

## FINANCIAL MANAGEMENT

Hayden Canyon Charter School

### **7000 Goals**

Since educational programs are dependent on adequate funding and the proper management of those funds, Charter School goals can best be attained through efficient fiscal management. As trustee of local, state and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the Charter School must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of Charter School management and operation.

In the Charter School's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for the Charter School's students.
3. Provide timely and appropriate information to staff who have fiscal responsibilities.
4. Establish efficient procedures in all areas of fiscal management.

Legal Reference: I.C.. 33-701 et seq., Fiscal Affairs of School Districts

Policy History:

Adopted on: March 14, 2019

Revised \_\_\_\_\_ and \_\_\_\_\_ Adopted \_\_\_\_\_ on:

Hayden Canyon Charter School

## **7400 Purchasing**

### Authorization and Control

It is the policy of this Charter School to conduct its purchasing program in a manner to ensure optimum use of School funds. The Board, or its designee, reserves the right to determine what is in the best interest of the School.

The Administrator is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to state purchasing and federal procurement requirements. Board of Directors approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$5,000, except the Administrator shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the Charter School or the health and safety of the staff or students. The Administrator shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with state purchasing and federal procurement requirements. Staff members shall not obligate the Charter School without express authority. Staff members who obligate the Charter School without proper authorization may be held personally responsible for payment of such obligations.

### Bids and Contracts

With the exception of the purchase of curricular materials, and in accordance with the requirements of Idaho Code, whenever the cost of any construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property necessary for the effective operation of the Charter School exceeds \$50,000, formal bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Board may reject any bid, reject all bids, or publish notice to rebid the project. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

When purchasing goods and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the Charter School, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including but not limited to the relative experience, ability, references and integrity of a the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

Except where a Request for Proposals is advertised, in the event the Charter School awards a contract to a bidder other than the lowest responsive bidder, the Board shall declare its reason or

reasons on the record and shall communicate such reason or reasons in writing to all who have submitted a competing bid. The disappointed bidders shall have the right to submit a timely written objection, at which time the Charter School shall stop all work on the project, and shall review its decision and determine whether to affirm its prior award, modify the award, or choose to re-bid, setting forth its reason or reasons therefor. After completion of the review process, the political subdivision may proceed as it deems to be in the public interest.

The Administrator shall establish bidding and contract awarding procedures that align with state purchasing and federal procurement requirements.

### Cooperative Purchasing

The Charter School may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the Charter School provided that the purchasing cooperative follows State purchasing and federal procurement requirements.

### Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the Charter School from any private business, contractor, or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any private business or venture in which any employee of this Charter School has a direct or indirect financial or ownership interest will be made on a competitive bid basis strictly in accordance with the following procedures:

- 1 . The interested employee, the business, the contractor, or the vendor will fully disclose, in writing, the employee's exact relationship to the business, the contractor, or the vendor;
2. The affected business, the contractor, or the vendor may submit a bid in compliance with the specifications outlined by the Charter School;
3. The interested employee will not be involved in any part of bidding process, including but not limited to, preparing specifications, advertising, analyzing, or accepting bids; and
4. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the Charter School.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the Charter School nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

### Procurement Under a Federal Award

In addition to the conflicts of interest outlined above, no employee, officer, or agent of the Charter School may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee, officer, or agent;
2. Any member of his or her immediate family, including spouses, children and parents;
3. His or her partner. For the purposes of this policy, "partner" shall mean an adult of the same sex or different sex with whom the employee, officer, or agent shares a non-marital intimate relationship and a common residence and with whom they mutually affirm that they share responsibility for each other's common welfare; or
4. An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

1. The purchase during the school day of any food or service from a Charter School contractor or vendor for individual use;
2. The removal of any food, supplies, equipment, or school property without proper authorization;
3. Individual sales by Charter School personnel of any school property, including used items.

