





## **BOARD POLICY**

### **4.000**

#### **BUDGETARY AND FINANCIAL MANAGEMENT OBJECTIVES**

The Board of Directors recognizes that the quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. It follows that achievement of the School's mission and purposes can best be achieved through excellent financial management. Further the Board recognizes the trust it has been given with the responsibility of managing these funds and shall be vigilant in fulfilling its responsibility to see that the funds are used wisely for achievement of the purposes to which they are allocated.

The Board shall be responsible for ensuring that all aspects of School finance are managed in compliance with the School's doctrines, in accordance with good business practices and with financial integrity as follows:

- A. **School doctrines.** The School's finances shall be managed in compliance with the School's Charter and By-Laws of the Association and with the Board policies contained within this section of the Board Policy Manual.
  
- B. **Business practices.** Whereas the Board recognizes that the School's reason for existence is to provide high quality curriculum and instruction, it further recognizes the need to implement sound business practices in all aspects of the School's operations and financial management. Within the framework of Board policy and implementing regulations, it is expected that the Board shall:
  - 1. Engage in thorough advance planning in order to develop budgets and to guide expenditures so as to achieve the greatest educational returns and the greatest contributions to the educational program.
  - 2. Establish levels of funding which shall provide high quality education for the students of the School.
  - 3. Use the best available techniques and processes for budget development and management.
  - 4. Conduct all financial and business decisions in accordance with the checks and balances that are conventions in proper accounting operations and financial accounting.
  - 5. Ensure the provision of timely and appropriate financial reporting.
  - 6. Ensure the implementation of efficient procedures for accounting, reporting, investing, purchasing and delivery, payroll, payments and all other areas of financial management.
  - 7. Commission an annual audit of the School's accounts by a reputable auditor.





## **BOARD POLICY**

### **4.100**

#### **ANNUAL OPERATING BUDGET**

The annual operating budget is the financial plan for the operation of the School system. It provides the framework for both expenditures and revenues for the year and translates into financial terms the School's educational programs and priorities.

The Board of Directors holds the Director responsible for preparing the School's annual operating budget. The Director, assisted by the School's Finance Manager, shall work closely with department heads and staff in studying the needs of the School and in compiling a budget to meet those needs. He/she shall then submit to the Finance Committee of the Board the proposed budget in accordance with Board policy and procedures for review and approval. Following approval by the Finance Committee, the proposed budget shall be presented to the Board of Directors for approval. Final approval is obtained from the Board of Trustees.

The annual budget, as approved by the Board, shall serve as the controlled spending plan for the ensuing school year. It should be adequate to cover annual operating costs and to allow for additions and changes as dictated by the projected needs of the School. This policy covers the budget calendar, budget development, budget approval and ongoing budget reviews.

##### **A. Budget Calendar**

In September of each year the Director, assisted by the School's Finance Manager and in consultation with the Finance Committee, shall prepare a calendar which outlines the process and schedule for the development and approval of the following fiscal year's operating budget. The format of the budget calendar is provided in the regulations associated with this policy. The Director shall also develop procedures to ensure that necessary school inputs to the process are prepared and submitted in accordance with the budget calendar.

##### **B. Budget Development**

The Director, assisted by the School's Finance Manager, shall prepare and present a preliminary operating budget proposal for the following year, to the Finance Committee for review. The proposed budget shall be prepared in U.S. dollars and include estimates of enrollment, staffing levels, and program expenditures, as well as recommendations for funding these expenditures. The Finance Committee shall ensure that the proposed budget is consistent

with the School's budgetary and financial management objectives and meets the operational requirements of the School for the upcoming year. In reviewing the budget, the Finance Committee shall hold one or more budget review meetings and study the school program in its relation to present and future needs.

As necessary, the Finance committee shall also work with the Director to establish alternative funding levels for Board consideration.

When required, the Director shall also develop a capital budget to support the construction or major renovation of school facilities or major equipment purchases. When the School proposes to fund projects over more than one fiscal year, budget estimates for the subsequent years' budget requirements, including recommendations regarding annual cash-flow projections and cash reserves, must be submitted concurrently. Approval of a multi-year project commits the Board to include the funds necessary for the completion of the project in capital budgets in subsequent years.

