

303 – Fiscal Management Policy

I. Purpose:

- A. Bryan Allen Stevenson School of Excellence (BASSE) recognizes that money and fiscal management comprise the foundational support of the school. To make that support as effective as possible, the Head of School and Board of Directors intends to:
 1. Encourage advance planning through the best possible budget procedures.
 2. Explore and pursue all practical sources of dollar income.
 3. Manage the expenditure of funds to extract the greatest educational returns.
 4. Ensure compliance with generally accepted accounting and reporting procedures.
 5. Maintain the highest level of unit expenditure needed to provide high-quality education within the ability of the school to pay.
- B. It is the policy of The Bryan Allen Stevenson School of Excellence to ensure proper fiscal management in conjunction with state and federal guidelines. The Head of School and Board of Directors will oversee the proper implementation of this policy.
- C. When there is a question about the process relating to this policy, the following holds precedence in order of importance
 6. Delaware Code
 7. Delaware Regulation
 8. BASSE Policy
 9. BASSE Procedure

II. Definitions:

- A. The definitions outlined below are practical definitions used by BASSE. For legal definitions, refer to the State of Delaware.
 1. Bidding: Competitive quotes received for products or services.
 2. Encumbrance: The State of Delaware reports these funds from purchase orders. These funds are set aside to be used for planned expenditures at a later date to ensure that the money is available when it is needed. For example, as the purchase order is used for contracted services, the encumbered amount for that contract will decrease.
 3. Expenditure: Any approved expense that is incurred by BASSE.
 4. Fiscal Year: July 1 to June 30
 5. Procurement: Any tangible purchase made by BASSE.
 6. Purchase Order: These are used in the State of Delaware FSF system to encumber funds for purchases greater than \$5,000 excluding mortgage-related expenses. For example, a purchase order may be set up for a contractor working with BASSE throughout the year. As BASSE is billed for the contract period, the purchase order is used to pay them.

7. Supply Request: Employees requesting supplies or materials for use at BASSE are required to fill out this form and obtain proper approval prior to any purchase being made.

III. Policy Statement:

A. Budget:

1. BASSE will establish a balanced budget each fiscal year based on expected revenue and expenses. The budget will be reviewed monthly at the Citizens Budget Oversight Committee meeting and the Board of Directors meeting.
2. At the beginning of the fiscal year, BASSE will adopt the preliminary budget as approved by the Board of Directors. BASSE will re-evaluate the budget semi-annually by January 31st and June 30th of each fiscal year to make adjustments to the budget based on current expenses, revenue, and recommendations by the Head of School.
3. All transfers of funds exceeding \$1,000 between the major classifications of the budget or within a major classification of the budget exceeding \$1,000 shall be subject to the Board's approval through the monthly CBOC report at the regularly scheduled Board of Directors meeting. The Board of Directors shall be provided with complete information regarding the funds available, the proposed expenditures, and reserves at this time.
4. The Bryan Allen Stevenson School of Excellence will adjust expected revenue for pupils based on the completed final student unit count.

B. Preliminary Budget Planning:

1. By April 30th, the Head of School and Business Office will present a preliminary budget to the Citizens Budget Oversight Committee (CBOC) and the Board of Directors at their respective meetings. The preliminary budget should specify the number of units BASSE expects to receive and how many of these units it plans to use that fiscal year.
2. By April 30th, the Head of School shall review the current contingency reserve and make recommendations to the Board of Directors as to the amount of contingency reserve which should be maintained for the upcoming fiscal year.
3. The preliminary budget will be based on the following factors –
 - a) Expected revenue, such as funding from units
 - b) Expected expenses including facility projects, staffing costs, and curriculum improvements.
 - i. The Head of School will work with the department supervisors and the Business Office to determine which projects should be conducted during that fiscal year. This will take into consideration the necessity of the project, the life span, and any associated costs.

C. Authorization:

1. The following are authorized to sign all purchase orders,

payment vouchers, and encumbrances:

- a) Head of School or a member of BASSE's executive team;
- b) The Chair of the Board of Directors, the Board Treasurer; or
- c) A member of the Board of Directors designated by the Board Chair.
- d) The Board of Directors may designate an additional signer in the event of an extended absence of one of the authorized signers listed above.

