



## **Financial Management**

Colorado Early Colleges (CEC) shall conduct its business operations with sound fiscal management in order to meet the educational objectives set forth by the CEC Governing Board, Chief Executive Administrator (CEA), school leadership, and in community with CEC parents.

The CEC Governing Board (Board) and the Chief Executive Administrator (CEA) will provide fiscal oversight. The Board vests its authority in the CEA to create and carry out all appropriate policies and procedures to effectuate the Board's mission and intent.

### **Accounting System – Books and Records**

**Policy:** CEC's books shall be maintained in accordance with Generally Accepted Accounting Principles (GAAP), include budget to actual reports, general ledger details, and detailed journals for all cash receipts and cash disbursements including payroll. There will be a disaster recovery procedure in place for any accounting data/software maintained outside CEC's system. All financial records will be backed up and housed by Specialized Data Systems (SDS), CEC's current financial system or a similar system. CEC shall adhere to all financial transparency posting requirements defined within statute.

CEC shall, either independently or with the assistance of an accountant, maintain appropriate fixed asset and related depreciation accounts. All property and equipment acquisitions and dispositions in excess of \$10,000 shall be approved by the CEA. Assets in excess of \$10,000 and a useful life of over 1 year shall be capitalized and depreciated over their useful life in accordance with GAAP for nonprofit organizations. Asset purchases of under \$10,000 and software purchases shall be expensed.

### **Financial Statements/Budget**

**Policy:** The Board shall approve an annual operating budget for CEC based on the requirements of CEC's charter authorizer. Adjustments to budget categories during the year shall be approved by the Board. The Board will record their approval of total expenditure amount per school in the Board minutes via a resolution noting the expenditures approved by fund. Financial statements will be submitted to the Board for review once each fiscal quarter, at a minimum. The CEA and CEA's designee will prepare and submit an annual budget to the Board based on Board direction and authorizer requirements.

### **Bank Account Management: Issuing / Signing Authority**

**Policy:** The Board adopts a voucher system for the approval of all accounts payable. The person preparing accounts payable and reconciling the accounts shall not have signing authority on the accounts. The Board grants signature delegation authority to the CEA to designate a representative for signature on amounts \$50,000 and under. For amounts over \$50,000 the CEA has exclusive signature authority. For all vouchers at least two CEC employees must sign the voucher request. For amounts \$1,000,000 and over, an Officer of the Board as well as the CEA's signature is required on vouchers.

The limits noted above exclude all routine or recurring payments such as rent, utilities, lease agreements, college payments, and all payroll liabilities or contracts once the amounts are approved by the Board and CEA.

The Board grants the CEA or designated representative, authority to open or close accounts subject to restriction of the Board or by state law or regulation. This includes any bank accounts, credit cards, lines of credit, or store membership/credit accounts.

## **Audits, Tax Filing, and Financial Regulatory Forms**

**Policy:** Independent audits of CEC's financial statements shall be conducted annually by a Colorado State Certified Public Accountant selected by the Board. Annual financial audits will be conducted in accordance with GAAP. Financial regulatory forms shall be completed as necessary by CEC or an accounting firm selected by the Board.

## **Insurance**

**Policy:** CEC shall maintain appropriate insurance coverage as required by the Board, CEC's financial obligations, and authorizers' standards, and the coverage levels shall be reviewed annually.

## **Contracts, Leases, Borrowing Funds, Debt, and Lines of Credit**

**Policy:** The execution of contracts and grants shall be within the scope of CEC's mission, goals, and shall comply with CEC's contract with authorizer pursuant to section 9, "Governance and Operations", subsection H, "Operational Powers." All contracts, grants, loans, and financial agreements must be vetted by legal counsel and approved by the CEA or designee. All borrowing of funds, and the establishment or increase of all credit lines must be approved by the CEA and have Board approval.

## **Bequests and Contributions, and Restricted Donations/Grants**

**Policy:** Non-restricted bequests and contributions shall be used for operations or special projects as designated and approved by the CEA, CEA designee, or the Board and are consistent with conditions set forth by the Board. Bequests and contributions that are donor-restricted shall be used for the purpose articulated by the donor, except that in no case shall CEC accept any such bequest or contribution for which the donor restriction is not aligned with school priorities or violates any federal or Colorado state law.

## **Miscellaneous Financial Processes**

**Policy:** The Board delegates its authority granted under statute to the CEA to establish tuition, fees, deposits (collectively referred to as "Charges"), and other financial management processes. The Board directs the CEA to publish any miscellaneous Charges according to statute.

### **Additional Legal References:**

CRS 22-30.5-513  
CRS 22-32-109 (1)(k)  
CRS 22-32-115;  
CRS 22-32-117;  
CRS 22-44-301 et seq.;  
CRS 22-45-102  
CRS 22-54-103-105  
CRS 22-54-109;  
CRS 24-10-115,  
CRS 24-75-601.3  
CRS 29-1-103 (3) (budget to reflect lease-purchase payment obligations)  
CRS 29-1-601 et seq.  
CFR § 200.306  
CFR § 200.434  
CFR § 200.414  
CFR § 200.320  
CFR § 200.320  
Article X, Section 20 Colorado Constitution;

CEC Financial Management Manual