#### C. Budget Approval

After review and approval of the proposed budget by the Finance Committee, the Director shall present the proposed budget to the Board of Directors for consideration and approval. The budget review and Board approval process shall be completed in accordance with the approved budget calendar, but no later than the regular January Board meeting.

Upon approval, the budget shall become the official spending plan for the upcoming school year. Within the approved budget, the Director is authorized to make expenditures and commitments in accordance with Board policies and regulations.

#### D. Ongoing Budget Reviews

The Board recognizes that a critical component to the School's annual operating budget is the anticipated or actual student enrollments. To that end, the Finance Committee shall conduct at least one formal review of the budget each year, no later than the January Board meeting. Following the review, any proposed changes to the budget shall be presented to the Board of Directors for approval. These ongoing reviews allow the Board to make adjustments to the operational spending plan based on actual student enrollments or any other major changes in the School's profile.



## **BOARD POLICY**

### **4.110**

#### **BUDGET ADMINISTRATION**

The School's budget, once approved by the Board, is considered a statement, in financial terms, of the operational plans for the School. Therefore a system of fiscal control must be established to govern the administration of the budget and the receipt and expenditure of funds. Implementation and control shall be governed by the following provisions:

- A. The Director shall have the authority to authorize expenditure of funds within the limit of an adopted budget, in conformity with Board policy and procedure and legal requirements.
- B. The Director shall establish procedures which clearly delegate authority to expend funds within each budget program, establish accountability for those expenditures and outline methods of control
- C. Additional revenues generated by increased enrollments may not be expended without Board approval
- D. Expenditures from any Program shall be for the purposes indicated in the budget, unless variation is authorized as provided in this policy. No individual or group delegated authority and accountability for a program or portion thereof shall expend funds beyond the budget for that account without the written authorization of the Director as permitted in Board policy.
- E. Any budget revisions, budget overrides and transfers of funds must be approved by the Board, recorded in the official Board minutes and where appropriate, reported in the monthly Board financial statements.
- F. When circumstances justify the need to meet unforeseen or unplanned School requirements, the Director may incur obligations not exceeding 10% of non-personnel funds within each line account, while not exceeding the total budget authorized without prior approval of the Board. The Director shall report such adjustments and obligations as they occur in the monthly Board financial reports.
- G. The Director shall have monthly financial reports prepared by the Finance Manager for the Board which provide information on the budget and expenditures to date for each budget line item and projections for the balance of the budget year.







## **BOARD POLICY**

### **4.210**

#### **SYSTEM OF ACCOUNTS**

The primary purpose of the School's financial accounting and reporting structure is to comply with applicable legal provisions and to determine fairly and with full disclosure the financial position and results of the financial operations of the School.

To that end, it shall be the policy of the Board that the accounting, financial reporting and management control systems of the School:

- be designated and maintained to ensure accurate, reliable and relevant data and ease of audit
- conform to the high standards of care and discipline required by generally accepted accounting principles
- follow an accrual based method of accounting
- are able to produce a comprehensive set of financial reports on the financial affairs of the School.

The Board of Directors holds the Director responsible for implementing a financial accounting and reporting system and establishing a system of accounts that will enable him/her to manage the financial assets of the School. The system of accounts shall be approved by the Board and maintained by the School's Finance Manager.

The system of accounts used by the School shall be a line account structured system as is commonly used in schools in the United States, with an account name structure designed allowing for detailed analyses and historical tracking to be accomplished. The budget and monthly financial statements shall be developed using this same account name structure and format. All accounts shall be maintained and reported in U.S. dollars.

The Director, working with the Finance Manager, shall be responsible for the maintenance of all financial records of the School in a form that shall readily permit the preparation of the financial statements required for the proper monitoring of the School's financial affairs and ease of auditing.







## **BOARD POLICY**

### **4.240**

#### **ASSET INVENTORIES AND DEPRECIATION**

The Board of Directors holds the Director responsible for implementing and maintaining a system and associated procedures to track all assets of the School and appropriately account for them through approved methods of depreciation.

#### **Physical Inventories**

The School's assets shall be accounted for and tracked. All School furniture and equipment whose cost exceeds equivalent of US\$ 100 and/or whose utility extends beyond one year shall be considered accountable property and a physical inventory maintained. Such assets shall include the following:

1. School / office furniture and equipment
2. Computer hardware equipment
3. Telephone equipment
4. Vehicles
5. Residence furniture and equipment
6. Instructional materials
7. Library materials

An annual physical inventory of all accountable property shall be conducted on a schedule as determined by the Director.

