



**Oak Knoll Kinderhaus Montessori School**  
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Board of Directors

board@oakknollkinderhaus.com

**July 27, 2006 Special Board Meeting**

### **MINUTES**

#### **Attendance:**

**Board members: Alana Steele, President; Hannah Holland, Vice President; Standra Williams, Treasurer (late); Nina Powell, Secretary; Gwen Hourihan; Dorothy Chambless, advisory; John Chambless; Jonna Dennis, advisory; Lisa Vigil Ruelas, Julie Brown (absent, but proxy given to Lisa Vigil Ruelas)**

**Staff: Alete Guerrero, Head of School.**

**Location: Lake campus**

#### **CALL TO ORDER**

The special meeting of the Board of Directors was called to order July 27, at 6:10 pm by the President to address the budget, the Head of School salary, accounting policies to be followed by staff, scholarship award formula and other related financial and accounting issues.

#### **TREASURER'S REPORT**

##### **HEAD OF SCHOOL SALARY**

The President presented the Head of School salary recommended by the Finance Committee since the Treasurer was late.

##### **BUDGET FOR 2006-07 SCHOOL YEAR**

The Treasurer presented the proposed budget for 2006-07, which runs from September 1 through August 30. Since a normal budget process has not previously been conducted by Oak Knoll, the President stated that this budget is a starting point, and that it will be reviewed in November 2006 to determine whether adjustments need to be made.

The proposed budget does not include the silent auction or small fundraisers and is based on the current enrollment, plus the equivalent of seven additional full-time, full-tuition primary students for the entire year.

The Marketing Committee Chair remarked about the amount of money spent in 2005-2006 on advertising and volunteered to follow up on the yellow pages ad and the ad in Parenting Magazine. No family has ever noted the yellow pages as the source for learning of Oak Knoll.

Motion to vote on proposed budget, second, passed unanimously.

#### **ACCOUNTING POLICIES**

The Treasurer recommended the following policies. The Treasurer stated that these are starting accounting policies and the policies may be changed if they do not work well. However, these policies will help the school track spending patterns. The Treasurer is to formally write up the policies for the board at a future date, but the policies were presented verbally at the meeting and voted on in principle.

#### Pre-Approval of Spending

All transactions requiring reimbursement need to be pre-approved by the Head of School. Only Head of School, office staff, and guides can be reimbursed. Assistants and parents will not be reimbursed.

#### Petty Cash

Petty cash fund of \$150 that can only be used in transaction amounts of \$20 or less. The fund is replenished to \$150 at the beginning of each month. There was a discussion about a revolving fund versus the \$150 per month limited fund. Receipt needed for reimbursement, and information about the transaction is to be recorded. No receipt, no reimbursement.

Vote on principle of petty cash fund. Passed unanimously.

#### Expense Report

For transaction amounts greater than \$20, in addition to the receipt, an expense report must also be filled out for reimbursement. Reimbursements will be issued bimonthly.

Vote on principle of expense report. Passed unanimously.

#### Credit Card

The school does not currently have a credit card, but the Treasurer has a procedure for when the school acquires one. Each transaction on the credit card statement must match to a receipt.

#### Bill Payment Priorities

If the school is short on funds the bills will be paid in the following order:

IRS

Leases at Lake and Orange Grove

Hourly Staff

Salaried Staff

Utilities and other bills

Vote on principle of bill payment priorities. Passed unanimously.

#### End School Year on a Friday

Discussion of the money saved by ending the school year on a Friday versus mid-week.

Motion to end the school year on Friday June 15<sup>th</sup>, 2007. Second. Unanimously passed.

#### Bimonthly Payroll

The Treasurer recommended that all staff be on a bimonthly payroll schedule to be paid on the 5<sup>th</sup> and 25<sup>th</sup> of each month, to start September 5, 2006. Passed unanimously.

#### **SCHOLARSHIP AWARD PROCESS**

The Scholarship Committee Chair presented the process and formula for awarding scholarships. The Scholarship Committee will be limited to the Head of School, President and Vice-President, due to the sensitive nature of the information gathered from applicants.

Scholarship recipients are not eligible for any other tuition discounts. After care costs are included in determining the scholarship award because parents do not view school and after care as separate services.

Discussion about the wording of the eligibility requirements for applying for a scholarship.

To be eligible applicants must

1. Earn no more than \$40,000 annually,
2. AND earn no less than \$18,130 (1 person) per 2006-2007 Federal WIC Guidelines (see [www.fns.usda.gov/wic/howtoapply/incomereguidelines06-07.htm](http://www.fns.usda.gov/wic/howtoapply/incomereguidelines06-07.htm)) unless applicant submits an ineligibility letter from CCIS.

A vote on the scholarship award guidelines passed unanimously.