### Violations

Any Charter School officer, employee, or agent who violates this policy may be subject to disciplinary action, including but not limited to a fine, suspension, or termination. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

### Legal Reference:

- I.C. 18-1351 Bribery and Corrupt Practices — Definitions
- I.C. 33-316 Cooperative Contracts to Employ Specialized Personnel and/or Purchase Materials
- I.C. 33-402 Notice Requirements
- I.C. 33-601 Real and Personal Property — Acquisition, Use or Disposal of Same
- I.C. 67-2805 Procurement of Public Works Construction
- I.C. 67-2806 Procuring Services or Personal Property
- I.C. 67-2806A Request for Proposal
- I.C. 74-401 et seq Ethics in Government
- 2 C.F.R. 200.317 Procurement by States
- 2 C.F.R. 200.318 General Procurement Standards
- 2 C.F.R. 200.320 Methods of Procurement to be Followed

Policy History:

Adopted on: March 14, 2019  
Revised on:

Hayden Canyon Charter School

**7400F Time and Effort Documentation**

Employee: \_\_\_\_\_

Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective (Program Activity)	Fund Code or Program Function Code	Program	Distribution of Time (Percentage of Hours)

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by Supervisor: \_\_\_\_\_

Date: \_\_\_\_\_

Hayden Canyon Charter School

### **7400P Procurement Under a Federal Award**

In addition to its other policies and procedures regarding procurement, the Charter School shall adhere to the following requirements when making procurements under a federal award. The Charter School shall:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The Charter School will identify all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
2. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another positions reviews the evaluation.
3. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
4. Avoid acquiring unnecessary or duplicative items;
5. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
6. Maintain a list of prequalified person, firms, or products which are used in acquiring goods and services and include enough qualified sources to ensure maximum open and free competition.
7. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
8. Maintain records sufficient to detail the history of procurement. These records will include:
  - A. Rationale for the method of procurement;
  - B. Selection of contract type;

- C. Contractor selection or rejection; and
  - D. The basis for the contract price.
9. The use of a time and materials type contract is prohibited unless the Charter School determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a Charter School is the sum of:
- A. The actual cost of materials; and
  - B. The direct labor hours charged at an hourly rates that reflect wages, general and administrative expenses, and profit.

When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The Charter School will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

10. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
11. The Charter School will adhere to any additional procurement rules as applicable to specific federal programs.

#### Time and Effort Documentation

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work shall be documented on Form 7400F.

#### Procedure History:

Promulgated on: March 14, 2019

Revised on:



**7405 Public Works Contracting and Procurement**

No contract involving a public works project shall be let to any contractor who is not licensed as required by the laws of this State. Further, the Charter School shall at all times adhere to the bidding requirements for public works contracting and procurement as set out in State law.

\$0 to \$50,000 No licensure requirement IC 54-1903(9)

\$50,000 and above Licensure required IC 54-1903(9)

Exemptions from Public Works Contractor Licensure

Less than \$50,000 Single project with any number of trades for construction, alteration, improvement, or repair. IC 54-1903(9)

Any construction, Pursuant to the provision of, Chapter 10, Title 46 Idaho Code alteration, or repair due to an emergency. IC 54-1903(1)

Public Works Construction Bidding

\$0 to \$50,000 No bidding requirements IC 67-2803(2)

\$50,000 to \$200,000 Semi-formal bidding: Issue written requests for bids describing the work to at least 3 licensed contractors. Allow 3 days for written response; objections 1 day prior to bid. Keep records for 6 months. Accept low bid or reject all bids. IC 67-2805(2)

Public Works Contractor Licensure Requirements

\$200,000 and above

Formal bidding 2 Options A & B: IC 67-2805(2)

Category A — Open to all licensed contractors. Publication requirements. Written objections allowed. May request bid security/bond. Accept low bid or reject all bids. See code for details. (IC 67-2805(2)(a).

Category B — Open to pre-qualified contractors. After pre-qualification is determined, the bidding process is in the same manner as Category A. (IC 67-2805(2)(b).

Legal Reference: I.C. 54-1903 Unlawful to Engage in Public Works Contracting Without  
License- Exemptions  
I.C. 67-2801 et seq., Purchasing by Political Subdivisions

Policy History:

Adopted on: March 14, 2019

Revised on:

Hayden Canyon Charter School

**7407 Public Procurement of Goods and Services**

The Charter School shall at all times adhere to the bidding requirements for the procurement of goods and services as set out in State law.

