

Montessori Education Finance and Governance Policy

1. Purpose

The purpose of this policy is to ensure financial management and governance oversight within the school authority, aligned with Alberta Education regulations.

This policy outlines the responsibilities, and actions required to maintain fiscal integrity, transparency, and accountability.

2. Scope

This policy applies to all members of the governing body, senior management, staff, volunteers, and contractors involved in the financial management and governance of the school.

3. Definitions

3.1. Senior Management Roles

Section 12 of the *Private Schools Regulation* states that:

(e) “senior management contractor” means an individual engaged for services by the operator of a funded private school to plan, direct or control the management, administration and operation of the funded private school;

(f) “senior management employee” means an individual employed by the operator of a funded private school to plan, direct or control the management, administration and operation of the funded private school;

(g) “senior manager” means a senior management employee or a senior management contractor.

The Board Chair, President, Executive Director, and Principal are the “senior managers” or the “senior management employee” of the school.

Other positions such as Secretary, Treasurer, Finance / HR / IT Managers, etc. might also be considered as Senior Management if necessary.

3.2. Internal Controls:

- Definition: are policies and processes that ensure integrity of financial and accounting information.
- Purpose: to eliminate risk of errors, irregularities, and opportunities for fraud. To provide accountability for and stewardship of public funds.

3.3. Segregation of Duties:

- Definition: segregation of duties is an internal control procedure implemented to reduce the risk of errors and fraud. An emphasis is placed on separating the individuals who makes business decisions from those providing accounting estimates.
- Purpose: a practice to limit the risk of negligence and misconducts.

Montessori Education Finance and Governance Policy

3.4. Capital Assets:

- Definition: capital assets are significant pieces of property like school building or vehicles.
- Purpose: to outline appropriate use of capital assets, and processes for purchasing and sale of these assets.

3.5. Conflict of Interest:

- Definition: a conflict of interest occurs when an individual's personal interests – family, friendships, financial or social factors – could compromise his or her judgement, decisions or actions in the workplace.
- Purpose: to ensure all board members and employees inform the operator of conflicts of interest, allowing steps to be taken to ensure everyone acts in the best interest of the School.

4. Internal Controls

Objective: To establish processes ensuring integrity of financial and accounting information.

4.1. Segregation of Duties: Separation of Decision-Making and Accounting Tasks

The school shall implement strict segregation of duties to ensure that decision-making processes are separated from accounting tasks. This segregation is essential to prevent conflicts of interest, fraud, and errors in financial reporting.

Key roles and responsibilities will be distributed among different individuals to ensure checks and balances within the financial management system.

4.2. Capital Assets Management

The school shall establish and maintain comprehensive procedures for the management of capital assets. These procedures will cover aspects such as assessment, purchase, use, and disposal of capital assets.

4.3. Reimbursement Procedures

- Out-of-Pocket Expenses: Principal, Executive Directors and other Senior Managers can incur any reasonable out of pocket expenses under 1000 dollars (one thousand dollars) **per month**. Any expenses over 1000 dollars must be approved by the Board.
- Documentation Requirements:
 - Claimants must provide original receipts and a detailed explanation of the expenses incurred. For expenses more than \$1,000, the "Expense Form" must be completed and submitted.
 - Reimbursement requests must be submitted within 10 days or 2 weeks from the date of the expense, to be included in the next semi-monthly pay.
- Professional Development
 - Proposals must be submitted to the Board Chair at least 30 days before the event.

Montessori Education Finance and Governance Policy

- Exceptions may be considered based on the importance, urgency of the request and on a case to case basis. If the proposal is not approved, the individual will be expected to cover the costs out of pocket if they wish to attend.

5. Roles and Responsibilities of Senior Management

Objective: To provide clear guidelines on the roles and responsibilities of senior management employee

5.1. Board Chair

5.1.1. Role Overview:

School boards are responsible for acting in the best long-term interest of the organization to the community and will bring to the task informed decision-making, broad knowledge, and an inclusive perspective.

