

USFRCS Exception Amendment Request

Charterholder Info

Charter Holder

Name:
Salt River Pima-Maricopa
Community Schools

CTDS:
07-86-56-000

Mailing Address:
10005 East Osborn Road
Scottsdale, AZ 85256
> [View detailed info](#)

Representative

Name:
Dale Frederick

Phone Number:
480-362-2517

Fax Number:
480-850-7600

Downloads

 [Download all files](#)

USFRCS Exception

All exceptions to the USFRCS will include:

Charter Holder must utilize Generally Accepted Accounting Principles

The Charter Holder is **NOT** exempt from filing the Annual Financial Report, the school report card data, annual auditing requirements, or any financial report request from the Arizona State Board of Charter Schools, the Auditor General, and the Arizona Department of Education

The Charter Holder is responsible for any "cross-walks" necessary to complete reporting requirements.

This exception will not be granted to State Board of Education sponsored charter schools

Attachments

Board Minutes –  [Download File](#)

Complete policy for accounting –  [Download File](#)

Additional Information*

No documents were uploaded.

Signatures

Charter Representative Signature
Dale Frederick 05/21/2012

**Education Board Meeting
Education Board Room
Monday, March 19, 2012 – 5:15 pm**

APPROVED APRIL 2, 2012

MEMBERS PRESENT:

Hans Klose, Chairman
Veronica Tashquith, Vice-Chairman
Ruth Chough, Board Member
Berdina Burke, Board Member
Deana L. Washington, Board Member
Alice Manuel, Board Member
Annabel Wong, Board Member
Dr. Dale Frederick, Ex-Officio Member

MEMBERS ABSENT:

Deanna Scabby

RECORDING SECRETARY:

Susan Fassett

GUESTS/PRESENTERS:

Cheryl Scott, Guest, Office of Gen. Counsel
Martina Ashley, Guest, Ed. Administration
Chris McIntier, Guest, Ed. Administration
Doug Allen, Guest, Financial Officer
Billy Escue, Guest, Ed. Administration
Ron Ransom, Guest, ECEC Program Manager
Jacque Bradley, Guest, SRES Principal

Opening:

Mr. Klose called the meeting to order at 5:15pm.

Mr. Klose gave the blessing.

Agenda Review & Approval:

Dr. Frederick said no changes are needed for the agenda.

Motion was made by Ms. Tashquith to approve the agenda as presented; Mrs. Chough seconded. Mr. Klose asked for discussion.

Motion passed with 5 for, 3 excused and 1 vacancy.

Call to the Public:

There was none.

Comments by Board Members:

Ms. Manuel said she attended the Brain work shop last week; was good event with good content; well put together. Policy Council meeting last week didn't have a quorum.

Ms. Wong arrived at 5:20pm.

Personnel:

No new personnel tonight.

Recurring/Routine Business:

Motion was made by Ms. Tashquith to approve the recurring/routine items A through E as presented; Ms. Manuel seconded. Mr. Klose asked for discussion.

Motion passed with 6 for, 2 excused and 1 vacancy.

Director's Report:

Dr. Frederick reviewed his report:

- Board interviews tomorrow
- April 9 at noon is a Work Session
- Budget discussions are underway for the 7/1/12 cycle
- Reviewing staffing at the sites; information will be coming to the Board in April
- SRES will hold AIMS testing in April; SRHS will hold AIMS testing and Stanford in April
- BIE will be here to review Child Find in April

USFRCS Exception Amendment Request – Mr. Allen said this information was presented to the Board previously; will correct a compliance issue; waiver is a corrective action.

Motion was made by Ms. Tashquith to authorize the Superintendent/Director to initiate a 'USFRCS Exception (Waiver) Amendment Request' with the Arizona State Board of Charter School as part of the School's 2011 Corrective Action Plan, for no later than, the fiscal year ending June 30, 2012; Mrs. Chough seconded. Mr. Klose asked for discussion.

Motion passed with 6 for, 2 excused and 1 vacancy.

