

Cornerstone Montessori Elementary School
Financial and Cash Management Policy

(Previously titled "Segregation of Duties" Policy)

I. 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 the school and ensures the continued delivery of educational services and operations of the school and ensure that cash transactions have internal controls and appropriate segregation of duties exist.

II. GENERAL STATEMENT OF POLICY

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

The School shall maintain its books and records and do its accounting in compliance with the Uniform Financial 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 school board 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.

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

B. Assurance of Operating Cash and General Compliance

The school 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) to a board approved investment
- 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 Head of School.
- Ensure compliance of collateral requirements

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

Requests for reimbursement of products or services from grants, state 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 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 Procedure
- Receipts Procedure
- Petty Cash Procedure (N/A – the board has not authorized a petty cash fund)
- Safeguarding of assets
- Code of Standards of Conduct and Clear communication to all staff of policies and procedures

Legal Reference:

Minn. Stat. 123B.80

Minn. Stat. 123B.79

Minn. Stat. 123B.10

APPROVED: June 27, 2011 (Titled “Segregation of Duties)

REVISED: January 19, 2016

REVISED: August 13, 2019

REVIEWED: January 17, 2023