

TCGIS Finance Committee Meeting

Minutes: August 18, 2009

Attendees: Christian Engelbrecht (GAI), Debra Haessly (Chair, Treasurer) Annika Fjelstad, Emily Woolsey (SBS), Mary Zellmer-Bruhn, Michael Dorneich

Debra Haessly called the meeting to order at 6:40 pm at the school.

The first item on the agenda was discussed which concerned the responsibilities of the finance committee, the roles in the finance committee, and the reporting requirements for the finance committee. Michael Dorneich noted that there are four reporting responsibilities from the finance committee: (1) minutes, to be handled under open meeting law, (2) a committee update paragraph to the board packet, (3) financial reports from SBS to be provided to the Director for copying/scanning and inclusion in the board packet, and (4) a Treasurer's update at the monthly board meeting.

In addition to these regular reporting requirements, the Treasurer has also given a formal report to the board during the budgeting process.

The committee discussed how the committee minutes should be handled.

Debra Haessly, as board Treasurer, will serve as the Chair of the Finance Committee. As chair, Debra assumes the responsibilities noted above and will call meetings, assemble and distribute the agenda, which is planned in consultation with the Director, Annika, and board direction/input. Mary Zellmer-Bruhn will serve as secretary of the Finance Committee.

Michael Dorneich suggested that Debra use the roles created by Doug Franzwa, former treasurer and chair of the finance committee, to further define roles and responsibilities for the finance committee. He further identified the responsibilities of the members of the finance as (1) come prepared for the meeting by reading the financials and having questions to ask; (2) prepare the next year's budget, typically starting in January with consultation with the board to establish guidelines and priorities; (3) conduct budget updates as needed; (4) oversee current cash flow and budget; (5) maintain focus on the three-year budget projections; (6) monitor, grow, and maintain the fund balance.

The role of SBS is to manage the information provided by the school and coming in from the state about the school and prepare reports for use by the finance committee and the school board in governance and decision making. Specifically, SBS consolidates information from the school and makes sure we are in compliance with MDE reporting requirements.

Meetings for FY 2010 will be the second Tuesday of every month, unless otherwise noted.

Action Item: Debra will document and detail finance committee roles and send them to Andrew Oxenham, Chair of the School Board.

Next, Debra brought a *Star Tribune* article by Nick Coleman to the attention of the committee. The article criticized charter schools as lacking sufficient financial oversight. She used this article to emphasize the need for accountability and transparency in TCGIS financial oversight.

The next agenda item was the report by SBS.

Emily Woolsey of SBS provided the report. For FY 2009, TCGIS ended with a fund balance of 13.6%. The long-term TCGIS board target for the fund balance is 18%, and FY2010 is the last year to really grow the fund balance before we finish the FLAP grant.

Action Item: We need to reevaluate and firm up the 3-year outlook for the fund balance.

In reviewing the reports for the month, Michael Dorneich asked why the check register was so long. Emily Woolsey of SBS said that was most likely because we had problems getting checks from our new bank, Park Midway – that in fact, two boxes of checks had been lost in the mail. As a result, the account associated with those lost checks was closed and a new one opened, for which the school has now received printed checks. These delays caused delays in processing invoices, resulting in a large accumulation of checks in this month's register.

Michael Dorneich also asked about grants. The financial dashboard indicates that there are still dollars "on the table" for grants that expired at the end of FY 2009. Emily of SBS stated that there are still orders outstanding and she is working with Mary-Fred to determine which of those orders can still be charged against the grants.

Action Item: Michael Dorneich requested that the finance committee receive final reporting from SBS to detail grant spending.

Michael Dorneich again noted the need to do a budget revision in October which should reflect the expenses and spending related to those grants.

Mary Zellmer-Bruhn asked about the 0% received in lease aid, to follow up on last month's finance committee meeting where it was noted that the school had not submitted its lease aid paperwork by a specified deadline. Emily Woolsey noted that that paperwork was received

and that the school is on track to receive the appropriate level of lease aid in the October disbursement.

Following up on the questions about the check register, Emily Woolsey noted that the board should always look for items coded B 01 131 020 which means that there is no receipt received for a payment. These items need justification and allocation to a budget code. These items should generate questions from the committee.

Action Item: Put together a list of common vendors and codes that recur, as well as typical amounts paid to those vendors. This will help board members focus more specifically on questionable register items.

Action Item: Annika will ask Sharon for additional information about two charges related to Hepatitis B vaccines.

Debra Haessly inquired about the lease payment, wondering if it was high. Michael Dorneich shared his experience in searching for the new location and noted that the lease at the current school location was a better value than other locations considered. The committee discussed various cost mitigations.

The next item on the agenda was the 2009 audit report.

Emily Woolsey noted that there were some questionable items uncovered in the audit that, importantly, reflected a need for more established procedures around payments using the school debit card. The school ought to develop more specific procedures to govern purchases in general and debit card purchases in particular. The debit card used last year has been shredded since the school no longer uses that bank. However, it was determined that the school will need a debit or credit card for certain transactions.

Action Item: Annika will request a debit card from Park Midway Bank.

Action Item: Emily Woolsey will send some previously developed guidelines to Debra Haessly who will draft some guidelines for debit card procedures. Annika will draft a procedure for storing the debit card in the school safe and procedures for checking it in and out for use.

Another item noted is that there were some payroll contracts not in place. Specifically, payroll contracts need to be signed to put into place.

Closing out the discussion of the audit, Emily Woolsey noted that MMKR did our audit this year. The board approves the auditor and should probably revisit/approve the auditor used each year as it is a substantial expense as well as an important function.

In the last agenda item, the committee discussed some potential budget revisions required. Issues included the teacher supply budget (which appears to be underfunded), the YMCA lease, and health insurance. These issues will be brought to the board for guidance in preparation of a budget revision in October.

The meeting was adjourned at 10:00pm.