BUDGETING OF FUNDS

- The Principal is responsible for developing a proposed budget for each program and for the organization as a whole, with assistance from the Director of Finance and Operations and other relevant staff, and presenting it to the Finance Committee of the Board of Directors for annual review.
- The Board shall approve the budget by June 30 of each year, and thereafter, the implementation of and accountability for it will be the responsibility of the Principal and the Director of Finance and Operations. The Principal and the Director of Finance and Operations are permitted to make minor adjustments to the budget throughout the year, limited to shifting dollar amounts between line items without changing the overall budget, or changing an expense in response to a change in revenue; modifications outside of these require Board approval.
- Each month, the Director of Finance and Operations shall present to the [Executive Director/Principal] a report on actual versus proposed revenue and expenses. The report shall then be presented to the Finance Committee for their review, and all monthly reports should be analyzed as part of the year-end budgeting process.

AUDITS

- An annual audit shall be conducted by an independent audit firm selected by the Board of Directors on the recommendation of the Finance Committee. The audit firm should be engaged to perform the audit within submission timeline dictated by its authorizer, and the audit will be conducted in accordance with GAAP.
- If necessary, the Board of Directors may appoint an audit committee to aid with the selection of an independent audit firm.
- The annual audit will meet all the requirement of the school's authorizing body.
- The annual audit will be submitted to the Finance Committee. The Finance Committee will then review and approve the audit before presenting the audit results to the Board.

PAYROLL
Hiring
- Approval of the annual budget authorizes the Principalto hire staff.
- Should the Principal wish to hire staff for the following fiscal year prior to budget approval, the Principal will submit a hiring plan to the Board for approval.

Compensation
- An approved budget authorizes the Principal to determine compensation for all staff members including bonuses, if applicable. The Principal's salary will be determined by the Board.
- Total compensation cost will be accrued and expensed as deemed appropriate by the Director of Finance and Operations in accordance with GAAP.

Processing Payroll

- The Director of Finance and Operations will prepare the payroll, which will be processed by an outsourced third party vendor. The Principal will review and approve the payroll.
- All payroll documents received by the school will be checked for accuracy by the Director of Finance and Operations; this will include confirming timesheets (if applicable), pay rates, deductions, and work absentees.
- The third party vendor will prepare all payroll tax documentation, which will be reviewed by the Director of Finance and Operations.

EMSA Summary Steps in Budget Development and Spending

	Annual Operating Budget (and a multi-year plan)	Capital Expenditure Budget
Step One	CFO and Principal develop Draft in consultation with advisors, finance committee, and consultants	CFO and Principal develop Draft in consultation with advisors, finance committee, facilities committee, and consultants
	As part of the budgeting process, the CFO or Principal may seek informal quotes to quantify costs, etc. Note: Only authorized individuals can seek quotes or approach vendors in the name of the school.	As part of this budgeting process, the CFO, Principal, or designee (e.g., architect, general contractor, owner's representative) may seek informal quotes to quantify costs, etc. Note: Only authorized individuals can seek quotes or approach vendors in the name of the school.
		CAPX Budget can take the form of a spreadsheet and should identify: 1) Project, 2) Timing, 3) Cost or cost range, 3) Cash flow timing and 4) Source of funding
Step Two	CFO and Principal will present draft budget to Finance Committee for discussion and evaluation (the process may incorporate several drafts and meetings)	CFO and Principal will present draft budget to Finance and the Facilities committees for discussion and evaluation (the process may incorporate several drafts and meetings)
Step Three	The CFO should simultaneously develop cash flow projections to support both the operating and capital budgets.	The CFO should simultaneously develop cash flow projections to support both the operating and capital budgets.
Step Four	Once the budget is finalized and approved at the committee level, it is	Once the budget is finalized and approved at the committee levels

Must be approved before start of each Fiscal Year.	to be presented to the full board for approval.	(Finance and Facilities for capital expenditures related to facilities), it is to be presented to the full board for approval.
	Once approved, the implementation of and accountability for the budget is the responsibility of the Principal and CFO	Once approved, the implementation of and accountability for the capital expenditure budget is the responsibility of the Principal and CFO (and General Contractor or Owner's Representative, if applicable)
	Any deviation greater than 3% in an expense category or net Income must be reported and explained to the Board	Deviations and changes should be reported to board

Other Notes:

Purchasing:

- Only the CFO is authorized to place orders. If the CFO is not available, the Principal is authorized to make purchases

Competitive Bidding Procedures:

- Contracts over $25,000: The CFO is responsible for seeking at least three quotes. If the contract is not awarded to the lowest bidder the CFO shall should document why the specific vendor was chosen.

Purchase Order Approvals:

- Any employee can request a purchase order, but approval is subject to the following:

TYPE	THRESHOLD	APPROVER
Purchases approved by the Board in the annual budget	≤ $2,500	Director of Finance & Operations
Purchases approved by the Board in the annual budget	≤ $10,000	[Executive Director/Principal]
Purchases approved by the Board in the annual budget	> $10,000	Board Treasurer or Board President

EMSA Summary Steps in Budget Development and Spending
for Its Planning Year (until September 1, 2018)

	Annual Operating Budget (and a multi-year plan)	Capital Expenditure Budget
Step One	CFO, Principal, and Board President develop Draft Budget in consultation with advisors, finance committee, and consultants	CFO, Principal, and Board President develop Draft in consultation with advisors, finance committee, facilities committee, and consultants
	As part of the budgeting process, the CFO, Principal, or Board President may seek informal quotes to quantify costs, etc. Note: Only authorized individuals can seek quotes or approach vendors in the name of the school.	As part of this budgeting process, the CFO, Principal, Board President, or designee (e.g., architect, general contractor, owner's representative) may seek informal quotes to quantify costs, etc. Note: Only authorized individuals can seek quotes or approach vendors in the name of the school.
		CAPX Budget can take the form of a spreadsheet and should identify: 1) Project, 2) Timing, 3) Cost or cost range, 3) Cash flow timing and 4) Source of funding
Step Two	CFO, Principal and Board President will present draft budget to Finance Committee for discussion and evaluation (the process may incorporate several drafts and meetings)	CFO, Principal, or Board President will present draft budget to Finance and the Facilities committees for discussion and evaluation (the process may incorporate several drafts and meetings)
Step Three	The CFO should simultaneously develop cash flow projections to support both the operating and capital budgets.	The CFO should simultaneously develop cash flow projections to support both the operating and capital budgets.
Step Four Must be approved before start of each Fiscal Year.	Once the budget is finalized and approved at the committee level, it is to be presented to the full board for approval.	Once the budget is finalized and approved at the committee levels (Finance and Facilities for capital expenditures related to facilities), it is to be presented to the full board for approval.
	Once approved, the implementation of and accountability for the budget is the responsibility of the Principal and CFO (ADD PRESIDENT?)	Once approved, the implementation of and accountability for the capital expenditure budget is the responsibility of the Principal and CFO

		(and General Contractor or Owner's Representative, if applicable)
	Any deviation greater than 3% in an expense category or net Income must be reported and explained to the Board	Deviations and changes should be reported to board

Other Notes:

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Purchases approved by the Board in the annual budget	> $10,000	Board Treasurer or Board President