HIGH ROCKIES COMMUNITY SCHOOL

Financial Policies and Procedures

Consolidated Draft for Board Review

Prepared August 5, 2026

Replaces the policy approved September 8, 2025 upon adoption

1. Objective and Fiscal Management

The financial accountability of High Rockies Community School (HRCS or the School) is to conduct its operations and business with sound fiscal management. The Board of Directors is responsible for adopting a budget that provides the financial basis for buildings, staff, materials, and equipment to carry out the educational program, and for exercising control over the finances of the School to ensure proper use of, and accounting for, all school funds.

Financial management is the shared responsibility of the Board of Directors, the Executive Director, the Business Services Provider and all staff members. The Executive Director and the Business Services Provider administer the budget, making expenditures and commitments with Board approval. Ultimate responsibility for financial operations rests with the Board. The Business Services Provider reports to the Board and acts in an advisory capacity on financial matters. Together they are responsible for installing and supervising internal control systems that include, at minimum:

- Receipt and deposit of moneys.
- Payment of salaries and wages as adopted by the Board.
- Timely payment of bills and financial obligations.
- Accurate posting of transactions and reconciliation of general ledger and bank accounts.
- Responsible administration of employee benefits.
- Procurement and safeguarding of assets.
- Proper spending and accounting of grant and other restricted funding sources.
- Timely generation of monthly financial statements and reports for the Finance Committee's review and Board approval.

Legal: C.R.S. 22-44-101 et seq.; C.R.S. 22-45-101 et seq.

2. Reserves and Fund Balance

To protect the School's financial integrity, the Board maintains two distinct reserves. First, the **TABOR emergency reserve** required under Article X, Section 20 of the Colorado Constitution (3% of fiscal-year spending), held in an unrestricted general fund or a designated cash fund. Second, an **operating reserve measured as days cash on hand** — the School's unrestricted operating cash divided by average daily operating expenditures (total annual operating expenditures divided by 365).

The Board's target is at least **60 days cash on hand**, with a minimum of **30 days**. If the operating reserve falls below the floor, the Executive Director presents a plan to the Board to rebuild it. Expressing the reserve in days rather than a fixed dollar amount keeps the target proportional to the School's cost structure as the budget and enrollment change, and matches how the authorizer and lenders evaluate reserve adequacy. Days cash on hand is reported to the Board with the periodic financial statements.

The School operates to ensure long-term financial strength: revenues will meet or exceed expenditures each year unless the Board specifically approves otherwise by resolution; cash is managed for liquidity and safety; restricted contributions are used only for the purpose given; restricted fund balances are not used for operations; and payroll and other financial obligations are paid on time.

Legal: Colo. Const. Art. X, Sec. 20; C.R.S. 22-44-105.

3. Accounting Basis and Financial Records

The School maintains the CDE Chart of Accounts in its accounting and financial reporting. Books and accounting records are kept using fund accounting and the modified accrual basis of recording revenue and expenditures, in conformity with generally accepted principles of governmental accounting and the CDE Financial Policies and Procedures Handbook adopted by the State Board of Education. The accounting system provides for appropriate separation of accounts, funds, and operational duties.

Financial records are retained in accordance with the Records Retention section of this policy, which follows the Colorado School District Records Management Manual, unless a longer period is required by state or federal law.

Legal: C.R.S. 22-44-204(3); C.R.S. 22-45-102; C.R.S. 29-1-506.

4. Internal Controls

The School maintains internal controls sufficient to safeguard assets and to produce reliable financial records. Segregation of duties is maintained to the greatest extent practicable: no individual with authority to approve disbursements is also responsible for bank reconciliations or accounting records. Where staff size limits full segregation of duties, compensating controls and independent review are used.

