A Charter School Inspired by Waldorf Education and Sustainable Living

Mountain Sage Community School

Cultivating the Creative Mind.

Board Policies

EL 2.3 - Financial Condition and Activities

Policy Type: Executive Limitation
Policy No.: EL 2.3
Policy Title: Financial Condition and Activities
Monitoring: Frequency—Annual as reflected in the Board Calendar

The School Director shall neither cause nor allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in board approved budget and policies.

The Mountain Sage Community School Financial Controls Document sets out responsibilities of the School Director, MSCS Board, Business Manager, and other members of the staff in explicit terms.

In addition to those items set forward in the Financial Controls Document, the School Director shall not cause or allow the school to:

1. Expend more funds than have been received in the fiscal year to date unless the debt guideline below is met.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues by the end of the fiscal year.
3. (a) Allow cash to drop below the amount needed to settle payroll and debts in a timely manner.
   (b) Use any Board-designated or long-term reserves.
4. Cause or allow a financially illiquid condition.
5. Conduct inter-fund shifting in amounts greater than can be restored to a condition of discrete fund balances by certain, otherwise unencumbered revenues by the end of the fiscal year.
6. Enter into any property lease that is not financially sustainable.
7. Sell any significant portion of the organization's assets.
8. Use a line of credit that is not approved by the board.
9. Use any long-term reserves without authorization of the board that cannot be repaid in 150 days.

10. Cause or allow a material amount of undisputed accounts payable to be substantially overdue.
11. Violate any provision of any bond debt, lease or other obligation.
12. Fail to settle payroll, accounts, debts and other fiscal obligations in a timely manner.
13. Fail to make tax payments and other government ordered payments and filings timely and accurately.
14. Fail to aggressively pursue receivables after a reasonable grace period.
15. Fail to prudently dispose of surplus assets, as long as the guideline for selling significant portions of the organization's assets is not violated.
16. Fail to establish prudent reserves for contingent obligations.

Adopted by Board: February 28, 2017
Revised/Reviewed by Board: April 28, 2020
(continue adding Revised/Reviewed dates)