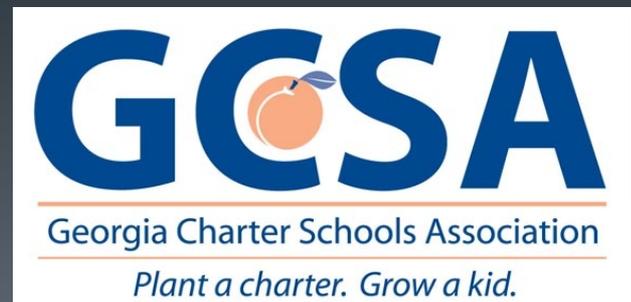


Policy Development and Effective Governance

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Purpose of this Training

- Discuss process, topics and issues related to policy development
- Understand how to develop policies compliant with state and SCSC rules
- Understand the need for sound fiscal policies
- To understand effective use of your board's committee structure

Responsibilities of a Governing Board

Strategic Plan and Policy-Making

- Adopt a three to five-year strategic plan
- ***Adopt policies that ensure the charter is implemented with fidelity and promotes student achievement***

Budget

- Adopt a budget to fund the implement the charter
- On-going fiscal health monitoring and resource development

ED/CEO/Principal

- Hire a leader to implement the strategic plan within budget
- Ratify all hiring decisions
- Adopt and keep updated a succession plan

Accountability

- Monitor through committees to ensure charter promises and compliance requirements are met
- Hold the leader accountable for implementing the strategic plan within budget
- Conduct regular self-evaluation to hold the governing board accountable
- Conduct regular training and capacity building activities



How do you define **Policy**?

A course or principle of action adopted or proposed by a governing body, party, business, or individual.

Policies.....

- Bring the mission and vision of the school to life
- Demonstrate board's commitments, goals, and attitude

Policies are
not.....

- Administrative procedures
- Regulations
- Exhibits & forms

A policy manual is needed to:

- establish the necessary rules to ensure a safe, organized, empowering, legally compliant school
- inform employees, students and citizens as a whole about accepted and expected behavior
- communicate to those groups how the Board will conduct business

Policy development best practices:

- Isolated incidents do not necessarily require a policy
- Once person's poor behavior should drive policy development and this approach will impact morale
- Determine if you need a policy adopted by the governing board
- Determine if you need procedure(s) set by the chief administrative officer
- You do not need to restate existing law, but should cite relevant legal codes
- Some matters need to be mitigated by developing policies along with accompanying procedures
- Policies inconsistent with the law/SCSC policy may *create* liability
- Consider the *unintended* consequences.....

Guiding Questions

Is there an existing legal authority that determines how this issue must be handled?

Can the topic be handled in employee or student handbook rather than in formal board policy?
Enforcement power?

Can it be accomplished through administrative regulations?

Does our paperwork/forms establish the requirements?

The Policy Development Process



Key “Take Aways”

- Policies should be designed to create and sustain effective governance not just to comply with the law.
- In legal questions, what matters is what the policy says.
- When laws change your policies may become obsolete or contradictory, it does not rescind it. Only the board can do that
- It is the board’s responsibility to adopt new policies or revise existing policies in light of changes in laws.

Component of Organization	Sources of Risk	Type of Insurance or Ways to Manage Risk
Board	Self dealing Tax penalties Executive decisions Regulations Fiduciary duties Confidentiality	Directors & Officers (D&O) Association & professional liability Policies Board training Competent CFO Legal counsel
Services	Common torts (negligence) Malpractice	General liability Errors and Omissions Professional liability Competent and qualified staff Legal counsel
Employees	Injury Wrongful termination Civil rights Confidentiality Conduct towards students/staff	Policies Procedures Adequate management Workers Compensation Some general liability policies Directors & Officers (D&O)

Component of Organization	Sources of Risk	Type of Insurance or Ways to Manage Risk
Volunteers	Injury Confidentiality Conduct towards students	Policies Procedures Volunteer training programs
Transportation	Accident	Vehicular coverage Policies Equipment maintenance Qualified drivers Driver training programs
Money	Theft Embezzlement	Policies ensuring segregation of duties Adequate management and oversight Bonding
Property	Theft Injury	Property insurance Bonds Property maintenance Security systems and processes