Ms. Washington arrived at 5:25pm.

ECEC Attendance Plan Up-date – Mr. Ransom referred to the graph; 10-12 children are the issue. He said the staff focused on time and tracking; will come back in early April with more data. He said there are attendance charts in the classrooms now and they talk about attendance to the children and parents

Dr. Frederick requested the quantitative distribution be added to the graph.

SRES Status Report – Ms. Bradley said she received lots of help from staff to put this together; covers the 1st semester. She reviewed the report:

- Goals for all teaching staff
- Student enrollment 363; breakdown by grade and Tribe
- Programming – curriculum, interventions, support, enrichment, FACE, 21st Century
- Exceptional Student Services; 68 students; tier 3
- Gifted and Enrichment; breakdown by area and grade
- FACE, home-based and center-based
- 21st Century after-school program; may be the last year; 175 students being served
- Attendance by quarter and per cap days; 95% is the goal; K and 1st are the lowest, 4th is the highest; 25 students had perfect attendance; being proactive with Attendance Counts Team
- Assessment Data: K showing 3 tiers and improvement in sound fluency
- 1st grade blending; more in tier 3
- 2nd oral reading fluency tier 1 dropped; no change in tier 3
- DIBELS Tier 1 – 3rd grade improved some but not enough; 4th grade dropped; 5th grade not much improvement; 6th grade up by only 1 student
- Tier 3 – 3rd, 4th and 5th grades went down; 6th grade was up by 1 student
- Scale for data was Scantron; is now Galileo
- Reading scores improved from 1st quarter to 2nd quarter
- Math had some improvement but not enough
- Data dialogues show need for more support
- Parent/Community Involvement – Parent University, Principal's Tea, conferences, NARD, Fun Runs, Parent Advisory Committee, will do parent survey
- Positive Behavior Intervention Support started this year; targeted interventions for tier 2 kids; individual interventions for tier 3
- Response to Intervention deals with tier 1 students
- Behavior data – 528 referrals; most from 2nd grade; breakdown by grade and month
- Behavior Support from Behavior Specialist and Counselors– actions and frequency

Ms. Bradley said some students are dealing with so many issues and is hard to get some parents involved; need to educate the parents to understand the importance of education and attendance. She said they just lost 4 students to outside placement.

Dr. Frederick said the 2nd grade had a big turnover in teachers and has the behavior problems now. He commends Ms. Bradley for all the time she spends in the classrooms; focus is on the quality of interaction and the instruction between teachers and students. He said there are kids with no parents and education assumes many roles to help them.

The Board thanked Ms. Bradley for the information and presentation.

Dr. Escue reminded the Board that the Wellness is Thursday night at SRHS.

Motion was made by Ms. Washington to move into Executive Session; Ms. Tashquith seconded. Mr. Klose asked for discussion.

Motion passed with 7 for, 1 excused and 1 vacancy.

Motion was made by Ms. Tashquith to move out of Executive Session; Mrs. Chough seconded. Mr. Klose asked for discussion.

Motion passed with 7 for, 1 excused and 1 vacancy.

Review & Approval of Minutes:

Motion was made by Ms. Wong to approve the minutes of March 5, 2012 meeting; Ms. Washington seconded. Mr. Klose asked for discussion.

Motion passed with 6 for, 1 abstaining, 1 excused and 1 vacancy.

Motion was made by Ms. Washington to approve the Executive Session minutes of March 5, 2012; Mrs. Chough seconded. Mr. Klose asked for discussion.

Motion passed with 6 for, 1 abstaining, 1 excused and 1 vacancy.

Meeting adjourned at 6:45pm.

ARTICLE 6. FINANCE

I. FINANCE MANAGEMENT STANDARDS POLICY PURPOSE

Financial policies are the foundation of sound fiscal administration. The purpose of these policies is to provide guidance that will shape fiscal procedures and management oversight to be followed by all Division staff.

II. POLICY SCOPE & DELEGATION

These policies applies to all Division programs including Community Schools and government.