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$100,000	Semi-formal bidding: Issue written requests for bids describing goods or services desired to at least three vendors. Allow three days for written response, unless an emergency exists; One day for objections. Keep records for six months. <u>Accept low bid or reject all bids</u>	IC 67-2806
\$100,000 and above	Formal bidding: Publish bid notice at least two weeks in advance of bid opening. Make bid specifications available; written objections allowed. May request bid security/bond. Can reject all if able to purchase more economically in the open market.	IC 67-2806(2)
Personal Property Less than \$50,000	Already competitive bid (piggy-backing)	IC 67-2803(1)
Any Amount	Contracts or purchases of goods or services	IC 67-2803(2)
Any Amount	Payments of Wages	IC 67-2803(3)
Any Amount	Personal or professional services performed by an independent contractor. (Refer to info on qualifications in l.c. 67-2320)	IC 67-2803(4)
Any Amount	Procurement of an interest in real property — lease or purchase	IC 67-2803(5)
Any Amount	Procurement of insurance	IC 67-2803(6)
Any Amount	Costs of Joint Powers participation	IC 67-2803(7)
Any Amount	Procurement of used personal property	IC 67-2803(8)
Any Amount	Procurement from federal government general services administration (GSA) schedules or federal multiple award schedules (MAS)	IC 67-2803(9)
Any Amount	Procurement of personal property or services through contracts entered into by the division of purchasing of the department of administration of the state of Idaho	IC 67-2803(10)
Any Amount	Procurement of goods for direct resale	IC 67-2803(11)
Any Amount	Procurement of travel and training;	IC 67-2803(2)

Any Amount	Procurement of goods and services from Idaho correctional industries	IC 67-2803(13)
Any Amount	Procurement of repair for heavy equipment	IC 67-2803(14)
Any Amount	Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law	IC 67-2803(15)
Any Amount	Procurement of public utilities	IC 67-2803(6)
Any Amount	Procurement of food for use in jails or detention facilities	IC 67-2803(7)
Any Amount	Procurement of used equipment at an auction if authorized by the governing board	IC 67-2803(8)
Any Amount	Emergency Expenditures	IC 67-2808

Legal Reference: I.C. 67-2801 et seq., Purchasing by Political Subdivisions

Policy History:

Adopted on: March 14, 2019

Revised on:

**7420 Personal**

**Reimbursements**

While it is recommended that all purchases of goods or services be made within established purchasing procedures, there may be an occasional need for an employee to make a purchase for the benefit of the Charter School from personal funds. In that event, an employee will be reimbursed for a personal purchase under the following criteria:

1. It is clearly demonstrated that the purchase is of benefit to the Charter School.
2. The purchase was made with the prior approval of an authorized administrator.
3. The item purchased was not available from resources within the Charter School.
4. The claim for personal reimbursement is properly accounted for and documented with an invoice/receipt.

The office of the Principal/Administrator will be responsible for the development of the procedures and forms to be used in processing claims for personal reimbursements.

Policy History:

Adopted on: March 14, 2019

Revised on:

**7430 Travel Allowances and Expenses**

Every Charter School employee and Director will be reimbursed for travel expenses while traveling outside of the Charter School area and engaged in official Charter School business. All travel expenses must be reported on the established travel expense and voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Administrator.

The Charter School business office will be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

Types of Travel

In Charter School Expenses: Charter School employees and Directors shall be reimbursed for actual and necessary expenses incurred within the Charter School while attending to Charter School business. Actual mileage driven for pre-approved in Charter School travel shall be reimbursed. It is the responsibility of the Board to review travel within the Charter School by the Administrator or by Directors.

Meals incurred inside the Charter School shall not be reimbursed, except for banquets attended to represent the Charter School.

Out of Charter School Travel: Travel outside of the Charter School must be pre-approved. Directors shall obtain Board approval prior to incurring out of Charter School expenses, and employees shall obtain prior approval from their supervisor and the Administrator.

Actual monies spent for food while on out of Charter School trips requiring an overnight stay shall be reimbursed.

Charter School employees and Directors shall be reimbursed for actual and necessary expenditures incurred outside the Charter School.

Documentation of Expenses.

Expenses not in compliance with this policy shall not be reimbursed or paid by the Board.

Prior to reimbursement of actual and necessary expenses, the Charter School employee or Director must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim item and any appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees shall submit their receipts, travel expense forms, and voucher forms to the Administrator. The Administrator and Directors shall submit such documentation to the Board. Failure to provide a detailed receipt will make the expense non-reimbursable.

In exceptional circumstances, the Board may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the Charter School's record of the claim.

The Board directs the Administrator to promulgate procedures specifying which expenses shall be reimbursable for travel of different distances and durations.

#### Travel Costs Under Federal Award

General: Travel costs are the expenses for transportation, lodging, food, and related items incurred by employees who travel on official business under a federal award. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip.

Lodging and subsistence: Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the Charter School in its regular operations. If these costs are charged directly to the federal award, the Charter School will maintain documentation justifying the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

1. The costs are a direct result of the individual's travel for the federal award;
2. The costs are consistent with this policy and any related procedures; and
3. Are temporary, lasting only during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the federal awarding agency.

