

## **Financial Administration**

With respect to the actual, ongoing financial condition and activities of the district, the superintendent shall not allow any material deviation from the annual budget or violation of budget policies adopted by the Board. Any fiscal condition that is inconsistent with achieving the district's objectives or places the district in potential fiscal jeopardy shall be reported to the Board upon identification of the situation, along with a corrective plan.

### **Expending district funds**

The superintendent shall take reasonable steps to ensure that only funds that have been received in the fiscal year to date are expended, unless authorized by Board resolution.

### **Reporting to Board and community**

#### **Audits**

All district funds and accounts shall be audited by an independent auditor annually in accordance with state law and Board policy. Timely and appropriate corrective actions shall be taken in accordance with any internal or external audit findings.

The Board shall receive all audit reports and be informed of all corrective actions taken.

#### **Financial reports**

##### **Monthly reports**

The superintendent or designee shall prepare and submit to the Board a monthly cash receipts and disbursements report.

##### **Quarterly reports**

The superintendent or designee shall prepare and submit to the Board a quarterly fiscal report of the general fund and any other funds requested by the Board. The quarterly report shall include:

- the actual amounts spent and received as of the date of the report expressed as dollar amounts and as percentages of the annual budget
- the actual amounts spent and received for the same period in the preceding fiscal year, expressed as dollar amounts and as percentages of the annual budget
- the expected year-end fund balances, with reserved and non-reserved fund balances identified separately, expressed as dollar amounts and as percentages of the annual budget
- a comparison of the expected year-end fund balances, with reserved and non-reserved fund balances identified separately, with the amount budgeted for that fiscal year
- details of the district's major tax and revenue sources, with variance analysis that shows the factors that are affecting revenue inflow

The superintendent or designee shall conduct quarterly financial reviews with the Board or a budget advisory committee appointed by the Board using reports described above. The Board may request other financial reports as needed.

The format and basis for reporting shall be consistent with the adopted budget and the past year's generally accepted accounting procedures results.

### **Reconciliation report**

The superintendent or designee shall prepare for the Board an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis of accounting and the modified accrual basis of accounting. The reconciliation shall include, but is not limited to, the liability for accrued salaries and related benefits. The reconciliation shall be included with the final version of the amended budget and the annual audited financial statements.

The Board shall receive all financial reports in a timely manner and be informed of all corrective actions taken.

### **Notification and availability to the public**

The superintendent shall assure that timely written notification be given to the Board regarding potential financial problems or other matters that may affect the district's financial condition or ability to achieve its mission.

Budget, audit and other financial reports shall be available for access by the public via the district's website.

### **Legally-required reports**

Reports and filings required by state and federal law and agencies shall be accurately and timely filed.

### **Record keeping**

Complete and accurate financial records shall be maintained for all district funds and accounts.

### **Operating losses or deficits**

Processes shall be developed and implemented whereby variations or deviations in cash flow, revenues or other important financial indicators can be identified and dealt with in a timely manner.

The superintendent, as well as all fund directors, program directors, department heads and school principals, shall take all reasonable steps to identify funds, programs, departments or schools that may end the fiscal year with an operating loss or deficit. A corrective action plan shall be developed and implemented within 30 days of such identification.

### **Employee reporting**

The superintendent shall develop and implement procedures to encourage all district employees to report suspected financial problems or wrongdoing. No adverse employment decisions shall be taken in response to a good faith report by an employee.

### **Contingency planning**

The superintendent or designee shall continually be aware of the financial and political landscape both internally and externally and shall develop contingency plans against possible events.

Adopted: February 10, 2004

Revised: October 28, 2014

LEGAL REFS.:           C.R.S. 22-44-105 (1.5)(b) (*itemized reconciliation*)  
                              C.R.S. 22-44-301 *et seq.* (*Public School Financial Transparency Act*)  
                              C.R.S. 22-45-102 (1)(b) (*quarterly financial reports*)

CROSS REFS.:           DIE, Annual Audit  
                              KD, Public Information and Communications