To ensure that all procedures are designed and implemented to meet Board polices, comply with generally accepted accounting principles (GAAP) as well as regulatory and organizational requirements, the Education Board delegates the responsibility and authority for the development, implementation and monitoring of fiscal procedures to the Superintendent / Director subject to this and other policies as adopted that relates to Finance. The Superintendent / Director may further delegate authority as the Superintendent / Director deems appropriate and most advantageous to the Education Division.

III. FINANCE POLICY PHILOSOPHY

A key element to effective fiscal management is the establishment of sound financial policies that preserve the Division's fiscal stability and enhance stakeholder confidence. Within the framework of efficient and effective internal controls and the design and implementation of financial procedures, is the need for communication of each stakeholder's responsibility and authority. Delegation of responsibility and authority is a vital component of the success of a smooth implementation and operation of internal controls.

While the Education Board adopts policy, Division managements shall establish procedures and direct and guide day-to-day activities to be consistent with adopted policy within the constraints of available resources.

IV. ACCOUNTING AND REPORTING

A. Basis of Accounting

The Basis of Accounting will be designed, implemented and followed in strict accordance to the GAAP standards applicable to governmental agencies as proscribed by the Governmental Accounting Standards Board (GASB) and accounting standards specific to the Charter School as proscribed in Arizona Revised Statutes (A.R.S.) 15-183(E)(6); standards specific to P.L. 100-297 Grant Schools as set forth at 25 C.F.R. 276 *et seq.*; 43 C.F.R. 12 *et seq.*; OMB A-87 and A-133;

with further directives by grantors as provided under individual grant contract provisions; and by the Salt River Pima-Maricopa Indian Community.

B. Chart of Accounts

The Division will maintain a chart of accounts that is consistent with producing financial reports under the requirements of GAAP, Bureau of Indian Education (BIE), Arizona Department of Education (ADE) for Charter Schools, and the United States Office of Management and Budget (OMB). The chart of accounts shall be designed to satisfy the particular needs of management and to assist in meeting external or internal reporting requirements by facilitating the tracking of transactions by both function and program.

C. Journal Entries

All journal entries shall be reviewed and approved by an appropriate level of management as defined by the Superintendent/Director.

All Division's Journal Entries will comply with GAAP and all other Division Financial and Internal Control procedures.

D. Monthly Closing

To comply with financial reporting requirements; the Division will perform formal monthly closing of its accounting records, as defined by the Superintendent/Director and designee.

E. Year-End Closing

To comply with financial reporting requirements, the Division shall establish and maintain an annual timeline of milestone events. The timeline shall be developed to ensure that all necessary financial statements and reports are fully completed to ensure audit field work for both Charter and Grant Schools is completed to allow the timely completion and filing of required audits.

The Education Board shall review and approve the annual Financial Statements and any other annual or periodic reporting as required by the funding source.

F. Management Representation Letter

Management will provide a Management Representation Letter to the auditor prior to the issuance of the financial statements.

G. Time Reporting

The Division holds supervisors and employees responsible and accountable for the accurate and timely reporting of employees' time in a documented format suitable for audit purposes.

H. Approval of Disbursements

The Education Board will be presented a report of disbursements for approval / ratification at least monthly. The Superintendent / Director is delegated to approve disbursements between Board meetings.

I. Audits

The books and accounts of the Schools shall be audited by an independent (external) certified public accountant in conformance with generally accepted auditing standards and legal requirements.

The audit material, when completed, shall be presented to the Education Board for examination. The materials would include, but may not be limited to: Financial Statements (Basic or CAFR), Single Audit, Management Letter, Applicable State Questionnaires, and any other regulatory or funding agency audit requirements.

V. BUDGETING

A. Periodic Reporting

To assist program managers manage programs and monitor budget projections, the Division will issue periodic budget status reports and meet periodically during the fiscal year to discuss budget status, issues, and appropriate corrective action.

