost

T.E.A.C.H., Inc. shall utilize the following methods of charging specific elements of cost to federal awards as direct or indirect costs:

Salaries and Wages- Salaries and wages shall be charged directly and indirectly based on the functions performed by each employee, as documented on each employee's timesheet, as follows:

Direct costs- the majority of the employees of T.E.A.C.H., Inc. charge their time directly since their work is specifically identifiable to specific grants or other (non-federal) programs or functions of the organization.

Indirect costs- The following staff charge 100 percent of their salary costs indirectly:

Accounting Staff

Mixed charges- The following employees may charge their salary costs to both direct and indirect activities:

Executive Director

Administrative Assistants

Secretary/Receptionist

Compensated absences (vacation leave earned, sick leave used, and holiday pay) are considered part of salary costs. The accounting system of T.E.A.C.H., Inc. records salaries associated with compensated absences as a direct of indirect cost in same manner that salary costs are recorded.

Employee Benefits- T.E.A.C.H., Inc. incurs costs for the following statutory and non-statutory employee benefits:

FICA

Unemployment Insurance

Worker's Compensation

Health Insurance

Dental Insurance

Vision Insurance

Contributions to retirement plan

PHI Air Insurance

The total cost of all preceding employee benefits shall be determined by summing the cost associated with each benefit. This total employee benefit costs shall then be allocated directly and indirectly in the same proportions as salaries and wages.

Occupancy Expenses- Monthly rent expense and related pass-through expenses shall be allocated directly and indirectly, based on approximate square footage of space utilized, as follows:

Direct Costs- The cost of space occupied by staff whose salaries are directly charged to federal awards is charged directly to those same awards.

Indirect Costs- The costs of space occupied by staff whose salaries are indirectly charged is also charged indirectly. The cost of space for staff whose salaries are charged on a mixed basis (directly and indirectly) shall be allocated on a mixed basis in the same ratio as their salaries are allocated.

The cost of space associated with common areas, such as hallways, restrooms, and conference rooms, shall be accounted for as an indirect cost.

Utilities- Utilities costs incurred by T.E.A.C.H., Inc. include electricity and water. Such utilities costs shall be charged directly and indirectly in the same proportion as occupancy costs.

Supplies and Materials- To the maximum extent possible, office supplies and materials are charged directly to the grant or program/function that uses the supplies or materials, based on the completion of a supplies usage form. All supplies and materials used by staff who are engaged in indirect activities shall be charged indirectly.

Postage and Shipping- To the maximum extent possible, postage and shipping costs shall be charged directly to the grant or program/function that benefits from the postage or shipping costs, based on the postage log kept near the postage machine and the UPS/FedEx shipping logs.

Photocopying and Printing- Photocopying cost include all paper and copy supplies, copier maintenance charges and the actual lease cost or depreciation expense of the copier. Photocopying costs shall be charged directly and indirectly based on the user codes input into the copier prior to making photocopies.

All printing costs are charged directly to the benefiting grant or program/function.

Communications- Communications costs include the costs of local telephone service and long-distance telephone charges, including charges associated with telephone calls, facsimile transmissions, Internet dial-up connections.

Local telephone service costs are charged directly and indirectly based upon the number of telephone units assigned to T.E.A.C.H. Each telephone unit of T.E.A.C.H., Inc. is identified to either a direct or an indirect activity, as determined annually based on an approximation of time charges or employees associated with each telephone unit. No telephone units shall be charged as mixed-use units due to the immateriality of the costs involved. For example, if T.E.A.C.H., Inc. has 100 telephone units and 15 of those units are assigned to employees who work directly on a particular grant, 15 percent of each month's local telephone service costs shall be allocated to that grant.

Long-distance telephone calls are charged either directly or indirectly based upon whether a direct or indirect activity benefits from the transmission.

Outside Services- T.E.A.C.H., Inc. incurs outside service costs for its annual audit, legal fees, and for staff development specialists. Outside service costs shall be charged as follows:

Audit Fees- cost of the financial statement audit and preparation of Form 990 shall be charged as an indirect cost. Additional audit costs associated with that portion of the audit performed under 2 CFR Part 200, Subpart F (the Single Audit) shall be charged directly to the audited programs, based on estimates received from the independent CPA firm.

Legal Fees- Legal fees shall be charged directly to the program/function that benefits from the services. Legal fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Staff Development Specialists- Costs associated with staff development specialists shall be charged directly to the program/function that benefits from the services. Fees that are not identifiable with specific direct grants or programs shall be charged indirectly.

Insurance- to the extent that insurance premiums are associated with insurance coverage for specific grants or programs, those premium costs shall be charged directly. All insurance costs that are not identifiable with specific direct grants or programs (such as the Organization's general liability coverage) shall be charged indirectly.

Credits- The applicable portion of any credits resulting from cash discounts, volume discounts, refunds, write-off of stale outstanding checks, trade-ins, scrap sales or similar credits shall be credited directly or indirectly in the same manner as the purchase that resulted in the credit.

Cost Sharing and Matching

It is the policy of T.E.A.C.H., Inc. to value contributed services and property that are to be used to meet a cost sharing or matching requirement at their fair market values at the time of contribution, unless award documents or Federal agency regulations identify specific values to be used.

