

APPROVED



Springfield Prep
CHARTER SCHOOL

Springfield Prep

Minutes

Finance Committee Meeting

Date and Time

Monday November 25, 2024 at 7:30 AM

Location

This meeting is remote and will take place over Zoom.

This meeting of the Springfield Prep Charter School Finance Committee will be held on Zoom on 9/25/24 at 7:30 am. Meeting notice was posted on the school's website (www.springfieldprep.org) on 9/20/2024.

Committee Members Present

A. Piela (remote), M. Frodema (remote), R. Molina-Brantley (remote)

Committee Members Absent

None

Guests Present

B. Spirer (remote), J. Callan (remote), M. Velazquez (remote), M. Wagner (remote)

I. Opening Items

A. Record Attendance

B. Call the Meeting to Order

A. Piela called a meeting of the Finance Committee of Springfield Prep to order on Monday Nov 25, 2024 at 7:32 AM.

C.

Approve September Finance Committee Minutes

M. Frodema made a motion to approve the minutes from Finance Committee Meeting on 09-23-24.

R. Molina-Brantley seconded the motion.

The committee **VOTED** unanimously to approve the motion.

Roll Call

M. Frodema Aye

A. Piela Aye

R. Molina-Brantley Aye

II. Finance

A. Updating Fiscal Policies and Procedures

Meghan reviewed the Fiscal Policies and Procedures Memo.

- She spoke to Matt, our audit partner at AAF and these proposed changes reflect this guidance. He thought it would be very reasonable to increase the board approval threshold to \$25,000 from \$10,000, based on our size and sector norms, as long as the purchase is within the board-approved budget. Meghan noted that she spoke to other charter schools and there is a range of practices based on organizational size and preference, but that our proposed change is within the norm.
- She highlighted the fact that anything not within the approved budget would still need board approval.
- Mary Kate said that she agreed with the change, especially since Matt felt that it was reasonable.
- Amy Piela said she was supportive and that this is a part of the natural progression of the organization.
- Ron said he agreed as well. He noted that the only caveat he would have is that if there are substantive changes in the contract, he believed it would be important to bring those to the board for approval. Bill agreed with this and noted that there are certainly times when substantive changes to a contract could warrant board discussion, even if the cost change was minimal.
- Amy gave the example of the change in how we contracted for electricity, and how the school has always erred on the side of being transparent and conservative, in terms of what it shares with the board. She agreed with Ron's point and asked that we continue to raise contract topics with the board when they impact legal or operational liabilities.
- Amy asked that in the board packet in January, it may be helpful to show how the base budgets have expanded as a way of showing why an increased threshold is appropriate. Meghan will think about ways that she can do this.
- Meghan then reviewed the check signing threshold, which she proposed would increase to \$25,000 to align with the approval threshold.

- She reviewed the minor operational updates as well, and the committee discussed the use of credit cards. Bill noted that credit card limits are very low, and we can extend the limit on a one-time basis when needed. Mary Kate asked about alerts from the credit card company if there were unusual expenses, to catch potential fraud. Meghan said that she reviews the account very frequently, and can note fraud if issues arise. Bill added that we will also look into the alert capabilities to make sure they are set up for us.
- Regarding the operational updates, she shared her belief that having a Managing Director of Business and Operations involved with additional responsibilities strengthens our controls.
- The committee agreed that it was supportive of the proposed changes and would recommend these changes for approval at the next board meeting.

B. Updates about Transition to New Bank

Marelin gave an overview of the transition process from SVB Private to First Citizens Bank.

- She shared that log-in information has changed, but account numbers have remained the same. She shared that there were minor bumps in the road during the transition but nothing unexpected and we are now operating smoothly in the new system.
- Meghan noted that we wanted the board to be aware that our bank has officially changed.
- Amy asked whether historical information was migrated over. Meghan explained that it was not, and that this was one downside of this transition. She explained that we downloaded this information and have it on file.
- Amy shared appreciation for the memo.

Bill left at 7:58 am to start the Governance Committee meeting.

C. Monthly Financials - October

Bill returned to the meeting at 8:08 am.

Meghan presented the monthly financials.

- She's added enrollment data to the dashboard for increased visibility as it directly impacts tuition revenue, the school's primary revenue source.
- The budget is based on 484 students, slightly under the full enrollment capacity of 486 and reviewed how tuition payments work.
- She added a new section to improve transparency on fundraising efforts and impact.
- Friends of Springfield Prep acts as the primary fundraising entity, with all fundraising routed through them before transferring to the school. Currently, we

have raised \$170,000 this fiscal year, and will be transferring some funds received in FY24 for use this year.

- She noted that one area of revenue that is lower than projected is nutrition funding, although we are projecting correspondingly lower expenses. This will actually be a net gain for the school.
- Meghan noted that we are at medium risk in the facilities KPI, but this is not an area of concern.
- Meghan noted that we have been able to move some of the savings over to support after school athletics programs.
- She shared that we are still projecting a net positive this year.

D. Capital Plan draft

Will Palmer, the Director of School Service Operations, joined the meeting.

Meghan introduced Will, and explained that he worked with Craig Hill, our Facilities Manager, to get very specific about the lifecycle of specific facilities needs.

- Meghan noted that this is the most conservative budget estimate because it does not count potential interest. She noted that the highlight is that we are in a new building and do not have any immediate significant replacement needs.
- The most immediate need is to repave the parking lot on the Roosevelt side of the building, which, unfortunately, is expensive. At \$70,000, it would take up a large portion of our existing capital fund.
- Mary Kate asked about whether these estimates are based on current costs, and Will explained they were. Will shared how he projected these out.
- Amy shared appreciation for creating the plan, even if it was a rough plan. She asked Meghan for a reminder about how capital funds impact excess surplus. Meghan shared that capital funds are removed from the excess surplus calculation.
- Bill shared that this work feels very important because understanding long-term capital needs is an important aspect of our short- and long-term budget planning. It's important to have operating reserves and capital reserves, and excess funds beyond those should be used for programs and compensation.
- Amy shared her appreciation for Will's work on this.
- Amy asked about how much of the funding we receive is federal funding and how much is state funding. Meghan shared that we receive about \$700,000 in federal funding that comes through the state, so about 7% of our funding.
- Bill and Meghan said they're monitoring the potential for revenue changes given that there will be a new presidential administration, but they don't expect any major changes over the short term.

III. Closing Items

A.

Adjourn Meeting

Amy shared her belief that this was a really good, informative meeting. Ron agreed.

Amy shared appreciation for the team preparing these items.

There being no further business to be transacted, and upon motion duly made, seconded and approved, the meeting was adjourned at 8:30 AM.

Respectfully Submitted,
A. Piela

B. Next Finance Committee Meeting

Documents used during the meeting

- MEMO. Fiscal Policies and Procedures Updates FY25 - Google Docs.pdf
- MEMO. Bank Transition .pdf
- 0. SPCS FY25 October Dashboard.pdf
- 1. SPCS FY25 October Details.pdf
- 2. SPCS FY25 October Summary.pdf
- 3. SP Friends FY25 October Summary.pdf
- 4. SP Realty FY25 October Summary.pdf
- 5. SP FY25 October SNP.pdf
- 6. SPCS FY25 October Cash Flow.pdf
- 7. SPCS FY25 October Grants.pdf
- MEMO. Capital Planning.pdf