Controls are documented as they are performed. The School's records must show evidence that a control occurred, not only that a control exists. This applies in particular to:

- **Journal entries.** Every journal entry has clear supporting documentation attached and is reviewed and approved by someone other than the preparer.
- **Balance-sheet reconciliations.** All balance-sheet accounts are reconciled monthly and reviewed and signed off by someone other than the preparer. Beginning balances for each fund are reconciled to the prior year's ending balances.
- **Cash receipts.** Cash and check receipts follow the audit trail described in the Banking and Cash Receipts section.

The School maintains processes to discourage and detect fraud and a means for reporting suspected fraud, including a channel for anonymous reports, with follow-up by the Executive Director or the Board as appropriate.

5. Annual Budget

The annual budget is the financial plan for the operation of the School. The fiscal year runs July 1 to June 30. The budget provides the framework for expenditures and revenues for the current and future years and translates the educational program into financial terms. The Board assigns overall responsibility for budget preparation, presentation, and administration to the Executive Director, who may delegate portions to the Business Services Provider. The Board understands that the budget resources its mission and strategic plan and takes the budgeting process very seriously.

Multi-year forecast and UIP alignment

In addition to the annual budget, the Executive Director or designee prepares and maintains a multi-year financial forecast projecting revenues, expenditures, enrollment, and fund balances for at least three subsequent fiscal years, presented to the Board annually alongside the proposed budget. The budget aligns with and supports the priorities in the School's Unified Improvement Plan (UIP), with budget development explicitly referencing UIP goals.

Budget calendar

The Finance Committee begins budget preparation each January. An initial draft budget is reviewed by the Board at the meeting on or before April 30. Each April the Executive Director meets with the School Accountability Committee (SAC) to discuss priorities for the coming year and incorporates SAC recommendations into the proposed budget. The proposed budget is presented to the Finance Committee and Board in May, with the intent of adoption and submission to the authorizer before the statutory date of June 30 or the authorizer's deadline, whichever is sooner. Within 10 days of submitting the proposed budget, the Executive Director shall publish the required public notice. If necessary, a revised budget is approved at the December or January Board meeting after the official pupil count, and a supplemental budget is approved if a new resource for a specific purpose becomes available to meet a contingency.

The budget is prepared in the statutorily required format, itemizes expenditures by fund, shows prior year audited numbers and current and ensuing year budget amounts, includes the Uniform Budget Summary and all required resolutions, and discloses planned compliance with TABOR spending limitations.

Budget-change authority

Any administrative request for an increase in expenditures, or a policy change resulting in a budgetary increase, greater than **$10,000 or 10% on a single budget line item** requires Board approval before it is enacted. Changes under $10,000 may be approved by the Executive Director provided the total fiscal-year budget remains within the total expenditures approved by the Board. When a contingency occurs, the Board may transfer unencumbered moneys from the contingency reserve within the general fund.

Financial emergencies

If the Board determines during a budget year that appropriated expenditures exceed actual available revenues, the board may declare a fiscal emergency by the affirmative vote of two-thirds of its members, and determine what actions and committees are appropriate to address the situation.

Legal: C.R.S. 22-44-108, 109, 110, 112, 113, 115.5; C.R.S. 22-11-302 to 406.

6. Financial Reporting

A summarized version of revenues and expenditures of all funds (balance sheet and income statement) is provided to the Board at least quarterly at a regularly scheduled Board meeting, and monthly to the Finance Committee. Reports include a Balance Sheet, a Statement of Revenue and Expenditures versus Budget, a Statement of Cash Flows when requested or necessary.

The Statement of Revenue and Expenditures versus Budget includes, at minimum: actual revenue and expenditures to date for each fund, in dollars and as a percentage of the annual budget; the same for the prior fiscal year's comparable period; expected year-end balances; and a comparison of expected year-end fund balances to budget.

Financial reports are prepared within **20 days of the close of the month** or prior to the regularly scheduled Board meeting. Bank and balance-sheet reconciliations are completed monthly, targeted by the 10th of the following month. **Narrative explanations accompany material or unusual budget-to-actual variances**, including original-budget-to-final-budget and final-budget-to-actual variances.