Periodic budget reports will be presented to the Education Board no less than semi-annually and to Community Council as requested by the Community Manager and / or Community Treasurer.

B. Annual Budget

The Superintendent / Director is directed to formulate the annual budget, considering at all times that all resources must be utilized to produce the most positive effect on the students' educational opportunities.

The Superintendent / Director is responsible for reviewing budgetary requests, providing guidelines and limitations, and presenting the proposed budgets and documentation necessary for Board study, review and action.

Program managers and department heads, along with other Division staff shall with consideration of projected funding amounts, participate in providing data for and developing the annual budget as directed by the Superintendent/Director or designee.

C. Budget Deadlines and Schedules

Each school year the Superintendent / Director shall present a budget preparation schedule to accomplish all required budgetary actions for the following fiscal year. This schedule will, at a minimum, provide specific dates for the accomplishment of all Community, federal and state mandated actions.

D. Budget Approval

The Education Board will adopt the Division’s budgets at the highest level required by the applicable funding entity (federal, state, Community).

E. In Excess of Budget

Any necessary over spending in a major category in excess of the adopted budget for maintenance and operations shall require Board approval. Major categories are defined by the Board with budget adoption, such as: Elementary school, High school, Accelerated Learning Academy, ECEC, and Support and Central shared services.

F. Budget Hearings (AZ Charter School)

The Education Board shall prepare a notice fixing the time, according to state law, and place at which a public hearing and special Board meeting shall be held to present the proposed budget for consideration of the public.

The publishing of the proposed budget and notice of a special meeting shall be in accordance with state law.

Immediately following the public hearing, the Chair shall call to order the special Board meeting for the purpose of adopting the budget.

The Board shall adopt the budget and enter the budget as adopted in its minutes
Filing of the budget shall be according to state law.

G. Revenues From Property

Revenues collected from rental, lease or sale of School-owned property shall be deposited and subsequently expended as allowable under applicable Community, federal, or state law dependant on acquisitioning funding sources’ point of origin.

VI. PROCUREMENT

A. Requisitions

The Division will follow Purchase Requisition processes as adopted by the Salt River Pima-Maricopa Indian Community Council and as directed by the Community Manager. The Division will also follow other specific requisitioning requirements and thresholds as set forth by federal and state funding sources.

B. Budgetary Control

The Division will follow the Budgetary Control process as adopted by the SRPMIC Council and as directed by the Community Manager.

C. Purchasing

The Division will follow Purchasing processes and thresholds as adopted by the Salt River Pima-Maricopa Indian Community Council and as directed the Community Manager. The Division will also follow other specific purchasing requirements and thresholds as set forth by federal and state funding sources.

D. Receiving

The Division will follow the Receiving process as adopted by the SRPMIC Council and as directed by the Community Manager.

The Division will also follow other specific Receiving requirements as set forth by applicable federal and state mandates.

E. Accounts Payable

The Division will follow Accounts Payable process as adopted by the SRPMIC Council and as directed by the Community Manager.

The Division will also follow other specific Accounts Payable requirements as set forth by applicable federal and state mandates.

VII. CASH MANAGEMENT

A. Bank Accounts

The opening and closing of any bank account shall require authorization from the Education Board. A list of authorized signatures designated by the Education Board for each bank account will be adopted and updated or as the authorized personnel changes,. Each bank account shall be only used for its intended and stated purpose.

This includes bank accounts that hold all cash and cash equivalents’ for the school’s operations and maintenance, as well as, all bank accounts that are solely held in an agency capacity for students’ organizations and clubs.

B. Cash Handling

Cash includes currency on hand, such as petty cash, registers, lock boxes and safes and cash receipts not yet deposited; negotiable instruments, such as drafts, checks, warrants, and money orders; and balances on deposit with commercial banks and the Community Treasurer.

Because of the relatively high risk of loss associated with cash transactions, the Superintendent/Director shall establish, implement and monitor effective cash handling procedures to control and safeguard cash and ensure accurate reporting.