T.E.A.C.H., Inc. shall claim contributions as meeting a cost sharing or matching requirement of a Federal award only if all of the following criteria are met:

1. They are verifiable from T.E.A.C.H., records
2. They are not included as contributions for any other federally-assisted project or program.
3. They are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
4. They are allowable under Federal Uniform Guidance 2 CFR 200

5. They are not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
6. They are provided for in the approved budget when required by the Federal awarding agency.
7. They conform to all provisions of Federal Uniform Guidance 2 CFR 200
8. In the case of donated space, the space is subject to an independent appraisal to establish its value.

Contributed services used for cost sharing or matching purposes shall be valued at rates consistent with those rates paid for similar work in the Organization (match up experience and skill level), including an estimate of reasonable fringe benefits. In cases in which the required skills are not found in the Organization, rates used shall be consistent with those paid for similar work in the labor market in which T.E.A.C.H., Inc. competes.

It is the policy of T.E.A.C.H., Inc. to require volunteers to document and account for their contributed time in a manner similar to the time-keeping system followed by T.E.A.C.H., Inc. employees.

Effective Date(s) of Accounting Policies

The effective date of all accounting policies described in this manual is September 10th, 2026. If a policy is added or modified subsequent to this date, the effective date of the new/revised policy will be indicated parenthetically immediately following the policy heading.

T.E.A.C.H., Inc.

Proposed Salary Schedule - 2027

Administration	Step I	Step II	Step III	Step IV	Step V	Step VI	Step VII
Clerk/Receptionist	18.27	19.18	20.14	21.15	22.21	23.32	24.48
Data Entry	19.87	20.86	21.91	23.00	24.15	25.36	26.63
Human Resource Manager	25.03	26.28	27.60	28.98	30.42	31.95	33.54
Payroll/AP Clerk	22.71	23.85	25.04	26.29	27.60	28.98	30.43
Administrative Assistant	26.10	27.41	28.78	30.21	31.72	33.31	34.98
Maintenance	20.18	21.19	22.25	23.36	24.53	25.76	27.04
Modoc Crisis Center							
Client Services/Crisis Center	21.87	22.96	24.11	25.32	26.58	27.91	29.31
Lead Client Svcs/Education Specialist	25.69	26.97	28.32	29.74	31.23	32.79	34.43
Donation Coordinator/Thrift Store Clerk	17.40	18.27	19.18	20.14	21.15	22.21	23.32
Life Skills Instructor	21.03	22.08	23.19	24.34	25.56	26.84	28.18
Parenting Specialist (degree)	26.15	27.46	28.83	30.27	31.79	33.37	35.04
Project Coordinator	25.50	26.78	28.11	29.52	31.00	32.55	34.17
Program/Project Director	35.13	36.89	38.73	40.67	42.70	44.84	47.08
Community Connections							
Director/ credentialed	45.95	48.37	50.91	53.59	56.41	59.38	62.35
Program Coordinator	22.68	23.81	25.00	26.25	27.57	28.95	30.39
Skills Developer	19.05	20.00	21.00	22.05	23.16	24.31	25.53
Assistant	17.40	18.27	19.18	20.14	21.15	22.21	23.32
Resource & Referral							
Child Care Services Coordinator	20.06	21.06	22.12	23.22	24.38	25.60	26.88
A/P Program Specialist	24.05	25.25	26.52	27.84	29.23	30.69	32.23
Office Coordinator	18.06	18.96	19.91	20.91	21.95	23.05	24.20
Latchkey Director	20.01	21.01	22.06	23.16	24.32	25.54	26.82
Child Care Provider/Latchkey	17.40	18.27	19.18	20.14	21.15	22.21	23.32
Preschool Director/Site Supervisor	24.02	25.22	26.48	27.81	29.20	30.66	32.19
Housing							
Lead Case Manager	26.46	27.78	29.17	30.63	32.16	33.77	35.46
Case Manager	24.02	25.22	26.48	27.81	29.20	30.66	32.19
Wellness Center							
Senior Services							
Cook	18.02	18.92	19.87	20.86	21.90	23.00	24.15
Prep Cook/Dishwasher	17.40	18.27	19.18	20.14	21.15	22.21	23.32
Meal Delivery	17.40	18.27	19.18	20.14	21.15	22.21	23.32
Administrative Assistant/Data	17.43	18.30	19.22	20.18	21.19	22.25	23.36
Program Director	23.13	24.29	25.50	26.78	28.11	29.52	31.00
AMY (these positions are .75 FTE Maximum)							
Director	40.00	42.00	44.10	46.31	48.62	51.05	53.60
Career Navigator	29.67	31.15	32.71	34.35	36.06	37.87	39.76
College Core	18.00	18.90	19.85	20.84	21.88	22.97	24.12
Adult Education							
Instructor	31.50	33.08	34.73	36.47	38.29	40.20	42.21
Aid	23.63	24.81	26.05	27.35	28.72	30.16	31.67
Modoc Foster Family Agency							
Administrator -Licensed	42.00	44.10	46.31	48.62	51.05	53.60	56.28
Supervising Social Worker-Licensed	35.70	37.49	39.36	41.33	43.39	45.56	47.84
Social Worker- 4 year degree	32.38	34.00	35.70	37.48	39.36	41.33	43.39