

Following the recent financial audit, we recognize the importance of strengthening financial oversight, documentation, and internal controls. We share the board’s goal of ensuring transparency, accountability, and responsible stewardship of school resources.

The purpose of this document is to review the recommendations that emerged following the audit and propose adjustments that address the concerns while aligning with best practices in school governance and operational management. In effective governance models, school boards provide policy direction, financial oversight, and accountability, while school administration manages day-to-day operational systems.

The revised proposals outlined below aim to strengthen internal controls through improved inventory tracking, clearer purchasing procedures, and enhanced documentation practices, while maintaining the operational flexibility necessary to support timely decision-making and the daily needs of students and staff. This balanced approach supports audit compliance while ensuring that school systems remain effective, scalable and sustainable.

The following table summarizes the board recommendations, operational considerations, and proposed revisions that address the audit concerns while supporting effective school operations.

Board Recommendation	Implementation Considerations	Revised Proposal
<ul style="list-style-type: none"> ● An inventory of all listed items will be required at the end of the school year 	<ul style="list-style-type: none"> ● To ensure accuracy and prevent accidental changes, editing access would be limited to designated staff members responsible for inventory management. 	<ul style="list-style-type: none"> ● We do this for some things already, but can make the inventory more clear, detailed and sharable with all stakeholders. ● We can provide an inventory summary report at the end of the school year detailing current numbers of various items. This would be managed by only a few people to ensure accuracy. <ul style="list-style-type: none"> ○ Create a rolling schedule of things to report: <ul style="list-style-type: none"> ■ Every year (curriculum & technology) ■ Every 3 years

		(furniture, etc.)
<ul style="list-style-type: none"> The inventory should be one list in a shared live google doc so there are not multiple/different versions of the inventory 	<ul style="list-style-type: none"> One large list in a google document could become difficult to manage and will be hard to scale as inventory grows/changes. To ensure accuracy and prevent accidental changes, editing access would be limited to designated staff members responsible for inventory management. 	<ul style="list-style-type: none"> We currently maintain inventory records and can strengthen the system through improved organization and centralized tracking. We can create a digital inventory system that is managed by administration (Google Sheet) that allows us to track things by categories in different tabs. This keeps everything in one document, but is easier to organize. This would be managed by only a few people to ensure accuracy.
<ul style="list-style-type: none"> All new items must be logged no more than 15 days after receiving 	<ul style="list-style-type: none"> We receive materials frequently throughout the year. During busy times (beginning of the year, testing seasons), this timeline may be difficult to maintain consistently. 	<ul style="list-style-type: none"> Log new assets within 30 days of receipt to allow reasonable time for documentation while maintaining accurate tracking.
<ul style="list-style-type: none"> Any disposed item from asset list must be approved by the board and must include a notation for the reason item is to be disposed of 	<ul style="list-style-type: none"> Sometimes we do need to replace broken furniture, outdated technology, old curriculum and worn equipment. Waiting for board approval could delay the removal of broken or obsolete items. Most audit standards require documentation of asset disposal rather than board approval of each item. Maintaining documented disposal records while providing 	<ul style="list-style-type: none"> Administration may dispose of unusable items with documentation. Board approval would be required only for high-value assets (\$5,000+). Provide an annual disposal summary to the board.

	<p>an annual report to the board ensures transparency while maintaining operational efficiency.</p>	
<ul style="list-style-type: none"> ● All purchases over \$499 must have Bookkeeper or Board President's approval/signature before the order is placed 	<ul style="list-style-type: none"> ● Many of our routine school purchases exceed \$499 (technology devices, classroom furniture, curriculum materials). ● In most school and nonprofit financial systems, tiered purchasing thresholds are used to balance oversight with operational efficiency. Establishing clear thresholds allows the board to maintain oversight of major expenditures while enabling administration to manage routine operational purchases. 	<ul style="list-style-type: none"> ● Implement a tiered purchasing system: <ul style="list-style-type: none"> ○ Admin: Up to \$2,499 ○ Admin & Bookkeeper: \$2,500 - \$4,999 ○ Board Approval: \$5,000+
<ul style="list-style-type: none"> ● Use of school equipment for personal use must have Board approval <ul style="list-style-type: none"> ○ Each use must have separate approval 	<ul style="list-style-type: none"> ● Individual approvals for small situations create unnecessary administrative work and involve the board in routine operational decisions. 	<ul style="list-style-type: none"> ● Establish a clear staff policy. Administration may approve limited personal use when it does not interfere with school operations or incur additional cost.
<ul style="list-style-type: none"> ● Use of School Building or property must have Board approval <ul style="list-style-type: none"> ○ Each use must have separate approval 	<ul style="list-style-type: none"> ● Board meeting schedules may delay community use requests or school-related activities that require space. 	<ul style="list-style-type: none"> ● Board approves a facility use policy. Administration manages individual requests following the policy.

<ul style="list-style-type: none"> ● Upon prior approval by the board, all school equipment must be used on school property and cannot be used for personal reasons 	<ul style="list-style-type: none"> ● Requiring board approval for occasional staff use may be unnecessarily restrictive. 	<ul style="list-style-type: none"> ● Equipment generally remains on school property. Exceptions may be approved by administration when appropriate. ● A Check In/Check Out system will be implemented to monitor the condition and location of equipment. ● This system would be shared with all stakeholders for transparency.
<ul style="list-style-type: none"> ● All future services not currently contracted need board approval 	<ul style="list-style-type: none"> ● We frequently need routine services (maintenance, software tools, instructional supports). Requiring approval for every contact could delay necessary services. 	<ul style="list-style-type: none"> ● Administration may approve services within the approved budget. Board approval required for contracts above \$5,000 annually.

The board and school administration share the same goals:

- Strong financial accountability
- Transparent documentation practices
- Protection of school assets
- Compliance with audit standards
- Efficient systems that support teaching and learning

The revised proposals are intended to strengthen internal controls while ensuring the school can operate efficiently and respond quickly to the needs of students, staff and the school community.