**HSCS Fiscal Policy**

**Section 400**: Fiscal Management

* 400.01 - Fiscal Management Goals
  1. The school will establish a financial base sufficient to support high quality and innovative educational programs which meet community needs.
  2. The school will follow prudent and professional financial management practices in order to achieve and maintain long-term financial stability.
  3. The school will demonstrate to the taxpayers of the school and the financial community that its school is well managed.
  4. The school will provide cost-effective services to citizens by cooperating with other educational, government, and nonprofit agencies.
  5. The school will have an adequate capital improvement program that maintains existing school assets, provides for student and employee safety, maintains a quality instructional environment, and allows for enhancements that are necessary to meet changes in enrollment.
  6. The school will continually review and improve its formal budget document and other financial information so that it clearly and openly communicates its resources, expenditures, and financial position.
  7. The school will communicate, as permitted by law, with its employees and the community so that they understand the school's program requirements and financial status.
* 400.01R - Accounting and Financial Practices Policies
  1. The school will maintain an accounting and financial reporting system that conforms to both Generally Accepted Accounting Principles (GAAP) adopted by the Government Accounting and Standards Board (GASB) and Oregon local budget law, and will issue a Comprehensive Annual Financial Report (CAFR).
  2. The Board will establish funds as needed to support effective and efficient service delivery. The budget committee and the Board will review each fund annually as the budget is prepared and reviewed. If certain funds are not found to enhance the school's services or financial goals, they will be restructured or eliminated.
  3. A General Reserve Fund will be established for contingencies. Each year, as allowable, 1% of operating revenues will be placed in the reserve fund until a 5% targeted floor of operating revenues is achieved. Reserves may only be spent with Board approval and will be accounted for separately on the balance sheet.
  4. A Technology Reserve Fund will be established for the purchase, maintenance and repair of school technology. Each year, as allowable, a portion of the operating revenues as determined by the Finance Committee during the budgeting process will be placed in the reserve fund until a targeted floor of $25,000 is achieved. Reserves will be accounted for separately on the balance sheet.
  5. Each fund will maintain an appropriate contingency account to meet unanticipated requirements that may occur during the budget year. Cash reserves and fund balances will be consistent with generally accepted accounting practices and local budget law. The school will review other funds for contingency and cash reserve requirements to ensure that each fund has sufficient reserves and a positive balance at year-end, as required by local budget law.
  6. The school will maintain an ending fund balance in the general fund, in order to provide stable services and employment to offset cyclical variations in revenues and expenditures.
  7. The targeted floor for the ending fund balance will be at five percent of annual operating revenues. The annual financial forecast will project operating revenues and ending fund balance for the next five years. The Board will allocate an appropriate portion of the projected ending fund balance to the unappropriated ending fund balance (UEFB) in the annual budget, taking into consideration revenue and expenditure volatility and other school needs. The UEFB may not be spent or appropriated during the fiscal year in which it is budgeted.
  8. Once the targeted five percent for the ending fund balance has been achieved, the treasurer will advise the Board if at any time the ending fund balance falls below or is projected to fall below that amount. The treasurer will update the Board on the financial condition of the school and present financial options for Board consideration.
  9. If school revenues are less than anticipated, operating, capital and ending fund balance allocations will be reviewed by the Board for possible reductions. The Board may decide to use a portion of the projected ending fund balance to stabilize services. When such a determination is made, the Board will adopt a plan to rebuild reserves to the five percent targeted level within five years.
  10. Excess one-time funds may be available for capital, equipment, library books, automation or other one-time projects that improve the school's productivity and efficiency, but only if the ending fund balance is sufficient.
  11. Each fund will maintain adequate cash reserves in order to meet operating cash flow needs or borrow internally from another fund, or as a last resort, borrow externally to provide for cash requirements.
  12. When feasible, and where legally permissible, the Board may evaluate support services to determine if creating a user-fee, internal service fund, or enterprise will increase efficiency of service delivery or recover the cost of providing the service from the users.
  13. The Board may recover the indirect costs associated with the operation of programs from such non-general fund sources as federal and state grants, intergovernmental services agreements, and other operating internal service or enterprise funds.
* 400.02 - School Budget
  1. The school Board shall comply with Oregon's local budget laws in preparation and approval of the annual budget. The Finance Committee will review the school budget as recommended by the administrator or administrator's designee.
  2. The budget will be subject to review and approval by the Board of Governors. Recurring operating expenses shall be budgeted and paid for by HSCS. Requests for one time and unusual expenses can, at the administrator or administrator's designee's discretion, be submitted to the HSCS Foundation.
* 400.02R - School Budget
  1. The school estimates revenues, operating and capital expenditures, and debt service each year for the following five years. Annually, the Board will propose a financial forecast that is reviewed and potentially modified by the budget committee or Board. This forecast serves as the basis for budget instructions to the Board for the following year and for other financial planning activities.
* 400.03 - Fundraising
  1. The Board shall establish and maintain guidelines for budgeting, receiving, depositing, disbursing, and transferring funds and recording transactions. These guidelines shall be in accordance with Generally Accepted Accounting Principles, ensure adequate internal control, and include accounting for, and auditing of, funds. Adherence to these guidelines is subject to review by school staff and external auditors.
* 400.03R - Fundraising
