



Financial Planning & Budgeting Policy

Pursuing Truth, Wisdom, Excellence

Mission Statement: The Academy serves our students to develop college ready, exemplary citizens by promoting excellence in academics, character and relationships.

Strategic Plan goal: Develop the process to monitor Budget performance.

This policy was approved by The Academy Board on 12/03/2012.

Purpose

The Annual Budget development process is designed to create the financial plan to support the mission, vision and operation of the Academy. It provides the framework for both anticipated revenues and planned expenditures derived from the educational programs and priorities of the Academy Board (Board) for the fiscal year (July 1 to June 30). The Board retains primary responsibility and authority for establishing budget priorities and parameters and approving the Academy Budget.

Preparation

The Board assigns overall responsibility for preparation and administration of the annual budget to the Chief Executive Officer (CEO). No later than May 30, administration will present to the Board for their 'first-read' an initial annual formal budget for the successive fiscal year in conjunction with a five-year budget projection model developed and reviewed by the Finance Committee in accordance with the rules of the Governmental Accounting Standard Board (GASB) and in observance of any applicable Colorado State law or District contractual requirement. The School Accountability Committee (SAC) will also review the proposed budget to ensure allocations are appropriately aligned to meet the needs outlined in the UIP. The SAC shall provide budget inputs to the CEO during the budget development process and make budget approval/modification recommendations as needed to the Board during the 'first-read' portion of the process.

No later than the Authorizer deadline for a final budget (currently Jun 30), administration will present to the Board for their approval a final annual budget.

Organization

The formal budget shall be organized in both summary and detailed format in conformance with Colorado State Chart of Account coding requirements. A comparison of the proposed budget to the

current year budget and projected current year end balances along with explanations for notable differences shall be prepared and included in the budget presentation. Material opportunities or risk that may impact the budget shall be footnoted for consideration by the Board.

Budget Reserves

The budget shall disclose planned compliance with spending limitations outlined in Article X, Section 20 of the Colorado Constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

Maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Board assigns to the CEO or designee the responsibility of accumulating and maintaining a general fund balance amounting to 8% of the School’s current fiscal year adopted budget as an operating reserve. Accumulation of the full 8% general fund balance will be completed by the end of the 2015 fiscal year, unless otherwise approved by the Board. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (TABOR).

The operating reserve is intended to serve as a "rainy day" fund and will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from this reserve shall be reported to the Board.

If any part of the operating reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, funds will be reallocated to restore the year-end fund balance in the operating reserve before any other budget allocations in the subsequent fiscal year, unless the Board approves otherwise.

Budget Revisions

Following a final October pupil count, a “Revised Annual Budget” shall be developed and presented at the November Board meeting for initial review and at the December Board meeting for final approval.

Any additional budget changes also require Board approval.

POLICY HISTORY

This policy supersedes any previously existing policy of The Academy of Charter Schools pertaining to the content herein.

Original: approved by the Academy Board on
12/03/2012

Updated: approved by the Academy Board on