5.1.2. Responsibilities and Duties:

- Prepare for and participate in board meetings;
- Listen to others' views, advocate personal views, identify common interests and alternatives, and be open to compromise;
- Support governance decisions once made;
- Participate in the review of the organization's mission and vision and the development of a strategic plan;
- Help the Executive Director to monitor the performance of the organization in relation to its mission, vision, core values, and philosophy;
- Abide by the by-laws, code of conduct, conflict of interest, and other policies that apply to the board;
- Participate in the approval of the annual budget and monitor the financial performance of the organization in relation to it;
- Help, establish, review, and monitor operational policies;
- Participate in the evaluation of the Executive Director;
- Identify prospective board members and possibly help recruit them;
- Participate in the evaluation of the board itself (annual board self-evaluation);
- Contribute to the work of the board as a member of a board committee;
- Attend and participate in the Annual General Meeting;
- Be an ambassador for the organization, ensure one's involvement is known within personal network;
- Keep informed about community issues and concerns relevant to the mission and vision of the organization;
- Oversee the financial health of the school, including approval of budgets, financial statements, and ensuring compliance with financial policies and regulations

Montessori Education Finance and Governance Policy

- Engage in strategic planning to set long-term goals and objectives for the school, ensuring alignment with its mission and vision;
- Review, approve, and monitor the implementation of organizational policies to ensure they are up-to-date and effective;
- Promote the organization's mission and programs to the public, potential donors, and stakeholders;
- Ensure the organization adheres to legal and ethical standards and practices;
- Contribute to creating a positive and inclusive organizational culture that aligns with the organization's values;
- Be prepared to participate in crisis management and decision-making during organizational emergencies.

5.2. Executive Director

5.2.1. Role Overview:

She/He is responsible for the effective operation of the school, including general administration of all instructional business or other operational duties. She/He will administer and supervise the school, lead the development of educational programs, implement the vision and mission, and serve as a strong advocate of the school's core philosophy and values.

5.2.2. Responsibilities and Duties:

Compliance and Regulations

- Act as a primary point of contact for regulatory bodies' (i.e. Ministry of Children Services, Alberta Education,);
- Ensure adherence and compliance with all applicable laws, regulations, certifications, and accreditations;
- Develop and implement policies and procedures in direct compliance with applicable regulations;
- Collaborate to develop and implement the curriculum and educational programs;

Operations Management

- Oversee all operations within the non-profit organization to ensure accountability to stakeholders (i.e. students, principal, teachers, parents, staff, etc.);
- Establish and maintain professional and cooperative working relationships with all stakeholders;
- Manage overall record-keeping responsibilities, including financial records, student registrations, and employment records;
- Review financial and non-financial reports to identify solutions or areas for improvements;
- Communicate issues, concerns, and needs to the School Board;
- Collaborate with the School Board to set economic objectives, financial and

Montessori Education

Finance and Governance Policy

accounting policies, and other fiscal policies and practices as necessary;

- Provide financial reports to the School Board and other agencies as required by law;
- Perform other duties as required.

5.3. ECS Coordinator

5.3.1. Role Overview:

The ECS Coordinator must report to the Executive Director and serves as the educational leader and supervisor for teachers and educational assistants. The Coordinator is responsible for the proper implementation of educational programs, policies, regulations, and procedures, ensuring all students, teachers, and staff operate in a safe and positive working environment. The acting coordinator will take the steps necessary to obtain Leadership Quality Standard (LQS) certification after receiving permanent certificate.

