



SAMPLE – NH Charter School Financial Policies

FISCAL MANAGEMENT GOALS

1. The Board will be vigilant in fulfilling its financial responsibility, using funds as wisely, efficiently, and conservatively as possible.
2. The Board is committed to the following goals for its fiscal management:
3. To engage in advanced planning, carefully forecast anticipated financial needs, and seek out varied sources of revenue to meet those needs,
4. To exert flexibility and business-mindedness during the year, applying funding where they are needed, even if other than planned—to withhold spending, if time and clarity show a planned expense is not essential,
5. To encourage a conservative spending ethic and approach to expenditure needs, including but not limited to recycling paper, being resource-efficient with energy, and using available property services,
6. To prioritize dollars available for the greatest educational return and the greatest contributions to students and their educational program,
7. To find resources (fiscal and material) so students and teachers have the essential supplies they need to meet educational program goals,



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8. To use budget projection methods that clarify quarterly and year-end expenditure needs,
9. To provide timely budget information to staff, including school policy and guidelines for requesting and managing money within the school,
10. To adopt careful procedures for accounting, reporting, purchasing, payroll, payment of vendors, contractors, and all areas of fiscal operations,
11. To hold a high standard for board members and others as regards conflict of interest, and impartiality in the awarding of contracts for good and services.
12. To sustain an entrepreneurial spirit, attempting each year to find new sources of revenue, innovative ways to meet expenditures, and to save and invest wisely any available resources.



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BOARD FIDUCIARY DUTY

The Board of Trustees shall establish a Finance Committee or appoint two (2) Finance designees from among members of the Board.

The tasks relate to this assignment are:

- 1) to designate depositories for safekeeping of school funds,
- 2) to authorize release of the school's funds for payment of accounts,
- 3) to review the school's cash flow, revenue, and investment policies and practices and make recommendations on these matters,
- 4) to review financial reports that summarize budget, investment, and financial activity.

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FISCAL YEAR

The <name> charter school follows a fiscal year defined as beginning the first day of July and ending on the thirtieth day of the following June.

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ANNUAL BUDGET

The Board recognizes that one of its primary responsibilities is to review and approve an annual budget, and to secure adequate funds to carry out the educational program.

The Board will assure that the budget is prepared and presented early enough in each annual cycle to allow for discussion and research. The Board expects all its school members to do their part to clarify both essential and wishful needs, providing back up materials.

The annual school budget process is an important charter school function and should serve as a means to communicate the school's program.

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BUDGET IMPLEMENTATION

The Board assigns the School Director responsibility for administering the operating budget and collaborating with finance advisors as to available resources. The School Director is authorized to implement the budget subject to review by the Board and will follow these provisions:

1. all budget actions are consistent with New Hampshire law, generally accepted accounting industry standards, and board policy,
2. all expenditures of funds will be made in accordance with status of budget encumbrances and balances,
3. revenue from any Federal or State sources is implemented in accordance with any specific federal or state laws or requirements,
4. financial reports are presented to the Board so the Board is informed of current and future financial matters,
5. all accounts are audited annually.

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AUTHORIZATION TO RELEASE CHARTER SCHOOL FUNDS

It is the policy of the Charter School that all disbursements made on behalf of the Charter School shall be processed according to the provisions of RSA 107:23-a:

The treasurer shall have custody of all monies belonging to the [Charter School] and shall pay out the same only upon orders of the [Charter School Board] or upon orders of two (2) or more members empowered by the school board as a whole to authorize payments...

The Board will require Board signatures on the financial manifests where any item or items are brought forward. Purchasing includes any charter school purchasing, including normally used supplies or materials, any furniture or equipment items specifically or individually identified in the Charter School's annual budget, or purchases identified in any listing that has been approved, such as for building renovations.

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AUTHORIZED SIGNATURES ON CHECKS

Checks drawn on the general fund* and any special fund* (with the exception of student activity accounts) will require the signature of the charter school Treasurer.

