

Fiscal Management Policy

2016-2017

FISCAL MANAGEMENT POLICY

Governing Law: The manner in which annual, independent financial audits shall be conducted, which shall employ generally accepted accounting principles, and the manner in which audit exceptions and deficiencies shall be resolved to the satisfaction of the chartering authority. Education Code Section 47605(b)(5)(I).

Each fiscal year, an independent The Board contracts and oversees the preparation and completion of an annual audit of the school's financial affairs. WE retains independent auditors with educational audit experience. The audit is conducted in accordance with generally accepted accounting principles applicable to the school. To the extent required under applicable federal law, the audit scope is expanded to include items and processes specified in any applicable Office of Management and Budget Circulars. WE reviews any audit exceptions or deficiencies and report to the Board with recommendations and a timeline no longer than 90 days to resolve them.

These financial audits are conducted by a qualified Certified Public Accountant familiar with school finances and operations. The audit verifies the accuracy of the school's financial statements, revenue-related data collection and reporting practices and reviews the school's internal controls. The audit also includes a review of ADA reported by BayTech. Moreover, the audits assure that the school's funds are being handled responsibly. Within 14 days, audit exceptions and deficiencies shall be resolved in a meeting with the auditor and/or the District financial office to the satisfaction of the auditing agency and the results are reported to OUSD. The audit is completed and submitted to OUSD, Alameda County Office of Education, the State Controller's Office the California Department of Education, and the State Board of Education by December 15 following each school year. BayTech provides interim financial data required by the District to fulfill its obligation to the county and state.

BayTech will receive funding pursuant to California Education Code Sections 47630-47635 and all applicable education codes and chooses to receive the funds directly from the State to be deposited into its own account at the County Treasury. Any funds due to the school will flow to the school according to the schedules outlined in the appropriate Education Code sections.

9.1 BUDGETS

In Appendix E1, "Proposed Budget and Cash Flow," please find the following:

- § Projected operational budgets for five years of operation
- § Cash flow projections for three years of operation

These documents are based upon the best data available to the Petitioners at this time.

9.2 FINANCIAL REPORTS

BayTech guarantees to provide reports required by the OUSD as outlined below.

- § CBEDS (California Basic Educational Data System)
- § ADA (Average Daily Attendance) reports

§ SARC (School Accountability Report Card)

Copies of annual, independent financial audits employing generally accepted accounting principles shall be presented to the District no later than December 15 following the close of the school year.

In order to ensure the necessary oversight and review of mandated reports for which the authorizer must determine fiscal health and sustainability, the following schedule of reporting deadline to the District will apply each year of the term of this charter:

- § September 1 – Final Unaudited Financial Report for Prior Year
- § December 1 – Final Audited Financial Report for Prior Year
- § December 1 – First Interim Financial Report for Current Year
- § March 1 – Second Interim Financial Report for Current Year
- § June 15 – Preliminary Budget for Subsequent Year

9.3 ACCOUNTABILITY

To the extent that BayTech is a recipient of federal funds, including federal Title I, Part A funds, BayTech has agreed to meet all of the programmatic, fiscal and other regulatory requirements of the No Child Left Behind Act (NCLB) and other applicable federal grant programs. BayTech agrees that it will keep and make available to the District any documentation necessary to demonstrate compliance with the requirements of NCLB and other applicable federal programs, including, but not limited to, documentation related to required parental notifications, appropriate credentialing of teaching and paraprofessional staff, where applicable, or any other mandated federal program requirement. The mandated requirements of NCLB include, but are not limited to, the following:

- § Notify parents at the beginning of each school year of their “right to know” the professional qualifications of their child’s classroom teacher including a timely notice to each individual parent that the parent’s child has been assigned, or taught for four or more consecutive weeks by, a teacher who is not highly qualified
- § Develop jointly with, and distribute to, parents of participating children, a school-parent compact
- § Hold an annual Title I meeting for parents of participating Title I students
- § Develop jointly with, agree on with, and distribute to, parents of participating children a written parent involvement policy.

BayTech also understands that as part of its oversight of the school, the Office of Charter Schools may conduct program review of federal and state compliance issues.