

Financial Administration

With respect to the actual, ongoing financial condition and activities of the charter school, the administrator shall not cause or allow fiscal jeopardy or a material deviation from the annual budget or any budget policies adopted by the Charter Board, or any fiscal condition that is inconsistent with achieving the charter school objectives.

Expending Charter Board Funds

The administrator shall take reasonable steps to ensure that only funds that have been received in the fiscal year to date are expended, unless authorized by Charter Board resolution.

Reporting to Charter Board and Community

Audits

All charter school funds and accounts shall be audited by an independent auditor annually in accordance with state law and Charter Board policy concerning the annual audit. All charter school funds and accounts shall be audited internally on a quarterly basis. Timely and appropriate corrective actions shall be taken in accordance with any internal or external audit findings.

NOTE: Quarterly audits are not required by law but may be a useful tool for the Board.

The Charter Board shall receive all audit reports and be informed of all corrective actions taken.

Financial Reports

Monthly Reports

The administrator or designee shall prepare and submit to the Charter Board a monthly cash receipts and disbursements report.

Quarterly Reports

NOTE: Quarterly reports are now required by law for the general fund and on any other funds per the Charter Board's request.

The administrator or designee shall prepare and submit to the Charter Board a quarterly fiscal actions report of all charter school funds. The quarterly report shall include:

- The actual amounts spent and received as of the date of the report from each of the funds budgeted by the charter school for the fiscal year, expressed as dollar amounts and as percentages of the annual budget

- The actual amounts spent and received for each fund for the same period in the preceding fiscal year, expressed as dollar amounts and as percentages of the annual budget
- The expected year-end fund balances, expressed as dollar amounts and as percentages of the annual budget
- A comparison of the expected year-end fund balances with the amount budgeted for that fiscal year
- Details on the charter school major tax and revenue sources, with variance analysis that shows the factors that are affecting revenue inflow.

The format and basis for reporting shall be consistent with the adopted budget and the past year's generally accepted accounting procedures results.

Reconciliation Report

The administrator or designee shall prepare for the Charter Board an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis of accounting and the modified accrual basis of accounting. The reconciliation shall include, but is not limited to, the liability for accrued salaries and related benefits. The reconciliation shall be included with the final version of the amended budget and the annual audited financial statements.

The Charter Board shall receive all financial reports in a timely manner and be informed of all corrective actions taken.

The administrator or designee shall conduct quarterly financial reviews with the Charter Board using reports described above.

The Charter Board may request other financial reports as needed.

Oral Notification

The administrator shall assure that immediate verbal notification be given to the Charter Board regarding any potential financial problem or any matter that may affect the charter school financial condition or ability to achieve its mission.

Available to Public

All financial and audit reports shall be made available to the public and shall be posted online in accordance with the Public School Financial Transparency Act.

Legally-Required Reports

Reports and filings required by state and federal law and agencies shall be accurately and timely filed.

Record Keeping

Complete and accurate financial records shall be kept for all charter school funds and accounts.

Operating Losses or Deficits

The administrator, as well as all fund directors, program directors, and department heads, shall take all reasonable steps to identify funds, programs, departments, or schools that may end the fiscal year with an operating loss or deficit. A corrective action plan shall be developed and implemented within 30 days of such identification.

The administrator, as well as all fund directors, program directors, and department heads, shall develop and implement processes whereby variations or deviations in cash flow, revenues, or other important financial indicators can be identified and dealt with in a timely manner.

Employee Reporting

The administrator shall develop and implement procedures to encourage all charter school employees to report suspected financial problems or wrongdoing. No adverse employment decisions shall be taken in response to a good faith report by an employee.

Contingency Planning

The administrator or designee shall continually be aware of the financial and political landscape both internally and externally and shall develop contingency plans against possible events.

LEGAL REFS: C.R.S. 22-2-113.8 (Annual report required regarding additional local property tax revenues received and the amount distributed directly to the district's schools.)
C.R.S. 22-44-105 (1.5)(b) (Itemized reconciliation)
C.R.S. 22-44-301 *et seq.* (Public School Financial Transparency Act)
C.R.S. 22-45-102 (1)(b) (Quarterly Financial Reports)

CROSS REFS: KD, Public Information and Communications

NOTE: The Board may wish to establish a community audit or financial oversight committee consisting of business persons familiar with financial matters, accountability committee members, parents, and others.

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