In the event the treasurer is absent, the Board's approved co-treasurer or assistant treasurer shall sign.

Checks drawn on a school/student activity fund will require the signature of the School Director.

*From the New Hampshire Financial Accounting Handbook for Local Education Agencies

General Fund: Accounts for all financial resources of the LEA except those required to be accounted for in another fund.

Special Revenue Fund: Accounts for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

CONTRACT SIGNING

The Chairperson of the Charter School Board will sign any written contract to which the Charter School may be a party when such contract has been authorized or approved by the Board.

The Chairperson, at his or her discretion, may designate the School Director to sign a specific contract.

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ANNUAL AUDIT

There shall be an annual independent audit of the <name> Charter School financial records. The Board shall select an auditor, review the auditor's report, and take any needed action to assure that financial management meets GAAP requirements and public school standards.

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PROCUREMENT OF GOODS AND SERVICES

The Board declares its intention to purchase wisely and competitively, to seek creative options for meeting school needs and to maximize educational value for every dollar expended.

The acquisition of supplies, equipment, and services will be centralized, with coordination between the School Director and the financial manager. The board assigns responsibility for all purchasing and procurement decisions to the School Director with advisement from the Business Manager or Business Committee, as needed.

The primary factors governing this responsibility for the quality, quantity, and type of procurement or purchase made is that all decisions fall within the framework of budgetary limitations and be consistent with the approved educational goals and programs of the charter school.

The Board welcomes suggestions from members of its school and business community for meeting these goals.

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COOPERATIVE PURCHASING

The Charter School Board authorizes the School Director to join in cooperative purchasing with other districts/schools to take advantage of lower prices and/or to reduce administrative costs whenever it is in the best interest of the Charter School.



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LOCAL PURCHASING

It shall be the policy of the Charter School to purchase locally-provided goods of equal quality and at competitive prices, when available from local suppliers.

The Charter School purchasing agent should not feel bound to purchase any item locally that can be secured at a saving to the charter school from outside sources, nor shall he/she feel bound to purchase locally unless adequate services and delivery can be given by the local supplier.



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APPROVAL OF PURCHASES

The School Director is the person authorized to give final approval for procuring goods and services and sign purchase orders. Signing a purchase order shall indicate that sufficient budgetary funds are available to make the purchase, that budgetary account number(s) and quantities of item(s) are clearly indicated, and that the vendor name and address is clearly delineated.

Other than petty cash and emergency expenditures, all requests to procure goods and services will be by signed purchase order, contract, or service agreement so there is a record of all transactions obligating school funds.

The School Director will recommend line item transfers to the Charter School Board, as conditions may require.

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EXPENSE REIMBURSEMENT

Expenses to be submitted for reimbursement need prior approval of the School Director.

Requests for expense reimbursement must be submitted on a properly filled out voucher with supporting receipts attached.

The Board reserves the right to review reimbursement requests.

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PAYROLL PROCEDURES

All salaries and supplement paid regular staff members, substitute or part-time personnel, and student workers will be paid through the Payroll <service> <or office>.

Proper payroll procedures are dependent on staff attendance accounting. The necessary procedures for this will be established by the Board and carried out by administrative personnel.

Compensation records kept by any payroll service will reflect an accurate history of the compensation and benefits accorded each employee.



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SALARY DEDUCTIONS

No liens shall be made upon an employee's wages except by a court order.

The employee will provide the School Director thirty (30) days written notice of the intent to terminate a salary deduction unless a longer period is prescribed by applicable law.

Optional salary reductions will require the employee's written pre-approval.

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SALES CALLS AND DEMONSTRATIONS

The school values time available in the school day for educational program.

Sales representatives are not permitted to call teachers or other school staff during the school day and/or to interrupt the student program without authorization from the School Director.

The Charter School Director may permit sales representatives of educational products to see staff at times that will not interfere with the educational program.



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BIDDING REQUIREMENTS

Formal bidding procedures will be used for service and other contracts anticipated to cost more than \$5,000, five thousand dollars. When specifications are needed, they shall be:

1. prepared by the administration,
2. approved by the Charter School Board, or designated subcommittee,
3. mailed to any identified potential bidders.

