



# a BOARD NEWSLETTER

From the Director of School Operations

## FIDUCIARY RESPONSIBILITY

### IMPORTANT DATES!

SCDE has announced the training dates for PADEPP Evaluators for 24-25. If you have new school board members in need of PADEPP training, please have them email Emalee Baker at [ebaker@sccharter.org](mailto:ebaker@sccharter.org).

The 24-25 SCDE PADEPP Training dates are: July 16, July 29, August 5, August 19, August 29, September 5, and September 10.

Charter school closures, whether due to revocation or voluntary relinquishment, most often stem from financial instability, which can be exacerbated by other concerns. The board must make prudent financial decisions regarding the management of the school's resources.

Ultimately, the board is responsible for ensuring the school's financial stability and upholding its integrity. Every member of the governing board, not just those on the finance committee or serving as treasurer, holds a fiduciary duty.

As outlined in Section 59-40-110 (c) of the Charter School Act, a charter may be revoked or not renewed if the sponsor finds that the school has failed to maintain proper books and records according to generally accepted accounting principles or to establish an appropriate system of internal control.

Charter schools are subject to the same financial audit procedures and requirements as public schools.



# Fiduciary Responsibilities of Charter School Boards



- Establishing internal controls via policy implementation
- Ensuring adherence to established policies
- Understanding the school's financial standing
- Supervising the operating budget
- Ensuring staff accountability in budget management
- Approving monthly and yearly financial reports
- Conducting an annual audit
- Selecting and contracting an independent auditor
- Providing management response and corrective measures for audit discoveries
- Filing annual tax returns
- Striving for efficient financial operations



**Spartanburg**  
Preparatory School



**Board of Trustees**

# Fiduciary Responsibilities of School Leaders



**Board of Trustees**

- Executing and adhering to financial policies set by the board
- Appropriately utilizing allocated resources and ensuring staff compliance
- Preventing resource misuse, fraud, or wastage
- Maintaining comprehensive records of resource acquisition, retention, and expenditure
- Transparently communicating with the board regarding budget and financial status



# FINANCIAL REPORTING

Boards should receive and analyze monthly and yearly financial reports from the school administrator, encompassing:

## Balance Sheet

- Reflects the school's net worth
- Assets should equal (to the penny) the sum of the liabilities and retained earnings

## Revenues vs Expenditures

- Shows how much money came into the school and the expenses paid during a given period
- Line item transactions
- Helps monitor whether monthly expenses are higher than your monthly revenue

## Budget vs. Actual Expenses

- Helps monitor how closely school management is operating according to the budget

## Cash Flow

- Illustrates cash availability throughout the year

## Common Errors to Avoid:

- Neglecting to claim federal fund reimbursements
- Over-reliance on grants and donations.
- Lack of revenue stream diversification
- Inadequate risk management, such as failing to plan for enrollment fluctuations

