



THE COLLABORATIVE

Fiscal Control Policy: Overview

The Collaborative Charter Services Organization

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Page 1 of 5

OVERVIEW OF FISCAL CONTROL POLICY

TABLE OF CONTENTS

OVERVIEW	3
Annual Financial Audit	3
PAYROLL	4
Payroll Taxes and Filings	4
Record Keeping	4
RESERVES/INSURANCE	5
Fund Balance Reserve	5
Insurance	5

OVERVIEW OF FISCAL CONTROL POLICY**OVERVIEW**

The Board of Directors of the Collaborative Charter Services Organization (“CSO” or “Organization”) has reviewed and adopted the following procedures to ensure the most effective use of the Organization's funds to support its mission and to ensure that the funds are budgeted, accounted for, expended, and maintained appropriately.

1. The Board of Directors formulates financial policies and procedures, delegates administration of the policies and procedures to the Chief Executive Officer, and reviews operations and activities on a regular basis.
2. The Chief Executive Officer (CEO) has responsibility for all operations and activities related to financial management with oversight by the Board of Directors.
3. Financial duties and responsibilities shall be separated so that no one employee has sole control over cash receipts, disbursements, and reconciliation of bank accounts.
4. The Board of Directors shall commission an annual financial audit by an independent third-party auditor who will report directly to it. The Board of Directors shall approve the final audit report, and a copy will be provided to the member charter schools in The Collaborative and other legally required entities. Any audit exceptions and/or deficiencies shall be resolved to the satisfaction of the Board of Directors and the member charter schools.

Annual Financial Audit

The Board of Directors recognizes the importance of transparent and accurate accounting in alignment with generally accepted accounting principles. As a nonprofit organization, the financial records of the CSO will be subject to an annual audit and made available to its member charter schools upon request.

1. The Board of Directors will annually select an auditor by March 1 prior to year end (June 30th).
2. The audit shall include, but not be limited to:
 - a. An audit of the accuracy of the financial statements
 - b. An audit of the internal control practices
3. The audit will be presented at a meeting of the Board of Directors and provided to the member charter schools.

OVERVIEW OF FISCAL CONTROL POLICY**PAYROLL****Payroll Taxes and Filings**

1. Staff will oversee and ensure the preparation of payroll check summaries, tax and withholding summaries, and other payroll tracking summaries prepared by the payroll services provider.
2. Paychecks will be provided to nonexempt staff on a semi-monthly basis on the 10th and 26th of the month. Exempt staff will be paid on a monthly basis on the 26th of the month.
3. The Human Resources staff will enter employee rates of compensation as approved by the CEO and the Director of Human Resources into the payroll system. The Payroll Supervisor will review the entries for accuracy with the issued employment agreement prior to processing paychecks and obtain approval from member charters' Executive Directors.
4. The Director of Fiscal Services will approve cash requirements.
5. The Director of Fiscal Services will perform quarterly audits of the payroll records to ensure accuracy and compliance with taxing authorities.
6. Staff will ensure the accuracy and filing of state and federal quarterly and annual payroll tax forms to the respective agencies prepared and submitted by the payroll services provider.

Record Keeping

1. Staff will maintain records of all employees' use of sick leave, vacation pay, and any other unpaid time.
 - a. Staff will immediately notify the CEO if an employee exceeds the accrued sick leave or vacation pay, or has any other unpaid absences.
 - b. Records will be reconciled and provided at the employees request. A reasonable cost may be charged for hard copies of personnel records requested by former employees.

OVERVIEW OF FISCAL CONTROL POLICY**RESERVES AND INSURANCE****Fund Balance Reserve**

1. A fund balance reserve of at least 5% of the total revenues will be targeted.
2. The Director of Fiscal Services will provide the CEO with balance sheets on a monthly basis. It is the responsibility of the CEO and the Board of Directors to understand the Organization's cash situation. It is the responsibility of the Director of Fiscal Services to prioritize payments as needed. The Director of Fiscal Services has responsibility for all operations and activities related to financial management.

Insurance

1. The Director of Fiscal Services will work with the CEO to ensure that appropriate insurance is maintained at all times.
2. The designated staff will maintain the files of insurance policies, including an up-to-date copy of all certificates of insurance, insurance policies and procedures, and related claim forms.
3. The CEO and The Director of Fiscal Services will carefully review insurance policies on an annual basis, prior to renewal.
4. Insurance will include general liability, worker's compensation, professional liability, and directors' and officers' coverage. Coverage will be in line with the limits required for nonprofit organizations.