**Laupahoehoe Community Public Charter School**

**Finance Committee Meeting**

**4 PM Thursday November 08, 2018**

**Room 12**

 **DRAFT AGENDA & MINUTES**

**Committee Members Present: Alfred Kent, Pam Elders, Refugio De Los Santos, Sookyung Kim**

**Guests: Richard Davis, Bank of Hawaii**

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| 1 | Action Items Review: 23. Del reached out to 8 other charter schools; 5 responded. None had workers comp. Dept of Health and Human Services said they expect schools to cover workers compensation claims (e.g., settlements, lost wages) out of their student allocation funding, as all charter schools are doing now.24. Budget revision delayed until we get official student allocation from Charter Commission. 26. See Preschool agenda item below. | Fred |
| 2 | September 2018 & 1st Quarter Financial Review Total Income YTD is 1% above budget. Total Expense YTD is 1% below budget. Net Income YTD is $17,062 higher than budget. The SPED payment of $31,200 for miscellaneous expenses was not received as budgeted in September, and Del is concerned we may not receive any SPED payment this year. SPED payroll is paid directly by the state. | Del |
| 3 | SY 18/19 Budget RevisionOfficial enrollment for student allocation is 362, dated October 15 and reported to Charter Commission. Have not yet received official student allocation from the commission. Agreed to delay budget revision until we get that. Pam provided a proposal to get governance coaching service from Andrew Bergen (Carver Trainer) for $1,750 per quarter. Del reported that Kahele is proposing to split the Kindergarten class and hire a second teacher. This will be in addition to the additional EAs approved earlier in the year. Pam asked if EAs are needed since class size will be about 15 after split. There was discussion on the impact to the overall budget with the proposed changes. Del will have to analyze the impact prior to seeking Board approval. | Del |
| 4 | Savings Account *(This agenda item was covered first to accommodate Richard Davis).* Richard Davis, Bank of Hawaii, presented a Business Cash Advantage account option, based on our September 2018 balance. The account would earn interest through a Dreyfus money market fund (current rate is 1.84%) and automatically sweep into our checking account. The additional fee for this account is $125 per month and can be paid with Earnings Credit Allowances. As an example, if the school had a minimum balance of over $820,000 all our fees would be covered with Credit Allowances. BOH has accounts with other Charter Schools who have similar accounts that earn interest. According to BOH’s example, LCPCS would have earned $1,193 in September with this type of account (at the 1.84% rate). In response to the issue raised by our auditor regarding account balances over the FDIC insured limit ($250,000), Richard responded that other Charter Schools maintain accounts above the uninsured amount. The school’s monthly cash flow needs exceed the $250,000 threshold; and therefore, it would not be practical to maintain an account with $250,000 as a limit. Richard also pointed out that BOH is a very secure and stable institution with high rating which is often the indicator in determining safety of funds. Del will seek guidance from Charter Commission on savings accounts and run a report of historical monthly balances to ensure that the school can maintain a minimum balance to avoid or reduce fees. Members were in agreement that updating bank accounts (including closing the First Hawaiian Bank and consolidating with the new account) per direction of the Board should move forward once additional review and analysis is complete.  | Del |
| 5 | Current Inventory Process Will defer to next month due to Kahele’s absence. | Kahele |
| 6 | PreSchool Beyond SY 18/19 Per Deanne Goya, Charter Commission, there is no chance federal funding will continue for the Preschool program. The Charter Commission is seeking state funding and has prepared a presentation for that purpose. Deanne advised LCPCS to provide her with testimony from parents, teachers, and board members to help with this effort. This topic will be put on agenda for next GB meeting. Del reported that although Preschool personnel expenses extend to June 2019, other expenses, for supplies, ends in December 2018. The Preschool has been asked to purchase all their supplies by the end of this calendar year. | Fred |

**ACTION ITEMS**

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| **#** | **Description** | **Who** | **Due Date** | **Complete Date** |
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| 20 | Send MOAs for Hui and Hamakua Health to FC members. | Kahele | 9/18/2018 |  |
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| 23 | Seek further information on our insurance policies | Del | 11/6/2018 | 11/6/2018 |
| 24 | Revise budget to reflect board approved additions and student count. | Del | 11/6/2018 |  |
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| 26 | Contact Deanne Goya about extending PreK beyond 2018/2019. | Fred | 11/6/2018 | 10/31/2018 |
| 27 | Report monthly bank account balances over last two years. | Del | 11/9/2018 | 11/9/2018 |
| 28 | Check with Charter Commission about savings accounts. | Del | 11/16/2018 |  |
| 29 | Call Michelle to get extension of offer for Workers Comp Insurance. | Del | 11/16/2018 |  |
| 30 | Ask Charter Commission for final student allocation amount. | Del | 11/16/2018 |  |
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