

Generally Accepted Standards of Fiscal Management

A charter school means a public, nonreligious, nonhome-based, nonprofit corporation forming a school that operates within a public school district or the South Carolina Public Charter School District, but is accountable to the school board of trustees of that district which grants its charter.

Consequently, a charter school must:

- a. be administered and governed by a governing body in a manner agreed to by the charter school applicant and the sponsor;
- b. hire administrative staff to oversee the daily operation of the school. At least one of the administrative staff must be certified or experienced in the field of school administration;
- c. adhere to the same financial audits, audit procedures, and audit requirements as are applied to public schools;
- d. be revoked or not renewed by the sponsor if it is determined that the charter school failed to meet generally accepted standards of fiscal management.

The primary responsibility for the fair presentation of financial statements rests with the management of the charter school. Accordingly, a process must be designed and affected by the charter school to provide reasonable assurance for the achievement and maintenance of the following standards:

- A fiscal year balanced budget that clearly defines achievable goals as defined in the school's charter and approved by the Board of Directors in the form of a Budget Resolution.
- Additionally, accounting records should properly and accurately record and account for all transactions, including cash. Accounting information should be relevant, reliable, comparable, and consistent and must be available for the preparation of reliable financial statements.

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- Demonstrate compliance with Federal and State laws and regulations, State Board of Education policies and other compliance requirements.
- Maintenance of documentation that outlines internal controls on business practices and operation.
- All Accounts Payable must be current.
- Transactions are executed in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on Federal and State funds.
- Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.
- Ensure that required independent audits are performed and submitted when due in a timely manner as prescribed by the sponsor.
- Schools have documentation that supports its financial statements and that reflect its financial position / condition, results of operations or changes in net assets and where appropriate, cash flows for any fiscal period / year.
- Positive financial cash flow must be maintained as required by the General Accepted Accounting Principals (schools in a deficit financial condition at the end of any fiscal year would be in violation of this principle).
- Any necessary corrective action plans on any audit findings must be filed in writing and proposed changes must be implemented in the subsequent fiscal year.