Legal: C.R.S. 22-45-102(1)(b); C.R.S. 22-45-103.

7. Cash Management and Investments

This section serves as the School's investment policy. It governs all operating and reserve funds not needed for immediate disbursement. The Business Services Provider maintains a cash-flow projection model tied to the budget, and the Executive Director or designee monitors cash balances regularly.

Objectives and standard of care

Funds are invested with three objectives, in priority order: safety of principal first, then liquidity sufficient to meet operating obligations and the operating-reserve target in Section 2, and then yield. Investments are made with the judgment and care a prudent person would exercise, not for speculation.

Delegation and investment officer

The Board delegates day-to-day investment management to the Executive Director, who, with the Business Services Provider, executes and monitors investments. The Board Treasurer provides oversight and reviews investment and pool balances with the periodic financial statements. Investment transactions follow the segregation-of-duties and reconciliation controls in Sections 4 and 8.

Permitted investments

Investments are limited to those legal for Colorado public funds under C.R.S. 24-75-601.1 — which include U.S. Treasury obligations and specified federal agency securities, insured or collateralized certificates of deposit, highly rated money market funds, and other instruments named in the statute. The School may also participate in a **local government investment pool (LGIP)** organized under C.R.S. 24-75-701 et seq., such as **ColoTrust** or CSAFE. LGIP balances are investments, not bank deposits: they are not covered by Public Deposit Protection Act collateralization, and are recorded and disclosed as investments.

Diversification, maturity, and liquidity

Because the School's balances are modest, funds are held in highly liquid vehicles — an LGIP and insured or collateralized depository accounts — with maturities kept short and matched to projected cash needs. The School expects to hold operating and reserve cash primarily in its LGIP and bank accounts rather than in individual securities, and holds enough in immediately available form to meet near-term obligations.

Safekeeping and reporting

Any individual securities are held by a third-party custodian in the School's name. Bank and LGIP statements are reconciled monthly per Section 8. The Executive Director or designee reports investment and LGIP balances, and days cash on hand, to the Board with the periodic financial statements, and the annual audit lists investments held at year-end.

Legal: C.R.S. 24-75-601.1 (legal investments for public funds); C.R.S. 24-75-701 et seq. (local government investment pools); C.R.S. 24-75-601.3.

8. Banking, Deposits, and Cash Receipts

All revenue received by the School is deposited in an official bank or savings and loan designated by the Board that qualifies as an eligible public depository and holds a Public Deposit Protection Act (PDPA) number on file. The official custodian complies with all state-law requirements for the deposit of public school funds.

Cash receipt procedure

A receipt is issued for any cash or check received from parents or others, using a carbon-copy receipt book kept at the school. Receipts are summarized by source of funding, properly coded by account and class, and submitted with the deposit documentation as supporting backup. Deposits are made within **one to three business days of receipt**. The bank validation slip, the school-site documentation, and the deposit summary from the accounting system are filed together for use during reconciliations and audits. The Business Services Provider, independent of the cash collection and receipting process, reconciles deposits to the bank accounts.

Check signing

Checks drawn on School funds require the signature or electronic approval of the Executive Director up to $10,000, and a second signature or electronic approval by the Board Treasurer for amounts over $10,000. At least one active board member is a designated authorized signer on all accounts, and a minimum of three authorized signers is maintained for continuity. Recurring items such as utilities, rent, and monthly benefit payments may be approved annually as a waiver list submitted to the Board. Check-signing authority is separate from the expenditure-approval authority in Section 11: a check may carry one signature up to $10,000, but the underlying expenditure must still be authorized at the level required in that section of the policy before payment is made.

Petty cash

If the School maintains petty cash, a fund not exceeding $300 is established by check against the general fund, held securely by administration, logged for all money in and out, and reconciled and posted to the general ledger at least monthly.

Legal: C.R.S. 11-10.5-101 et seq.; C.R.S. 11-47-101 et seq.; C.R.S. 22-32-104(4)(c); 22-32-107; 22-40-105; 22-45-104.