5.3.2. Responsibilities and Duties:

- Collaborate with the Executive Director on curriculum development, extracurricular activities, educational standards accreditations, Teacher Growth, Supervision, and Evaluation, personnel management, emergency procedures, and facility operations;
- Supervise and support teachers in developing lesson plans adhering to the approved yearly curriculum, including classroom activities, field trips, educational programs, etc;
- Supervise the instructional programs of the school, regularly evaluating lesson plans and observing classes;
- Establish outstanding rapport with students and staff, maintain the highest ethical and keep the school owners informed of any incident endangering a child, staff member, school property, facility, etc;
- Work with the Executive Director to assess and address the physical, social, emotional, and cognitive needs affecting student's success, and formulate plans to achieve goals;
- Maintain effective communication with students, parents, teachers, staff, and other school personnel;
- Collaborate with the Executive Director to provide a safe, inclusive, and healthy working environment, free from bullying, discrimination, and harassment;
- Supervise teachers and staff in a positive and respectable manner;
- Report to and carry out directives from the Executive Director to manage and fulfill reporting duties with Alberta Education;
- Report to and carry out directives from the and Board Chair to meet and maintain the Leadership Quality Standard, consistently demonstrating and upholding all required competencies;
- Commit to creating a welcoming, caring, respectful, and safe learning and working environments that foster diversity and a sense of belonging;
- Report to and carry out directives from the Executive Director and Board Chair implement professional growth, supervision and evaluation processes and procedures ensuring all teachers meet the Teaching Quality Standard.
- Report to and carry out directives from the Executive Director and Board Chair as part

Montessori Education Finance and Governance Policy

of the school's leadership team to ensure smooth and effective operations;

- Provide effective operational feedback;
- Maintain the schools' educational climate and working environment that encourages, supports, and actively contributes to outstanding student learning outcomes, parent engagement, and teacher's professional development;
- Oversee staffing (teachers & educational assistants) as well as interfacing with Parent Advisory Committees (PAC), and if necessary, summarize and report meeting minutes to the board regarding parents' issues and problems.
- Learn, understand, and ensure compliance with all school policies;
- Promote positive attitudes among students and staff towards themselves, each other, the school facilities and equipment, and the broader school community;
- Perform other additional duties as required.

5.4. Establish a code of conduct for board members.

- If a board member encounters a potential conflict of interest with the organization, they must promptly declare the conflict and withhold from participating in any discussions or decisions related to the matter until it is resolved.

5.5. Conflict of Interest Declaration/Impartiality in Decision-Making

- Any board member, employee, or contractor who encounters a potential conflict of interest with the organization must promptly disclose the conflict to the Board. Disclosure should include a detailed description of the conflict, including the nature of the interest or relationship that gives rise to the conflict and how it may affect the individual's duties and responsibilities within the organization.
- Any school personnel involved in a conflict of interest must refrain from participating in the matter.
- All board members, employees, and contractors are required to comply with this Conflict-of-Interest Policy on an ongoing basis. This includes promptly updating any changes in circumstances that may give rise to new conflicts of interest and adhering to the procedures for disclosing and managing conflicts.

5.6. Board Meeting Frequency and Attendance

- The board shall meet at least once every term (Term 1: Sept-Dec; Term 2: Jan-March; Term 3: April-June) and the Annual General Meeting (AGM). Additional meetings may be scheduled as needed.
- Board members are required to attend a minimum of 50 % of all scheduled meetings annually. In the case of not meeting the minimum requirement, board members must inform the rest of the board in advance.

5.7. Organizational Structure and Authority Levels

The school maintains a clear organizational structure outlining the roles and responsibilities of board members, executive staff, and other key personnel.

- The Executive Director and ECS Coordinator have the authority to sign off on financial

Montessori Education Finance and Governance Policy

transactions up to \$1,000 per month. This authority includes, but is not limited to, approving expenditures, and purchasing school supplies on behalf of the school within this financial limit.

- Any financial transactions exceeding \$1,000 **per month** require the explicit approval of the Board. No exceptions to this rule are permitted. All transactions above this threshold must be documented and presented to the Board for review and approval.
- The monthly allowance resets 30 days from the previous expense.
- Bin Zhao is the school's Auditor and chartered accountant.