Commercial air travel: Airfare costs in excess of the basic, least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

1. Require circuitous routing;
2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or
5. Offer accommodations not reasonably adequate for the traveler's medical needs.

Legal Reference: I.C. 33-701      Fiscal Year — Payment and Accounting of  
Funds

2 C.F.R. 474      Travel Costs

Policy History:

Adopted on: March 14, 2019

Revised on:



## Hayden Canyon Charter School

### **7450 Federal Cash Management**

The Charter School will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the Charter School, in accordance with the Cash Management Improvement Act. Generally, the Charter School receives payment from the State Department of Education on a reimbursement basis.

However, if the Charter School receives an advance in federal grant funds, the Charter School will remit interest earned on the advanced payment quarterly to the federal agency. The Charter School may retain interest amounts up to \$500 per year for administrative expenses.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the Charter School.

#### Payment Methods

*Reimbursements:* The Charter School will initially charge federal grant expenditures to nonfederal funds.

The Charter School Grant Accountant or Business Manager will request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests will be submitted on a Charter School form to the State Department of Education.

The Administrator or his or her designee shall promulgate a procedure specifying any further requirements.

Consistent with state and federal requirements, the Charter School will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

*Advances:* To the extent the Charter School receives advance payments of federal grant funds; the Charter School will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the Charter School shall attempt to expend all drawn downs of federal funds within 72 hours of receipt.

The Charter School will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The Charter School will begin to calculate interest earned on cash balances once funds are deposited into the Charter School's account.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the Charter School's actual interest rate. Within 30 days of the end of the quarter, the Charter School will remit interest earned. The Charter School may retain up to \$500 of interest earned per year.

The Administrator or his or her designee shall promulgate a procedure specifying the process for remitting interest.

Legal Reference: 2 CFR 200.305 Payment  
31 CFR 205 Rules and Procedures for Efficient Federal State Funds  
Transfers

Policy History:

Adopted on: March 14, 2019

Revised on:

**7600 Declaration of Financial Emergency**

This section and related Board policies shall apply in the instance of a financial emergency. However, any subsequently enacted statute or amendment to existing statutes shall control over this policy and replace this policy as well as all other related policies, procedures, and forms.

The Board is dedicated to sound and efficient financial management. Recognizing the limitations and fluctuations in funding and the potential negative impact on the Charter School's fiscal status due to historical revenue and/or expenditure issues, the Charter School must take specific action to ensure education remains the primary goal and responsibility of the Charter School. In the event that the financial situation of the Charter School necessitates such action the Board will consider a declaration of financial emergency.

Prior to declaring a financial emergency, the Board shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the Charter School.

Legal Reference      I.C. 33-402 Notice Requirements  
   I.C. 33-522 Financial Emergency  
   I.C. 33-801 School District Budget

Policy History:

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Hayden Canyon Charter School

**7600FA1 Declaration of Financial Emergency Resolution**

**DECLARATION OF FINANCIAL EMERGENCY**

WHEREAS, the State Department of Education has certified that conditions (a) (b) and/or (c) (include all that have been met) of Idaho Code Section 33-522 (2) have been met;

WHEREAS, the Board of Hayden Canyon Public Charter School met on \_\_\_\_\_ (insert date) to review the financial state of the Charter School;

WHEREAS, the Board posted notice on \_\_\_\_\_ (insert date) of a public meeting to gather input concerning possible solutions to the financial emergency facing the Charter School;

WHEREAS, the Board held a public meeting on \_\_\_\_\_ (insert date) to gather input concerning possible solutions to the financial emergency facing the Charter School pursuant to Idaho Code Section 33-522(1); and

WHEREAS, the Board projects that the Charter School’s general fund balance, excluding funds restricted by state or federal law and considering both anticipated expenditures and revenue is less than five and one-half percent (5 1/2%) of the Charter School’s unrestricted general fund budget pursuant to Idaho Code Section 33-522(2)(f) and thus the Charter School has determined that the required condition in paragraph (f) of Idaho Code Section 33-522(2) has been met;

NOW, THEREFORE BE IT RESOLVED, on \_\_\_\_\_ (insert date) that the Board of Hayden Canyon Public Charter School declares a financial emergency pursuant to Idaho Code Section 33-522 for the Fiscal Year \_\_\_\_\_ (insert year).