9. Fixed Assets, Capitalization, Depreciation, and Inventory

Fixed assets are acquired and disposed of only upon proper authorization, and are adequately safeguarded and insured to 90% of replacement value.

Capitalization

Tangible assets with a useful life greater than one year and a unit or donated cost that equals or exceeds **$10,000** are capitalized and recorded on the School's fixed-asset schedule. This threshold matches the capitalization level applied by the School's auditor and by the authorizer's finance review. Assets below the threshold are expensed when purchased.

Depreciation

Capitalized assets are recorded and depreciated under generally accepted accounting principles and GASB Statement No. 34, using the straight-line method over the estimated useful life of each asset class (for example, vehicles, buildings and improvements, furniture and equipment, and technology). Land is not depreciated. The fixed-asset schedule records for each asset a description, acquisition date, cost or donated value, funding source, useful life, accumulated depreciation, and disposal information.

Inventory and federally funded property

The School maintains a centralized inventory of capitalized assets and of items that are highly portable or attractive (for example laptops, tablets, and cameras) regardless of cost, with the exception of equipment permanently fixed in a building such as heaters or lockers. A physical inventory is conducted **annually** and reconciled to the property records.

Property purchased in whole or in part with federal funds is tracked at the federal equipment threshold of **$10,000** (2 CFR 200.1), even where that is below the capitalization threshold. Federal property records include a description, serial or other ID number, source of funding, title holder, acquisition date, and cost, and each federally funded item carries a unique asset tag showing the grant year and funding source. Federally funded property is stored securely and used, managed, and disposed of in accordance with the Uniform Grant Guidance.

Legal: C.R.S. 29-1-506(1); 2 CFR 200.1, 200.313, 200.335; GASB 34.

10. Purchasing and Procurement

No person may commit the School to a purchase contract unless expressly authorized by the Executive Director or designee. The Executive Director, with the Business Services Provider, installs and supervises internal controls for purchasing, including a purchase-order system, verification of purchase, payment documentation, and bidding procedures. Procedures ensure purchases are appropriate and that funds are available before purchases are authorized.

Purchase orders

Purchase orders are originated within the requestor's budgetary authority and approved by the Executive Director, designee, or Business Services Provider. Availability of funds is checked at approval, and each purchase is charged to the correct budgetary account. A record of all purchase orders is maintained. Goods are checked against the purchase order and packing slip on receipt, and payment is processed only after the receipt is recorded and the purchase order and invoice are reconciled. The purchasing power of the School is not used for the private benefit of any employee, and any employee who charges an item without an authorized purchase order may be held personally liable.

Non-federal procurement thresholds

Except in an emergency, non-federal purchases follow these thresholds:

- Up to $9,999: may be made by direct check, procurement card, or purchase order; competitive quotes are encouraged but not required.
- $10,000 to $249,999: requires an informal written competitive bid from at least two qualified sources (the School seeks three quotations where possible).
- $250,000 and above: requires a formal RFP process; Board approval is required before award.

Federal procurement

Purchases made with federal funds follow 2 CFR Part 200, including micro-purchase, small-purchase, competitive-proposal, and sole-source standards, which may differ from the non-federal thresholds above. Micro-purchases (aggregate up to the federal threshold, currently $10,000) may be awarded without competitive quotations if the price is reasonable, and are distributed equitably among qualified suppliers to the extent practicable. Procurement with state and local funds is not more restrictive than federal procurement. The School does not contract with vendors suspended or debarred on SAM.gov, and documents price reasonableness for all federally funded purchases.

Bidding and waiver

The Executive Director or Business Services Provider secures bids on single or bulk purchases exceeding $10,000 and where otherwise in the School's interest, with Board approval of bids. Formal bidding may be waived in writing when time is of the essence and the School's interest is served, with a memorandum to the Board stating the terms and reasons; waivers are reported to the Board and may not be used for federally funded purchases. Bidding is not required for obsolete-equipment disposal, books and curriculum, food-service requirements, intergovernmental purchases, recurring contracts that renew annually and proprietary or sole-source items or professional services.

