



# *Mountain Island Day Community Charter School*

## *Board Policy-Budget Approval*

### **1) Purpose**

- a. The purpose of this policy is to ensure Mountain Island Day has a well-planned budget and will focus on the primary goals and objectives of Mountain Island Day School.

### **2) Creating the Budget**

- a. The Budget Committee will include the Board of Directors' Treasurer, Head of School, Financial Secretary, and the Dean of Students. The Budget Committee will create a preliminary budget for the proceeding school year to present to the Board of Directors.

### **3) Task of the Budget Committee**

- a. The task of the Budget Committee is to develop the budget for the proceeding school year. The steps in developing a budget are as follows:
  - i. Review the previous year's actual expense including all variance to the previous year's budget.
  - ii. Review estimated enrollment based on historical enrollment and forecast projections
  - iii. Forecast cost of any new objectives and programs by creating and itemized list of anticipated expenses involved in achieving the new objectives or programing.
  - iv. Forecast of any anticipated increase to current budgeted/contracted items (i.e. curriculum, janitorial, and personnel)
  - v. Estimate the expected dates and amounts of revenue that will be generated.
  - vi. Compare the expected dates and amounts of revenue to the estimated expenses.
  - vii. Develop the final budget.
  - viii. The budget must be approved by a majority vote of the Budget Committee prior to presentation to the Board of Directors

### **4) Budget Approval**

- a. The preliminary budget will be presented to the Board of Directors at the December Board of Directors meeting. The Board will have opportunity to question details of the budget and request changes to the budget. A minimum of three months will be allowed for the process of finalizing the budget and to obtain final Board of Director Approval for the proceeding school year. The budget must be approved by a unanimous vote of the Board of Directors.
- b. Quarterly variance and forecast metrics (Financial Metrics) against the approved budget will be presented to the Board of Directors to aid in the safety and soundness of Mountain Island Day School.

### **5) Changes to the Budget**

- a. Sometimes budgets must change when expectations are not met. Continual review of variances, along with forecasting, will allow the Board of Directors to determine if the overall budget is sound or if actual events require a new budget to be adopted.
  - i. In the event a budget must be adjusted mid-year, the Budget Committee will make proposed adjustments to the budget and present to the Board of Directors. The Board of Directors will use the Financial metrics to aid in the determination for budget adjustments and/or additional spends.
  - ii. A special Board meeting will be called if the proceeding Board meeting is more than 4 weeks away.

- iii. The adjusted budget will be presented and the Board of Directors will make any necessary changes to the budget at the special board meeting.
- iv. The Board of Directors approval of an amended Budget is required before implementation.

**6) Adoption**

- a. This board policy was adopted by the Mountain Island Day Schools' governing board on November 30<sup>th</sup>, 2017.

Items addressed:

- Budget Approval