D. Travel:

1. All travel expenses must be pre-approved by the Head of School at least 60 days in advance unless they are a result of an emergency. If travel expenses are a result of an emergency, prior approval of the Head of School is still required but may be less than 60 days prior to travel.
 - a) In the event that the Head of School plans to incur travel expenses, s/he is subject to the same standards with pre-approval made by the Board of Directors.
2. The validity of payments for job related expenses shall be determined by the Head of School or designee.
3. The use of a personal car for special or emergency purposes is a recognized part of the employee's job responsibilities.
4. Work related travel shall be reimbursed using the same rates as the Delaware Department of Education.
5. Actual and necessary expenses incident to attendance at functions outside the school shall be reimbursable to a school employee if approval has been obtained in advance from the Head of School.
6. The Business Office shall prepare procedures for reimbursement of travel expenses which shall include:
 - a) Each request shall reasonably detail the reason for the expenditure.
 - b) Under normal conditions, staff members traveling on official business shall be expected to utilize personal funds for ordinary expenses.
 - c) Travel shall be by the most direct and economical means/route.
 - d) For official travel using means other than an automobile, BASSE shall arrange for the purchase of transportation tickets in advance.
 - e) In all instances of travel and job-related expense reimbursement, full itemization of expenditures is required.
 - f) Those on travel shall exercise the same care in incurring expenses that they would in traveling on personal business.
7. All expenses will be reimbursed in accordance with State of Delaware laws and regulations.
8. Employees must provide detailed receipts and other applicable documentation to clearly itemize expenses to ensure all state guidelines are followed. No employee shall be reimbursed for any expenditure which is not an approved expense, as defined by the

State of Delaware Code and Regulations.

- a) The Head of School is not able to give approval for travel expenses that fall outside the State of Delaware's approved expenses definitions.
9. Employees will not be reimbursed for expenses without proper itemized receipts or other applicable documentation including but not limited to
 - a) Approval for travel, at least 60 days in advance unless they are the result of an emergency.
 - b) Submitting all documentation within 30 days of the conclusion of the trip.

E. Expenditures:

1. All expenditures must be completed in accordance with this policy. No money may be expended by the school without proper authorization.
2. Expenditures for all BASSE employees must be approved by the Head of School, or designee, and the Board of Directors, in the case of expenditures incurred by the Head of School. No employee may make a commitment or obligate school funds, including contracts and purchases, without the proper approval of the Head of School or the Board of Directors.
3. Procurement:
 - a) Upon receiving proper authorization, such as an approved Supply Request, the Business Office will make purchases on behalf of BASSE.
 - b) Whenever possible, purchases will be made using the State of Delaware's First State Financial system (FSF).
4. Supply Request:
 - a) Employees requesting supplies must submit a Supply Request prior to the purchase being made.
5. Purchase Orders and Transactions over \$5,000:
 - a) Purchase orders are required for expenses of at least \$5,000, excluding mortgage-related expenses, with First State Financials (FSF).
 - b) The Business Office in accordance with State of Delaware guidelines must create Purchase Orders for approved expenses of

at least \$5,000 to encumber the funds prior to the purchase/payment.

- c) The Head of School must receive prior approval from the Board of Directors for expenditures of \$10,000 or more. This shall be done at the applicable monthly Board of Directors meeting.
6. Payment Voucher:
- a) Whenever possible, BASSE will use State of Delaware approved vendors that are listed as vendors in First State Financials (FSF).
 - b) Prior to processing a payment voucher, the Business Office should have an invoice with the department head signature and/or an approved supply request.
7. Reimbursements:
- a) No person, other than the Head of School or Board of Directors, may obligate school funds without prior approval. Employees must submit a Supply Request when requesting items for use at BASSE.
 - i. In the event that this is not possible, the Head of School or Board of Directors may authorize a reimbursement to an individual for expenses made relating to BASSE.
 - b) Reimbursements will be processed using a Single Payment Voucher using the First State Financial System.

F. PCard:

- 1. The Bryan Allen Stevenson School of Excellence will comply with the State Procurement Card guidelines as detailed in the State of Delaware Budget and Accounting Policy.
- 2. The PCard may only be used for the schools authorized purchases. BASSE's employees involved or enrolled in the PCard program must review and adhere to the guidelines set forth in the policy as well as State and BASSE policies governing travel and purchases procedures.
- 3. Authorized Uses:
 - a) Purchases with a pre-approved supply request form completed with proper signatures.
 - b) Purchases where a check or FSF approved vendor is not applicable.
- 4. Unauthorized Uses (include but are not limited to those listed below):
 - a) Personal purchases
 - b) Alcoholic beverages
 - c) Expenses for family members or others accompanying the employee on official State business, even if it is with the intention to reimburse BASSE.
 - d) Any purchase or transaction that has not gone through the pre-approval process as stated in the above Approved Uses.
- 5. Results of Unauthorized Use:
 - a) If a purchase was erroneously made using the PCard, immediate reimbursement to BASSE is required. A copy of the receipt,

reimbursement, check, deposit slip, and detailed explanation must be submitted to BASSE. Failure to provide the reimbursement information may result in the removal of the PCard privileges and disciplinary action up to and including dismissal.