Unauthorized purchases

Purchases that do not comply with this policy are unauthorized. The School is not liable for unauthorized purchases, and individuals who make them may be held personally responsible for payment.

Legal: C.R.S. 22-32-109(1)(b); C.R.S. 24-17-201; C.R.S. 24-109-104, 105; 2 CFR 200.317-200.327.

11. Expenditure Approval Authority

Expenditures from any School fund must be approved in accordance with the following authority (signatures may be electronic or hard copy). Contract execution authority is set separately in the Contracts and Contractor Payments section.

Expenditure amount	Approval authority
Up to $500	Lead Teacher (within the approved budget)
$501 – $10,000	Executive Director
$10,001 – $150,000	Executive Director and Board Treasurer
Over $150,000	Board of Education (executed by the Executive Director or designee)

Recurring payments such as rent, payroll, employee benefits, utilities, and debt service may be processed without individual approval at each occurrence, provided they are consistent with the board-adopted budget and approved contracts. Emergency disbursements may be authorized by the Executive Director with notice to the Board Treasurer at the next regular meeting.

12. Credit and/or Purchasing Cards

The use of School credit and/or purchasing cards is permitted for official School business only, as a convenience for approved small-dollar purchases, and never as a substitute for the purchase-order or procurement process. Cards are issued to designated staff on the recommendation of the Executive Director and approval of the Board, and every cardholder signs the School's cardholder agreement.

The **single-transaction limit is $1,000**, as set by the Board. Any purchase at or above that amount requires the Executive Director's written pre-approval before the transaction, and any purchase exceeding the Executive Director's delegated authority requires Board approval under the authority table above. Splitting a purchase into smaller transactions to stay under a limit is prohibited. Personal purchases, cash advances, alcohol, and use of another person's card are prohibited. Itemized receipts are required for every transaction and are reconciled monthly, within 15 days of the statement closing date, and the Board receives a credit-card expenditure summary at least quarterly.

Day-to-day card custody, checkout, receipts, role-based cards, reconciliation, and violation consequences are governed by the ***HRCS Credit Card Use Procedure*****,** which is incorporated by reference and maintained as a companion to this policy. Failure to comply with credit/purchasing card procedures can result in immediate suspension of the card.

Legal: C.R.S. 22-40-107.

13. Contracts and Contractor Payments

Any written contract includes a provision requiring a criminal background check for any person providing direct services to students under the contract, including subcontractors or agents, where that person has regular (not incidental) contact with students at least monthly. Contractors bear the cost of required background checks. Contracts documenting purchases made with federal funds contain all provisions mandated by the Federal Uniform Grant Guidance.

Contract approval and signing authority

Contracts are approved and executed under the authority below. Because a contract is a commitment over time, contract value is measured by its total value over the full term, or its annualized value, whichever is greater — not by a single payment:

Contract value / term	Authority to approve and sign
Up to $25,000 total, and term of one year or less	Executive Director
$25,001 – $50,000 total, or any multi-year term	Executive Director and Board Treasurer
Over $50,000 total, or any term beyond five years	Board of Education (executed by the Executive Director or designee)

No contract exceeds a term of five years, inclusive of renewals or extensions, unless the Board specifically approves. Contract-signing authority is set at a lower dollar level than one-time expenditure approval (Section 11) because contracts bind the School over time and carry ongoing legal and financial obligations.

Contractor payments and worker classification

Payments to consultants, speakers, and other professionals, where a receiving report would be inappropriate, are handled by a service contract. A memorandum of agreement or understanding is used only for independent contractors as determined by IRS regulation, and the originator identifies the services clearly. The School classifies workers as employees or independent contractors in accordance with IRS rules and issues Forms 1099 as required.

Legal: 2 CFR 200.318-200.327; C.R.S. 24-18-201; C.R.S. 22-32-109(1)(b); C.R.S. 22-32-122.