## **RELATED ACCOUNTING OR FINANCIAL BUSINESS**

### Scrip

Question regarding reimbursement to parents for pre-purchasing scrip (Wild Oats) for the school to be sold to parents. The president states that buying scrip could be a process handled by the proposed parent association (OKFA), rather than the school.

### Passive Fundraisers

Motion to have the proceeds from passive fundraisers go to a separate fund to be spent on employee development up to a limit of \$2,000 per budget year to start September 1, 2006, and any amount over that to be put in a fund for classroom materials.

Second. Passed unanimously.

### Audit

The Treasurer stated that a review of the financials would only cover the past year, and thus a review is not what is needed. The Treasurer recommended an internal audit, with the assistance of a CPA as needed. The CPA, Susan Caron, will charge a consultation fee of \$65/hour.

Question regarding number of bids solicited for the job. Two bids were solicited for the review, but only one was solicited for the internal audit consultation, due to time constraints. Susan Caron comes recommended by another non-profit.

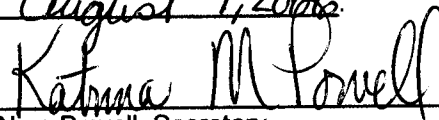
Motion to amend resolution to perform an internal audit with the assistance of a CPA consultant. Second. Motion passed with 5 for, 0 against, and 1 abstention.

## **ADJOURN**

Motion to Adjourn. Second. Passed unanimously at 8:47 pm.

These minutes were approved by the Board of Directors at its regular meeting held

August 9, 2006.

  
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Nina Powell, Secretary

### **ATTACHMENTS:**

Proposed Budget 2006-2007

Passive Fundraisers List

Oak Knoll Kinderhaus

**PROPOSED BUDGET**  
**September 2006 through August 2007**

Board of Directors

board@oakknollkinderhaus.com

	2005-06 ACTUAL	incl. summer thru 5/06 see tuition	PROPOSED	
<b>INCOME</b>				
Tuition	\$ 457,257.00		\$ 451,968.00	Based on 70 students as currently enrolled + equivalent of 7
Re-enrollment fees	\$ 7,175.00		\$ 7,700.00	new primary studentes for the full regular school year, with
Supplies fees	\$ 4,975.00		\$ 5,775.00	scholarships at an average of 50% of full tuition.
Summer tuition	\$ 469,407.00		\$ 50,000.00	
			<b>\$ 515,143.00</b>	
<b>EXPENSES</b>				
2005-06 deficit	\$ 11,200.00	estimate	\$ 7,516.00	
Payroll Expenses, Employee Benefits and Insurance Workers Comp	\$ 363,127.00	estimate	\$ 376,236.00	
Insurance General	\$ 5,060.00		\$ 6,000.00	
Rent	\$ 83,796.00		\$ 86,231.00	
Utilities and Telephone	\$ 6,049.00	estimate	\$ 6,000.00	
IRS Installment Agreement	\$ 6,000.00		\$ 6,000.00	
Repairs & Maintenance	\$ 441.00		\$ 1,200.00	
Janitorial	\$ 5,620.00	incl \$350 for OG	\$ 8,800.00	
Long-term (L/T) Note Payable	\$ 11,239.00		\$ 7,030.00	
Legal & Accounting	\$ 185.00		\$ 300.00	
Outside Services (LiveScan only)	\$ 185.00		\$ 120.00	
Bank charges				
Classroom Supplies (includes all consumables, e.g., paper, drawing materials, wipes and t-shirts) and				
General Supplies	\$ 6,298.00		\$ 5,250.00	Based on maintaining current enrollment at 70.
Taxes & Licenses	\$ 400.00		\$ 800.00	
Advertising	\$ 1,479.00		\$ 300.00	
Office Expenses	\$ 250.00		\$ -	
Office Supplies	\$ 165.00		\$ 360.00	
Printing & Reproduction and Postage & Delivery	\$ 368.00		\$ 300.00	
	\$ 500.00	est. cost for Aug not incl.		
<b>TOTAL EXPENSES</b>	<b>\$ 490,662.00</b>	<b>does not incl. deficit</b>	<b>\$ 515,143.00</b>	
<b>Surplus or (Deficit)</b>	<b>\$ (21,255.00)</b>		<b>0.00</b>	

**Potential Savings**

End school on Friday, rather than Tuesday in June.  
Rely on e-mail and website for communication.

List of Passive Fundraisers  
July 27, 2006

- Box Tops for Education
- Scrip (wild oats and/or whole foods)
- Target
- Washington Mutual (wamoola)
- Escrip
- Restaurant Night (including toy dept & others like it)
- Ralph's
- Goodsearch.com
- Amazon.com
- Albertsons
- Office Depot