

Swan River Montessori Charter School

Adopted: 11.17.16

Reviewed: 9.21.21

Financial and Cash Management Policy

PURPOSE

The purpose of this policy is to adopt the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts provided for in guidelines adopted by the Minnesota Department of Education and within Minnesota Charter School law and other applicable laws. In addition, this policy will ensure that adequate cash is available for the fiscal health of Swan River Montessori Charter School (SRMCS) and ensures the continued delivery of educational services and operations of SRMCS and ensure that cash transactions have internal controls and appropriate segregation of duties exist.

GENERAL STATEMENT OF POLICY

- A. Compliance with the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts and Minnesota Charter School Law.

Swan River Montessori Charter School shall maintain its books and records and do its accounting in compliance with the Uniform Accounting and Reporting Standards for Minnesota Schools (UFARS) provided for in the guidelines adopted by the Minnesota Department of Education and in compliance with applicable state laws and rules relating to reporting of revenues and expenditures.

Unless otherwise authorized pursuant to Minn. Stat. 123B.80, as amended, or any other law, fund transfers shall be made in compliance with UFARS and permanent fund transfers shall only be made in compliance with Minn. Stat. 123B.79, as amended, or other applicable statute.

The SRMCS Board of Directors shall provide for an annual audit of the books and records of the school in compliance with the law.

- Assure compliance of its records with UFARS.
- Provide a permanent record of the financial position of the school
- Provide guidance to the school to correct any errors or discrepancies in its practices.

SRMCS shall provide for the publication of the financial information specified in Minn. Stat. 123B.10.

- B. Assurance of Operating Cash and General Compliance

SRMCS shall maintain a cash flow projection throughout the fiscal year that is aligned to the board-approved budget.

- Requires periodic review of the cash flow projection
- Investment of excess cash, if feasible
- If necessary, inform the board of cash shortages and a plan for obtaining a Line of Credit/Loan to maintain appropriate levels of cash flow
- Manage purchases to maintain adequate cash flow
- All purchases shall be paid only upon delivery of the product or services with the rare exception when payment is required upfront and approved by the School Director.

- Ensure compliance of collateral requirements

The School Director shall annually provide the board, for approval, a list of financial institutions to be used by the school and recommend authorization for an individual to make wire transfers on behalf of the board as well as update any changes throughout the fiscal year, as necessary.

Requests for reimbursement of products or services from grants, state, and/or federal funding shall be requested in compliance with

- The approved grant, state and federal funding requirements; or
- Only after documented payment of the products or services.

It is not the intention of the Board of Directors to receive cash in advance or pay interest for such cash advances of grants or federal funds.

C. Assurance of Internal Controls and Segregation of Duties

Procedures are to be put into place by school administration to establish internal control over cash transactions and ensure compliance with statutory and board requirements.

- Purchasing Procedures
- Receipts Procedures
- Petty Cash Procedures
- Fixed Assets Operating Procedures, Policy and Disposal of Equipment and Materials
- Employee Standard of Conduct – Employee Manual (signed receipt of by employee)