14. Vendor Relations and Related-Party Transactions

No favoritism is extended to any vendor. Employees exercise sound judgment to avoid conflicts of interest or the appearance of impropriety with vendors, and gifts or gratuities of more than nominal value are refused. No employee or person officially connected with the School acts as an agent for the sale of textbooks, apparatus, or supplies used in the School.

No employee, Board member, or member of their immediate family, and no firm owned by any of them, may sell goods or services to the School or its students without the express prior written consent of the Board. The School does not purchase goods or services from a business owned by an immediate family member of a Board member or employee unless procured through a competitive process and determined to be in the School's best interest. Service contracts with related parties are reviewed by the Board at least annually. The School encourages local businesses to provide goods and services, when practicable and possible.

Legal: C.R.S. 24-17-104; C.R.S. 24-18-201.

15. Payroll and Employee Compensation

The Executive Director develops and implements payroll procedures, subject to Finance Committee review, to ensure accurate and timely compensation in accordance with board policy, state requirements, and contractual agreements. All employee pay amounts are approved in writing at hire and before the first paycheck, and subsequent changes are documented in writing with Board approval where required. Pay authorizations, retained in the employee's personnel file, include salary or wage, benefits, and any stipends.

Employees are paid on a regular schedule communicated in advance. Time sheets approved by the Executive Director are submitted by the established cutoff each pay period, and direct deposit is required. Terminated employees are paid as required by Colorado wage law. Administration makes no additions, deletions, or modifications to payroll data without written direction from the Executive Director or Board.

Deductions are made for retirement (PERA), federal and state income tax, and Medicare in accordance with federal and state requirements. The School withholds and remits PERA contributions as required by state law, and employees may participate in voluntary retirement and pre-tax programs, including Section 401(k) and Section 125 plans, under procedures developed by the Business Services Provider and Executive Director. Employees whose compensation is supported in whole or in part by federal funds complete time-and-effort documentation as described in the Grants section.

The Business Services Provider reconciles payroll detail to billings for deductions and benefits, prepares required end-of-month reports, and monitors the outside payroll vendor to ensure federal and state payroll reports (for example Forms 941 and unemployment reports) are filed accurately and on time. W-2s and 1099s are issued by January 31 and 1095s are issued as required.

Legal: C.R.S. 22-63-106; C.R.S. 24-51-101 et seq. (PERA).

16. Travel and Expense Reimbursement

Employees and Board members are reimbursed, within budget, for necessary expenses incurred on School business, all of which must be approved in advance by the Executive Director (or by the Board Chair for those who report directly to the Board). Travelers limit claims to essential, actual expenses and use the most economical reasonable means of travel.

Lodging is paid at actual cost for travel more than 50 miles from the School, to stay at or below 110% of the GSA per-diem lodging rate for the destination. Meals are reimbursed at actual cost with a detailed receipt; a meal included in a conference fee or lodging is not separately reimbursable. Mileage in a personal vehicle is reimbursed at the IRS standard mileage rate in effect; commuting between home and the regular work location is not reimbursable. Mileage reimbursement begins from the school location. Other allowable expenses include commercial transportation, parking, tolls, and necessary business communications. Alcohol, entertainment, personal items, political expenses, fines, personal calls, and valet parking are not reimbursable. The tax-exempt certificate is used where possible, and sales tax is not reimbursed where the certificate should have been used. Reimbursement requests submitted more than 90 days after the expense or after fiscal year-end may be denied.

17. Property Disposal

The Board may sell or lease property not needed in the foreseeable future on terms it approves; a sale to a state agency or political subdivision does not require a finding that the property is unneeded. When acquiring replacement equipment, the School may trade in or sell the replaced item and apply the proceeds, subject to any awarding-agency approval. Property purchased with federal funds is disposed of in accordance with the Uniform Grant Guidance and documented with the awarding agency.