Bidding requirements will include:

1. all bids shall be submitted in sealed envelopes and plainly marked as indicated in the bid specifications,
2. bids will be publicly opened at an announced time, on a specific date.

The Charter School Board reserves the right to reject any or all bids and to accept that bid which appears in the best interest of the Charter School. The Charter School Board reserves the right to waive any informality in, or reject any part of, a bid. The Charter School Board reserves the right to negotiate with the successful bidder.

The bidder to whom the award is made will be required to enter into written contract or service agreement.

The Charter School Board may dismiss the formal bidding requirement, e.g. for single source suppliers.



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PETTY CASH ACCOUNTS

A petty cash account may be established for <name of school> in the amount approved by the Board.

Expenditures against these funds must be itemized and documented with receipts, and will be charged to the applicable budget code.

The School Director or his/her designee will be the custodian of the school's petty cash account.

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PETTY CASH ACCOUNTS

REGULATIONS

Petty cash is designed for incidental purchases and should not be used to circumvent the Board's purchase order process.

The School Director shall administer petty cash funds for the Charter School as follows:

1. No purchase will be reimbursed through a petty cash account unless accompanied by a receipt and noted in a petty cash report.
2. The petty cash report and accompanying receipts should be turned in at least quarterly to the business office so the petty cash fund can be reimbursed.
3. When the petty cash is reimbursed the proper account(s) will be charged for expenditures.
4. Money received for reimbursement must be put directly into petty cash.
5. Petty cash accounting must be reconciled and accounted for with the accountant or financial manager.

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CASH IN SCHOOL BUILDINGS

All money collected by school employees and student treasurers shall be handled according to specific procedures provided by the school's financial manager and must conform to auditing requirements for handling money in schools.

All money collected shall be maintained by pre-numbered receipts, accounted for and directed without delay to the proper location of deposit.

In no case shall more than \$100.00, one hundred dollars, be left overnight in schools, except in safes proved for safekeeping of valuables. The <name of school> shall have provisions for making bank deposits after school hours to avoid leaving money in the school overnight.

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INCOME FROM SCHOOL SALES AND SERVICES

All receipts from any school sale, program, or service shall be adequately controlled.

Adequate records shall be maintained by the School Director or designee in accordance with guidelines provided by the school's financial manager, with chronological accounting data for subsequent review and analysis.



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SCHOOL/STUDENT ACTIVITY ACCOUNTS

The <name of charter school> may develop and maintain school/student activity accounts, as determined by program and need.

All receipts and expenditures related to school activity accounts shall be adequately controlled.

Adequate records shall be maintained by the School Director or designee in accordance with guidelines provided by the school's accountant. Detailed chronological accounting data shall be maintained for subsequent review and analysis.

The school/student activity accounts will be reviewed internally, as needed, and audited annually.

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INVENTORIES

An inventory of all items valued at over one hundred dollars (\$100.00) will be maintained at the charter school's administrative office.

Areas of inventory shall include:

- 1) buildings, out-buildings, and grounds,
- 2) vehicles,
- 3) general equipment,
- 4) technology equipment, software, and licenses,
- 5) furniture.

Each employee shall be responsible for maintaining an inventory of assigned classroom(s), other spaces, and storage areas used, so that all areas are assigned and included in the comprehensive inventory.

All classroom inventories shall be updated annually, no later than June 30th.

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SCHOOL PROPERTY DISPOSAL PROCEDURES

The Board authorizes disposition of various categories of obsolete items according to the following priority actions:

1. disposing according to any pre-conditions or agreements that might exist,
2. selling to the highest bidder or other business arrangement that is in the best financial interest of the Charter School,
3. donating, when practical, to charitable organizations and schools,
4. giving to local citizens,
5. removal to the dump, or appropriate refuse facility.

Items purchased with federal funds will be disposed of according to federal guidelines.