C. Petty Cash

Petty cash is a small amount of cash on hand where disbursements made are only for minor disbursements when a check (or p-card) is not practical or immediate cash payment is required.

All petty cash accounts and amounts are authorized by the Education Board, by site. Petty cash is established by the draw from the general fund (site's general resource) on an imprest basis and closed at fiscal year end. Each petty cash custodian shall annually sign and adhere to the Community's petty cash custodian agreement.

Note for Procedure (was an audit issue previously): "Closed" does not mean the account is physically eliminated, but reconciled, idle and combined with general fund cash at the fiscal year ended date.

D. Timely Deposits

All cash collected shall be transmitted, reported and deposited the daily with a minimum accumulation of \$500 or at least weekly, whichever is sooner.

VIII. DEBT MANAGEMENT

{Reserved for future policy update.}

IX. RESERVES AND FUND BALANCE

A. Reserves and Set-asides

{Reserved for future policy update}

B. Fund Balance

Fund balance shall mean the gross difference between governmental fund assets and liabilities reflected on the balance sheet. Governmental fund assets are those of the General fund, Special revenue funds, Debt service funds, and Capital projects funds.

Fund balance classification shall be recorded in accordance with governmental accounting standards as promulgated by the Government Accounting Standards Board (GASB).

The order of spending and availability of the fund balance shall be to reduce funds from the listed area in the following order: restricted, committed, assigned, and unassigned. Negative amounts shall not be reported for restricted, committed, or assigned funds.

The five (5) classifications of fund balance of the governmental type funds are as follows:

- 1) **NON-SPENDABLE Fund Balance:** shall mean the portion of the gross fund balance that is not in spendable form, or required to be maintained intact legally or contractually for a specific use.

Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include, but not limited to:

- a. Inventories (non-capitalized, such as supplies);
- b. Prepaid items (such as subscriptions and travel advances);
- c. Deferred expenditures;
- d. Long-term receivables;
- e. Outstanding encumbrances; and
- f. Self-funded reserves programs.

- 2) **RESTRICTED fund balance:** shall include amounts constrained to a specific purpose by external parties or providers, such as a grantor.

Examples of restricted fund balance include, but not limited to:

- a. Child nutrition programs;
- b. Construction programs (Capital projects funds);
- c. Repayment of debt (Debt service funds);
- d. Federal and State funded programs (Special revenue funds); and
- e. Resources from other agencies.

- 3) **COMMITTED fund balance:** shall mean that portion of the fund balance that is constrained to a specific purpose set forth by the Education Board.

Examples of Committed fund balance include, but not limited to:

- a. Capital replacement reserves;
- b. Potential litigations, claims and judgments; and
- c. Campus activity funds.

- 4) **ASSIGNED fund balance:** shall mean that portion of the fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose by the Education Board or delegation to the Superintendent/Director or other designee. In practice, such plans or intent may change and may never be budgeted, or may result in expenditures in future periods of time.

Examples of Assigned fund balance include, but not limited to:

- a. Asset financing plans;
- b. Reserve and set-aside programs not in *Committed* fund balance;
- c. Program start-up costs; and
- d. Other designations not categorized in 1-4.

- 5) **Unassigned fund balance:** shall include amounts available for any legal purpose. This portion of the total fund balance in the general fund is available to finance operating expenditures.

The unassigned fund balance shall be the difference between the total fund balance and the total of the non-spendable fund balance, restricted fund balance, committed fund balance, and assigned fund balance.

X. CAPITAL AND CONTROLLABLE ASSESTS

A. Capitalized Asset

The Division shall follow the capitalization thresholds and useful life estimates, by asset type, as adopted by the Community Council, unless specific funding sources or regulatory entities require a lower threshold. A capitalized asset shall be defined as land, building or equipment with a useful life of more than one year and costs in excess of the established threshold.

The Division will not utilize the “modified approach” for infrastructure reporting without the approval of the Education Board. The Education Board authorizes the Superintendent / Director to determine the asset categories used for the financial statements.

B. Non-Capitalized

Consumable good: an item that may or may not cost greater than the capitalization threshold, but has a useful life of less than one (1) year.

Non-capitalized asset: an item has a useful life of more than one (1) year, but the original cost is less than the capitalization threshold.

C. Controllable Assets and Inventories

Controllable Assets are those that due to their nature, or federal or state guidelines, need to be accounted for. Controllable inventories are generally supplies stocks, such as a warehouse, that due to their nature, or federal or state guidelines, are required to be tracked.

The Superintendent / Director will establish guidelines to identify and categorized controllable assets and procedures to maintain custody of, including but not limited to annual inventories.

D. Capital Outlay (Expenditure)

The Division shall adhere to capital and soft capital classifications as defined by Arizona Department of Education and the State’s Auditor General Office. A capital expenditure is defined as an item that directly appears on the list issued by the State’s Auditor General’s Office. Generally, an item that has a useful life of at least one year; would typically be repaired rather than replaced; and is an “independent unit”; with no cost threshold applied as in a Capitalized Asset.

Note: A “Capitalized Asset” is a “Capital Expenditure” and a “Controllable Asset”. However, a “Controllable asset” is not always a “Capitalized Asset” or a “Capital Expenditure”; and a “Capital Expenditure” may not be a Capitalized asset.

XI. GRANT MANAGEMENT

A. Grant Development and Acquisition

The Education Board will authorize application and acceptance of grants as may be beneficial to the Division and as required by the granting agency.

B. Grant Monitoring

The Superintendent/Director shall develop operating procedures to assure grant contract program and financial reporting requirements are met.

C. Grant Utilization

The Superintendent/Director shall ensure that grant resources are utilized to the fullest extent possible and before general fund resources are utilized as allowed by the grant contract.

XII. INTERNAL CONTROLS

A. The Division will operate under a framework of well-designed efficient and effective internal controls to:

1. promote the best use of the Division's resources,
2. assure accurate and reliable data,
3. provide for safeguarding of the Division's assets and
4. assure compliance with laws and policies.

B. The need for internal controls is imperative for the organization to adequately conform to GAAP (Generally Accepted Accounting Principles); SAS (Statements of Auditing Standards); 25 C.F.R. 276 *et seq.*; and, other applicable standards.

C. Development of Internal Controls

To ensure that all "Internal Control" procedures are designed and implemented to comply with industry and governmental control standards and organizational requirements, the Education Board delegates the responsibility and authority for the development, implementation and monitoring of internal controls to the Superintendent/Director subject to this and other Education Board policies as adopted. The Superintendent/Director may further delegate authority as the Superintendent/Director deems appropriate.

D. Internal Controls Policy Documentation

The Division will:

1. document its internal control procedures;
2. maintain and update procedures as appropriate; and
3. make procedures readily available to employees as appropriate
4. make literature and training opportunities available to employees to keep them up-to-date with industry standards within their particular area.

E. Operating Procedure Development

The Division's Financial Operations Officer will establish, implement and maintain accounting procedures in conformity with GAAP standards applicable to governmental agencies as adopted by the Governmental Accounting Standards Board (GASB) and accounting policies specific to the Charter School as prescribed in Arizona Revised Statutes (A.R.S.) 15-183(E)(6).

F. Procedure Review

The Division will establish a standing committee to assess internal control policies and procedures, issue reports as appropriate and recommend changes as necessary.

G. Continuing Education

The Division's Financial Operations Officer will assure continued education for applicable staff through Governmental GAAP media such as:

1. The Governmental GAAP Guide
2. The GFOA Blue Book
3. AICPA Yellow Book
4. Publications from GFOA
5. Publications from GFOAz
6. Publications, manuals and memos issued by ADE
7. Publications, manuals and memos issued by the State of Arizona Auditor General's Office
8. Publications, manuals and memos issued by the Federal Government regarding OMB A-87, A-133, 25 C.F.R. 276 *et seq.*, and 43 C.F.R. 12 *et seq.*