

 Meadows Arts and Technology Elementary School	Fiscal Policy	
	Last Reviewed/Revised: 10/15/2018	Effective Date: 08/31/2009
Reference Number: BO-FIS-10152018	Original Author: MATES Board	Policy Status: Active

PURPOSE:

The Board of Directors (“Board”) of Meadows Arts and Technology Elementary School (“MATES”) is responsible for obtaining, managing and using financial resources to further the goals of supporting a free public charter school and to further the educational goals of the Board and the MATES community.

SCOPE:

This policy applies to all MATES Board members and employees and their actions related to fiscal responsibility and decision making.

GENERAL POLICY STATEMENT:

The Board is committed to ensuring the fiscal health of MATES and providing public accountability. The Board shall adopt sound fiscal policies, oversee MATES’ financial condition, and ensure that the financial systems support the MATES’ goals for student achievement.

POLICY DETAILS:

1. FISCAL MANAGEMENT STANDARDS

- 1.1. In recognition of the trust and responsibility placed with the Board to manage financial resources for the school educational program, the Board establishes the following standards:
 - 1.1.1. The Board and all employees of MATES will manage and use available funds efficiently and effectively to meet the goals of the Board and school.
 - 1.1.2. Accounting, financial reporting and management control systems will be designed and maintained to enable the Board to have access to accurate, reliable and relevant data, and to permit audits and periodic reports adequate to show that those in charge have handled funds within legal requirements and in accordance with Board policy.
 - 1.1.3. The Executive Director or designee will keep the Board sufficiently informed regarding the budget through periodic reports and any other appropriate means so that the Board can deliberate and evaluate the budget.
 - 1.1.4. No monies will be expended, regardless of the source (including moneys derived from federal, state, local or private sources), except in accordance with the Board’s budget resolution or amendments to the budget resolution.
 - 1.1.5. The Executive Director and school employees will be familiar with state and Board requirements related to managing and using fiscal resources and will comply with these requirements in developing and implementing school plans.
 - 1.1.6. Should the Board approve use of funds (\$5,000 or more)for school facilities renovations, capital improvement or upgrades, they must be made

in compliance with county, state, city, district or other jurisdiction requirements. The Executive Director is responsible to ensure compliance and obtain landlord approval for renovations.

2. BUDGET PLANNING AND ADOPTION

2.1. Budget planning and preparation is critical to the development of a budget likely to further the educational goals of the Board and the community and to provide for the smooth operations of MATES.

2.2. In recognition of the importance of the budget planning process, the budget planning for the Board and school administration will include:

2.2.1. Establishing the priorities of MATES, recognizing that improving student success will always be of paramount concern.

2.2.2. Considering long-range plans, goals and objectives as established by the Board and Executive Director when assessing the needs of MATES.

2.2.3. Integrating budget planning with program planning so that the budget may be effectively implemented across all programs and activities of MATES.

2.2.4. Seeking opportunities to communicate budget needs with the charter sponsoring agency on a regular basis, especially in regard to capital outlay.

2.2.5. Seeking participation by administrators, teachers, parents and citizens.

2.2.6. Exploring all practical and legal sources of income.

2.2.7. Continually assessing the needs, revenues and expenses of MATES.

2.2.7.1. Assessment of certificated and classified salaries should be considered bi-annually.

2.2.8. Identifying the most cost effective means of meeting MATES' needs.

2.2.9. Undesignated Reserves in excess of the 5% state required Economic Uncertainty Reserve shall be maintained at a minimum of 23% of the total year end revenue. Use of Undesignated Reserves that would reduce the Undesignated Reserves below the 23% requires Board approval. Substantial increases or decreases of yearly Revenue (5% or more on a year to year basis), require review and possible revision to the minimum Undesignated Reserve requirement by the Board.

2.2.10. Projected/ actual budget deficits or savings amounts shall clearly be shown in budget updates. Modifications to the budget savings and or deficits shall clearly be communicated via separate account or other in Budget.

2.2.11.

3. BUDGET REVIEW AND ADOPTION PROCESS

3.1. The Board will submit a calendar outlining the annual budget development process by April 30th . The Board Chief Financial Officer ("CFO") will prepare an annual budget and submit it with his or her budget message to the Board no later than the first board meeting in May.

3.2. On the same day that the budget is submitted to the board, the Board will file a copy of it in a publicly accessible location, where it will remain available for public inspection until the budget resolution is adopted.

3.3. The Board will hold at least one public hearing on the proposed budget prior to final action. Prior to final action, the Board will consider the budget and make such changes therein as it deems advisable.

3.4. The Board will adopt a budget resolution in conformance with all legal requirements. The budget resolution will be entered in the minutes of the board. Within five days after adoption, the Board will submit the entire budget as approved by the Board to the County Superintendent on or before July 1st.

