

OPERATING LIMITATIONS

2.4 FINANCIAL CONDITION AND ACTIVITIES

Monitoring: Internal. Frequency: Tri-annually – May, November, February.

Monitoring: External. Frequency: Annually – September.

Adopted: September 19, 2000

Revised: June 15, 2016

With respect to the actual, ongoing financial condition and activities, the Superintendent shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. At any time: (a) Use any reserves other than as intended and permitted by law; or (b) allow discretionary reserves at the conclusion of a fiscal year to be less than 3% of general fund expenditures except as provided in section 2.4.2.
2. The discretionary reserve may be utilized for achievement of Board Ends and compliance with Operating Limitations Policies with prior Board approval and a specific plan for replenishing the reserve.
3. At any time, allow unrestricted cash and equivalents to drop below an amount necessary to meet operating expenditures over a 30-day period, except that during normal seasonal fluctuations in property tax receipts cash balances may drop below the 30-day threshold but shall not be less than restricted cash.
4. Expend more operating funds than have been received in the fiscal year to date unless both the liquidity requirement and reserve requirement above are met.
5. Allow the organization to incur penalties in material amounts for tax payments, other government ordered payments, or other payments, or allow any filings that are overdue or inaccurately filed.
6. Fail to aggressively pursue receivables after a reasonable grace period.
7. Allow (a) bond funds and funding from certificates of participation to be spent inefficiently or in any way other than intended, or (b) override funds to be commingled with other funds or spent other than to directly achieve Ends.
8. Achieve compliance with these provisions by endangering future capacity to accomplish ends.
9. Commit revenues due to student enrollment growth to continuing line item or program expenditures without considering needs associated with the opening of new schools.
10. Determine borrowing levels.

11. Fail to provide for an annual audit of the financial statements of the district each fiscal year by a qualified third party and make provision for payment of the expenses of conducting the audit.
12. Commit District support to, or commit District resources, monetary or in kind, to join or support litigation initiated between third parties.
13. Fail to undertake a full-scale competitive process for the selection of independent auditors pursuant to the most current Government Finance Officers Association recommendations regarding the selection of auditing services.
14. Receive, process or disburse funds under controls which are insufficient to meet the Board-appointed auditor's standards.
15. Invest or hold operating, capital, bond and reserve funds without following the “prudent investor” standard and complying with the legal investment of public funds requirements under C.R.S. 24-75-601.1 and other applicable law.
16. Endanger the district's public image or credibility, particularly in ways that would hinder the accomplishment of its ends.