  1. Howard Street Charter School's ability to offer diverse quality educational programs and experiences for the students depends, in part, on the ability to secure supplemental funding. HSCS recognizes that it needs a balance of District, Foundation, and other outside sources to achieve these goals. In conformance with the mission of HSCS all fundraising activities shall be limited to such programs that promote middle school education and provide a positive educational experience for the student. Other than the fundraisers already in place, new fundraising activities shall be restricted and carefully reviewed.
  2. ~~All Fundraisers will be run through the Howard Street Foundation. (foundation ended 2012)~~
  3. All fundraising activities shall comply with the following guidelines:
     + Fundraising activities shall have an educational component or benefit
     + All students shall be allowed to participate
     + Students shall not be required to participate
     + ~~Submission of an application to the Howard Street Foundation Board required~~
     + Approval of the Head Teacher/principal necessary
     + Fundraisers shall foster goodwill and be designed to strengthen community relationships
     + An undue burden shall not be placed on students, staff, parents or the school
     + Door to door sales shall not be permitted
  4. Traditional fundraisers excluded from the application and approval process: Mexican Dinner, Valengrams, play receipts, snack bar at plays.
* 400.04 - Funding Proposals and Applications
  1. The Board will encourage staff to apply for federal, state, and private foundation grants, which are consistent with the advancement of the goals and objectives of the school and in line with the policies of the Board.
* 400.04R - Funding Proposals and Applications
  1. Each grant application must be approved by the Board before submission to the granting agency. However, the Board is authorized to submit an application when there is insufficient time for Board consideration before the application deadline. I n such case, the Board will consider the application at the next regular meeting and may either approve or reject it.
  2. Approved grants applied for by HSCS or the staff of HSCS will be administered by the administrator or administrator's designee. Unless administered by SKSD 24J, grant monies shall be segregated on the financial statement and counted for separately. Grant monies will be disbursed only as allowed in the grant application.
  3. HSCS may apply for and use non-recurring grant revenue for one time services such as capital projects, equipment requirements, services that can be terminated without significant disruption to students and the community, and the development of innovative programs. If grant resources do not provide predictable operating income for school programs, a plan will be available for replacement of the income from another source or phase out of the program.
* 400.05 - Donations
  1. Funds donated to the school shall be budgeted, accounted for, and expended in a manner consistent with school policies, state budget law and any other applicable legal requirements including the donation or grant conditions approved by the Board or designee. School personnel shall follow state law, school policies and procedures established by the Board or designee, and those conditions that have been set by the donor or grantor and approved by the Board or designee for receiving and expending donated funds.
  2. Equipment that is donated by individuals or organizations must have prior approval of the Board or designee. Donated equipment will be used for the purpose for which it was donated, but it becomes the property of the school and is added to the school inventory at the time of receipt. It is preferred that donations of equipment and supplies be made to the Howard Street Charter School Foundation.
* 400.06 - Funds Donated to Provide for Additional Staff
  1. The Board of Directors encourages members of the community to donate funds to help support its educational programs. The Board of Directors must also ensure that there is equitable funding of educational programs across the school.
* 400.06R - Funds Donated to Provide for Additional Staff
  1. All funds donated to create staff positions in approved school wide programs will be used to support those school wide programs.
* 400.07 - Expenditure of Funds
  1. The expenditure of funds shall be governed by the annual budget. At year-end, or if deemed necessary by the Board of Governors, the Adminstrator or designee shall explain deviations exceeding 5% or $500 of the approved budget categories. Proper documentation is required to process payment. This includes, but is not limited to, invoice, receipt or other proof of purchase.
  2. In order to prevent a deficit from appearing on the SKSD expenditure report at the end of the year, the Treasurer and the administrator or administrator's designee will meet with members of the SKSD Fiscal Department to determine how much, if any, of the final two ADM payments should be encumbered to cover non-encumbered expenses. Any deficit will be paid back by November 1 of the following school year.
* 400.08 - Disposition of Property
  1. The Board shall develop procedures for property disposition. Personal property deemed to be "no value to the school" may be released at nominal or no charge to members of the public upon written permission of the Board. "No value to the school" shall mean its value is less than the cost of disposal in the opinion of the Finance Committee.
  2. Personal property deemed to be "no value to the school" and not requested to be transferred to a nonprofit organization or member of the public, may be discarded or, upon prior written permission of the Board, released to school employees without charge.
* 400.09 - Removal of School Property
  1. School furniture, equipment, materials and supplies have been provided for use in the instructional programs of the school. Removal of school property from school premises for use by cooperating organizations for school and school-related noncommercial activities must have the prior approval of the administrator or administrator's designee. The administrator or administrator's designee may also approve removal of equipment if it is to be used by a member of the school staff and for a public use that is related to the instructional program. The school shall have procedures to track off-site property and ensure adequate insurance coverage.
* 400.10 - Payroll
  1. The school shall follow federal and state laws and collective bargaining agreements for payment of wages and deductions from each employee's monthly salary. The Board intends that the school not deviate from its regular payroll schedule.
* 400.10R - Payroll
  1. Salary for direct hire employees will be paid monthly. HSCS shall follow federal and state laws and personnel agreements for payment of wages and deductions from each employee's monthly salary. HSCS shall pay both the employer and employee portion of PERS expenses for direct hire staff who qualify for PERS. No advances on earned salary shall be paid to an employee. Errors will be adjusted in the following pay period unless the employee requests correction prior to that date.

Adopted Aug 2000 – updated Aug 2012