#### **Capitalization of Assets**

Expenditures on assets with a unit cost greater than \$5,000 shall be capitalized in the School's books and records with a corresponding depreciation schedule set accordingly.

#### **Depreciation**

The specific depreciation rate and method of depreciation for each type of asset shall be approved by the Board, upon the recommendation of the Director and Board Finance Committee. These details shall be included as a part of the regulations associated with this policy.







**BOARD POLICY**  
**4.310**

**SCHOOL FEES**

The Board of Directors is responsible for setting school fees annually, upon the recommendation of the Director and appropriate Board committee(s). School fees are subject to change. However, it is the practice of the Board to give appropriate advance notice of changes, and to publish its current tuition and fees schedule for parent information.

The School's tuition fee is determined on an annual basis based on projected enrollment, non-tuition income, and projected expenses for the following fiscal year.

The specific tuition and fee amounts shall be specified in the Regulations associated with this policy.

**A. Application Fee**

All students who apply to the School shall pay a non-refundable application fee at the time his/her application for enrollment is submitted.

**B. Registration Fee**

All students who are accepted for enrollment shall pay a non-refundable registration fee, deductible from the tuition fee, in order to guarantee a seat.

**C. Capital Fee**

All students enrolled in grades K through 12 shall be required to pay a yearly capital fee at the time of enrollment, except when the fee is waived according to established Foundation Prepayment programs currently in place. Capital fee income shall be segregated in the Annual Budget and maintained completely separate from the Operating Budget.

This fee is used to fund major capital projects at the School.

**D. Annual Tuition Fee**

Each student shall pay an annual tuition fee for each year enrolled at the School. The fee amount charged by the School may be different depending on the grade level the student is scheduled to attend. For students who enroll after classes have begun, the tuition fee shall be prorated on a quarterly basis.



**BOARD POLICY**  
**4.315**

**SCHOOL FEES – PAYMENT SCHEDULE**

A student’s school fees shall be paid in full upon receipt or in accordance with the instructions on the invoice itself. This policy specifies the payment schedule for the School’s tuition and other school fees.

**A. Application Fee**

The application fee shall be paid in full at the time a student’s application for enrollment to the School is submitted.

**B. Registration Fee**

The registration fee shall be paid in full upon confirmation of enrollment at the School.

**C. Capital Fee**

The annual capital fee shall be paid in full upon enrollment at the School.

**D. Annual Tuition Fee**

The annual tuition fee must be paid prior to attending class.

For students who enroll after classes have begun, the tuition fee is charged on a prorated basis as follows:

<u>Date Entered</u>	<u>Amount Payable</u>
During First Quarter.....	Full year
During Second Quarter.....	3/4 of full year
During Third Quarter.....	1/2 of full year
During Fourth Quarter.....	1/4 of full year

Students who only expect to attend the School for the first semester, may be permitted to pay for 1/2 of the full year, with approval from the Director.

Parents are expected to pay all school fees on or before the date due. Late payments shall be subject to charges as described in Board policy 4.325.











## **BOARD POLICY**

### **4.340**

#### **OTHER MISCELLANEOUS FEES / CHARGES**

The Board of Directors authorizes the Director to charge such other fees as are deemed necessary to cover the costs of additional services or facilities. The Director shall establish regulations for the assessment of such miscellaneous charges including the fee amounts, payment terms and whether such fees are refundable. Such other fees include, but are not limited to, the following:

##### **A. Special Needs Fees**

In exceptional cases, where additional personnel are hired to provide special needs services, parents shall be billed for the cost of the service.

##### **B. Examination Fees**

The fee payable for students to sit public examinations (such as Advanced Placement examinations, PSAT/SAT examinations) shall be charged to the students who intend to take those examinations. The fee is non-refundable and payable in advance. The level of the fee charged shall reflect the fee payable to the Examination Board.

##### **C. Loss of Educational Materials, Library Books, Uniforms, Equipment Fees**

In the case of loss of school materials, library books, school uniforms or equipment by School personnel or students, the Administration is authorized to assess reasonable charges for replacement of such item(s) to be billed to the party responsible for such loss. If the lost item is later found, the fee charged may be refunded.