5.8. Level of direct authority:

- The ECS Coordinator is the direct authority for teachers, ensuring each teacher meets the competencies in the "Teaching Quality Standard."
- The Executive Director is the direct authority for all staff regarding HR matters.
- The School Board, represented by the Board Chair, is the direct authority over the Executive Director.

5.9. Final Decision Authority:

The Board shall have the final decision on all matters, including financial oversight, strategic planning, and policy approval. This ensures that all major decisions are made with collective knowledge and in the best interest of the school.

6. Senior Management Compensation

Montessori Education adheres to the compensation criteria outlined in Sections 28, 29, 30, 31, 32, and 34 of the *Private Schools Regulation*.

Objective: To provide guidance on aspects of senior management compensation not addressed in regulation.

6.1. Section 28: Base Salary (Education Act: Private School Regulations)

- The compensation for senior management of the school is below 70% of the base salary in accordance with Schedule 1 of the Superintendent of Schools Regulation (AR 98/2019).
- Non-Grant Funded Salary: The operator may offer a base salary exceeding the amounts specified in subsections (2) and (3) if funded from sources other than a grant under the Education Grants Regulation.

6.2. Section 29: Bonus, Allowance, or Other Incentive Pay (Education Act: Private School Regulations)

No bonuses, allowances, or other incentive pay shall be offered, paid, or provided to a senior management employee if funded by a grant under the Education Grants Regulation.

6.3. Section 30: Benefits (Education Act: Private School Regulations)

- Temporary paid leave from a job assignment with salary and benefits intact as per the employment contract of a senior management employee.
- Prohibited Considerations: Administrative leave, executive/private medical benefits,

Montessori Education Finance and Governance Policy

gym/fitness/club memberships, housing allowances, or any related reimbursements, unless funded from non-grant sources.

- Additional Benefits: The operator may offer additional benefits beyond those listed if funded from non-grant sources.

6.4. Section 31: Severance Pay (Education Act: Private School Regulations)

- Severance pay funded by a grant must not exceed 4 weeks of the base salary and 16% of benefits cost per year of continuous service, up to a maximum of 52 weeks.
- Senior management employees must agree to repay severance if reemployed by a board, another funded private school, or the Crown during the severance period.
- The amount to be repaid is based on the salary earned from new employment during the severance period, up to the amount of severance paid.
- Severance pay from grants is not applicable for termination for cause, non-renewal of contracts, resignation, retirement, or due to compensation changes under this regulation.

6.5. Section 32: Senior Management Contractors (Education Act: Private School Regulations)

- Service fees funded by a grant must not exceed the maximum base salary payable to a senior management employee under Section 28.
- No bonuses, allowances, or incentive pay funded by grants are allowed for senior management contractors.
- Termination payments funded by grants must not exceed the equivalent of 4 weeks of the base salary and benefits cost per year of continuous service, up to 52 weeks, as if the contractor were an employee.
- This limitation does not apply to termination payments funded from non-grant sources.

7. **Implementation Steps**

7.1. Policy Development:

- A policy development committee shall be formed, including board members, senior management, and external advisors to draft new policies.
- Policies will be drafted to ensure alignment with provincial regulations and best practices.

7.2. Approval

- The draft policy shall be presented to the School Board for review and approval.
- Once approved, the policy will be communicated to all stakeholders, including staff and volunteers.

7.3. Training and Awareness:

- Training sessions will be conducted for board members, senior management, and relevant staff on the new policy if necessary.
- Ongoing support and resources will be provided to ensure understanding and compliance.

7.4. Monitoring and Review:

Montessori Education Finance and Governance Policy

- A monitoring mechanism shall be established to regularly review policy implementation.
- Annual audits will be conducted to assess compliance and identify areas for improvement.
- Policies will be reviewed and updated as needed to reflect changes in regulations or organizational needs.

Reviewed or updated;

September, 2020

September, 2023

September, 2025