Legal: C.R.S. 22-32-109(1)(e); C.R.S. 24-17-202; 2 CFR 200.313, 200.343.

18. Grants and Grant Management

The Executive Director is responsible for implementing all grants and meeting each grantor's reporting requirements, including ensuring that purchases made with federal grant dollars are allowable under grant guidelines and the cost principles of the Uniform Grant Guidance (2 CFR Part 200), EDGAR, and supplement-not-supplant rules.

Gifts and private grants

Only the Board may accept grants, gifts, or bequests over $5,000; no gift, grant, in-kind service, or bequest over $5,000 per donor or event may be accepted or used without prior Board approval. Title to all gifts, grants, and bequests rests with the Board. An IRS donor acknowledgement shall be issued within a reasonable amount of time subsequent to receipt of the donation.

Federal fund management

Federal expenditures meet the tests of allowability, allocability, and reasonableness, with supporting documentation retained per federal record-retention rules. Federal drawdowns are requested on a reimbursement basis, limited to immediate cash needs, with preparation, approval, and submission segregated where practicable. Vendors are checked against SAM.gov before federally funded contracts. Staff paid with federal funds provide semi-annual certifications (single-program) or Personnel Activity Reports (split funding), reconciled to payroll. Federally funded construction complies with Davis-Bacon prevailing-wage requirements. The Executive Director conducts an annual internal review of federal-grant compliance and provides annual staff training, including on time-and-effort reporting.

Grant revenue recognition

Grant funds received in advance are initially recorded as **unearned revenue** and recognized as revenue as expenditures are incurred, so revenue and expense align each period. Reimbursable grant amounts that are earned but not yet received are recorded as a **grant receivable**, again matching revenue to expense in the appropriate period.

State grant reimbursement (BEST and similar)

For state grant reimbursements such as BEST, the owner's representative collects and reviews vendor invoices for scope and appropriateness; the School prepares and submits the CC-06 funding request with supporting invoices; CDE reviews and, after division approval, issues a pay warrant; and the School follows up to ensure reimbursements are received and tracks each from submission to receipt.

Legal: 2 CFR Part 200; EDGAR; C.R.S. 22-32-110(1)(y).

19. Fundraising and Student Activity Funds

All fundraising programs are submitted to the Executive Director for approval before beginning or being announced. Activity funds are moneys collected at the School from pupils, staff, and fundraising, for which the School acts as a fiduciary, providing recordkeeping and oversight. Where practical, the purchasing policy is followed for activity-fund purchases so the School obtains the best price and quality.

20. Bonded Employees and Officers

All employees or custodians responsible for moneys controlled by the Board are bonded under a group fidelity bond in individual amounts of at least **$10,000**. The cost of bonding is borne by the School.

Legal: C.R.S. 22-32-104(4)(b),(c); C.R.S. 22-32-109(1)(h).

21. Borrowing and Debt

When it becomes evident early in the fiscal year, before substantial revenue streams are received, that cash balances will not meet anticipated obligations, the Board negotiates short-term debt under Colorado statutes as needed. The Board may authorize the President and Treasurer to execute promissory notes and related documents. Short-term loans are liquidated within three months of the close of the fiscal year, and the School is prohibited from multi-year debt obligations unless compliant with TABOR and approved by the Board. Short-term options may include a line of credit. Lease obligations shall be used judiciously: because they reduce budget flexibility. Capital equipment is funded on a pay-as-you-go basis where feasible, and only the highest-priority equipment is lease-financed. All School debt shall meet TABOR requirements for legality.

Legal: C.R.S. 22-40-107; Colo. Const. Art. X, Sec. 20.

22. Audits and Financial Monitoring

All funds and accounts of the School are audited annually following the close of the fiscal year. The Board engages an independent auditor licensed in Colorado and knowledgeable in government accounting, who serves at the Board's discretion and reports findings to CDE. The audit report contains, among other items: financial statements in conformity with generally accepted governmental accounting principles and GASB 34; disclosures per the CDE Financial Policies and Procedures Handbook, with supplemental schedules in CDE format; all funds and activities; budget-to-actual comparisons by fund; the auditor's opinion (with explanation if other than unqualified), including general fixed assets; disclosure of any noncompliance with state law, including the Public School Finance Act of 1994 as amended, irrespective of materiality; a listing of investments held at the statement date; and GASB 68 pension disclosures.