- 3.5. The Board CFO or designee shall submit two interim fiscal reports to the Board, the first report covering MATES' financial and budgetary status for the period ending October 31st and the second report covering the period ending January 31st. The reports and supporting data shall also be available by MATES for public review prior to Board approval. An interim financial report shall be approved by the Board and submitted to the County Superintendent on or before December 15th. A second interim financial report shall be approved by the Board and submitted to the County Superintendent on or before March 15th.
- 3.6. The Business Services Authority or designee shall prepare a statement of all unaudited actual receipts and expenditures of MATES for the preceding fiscal year. The Board shall approve this statement and file it with the County Superintendent on or before December 31st.
4. BUDGET RESOLUTION
 - 4.1. Through the budget resolution, the Board appropriates sums it determines are sufficient and proper for the budget year. The Board will provide maximum flexibility to the Executive Director in the use of funds to enable MATES to accomplish its student performance goals. MATES will not expend any monies, regardless of their source, except in accordance with the budget resolution adopted by the Board.
5. DEPOSITORIES
 - 5.1. The Board will designate as official depositories of the school, one or more banks, savings and loan associations, or trust companies. No money will be deposited in any place other than an official depository.
6. INTERNAL CONTROLS
 - 6.1. The Board shall develop a system of internal control procedures in order to monitor and safeguard MATES resources. To properly segregate duties within MATES, the Board CFO or designee shall ensure that purchasing, receiving and payment functions are kept separate, and that approvals for purchase orders and payments are made exclusively by persons authorized by the Board as per the Board approved Certification of Signatures. The Board shall approve all payments and purchase orders at a regularly scheduled Board meeting. Any individual contract or purchase of goods or services over \$5,000 must be pre-approved by the Board prior to issuance.
7. INSURANCE
 - 7.1. The Board will maintain insurance adequate to safeguard MATES' property and assets. Each fiscal year, the Board CFO in conjunction with the Executive Director and Ventura County Business Services Authority will make recommendations to the Board on the amounts and types of insurance which should be obtained, such as errors and omissions, general liability, boiler and machinery, real and personal property, auto liability and workers' compensation.
 - 7.2. Insurance premiums will be included in the budget as a necessary expense.
 - 7.3. The Executive Director or designee will maintain custody of insurance policies and insurance programs.
8. Budget Reserves
 - 8.1. The Board shall develop a minimum reserve policy that meets the California Department of Education (CDE) guidelines for economic uncertainty (see below).
 - 8.1.1. The CDE metric used to gauge minimum reserves is based on current Average Daily Attendance (ADA).

- 8.2. In accordance with the CDE metric, the Board will set-aside four percent for minimum economic uncertainty reserves based on MATES ADA.
- 8.2.1 The Board shall also develop an additional reserve policy that exceeds the CDE minimum for local purposes.
- 8.2.2 These additional reserves will be used to support future operations, facility renovations, and maintain cash reserves for expenditure purposes.
- 8.2.3 The Board may use the School Services of California’s (SSC) annual Reserve publication as a barometer for setting this portion of reserve policy (see attachment).
- 8.2.3.1 The SSC publication lists average unrestricted general fund reserves for elementary school districts in the State of California.
- 8.2.3.2. The SSC publication is typically released during the spring of each year for reserve averages of the prior fiscal year.
- 8.2.3.3 At the end of each fiscal year, the Board will allocate these additional reserves to categories that reflect the priorities of the Board.
- 8.3 The Board reserve allocations will be reflected on the succeeding 1st Interim Budget Report.

CDE Minimum Reserve Policy

10. CRITERION: Reserves

STANDARD: Available reserves¹ for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts² as applied to total expenditures and other financing uses³:

DATA ENTRY: Current Year data are extracted. Enter district regular ADA corresponding to financial data reported in the General Fund, only, for the two subsequent years.

Percentage Level	District ADA		
5% or \$66,000 (greater of)	0	to	300
4% or \$66,000 (greater of)	301	to	1,000
3%	1,001	to	30,000
2%	30,001	to	400,000
1%	400,001	and	over

NON-COMPLIANCE TO POLICY:

Violations of this policy may result in the Board Member or employee being subject to disciplinary action in accordance with Board disciplinary policy and administrative regulations.

GOVERNANCE:

The MATES Board will be responsible for monitoring adherence to the policy.

REVIEW CYCLE:

The MATES Board will be responsible for reviewing the policy every two years or more frequently as required.

REVISION HISTORY:

<u>Policy Version:</u>	<u>Effective Date:</u>	<u>Revision:</u>
BO-FIS-08312009	8/31/2009	Original Version
BO-FIS-03152010	3/15/2010	Modify Review Cycle section to modify cycle from bi-annual to

BO-FIS-05212012	5/21/2012	every two years. Reviewed and modified in accordance with review every two years requirement.
BO-FIS-05052014	05/05/2014	Reviewed and modified in accordance with review every two years requirement.
BO-FIS-05222017	05/22/2017	Reviewed and modified in accordance with review every two years requirement. Addition of section 8 Budget Reserves
BO-FIS-10152018	10/15/2018	Reviewed and modified in conjunction with Fundraising Policy and Supporting Organization Policy Updates.