

# **SCCLC Finance Committee Policy**

Approved October 8, 2014

**The Board of Directors ("the Board") of San Carlos Charter Learning Center ("SCCLC") hereby establishes a Finance Committee ("the Committee") in accordance with the guidelines described below.**

## **Finance Committee Purpose**

The purpose of the Committee is to make recommendations and suggestions to the Board related to finance matters for the school. These matters may include developing or supporting the development of a yearly budget, developing a five-year budget, drafting a financial position statement, or other finance related tasks as requested by the Board from time to time. The Committee shall work primarily with the Director of Business Services, and secondarily with the School Director, to fulfill its purpose. The Committee may also work with the Audit Committee if there are any recommended finance actions resulting from an audit.

## **Configuration & Skills**

Board Members – any number of board members, comprising less than the Board quorum

Additional Members:

Treasurer

School Director

Director of Business Services

Up to three additional people (staff or parents at SCCLC, or other stakeholders, as appropriate)

The Committee size is a rough guideline and should not be a set number, but a target of 6-9 people who are interested in understanding the school budget, making finance related recommendations, and other tasks related to finance matters for the school. The Treasurer shall function as the Committee Chairperson, for purposes of running the meetings and reporting back to the Board. A separate person may be assigned to take official minutes for the Committee at its meetings. A Committee vice-chair may be selected by the committee to serve as acting chair in the absence of the Committee Chair. The Committee may also function as a leadership development tool and training mechanism for parents interested in possibly running for the Board.

Desired skills – members should have some finance background or ability to understand financials (school based or otherwise); members should have some understanding of school funding models in California (or the desire/ability to learn about it).

The Board members participating on the Committee may be designated at an annual Board retreat or other meeting of the Board. Other non-designated Committee members shall be recruited in the Fall of each school year, and shall be approved by the Board. The Committee Chair shall lead this recruiting effort.

While the Committee is urged to reach consensus on actions, in the event a consensus is not reached, the Committee actions and recommendations shall be made by simple majority of those

present at such Committee meeting.

### **Finance Committee Duties**

The Committee shall review and be responsible for reporting to the Board on all aspects of SCCLC's finances:

1. Through collaboration with the Director of Business Services (and any outside service agency), provide general oversight of the budget to meet the school's goals
2. Periodic monitoring of the financial position of the school
3. Review required financial reports, other than the annual audit
4. Tracking budget vs. actuals
5. Developing a yearly budget
6. Developing a multi-year budget and long-range budget model
7. Developing and maintaining a financial position statement
8. Other finance related tasks or projects as requested by the Board

The Committee should monitor the budgeting process. The Committee should be responsible for presenting the annual budget to the Board once it is completed. The Committee should make regular reports to the Board comparing actual financial results with budgeted forecasts. The Director of Business Services and/or the Committee should periodically (at least quarterly) review the critical underlying budget assumptions and recommend appropriate budget adjustments to the Board.

Although the Director of Business Services is mainly responsible for the internal review of financial statements on a regular basis (about once a month) to ensure that the statements make sense and that financial trends are brought to the attention of the Board, the Finance Committee may also review such financial statements. The Committee also functions as an additional resource for the Director of Business Services to meet the reporting and review requirements listed below.

### **Meeting Frequency and Notice Requirements**

The Committee may meet quarterly or more frequently as the tasks and projects dictate. These Committee meetings would be in addition to, not instead of, Board Meetings. The Committee is a standing committee as defined under Government Code §54952(b), and as such is subject to the Brown Act. A majority of the non-vacant seats on the Committee shall constitute a quorum. The Committee will determine annually whether to schedule Regular meetings, and if so determined will publicize the dates to the Board and SCCLC community. Agendas for Regular meetings shall be posted 72 hours in advance, while agendas for Special meetings shall be posted 24 hours in advance.

### **Financial Reporting Deadlines**

SCCLC's charter and Education Code §47604.33 require certain financial reports be submitted to the District and the county superintendent of schools, including:

1. By July 1, a preliminary budget for the current fiscal year.
2. By December 15, an interim financial report for the current fiscal year reflecting changes through October 31 (the "first interim").
3. By March 15, a second interim financial report for the current fiscal year reflecting

changes through January 31.

4. By September 15, a final unaudited report for the full prior year. The report submitted to the District shall include an annual statement of all SCCLC's receipts and expenditures for the preceding fiscal year.

While these reports do not require Board approval, the Board has oversight responsibility for their accuracy and timeliness. The Committee will work with the Director of Business Services and the School Director to support the creation and review of these reports.

### **Finance Calendar of the Board (for reference only)**

#### **September**

- \* Review of annual Budget Numbers (any revenue changes, etc)
- \* Review the annual unaudited financial statements
- \* Review budget assumptions for the period to June 30

#### **November**

- \* Review of 1<sup>st</sup> Interim Budget Numbers (any revenue changes, etc)

#### **December**

- \* Review audited financials

#### **January**

- \* Review of 2<sup>nd</sup> Interim Budget Numbers (any revenue changes, etc)
- \* Review of Governor's Proposed Budget and Revenue Numbers
- \* Review budget assumptions for the period to June 30

#### **March**

- \* Review of 2<sup>nd</sup> Interim Budget Numbers (any revenue changes, etc)
- \* Review of 1<sup>st</sup> draft of next year's budget from SCCLC Director of Business Services
- \* Review budget assumptions for the period to June 30

#### **May (If Needed)**

- \* Review of End of Fiscal Year Budget Numbers (any revenue changes, etc)
- \* Review of Final draft of next year's budget draft from SCCLC Director of Business Services

#### **June**

- \* Review of End of Fiscal Year Budget Numbers (any revenue changes, etc)
- \* Approval of Final draft of next year's budget from SCCLC Director of Business Services