Legal reference: I.C. 33-522 Financial Emergency

Form History:

Adopted on: March 14, 2019

Revised on:

## **7600P Declaration of Financial Emergency Procedure**

### Financial Emergency Declaration Requirements

If the State Department of Education certifies that one or more of the conditions below in paragraph (a), (b), or (c) are met, then the Board may declare a financial emergency if it determines that the condition in paragraph (f) is also met. Alternatively, the Board may declare a financial emergency if it determines that either of the conditions in paragraph (d) or (e) of this subsection are met and the State Department of Education certifies that the condition set forth in paragraph (f) is also met.

- (a) Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (b) The minimum instructional salary provision in section 33-1004E, Idaho Code, is reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (c) The amount of total general fund money appropriated per support unit is reduced by greater than three percent (3%) from the original general fund appropriation per support unit of any prior fiscal year.
- (d) The amount of property tax revenue to be collected by the Charter School that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than one and one-half percent (1 ½%) of the Charter School's general fund budget for combined state and local revenues from the prior fiscal year.
- (e) The Charter School's general fund has decreased by at least one and one-half percent (1 ½%) the previous year's level due to a decrease in funding or natural disaster, but not a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy.
- (f) The Charter School's unrestricted general fund balance, which excludes funds restricted by state or federal law and considering both anticipated expenditures and revenue, is less than five and one-half percent (5 ½%) of the Charter School's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared.

### Negotiations

Upon the declaration of financial emergency, the Board shall have the power to reopen the salary and benefits compensation aspects of the negotiated agreement, including the length of the certificated employee contracts and the amount of compensation and benefits. And, if the parties to the negotiated agreement mutually agree, the Board shall also have the power to reopen the other matters contained within the negotiated agreement directly affecting the financial circumstance in the Charter School.

The Board and the local education association will meet and confer in good faith for the purpose of reaching agreement on such issues. If an agreement has not been reached, the Board may impose its last, best offer following the outcome of the due process hearing.

### Due Process Hearing

If the Board takes action after the declaration of a financial emergency and such action is directed at more than one certificated employee and if mutually agreed to by both parties, the Board shall use the following procedure to conduct a single, joint due process hearing for all affected certificated employees within sixty-seven (67) days of the declaration of financial emergency or on or before June 22, whichever shall occur first. The due process hearing shall not be required if the Board and the local education association reach an agreement.

- (a) The Administrator or any other duly authorized administrative officer of the Charter School may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the Board written notice specifying the purported reasons for such changes.
- (b) Upon receipt of such notice, the Board acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the Board prior to any determination by the Board.
- (c) The hearing shall be scheduled to take place not less than six (6) days nor more than fourteen days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
- (d) The hearing shall be open to the public.
- (e) All testimony at the hearing shall be given under oath or affirmation. Any member of the Board, or the Clerk of the Board, may administer oaths to witnesses or affirmations by witnesses.
- (f) The employees may be represented by legal counsel and/or by a representative of a local or state education association.
- (g) The chairman of the Board, or the designee of the chairman, shall conduct the hearing.
- (h) The Board shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or stenotype notes of all the testimony at the hearing. A transcript of the hearing shall be provided at costs by the Board upon request of the employee.
- (i) At the hearing the Administrator or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
- (j) The employees may produce evidence to refute the reduction. Any witness presented by the Administrator or by the employees shall be subject to cross-examination. The Board may also examine witnesses and be represented by counsel.
- (k) The affected employees may file written briefs and arguments with the Board within three (3) days after the close of the hearing or such other time as may be agreed upon by the affected employees and the Board.
- (l) Within seven (7) days following the close of the hearing, the Board shall determine and, acting through its duly authorized administrative official, shall notify the employees in

writing whether the evidence presented at the hearing established the need for the action taken.

### Length of Financial Emergency

A financial emergency shall be effective for one fiscal year unless the Charter School qualifies in subsequent years due to additional reductions or applicable conditions.

### Annual Meeting and Notice Requirements

If a financial emergency has been declared, the notice of annual meeting and the notice of the annual budget hearing shall be posted for not less than five (5) days, and by such further notice as shall provide reasonable notice to the patrons of the Charter School if publication in a newspaper is not feasible. If the Charter School has declared a financial emergency, no later than fourteen (14) days prior to its annual meeting, the Board shall have prepared a budget, and held a public hearing.

### Contract Date Impact

The time requirements of sections 33-514(2) and 33-515(2), Idaho Code, shall not apply in the event a financial emergency is declared.

Legal reference:	I.C. § 33-402	Notice Requirements
	I.C. § 33-515	Issuance of Renewable Contracts
	I.C. § 33-522	Financial Emergency
	I.C. § 33-801	School Charter School Budget

### Policy History:

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