##### **D. School Property Damage**

In the case a student damages or destroys School property, the student shall be responsible for the costs of repair, restoration or replacement of the property.

##### **E. After-School Activity Fees**

Normally no additional fees shall be charged for students who wish to take part in after-school activities organized by the School. However, in cases where special materials or equipment need to be purchased, or a specialized instructor needs to be hired, the School may charge a fee for the activity. The

Director shall set such fees. This fee shall be payable in advance and is non-refundable except in the case where the School cancels the activity.

**ADOPTED:** June 9, 2008

**REVISED:**

**CROSS-REFERENCES:** 4.310 School Fees  
7.420 Special Needs Program  
8.260 Vandalism / Damage to Property











## **BOARD POLICY**

### **4.400**

#### **DEPOSITORY OF FUNDS**

All funds received by the School shall be deposited in secured accounts in banks designated by the Board of Directors. Upon the recommendation of the Director and the Finance Committee, the Board shall authorize the establishment of checking, savings and investment accounts for the depositing and investment of school funds.

Accounts and investments shall be established and managed to obtain maximum return available at the time of deposit consistent with security, safety and necessary liquidity. It is not the Board's intention to put the School's deposits or investments at risk in an effort to maximize the returns from interest. The security and emergency availability of these assets shall be carefully considered, along with high quality service in determining the bank of primary deposit.

All school funds shall initially be deposited in checking accounts in depositories approved by the Board. Dinar funds shall be deposited in Board-approved banking institutions with offices located in Tripoli. Based upon the operating balances necessary for the operation of the School in dinars and dollars, the Director shall transfer excess funds from its checking accounts to savings and/or investment accounts, in accordance with guidelines established by the Finance Committee.

The bank depository decision along with any investments shall be reviewed by the Director and Finance Committee each year, in the months of August and February, to determine the safety and liquidity of the funds on deposit or invested as well as the investment rates offered along with other services of value to the School. The results of that review and any recommendations for change shall be presented to the Board for approval. In addition, other accounts may be opened as necessary with the approval of the Board.

School funds that are not anticipated to be needed for periods in excess of one year may be deposited in investment accounts authorized by the Board and in accordance with Board policy. No investment of school funds with a maturity of more than 12 months shall be made without the approval of the Board.

**ADOPTED:** June 9, 2008

**REVISED:**





## **BOARD POLICY**

### **4.420**

#### **SCHOOL INVESTMENTS PROGRAM**

The Board of Directors considers a safe and sound investment program as a critical ingredient of sound financial management. The Board authorizes an investment program where the primary objective is to provide safety and liquidity of capital and thereafter to obtain appropriate yield to supplement other revenues for the support of the School's educational program.

The Board believes that all excess funds, that is funds not anticipated to be needed for periods in excess of one year, should be held in interest bearing accounts or investments to carry the maximum return possible on the funds available for investment. They also recognize that the safety of funds should be a first consideration and that investment practices must be in compliance with local laws.

The investment program shall be administered in a way that will ensure:

- A. The continuous process of temporary investing of fund balances and moneys available for investment purposes, through the use of quotations, to obtain a reasonable yield commensurate with safety and liquidity of capital on all investments.
- B. The maintenance of a cash flow analysis that will provide data to assist proper planning and decision-making regarding amount, duration, and type of investments.
- C. The assurance that all School investments will be in compliance with the regulations and laws of the country in which the investments are made.
- D. No investments have a maturity of more than 12 months without prior Board approval.

The Board authorizes the Director or his/her designee to manage all activities associated with the investment program with the Board's Finance Committee in such a manner as to accomplish the objectives of this policy. His/her responsibilities shall also include a bi-annual review in August and February and assessment of the School's investment program and the filing of a report and recommendations bi-annually with the Board.

The Board authorizes the following individuals to have full power to make investments and to sell, transfer, and negotiate existing investments with Board-





**BOARD POLICY**  
**4.500**

**PURCHASING AUTHORITY AND GUIDELINES**

The Board of Directors authorizes the Director or his/her designee to purchase and supervise the purchasing of all books, supplies, equipment, services and other materials as are required to meet the educational and operational needs of the School and as permitted within the limits of the approved operating budget. The purchase of these items shall require no further approval of the Board except in those instances where stated otherwise in Board policy.