- b) A Cardholder who intentionally makes unauthorized purchases or accidentally uses the PCard is liable for the total dollar amount of the unauthorized Purchases, plus any administrative fees charged in connection with the misuse. The intentional use of the PCard for unauthorized purchases may result in the removal of the PCard privileges and disciplinary action up to and including dismissal.

6. Receipt Requirements:

- a) All PCard transactions, including travel (refer to the State of Delaware Budget and Account Policy), require itemized receipts and must be retained as proof of purchase. Itemized receipts must be provided to the Business Office immediately.
- b) A missing receipt affidavit is not an acceptable substitute for an itemized receipt and will not be accepted as sufficient supporting documentation.
 - i. In extenuating circumstances, and with the approval of the Head of School, the Business Office may request approval to complete a Missing Receipt Affidavit (AP005) for consideration.
- c) Transactions without approved supporting documentation may require reimbursement to BASSE.

7. Monthly Credit Limit:

- a) The cardholder is assigned a monthly credit limit and is responsible for tracking monthly expenses.
- b) The approved credit limit is \$10,000, which may only be increased with prior approval by the Board of Directors.
 - i. The credit limit may be temporarily increased to \$25,000 with prior approval by the Board of Directors.

8. Transaction Fraud:

- a) If a transaction posts to the PCard and is not recognized by the cardholder, it is considered fraud. The cardholder must immediately report the fraud to the J.P. Morgan Chase Bank and the Head of School. The bank will flag the PCard account as “lost/stolen,” close the account, and reissue a new PCard.
- b) The Business Office must notify the Head of School, the Board of Directors, and the Citizens Budget Oversight Committee (CBOC) whenever transaction fraud occurs.

9. Lost or Stolen PCard:

- a) The cardholder must immediately notify J.P. Morgan Chase Bank, CBOC and the Head of School if a PCard is lost or stolen. The bank will then close the current account and issue a new PCard to the cardholder. If the previous PCard is then found, it must be

destroyed.

- b) The Business Office must notify the Head of School, and the Citizens Budget Oversight Committee whenever a PCard is lost or stolen.

10. Separation Transfer:

- a) The cardholder must surrender the PCard and all receipts to the Reconciler or Coordinator prior to separation from BASSE. The Information Security Officer (ISO) of BASSE is responsible for deleting/updating any cardholders that separate from or replace the designated cardholder at BASSE as it pertains to roles in FSF.

G. Bidding:

1. It is recommended that at least three (3) competitive bids are acquired for purchases or projects of at least \$10,000 per item. A minimum of three (3) competitive bids are required for purchases or projects of at least \$25,000 per item.
2. Local bids will be favored whenever any, all, or some of the following factors are equal between local and non-local vendors subject to bid requirements:
 - a) Conformance to specifications
 - b) Suitability of product
 - c) Quality of product
 - d) Price
 - e) Past services to BASSE
 - f) Convenience of delivery
3. The Head of School, the Business Office, and appropriate staff will review bids to ensure that the recommended bid will provide the best service or product to BASSE. This recommendation will be presented to the Board of Directors at the regular monthly meeting.
4. The Board of Directors reserves the right to reject any or all bids and to accept that bid that appears to be in the best interest of The Bryan Allen School of Excellence. The Board reserves the right to waive any formalities in or reject, any or all bids or any part of a bid. Any bid received after the time and date specified will not be considered. The Board of Directors also reserves the right to negotiate with a bidder.

H. The BASSE Board of Directors and Head of School will evaluate the fiscal management of the school through:

1. CBOC and Board meetings.
2. Annually via a third-party audit.
3. Annually through the Department of Education's financial review.

IV. Responsibility:

- A. The Head of School will establish budgetary controls to ensure the execution of the approved budget in accordance with State/Federal guidelines and the Board of Directors.

- B. The Head of School will present the annual budget prior to April 30 of the fiscal year. Additionally, the Head of School and Business Office will present the current budget and expenditures at the monthly Citizens Budget Oversight Committee.
- C. The Head of School will oversee the daily financial management of BASSE to ensure all aspects of this policy, state guidelines, and federal guidelines are followed.
- D. The Business Office will ensure proper authorization is obtained before making expenditures on behalf of BASSE.
- E. All employees working with the State of Delaware PCard must comply with the policy and State of Delaware guidelines regarding PCard.
- F. All employees requesting travel expenses must familiarize themselves and comply with this policy and state guidelines.

Related Policies:

- A. Cash Receipts & Local Funds Policy
- B. Internal Accounts Policy

Related Procedures and Documents:

- A. State of Delaware Office of Management and Budget – Budget and Accounting Policy: <https://budget.delaware.gov/accounting-manual/documents/budget-accounting-manual.pdf?ver=1201>

Approval:

Revision Dates: