



AMERICAN ACADEMY
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Financial Planning & Budgeting Policy

This policy was approved by the Board of Directors on July 22, 2020.

Purpose

The annual budget development process is designed to create the financial plan to cultivate the mission, vision and operation of American Academy. It provides the framework for both anticipated revenues and planned expenditures derived from the educational programs and priorities of the American Academy Board of Directors (BOD) for the fiscal year (July 1 to June 30). The BOD retains primary responsibility and authority for establishing budget priorities and parameters and approving the budget.

Preparation

The BOD assigns overall responsibility for preparation and administration of the annual budget to the Executive Director of Schools (EDS). No later than the school district deadline for a proposed budget, the EDS will present to the BOD for their approval an initial annual formal budget for the successive fiscal year in conjunction with a three-year budget projection model developed and reviewed by the Finance Committee in accordance with the rules of the Governmental Accounting Standard Board (GASB) and in observance of any applicable Colorado State law or District contractual requirement.

No later than the school district deadline for a final budget, the EDS will present to the BOD for their approval a final annual budget.

Organization

The formal budget shall be organized in both summary and detailed format in conformance with Colorado State Chart of Account coding requirements. An itemized accounting of current year budget and actual revenue and expenditures, projected current year-end-balances and a full accounting to date of known American Academy operations will be prepared in concurrence with budget presentation. Wherever possible, the budget adopted shall be sufficient to implement the programs and policies approved by the American Academy BOD. Material opportunities or risk that may impact the budget shall be footnoted for consideration by the BOD.

Supplemental Budget

Following a final October pupil count, a "Supplemental Budget" may be developed for any additional funding to be expended within the academic year. If there were to be a reduction in funding, the BOD will approve either a percentage adjustment or follow an alternative EDS recommendation for a reallocation of current year expenditures.

Fund Balance

At all times, American Academy will effectively and efficiently utilize taxpayer dollars. This includes maintaining an adequate fund balance within the limits set out by state law. Maintaining an adequate fund balance will ensure American Academy can meet its long-term obligations, fund future needs, and to sustain operations during the case of an emergency.

Subject to the discretion of the BOD, under normal, non-emergent circumstances, American Academy will maintain a 6% minimum fund balance in addition to the required 3% TABOR reserve. The BOD will review this amount annually on or before June 30. Fund balance percentage will be calculated by dividing total fund balance dollars by total annual expenditures.

POLICY HISTORY

- Original:* approved by the BOD on May 9, 2008
- Revision 1:* approved by the BOD on March 18, 2009
- Revision 2:* approved by the BOD on February 18, 2010
- Revision 3:* approved by the BOD on January 18, 2011
- Revision 4:* approved by the BOD on January 18, 2012
- Revision 5:* approved by the BOD on March 29, 2019
- Revision 6:* approved by the BOD on July 22, 2020

SUMMARY OF REVISION 1

Final budget date changed to reflect DCSD deliverable

SUMMARY OF REVISION 2

Final budget date changed to reflect DCSD deliverable

SUMMARY OF REVISION 3

Adjusted planning to three-year budget from five-year to align with DCSD

SUMMARY OF REVISION 4

Adjusted budgeting deadlines to align with DCSD

SUMMARY OF REVISION 5

Minor language revisions

SUMMARY OF REVISION 6

Addition of board-required reserves

