

## CONNECT CHARTER SCHOOL SOCIETY

Policy Title: **Fiscal Management**

Policy No. **3.02**

**RATIONALE:** The Board recognizes that clearly defined fiscal management procedures are required to reduce financial risk and adhere to operating and capital budgets.

**POLICY:** The Board is committed to utilizing available financial resources from Alberta Education, school operating reserves, and other sources, for the maximum benefit of students. Stewardship of resources will be maintained in accordance with Charter principles and the future financial viability of the school.

### PRINCIPLES:

1. The annual budget will reflect and support the fulfillment of the Charter and the goals established in the Three-Year Education Plan and the Board's Strategic Plan.
2. Connect Charter School is committed to:
  - a. Broad-based participation in the development of the annual budget
  - b. Long-range financial planning and risk management
  - c. Reporting accurate and understandable financial information in the Annual Education Results Report
  - d. The establishment and maintenance of appropriate financial reserves.
3. The Secretary Treasurer shall ensure that appropriate accounting procedures are followed and appropriate records are maintained as they apply to charter schools and referencing Alberta Education Guidelines for the Preparation of School Jurisdiction Audited Financial Statements.
4. The Superintendent(s), in conjunction with the Secretary Treasurer, shall implement a sound and sensible internal financial control system to minimize any financial risk and opportunity for error or fraud.

First Reading	<u>March 1, 2005</u>
Adopted	<u>May 24, 2005</u>
Amended	<u>Sept. 6, 2005</u>
Amended	<u>April 22, 2008</u>
Amended	<u>May 21, 2013</u>
Amended	<u>March 13, 2018</u>

## **PROCEDURES**

### **Budget**

1. The Superintendent, Secretary Treasurer and Principal with input from the staff and School Council will prepare an annual operating budget. The Audit and Finance Committee will review the budget and make recommendations to the Board of Directors (Board) for approval.
2. Sound decisions regarding financial management, including determining the operating budget, must be based on accurate and timely information. To this end, the Board and school administration shall receive regular budget status reports throughout the year.
3. In developing a budget the primary focus is on promoting and facilitating exemplary teaching, learning and leadership and fully utilizing available resources for this purpose.

### **Purchasing**

1. All expenditures must be in accordance with the budget.
2. Purchases of supplies, services and equipment individually valued over \$1,000 require approval by the staff member(s) including the Principal, prior to initiating the purchase.
3. Three quotes are required for individual budgeted purchases of goods, services or equipment valued over \$10,000, unless otherwise approved by a majority of the Audit & Finance Committee.
4. Contractors must provide proof of compliance with Workers' Compensation Board coverage unless exempted by legislation.
5. All contracts require Board approval and the signature of the Board Chair.
6. Non-budgeted expenditures must be approved by the Board.
7. Travel and subsistence expenses of the Principal and Secretary Treasurer require the approval of the Superintendent(s).
8. Expenses of the Superintendent that are not covered in the Superintendent's contract require approval of the Audit & Finance Committee and/or the Board.
9. All persons authorized to have and use a school credit card shall be required to sign an agreement regarding the acceptable uses of the card.
10. The school credit card should be used to make internet purchases, purchases in US funds and purchases from occasional vendors. All Visa purchases are approved by the principal, secretary treasurer and the superintendent.
11. Persons requesting reimbursement for purchases made with personal funds shall complete a cheque requisition, attach the original receipts and forward these to the appropriate budget manager for coding and approval.
12. On a timely basis, the Principal and/or designate, approve the invoices and cheque requisitions for payment, and forward the documentation to Accounts Payable.

13. The Secretary Treasurer verifies the coding, supporting invoices and documentation approves the invoice batch and signs the check.
14. The Superintendent reviews the cheques and backup and signs the cheques.

### **Banking**

1. The Secretary Treasurer is responsible for updating the documentation for signatories with the Society's financial institution.
2. The Board Chair, Vice Chair, Past Chair, Chair of the Finance Committee, Superintendent, Secretary Treasurer, Principal, and Assistant Principals, are designated signatories.
3. Payments for recurring monthly expenses for utilities and employee benefit remittances, and credit card may be completed with online banking services.
4. All cheques require two signatories.
  - a. Cheques valued up to \$1000 may be signed by the superintendent, principal and secretary treasurer, or other authorized signatory.
  - b. Cheques valued over \$1,000 require the signature of the secretary treasurer and the superintendent or Board member.
5. Any new bank accounts associated with the Connect Charter School Society require prior Board approval.
6. Investments with a term extending beyond one year require the approval of the Audit & Finance Committee.

### **Payroll**

1. All employment contracts shall be approved by the Board.
2. Current employment and payroll records shall be maintained by the Secretary Treasurer in a fire proof cabinet.
3. The monthly payroll is prepared by the Accounting Specialist and approved by the Secretary Treasurer and Superintendent.
4. Pension and Sun Life withholdings shall be remitted monthly, on or before the applicable deadlines.

### **Receipt of Revenues**

1. The Receptionist opens the mail and gives any cheques to the Administrative Secretary, who stamps them 'For Deposit Only'.
2. The Administrative Secretary enters all cheques and cash on a deposit spreadsheet. The deposit spreadsheet is forwarded to the School Assistant who verifies the deposit and creates a deposit slip.
3. The deposit is taken to the Bank by the Administrative Secretary or the Secretary Treasurer.
4. Money collected from students for various activities must be brought to the office and given to the Administrative Secretary to lock up at the end of each day.

## **Reporting**

1. Monthly, the Secretary Treasurer;
  - a. prepares a balance sheet, bank reconciliation, comparative income statement, variance analysis and cash flow forecast for the approval of the Audit & Finance Committee
  - b. prepares a comparative income statement and balance sheet, variance analysis and cash flow forecast for review with the Leadership Committee
  - c. prepares a statement of year-to-date purchases compared to budget for each Program Teacher Leader.
2. Quarterly, the Secretary Treasurer prepares a balance sheet, summary comparative income statement, variance analysis and cash flow forecast, for the Board.

## **Security of Data**

1. The service provider for the accounting software, *Attrieve*, hosts our financial system and backs up the financial data, nightly Monday through Friday. All data is stored in Canada, and both live and backup data use the same secure protocols for transmission.
2. Payroll and financial records are maintained according to provincial record retention schedules.

Procedures are simplified but there is an Internal Controls memo which is part of our external audit.

## **Reserves**

1. The Audit & Finance committee will annually review the operating reserves of Connect Charter School Society to determine optimal levels for cash flow and allow for other priorities and procedures to access those reserves.

