

Addenbrooke Classical Academy

Financial Policies

This policy shall work to ensure that Addenbrooke Classical Academy (ACA) has the resources needed and continues to build upon these resources to accomplish its primary academic mission that ensures ACA "...utilizes an integrated model of tradition and innovation to develop free and independent thinkers through classical instructional strategies." Additionally the purpose of this policy is to ensure ACA achieves and maintains a conservative fiscal position to allow for unforeseen drops in enrollment, funding, or other extraordinary circumstances, such that the operations and educational mission of ACA shall be minimally impacted in the case of these types of events.

Financial Reserve

1. By July of 2017, ACA shall establish and maintain a cash reserve in the amount equal to 130 days as may be calculated by S&P.
2. Annually the board of directors shall approve a budget that maintains a surplus equal to a minimum of 20% of the maximum annual debt service of any current loans, bonds, or other debt instruments.
3. In October of each fiscal year, the Board will review documents provided by the Board Treasurer to verify the current level of financial reserves to determine if the reserve level is adequate.
4. Taking money out of financial reserves is highly discouraged and should only be considered in an emergency situation approved by two-thirds majority of the Board. Any reduction in reserves should include a plan of action to replenish the amount of the reduction within a two-year period and require two-thirds majority approval from the Board. A "financial emergency" would be considered a one-time event that severely threatens the financial integrity of the school. This could include the following situations: a natural disaster, an event that results in the defection of many students, or a significant one-time financial shortfall. Funding cuts from the state would not qualify as a financial emergency since they have the potential of recurring. Using non-recurring reserve funds to cover recurring loss of revenue could result in financial disaster.

Budget Preparation

C. For any soft money included in the budget, describe what adjustments will be made if these funds do not come in or if student enrollment is less than projected.

1. Annual budget will be developed by the Finance Committee with significant help from the Business Manager and ACA Executive Director. It will then be submitted to the Board of Directors for review and approval. The Board of Directors will approve the final budget.
2. Budgets submitted must comply with any policies adopted by the Board of Directors, inclusive of the policies contained herein.
3. Timeline

The following dates shall serve as a timeline for each year, starting in January:

- a. 1/15: Board of Directors to submit budget goals to Finance Committee
- b. 2/01: Staff prepared budget submitted to Finance Committee
- c. 2/15: Finance Committee Comments
- d. 3/01: Submit to ACA Board of Directors
- e. 3/15: Preliminary Budget Submitted to District
- f. 5/15: Finance Committee Revisions
- g. 6/01: Final budget submitted to BOD for review
- h. 6/15: Board adoption of the budget

Reporting

1. Business Manager should prepare monthly financial reports and submit the report to the Head of School, Finance Committee, and Board of Directors.
2. All actions taken by the Finance Committee, and the Board will be documented within respective minutes of the meeting at which the action occurred.

Approval Policy for Contracts and Invoices

For purchases, the request (purchase order) will be submitted to the Executive Director for signature(s). The Executive Director and designated Board Directors are authorized to sign (Revised as of 5-9-2013).

1. For Purchases under \$20,000 the Executive Director's signature will be needed.
2. Purchases above \$20,000 require two signatures, including one Board Member.
3. Purchases above \$40,000 require three signatures, including two from the Board of Directors.

Audit

1. All funds and accounts of ACA shall be audited annually after the close of each fiscal year in accordance with state law. The board shall appoint an independent auditor licensed to practice in the State of Colorado and knowledgeable in government/nonprofit accounting to conduct the audit. The independent auditor shall submit a report to the board that includes the audited financial statements and an opinion regarding those financial statements. The auditor shall also include in the report any supporting information and documentation required by the District. If a specific auditor or audit is required or selected by contract or law by the District, the required audit may serve as the independent audit required by this policy.

Procedures

1. Staff and Administration shall follow the ACA procedures manual, unless otherwise instructed in writing or unless said procedures are in conflict with any policy identified herein.