The Director shall be responsible for the development and enforcement of written procedures for the purchase of all materials and services. Such procedures shall be included in the School's Business Control Manual, and any changes thereto require approval of the Finance Committee and Board. Procedures in support of this policy shall ensure that:

- A. Appropriate accounting procedures are followed, including proper documentation, supervisor signature approval and accurate account assignment.
- B. Purchases shall be planned in a timeframe that permits the receipt of the items in a timely manner to meet school requirements.
- C. Purchases shall be made to ensure that the items are of the highest quality without sacrificing sound business sense.
- D. Purchase orders shall not be placed, or purchases made, without a review of existing materials on hand to assure that no unnecessary duplicating of these materials occurs.
- E. Purchasing shall be done on a competitive basis among vendors, with the objective of obtaining the best quality at the lowest possible price consistent with the timely needs of the School.
- F. The Director shall approve all purchase orders before a purchase is made.
- G. Expendable and capital items shall be purchased locally whenever possible and when cost effective.
- H. Vendor contracts shall be awarded in accordance with Board policy on contracts and bidding, and there shall be no conflict of interest in the vendor selection process.





## **BOARD POLICY**

### **4.520**

#### **CONTRACTS AND BIDDING**

The Board of Directors holds the Director responsible for negotiating and executing contracts within the Board approved budget and in accordance with the terms of this policy. In addition, the Director shall develop regulations necessary to carry out the intent of the policy.

The processes to be followed for the different types of contracts are outlined below.

**Faculty Housing Contracts.** The Director or his/her designee is responsible for negotiating and executing all staff housing contracts.

**Facilities and Maintenance Contracts.** The Director or his/her designee shall award contracts for facilities and maintenance services in accordance with the contract limits below, except that in the case of contracts below US\$ 10,000 (or the Libyan dinar equivalent), the Director may exercise his/her discretion as to whether three quotations are required.

**Facilities Construction Contracts.** The Director or his/her designee is responsible for assessing the School's facilities requirements and when appropriate recommending new construction or major renovations to be undertaken. The Director shall bring the project plans to the Board with background information, cost estimates, line account details and recommendations. If the Board agrees to action, the contract limits outlined below shall be followed.

**Original Service or Project Contracts.** The Director or his/her designee may award service or project contracts in accordance with the contract limits below. All original service or project contracts are required to follow the School's standard bidding procedure, regardless of the size of the contract.

**Continuing Service Contracts.** Upon the recommendation of the Director, the Board may waive the requirement to bid a continuing service contract. However, no contract may continue more than three successive years without being resubmitted to a bidding process. If a service contract is not renewed, standard bidding procedures as outlined in Board policy shall be followed.

For all contracts in which multiple vendors or providers may be able to offer the goods or services as required by the School, a standard bidding procedure shall















## **BOARD POLICY**

### **4.700**

#### **DISPOSAL OF SCHOOL PROPERTY**

The Board of Directors authorizes the Director to dispose of any School property that is not destroyed through use, in a manner to the School's best advantage. A record shall be kept of all disposed property and all proceeds derived from the sales of such property shall be properly accounted for.

School property for purposes of this policy shall be defined as furnishings, equipment, books, supplies and the like. It does not include any real estate or buildings (fixed or mobile) that the School may own or lease. Such items shall be handled on a case-by-case basis with approval required by the Board before any action is taken.

The manner by which such items shall be disposed shall be dependent on its salvage value as follows:

- A. **Property with a salvage unit value of US \$1,000 (or LYD equivalent) or less** may be disposed of at the best possible price without advertising or receiving quotations.
- B. **Property with a salvage unit value of between US \$ 1,001 (or LYD equivalent) and US \$5,000 (or LYD equivalent)** may only be sold by public auction.
- C. **Property with a salvage unit value of more than US \$5,000 (or LYD equivalent)** may only be disposed of after first being reviewed with the Board and a plan for disposal agreed upon.

Other guidelines and considerations for the disposal of School property are as follows:

- A. Any property may be disposed of as a trade-in for replacement by a similar piece of equipment.
- B. The Director may authorize donations of items with salvage unit value of US \$1,000 (or LYD equivalent) or less to charitable organizations. For items with salvage unit value of more than US \$1,000 (or LYD equivalent), the Director must obtain prior approval from the Board before they may be donated.
- C. Items deemed to have no resale value, or of insufficient value to justify the time and cost involved in selling them, may be disposed of for junk value,