Component of Organization	Sources of Risk	Type of Insurance or Ways to Manage Risk
Food Service	Injury Allergy Illness Equity	Adequate mgmt. and oversight Policies and procedures Inspections Compliance checks
Reputation	All other risk sources above Poor academic achievement Unsuccessful audit Grapevine	Transparency Preemptive measures Policies Adequate mgmt. and oversight Building community trust
Authorizer Relationship	All other risk sources above Poor academic achievement Unsuccessful audit Poor reporting Grapevine	Transparency Preemptive measures Policies Adequate mgmt. and oversight Building authorizer trust

Establishing Sound Fiscal Policies

- Business Plan and Budget Process
- Business Plan
- Budget Process
- Annual Operating Budget
- Monthly Cash Flow Statements
- System of Fiscal Controls
- Chief Financial Officer Selection
- Bank Accounts and Procedures
- System of Internal Controls
- Audit and annual Report Preparation
- Board Resolution Adopting Policy
- Annual Operating Budget Policy
- Bank Policy Procedures Policy
- Resolution Designating Financial Institution
- Cash Management Policy
- School Accounting System Policy
- Audit and Financial Statements Policy
- Conflict of Interest Policy
- Conflicts of Interest Questionnaire
- Payroll Policy
- Policy Statement Regarding Investment of State Funds
- Fund Balance Policy (GASB 54)
- Policies for Schools that are LEAs
- Federal Fiscal Compliance Policy
- Capital Assets Accounting Policy



QUIZ

- In yesterday's presentation, I stated that at least 70% of your meeting time should be spent on _____.

Academic Achievement / Educational Program

- CEO/Principal is responsible for communicating info. related to academic achievement
- Board should be able to understand the data and how it is impacting the mission or strategic plan goals
- Appropriate discussion on topics such as:
 - Standardized testing
 - Alternative assessment methods
 - Curriculum and its positive or negative impact on student achievement
 - Research studies or articles and their relevance to the school's performance or the charter sector as a whole
 - Pedagogy

Academic Achievement / Educational Program

- How SPED students are being accommodated in the school
- How student assessment data is being used in other schools
- ESEA legislation and its impact on the school
- Special initiatives being used to improve instruction or academic achievement
 - Instruction time (maximizing)
 - Attendance / retention rates
 - Family engagement
 - Personnel review data
 - Mechanisms in place to measure mission, goals, etc.

Fiscal Health

- **Board CAN NOT delegate fiscal responsibility.**
- **Board MUST NOT count on one individual on the board to entrust financial oversight**
- **Can monitor fiscal health with financial reports**
 - **The Balance Sheet**
 - Tells you school's net worth
 - School's assets should equal (to the penny) the sum of the liabilities and retained earnings
 - Board goal should be to produce positive net worth
 - **The Statement of Cash Flow**
 - Tells you how much cash you have throughout the course of a year
 - "Without cash, you crash."
 - **The Statement of Income and Expense**
 - Shows how much money came into the school and the expenses paid during a given reporting period
 - Line item transactions
 - Helps you monitor whether your monthly expenses are higher than your monthly revenue
 - **The Budget vs. Actual Report**
 - Use with the Statement of Income and Expense to help monitor how carefully the management is operating the school according to the budget
 - Shows budget compared to what was spent in each category (year to date)
 - **Cash Flow Projection (optional)**
 - Is a forecasting tool to help you predict what your cash situation will be in the future.
 - Helps to identify potential problems several months or years away.

Essential Board Committees

Governance

- Board development, succession planning, by-law review, policy development

Accountability / Academic Achievement

- Monitor academics, instructional quality, curriculum effectiveness

Finance / Fundraising

- Monthly financial review, budgeting, setting financial policies, resource development

Community Outreach

- Partnership development and monitoring, awareness

Personnel / Executive Committee

- Review personnel performance, ratify hiring decisions, ensure due process, termination and employee discipline

Effective Use of Committees

Set goals and
expected
outputs

Set schedule of
meetings for the
year

Understand
roles &
responsibilities

Committee
leadership

Establish a
reporting
structure

Follow Sunshine
Laws - O.C.G.A.
50-14-(1-6) and
50-18-(70-74)



Questions?

Resources

- ◆ Drop Box

<http://www.dropbox.com>

- ◆ General Governance Tools

<http://charterschoolcenter.org>