A draft audit report is completed by September 30 and a final report by October 15. To maintain independence, the Board undergoes a formal auditor-selection process at least once every five years, even if it retains the same firm, and may request an audit at more frequent intervals. In preparation for audit, the School reconciles all balance-sheet accounts, grants and authorizes flow-through amounts, maintains workpapers, drafts the management discussion and analysis, and minimizes audit adjusting entries.

Legal: C.R.S. 22-32-109(1)(k); C.R.S. 24-75-601.3; C.R.S. 29-1-601 et seq.; GASB 34, 68.

23. Public School Financial Transparency

The School complies with the Colorado Public School Financial Transparency Act (Article 44 of Title 22) by posting the required financial documents on its website in the specified format, within two clicks of the home page, including: three years of budgets (posted within 60 days of adoption); three years of audits; three years of federal income-tax (Form 990) returns; quarterly financial documents (posted within 60 days after quarter-end); the salary schedule or salary policies; investment performance reports; a link to the district financial-transparency site with the school-level reporting template; and a link to the CDE website. Information remains posted for three fiscal years.

General budget and actual-expense information is public; payroll and other confidential information is protected. Reports made available to the public are prepared to protect confidential information.

Legal: C.R.S. 22-44-301 et seq. (Public School Financial Transparency Act).

24. Conflict of Interest, Ethics, and Disclosure

In carrying out their fiduciary duties, a Board member or staff member shall not: use their position for private advantage or personal financial gain; accept a gift of substantial value that would tend to improperly influence them; engage in a substantial financial transaction for private purposes with a person they supervise; perform an official act that confers an economic benefit on an undertaking in which they have a substantial financial interest or serve as counsel, consultant, representative, or agent; or participate directly or indirectly in the purchasing process where they have a direct relationship with a vendor. A direct relationship includes a business owned by, or employment with, a spouse or immediate family member (spouse, child, step-child, parent, sibling, in-law, grandparent, grandchild, or relative living in the household). A conflict includes both actual conflicts and the appearance of a conflict.

Board members and staff observe the ethical principles for public officials in C.R.S. 24-18-104 through 110 and do not accept gifts over the limit set by the Colorado Independent Ethics Commission. A member with a personal or private interest in a matter before the Board discloses the interest, does not vote, and refrains from influencing other members, except where participation is necessary for a quorum and written disclosure has been made to the Secretary of State stating the amount of the financial interest, the purpose and duration of services, the compensation received, and other descriptive information; in that case the member makes a public disclosure on the record. Violations may result in discipline up to dismissal or removal, as permitted by law.

Legal: C.R.S. 24-18-104, 105, 109(3), 110, 201.

25. Records Retention

The School uses the Colorado School District Records Management Manual, developed by the Colorado State Archives, to determine retention periods. Records are retained for the periods specified by that manual, as amended, unless a longer period is required by state or federal law. Documents that are not records required to be retained, and are not necessary to the functioning of the School, may be destroyed when no longer needed. Official records may be kept in physical or secure digital form, with access restricted to authorized personnel and the storage location documented and reviewed annually. On expiration of the retention period, records are disposed of securely: paper is shredded and digital records are permanently erased.

Legal: C.R.S. 24-72-113; C.R.S. 24-80-101 et seq. (State Archives and Public Records Act).

26. Policies Not Addressed

Any matter not addressed in this policy will follow the most current Financial Policies and Procedures Handbook published by the Colorado Department of Education, and the School authorizer's policy will take priority.

Adopted by the Board of Directors: ______________________ (consolidated draft — replaces the policy approved September 8, 2025 upon adoption)