

## SAINT PATRICK'S SCHOOL ADVISORY BOARD PROCEDURE TO GOVERN ADMINISTRATION OF THE ANNUAL FUND

### I. BACKGROUND

Recognizing that ultimately all decisions on financial matters rests with the Pastor of Saint Patrick's Parish in coordination with the Parish Finance Council, on September 11, 2021 the Saint Patrick's School Advisory Board (the SAB) endorsed for use a working draft of a SAB procedure to generally Enhance Governance and Transparency Relative to Financial Planning Matters. That procedure implemented Measurable Outcomes 6.1.1.1-1.1.3, as set forth in the 2021-2026 Saint Patrick's Strategic Plan (Strategic Plan). That procedure specifically addressed the manner in which the Financial Planning and Affordability (the FP&A) committee will: (1) monitor and provide input into the entire School budget cycle; (2) oversee and provide input on financial planning matters; and (3) assure coordination and transparency among various stakeholders.

Saint Patrick's School and the SAB recently transitioned the focus of fundraising initiatives from a series of social-fundraising efforts by the HSA to a single Annual Fund drive. As part of the Annual Fund initiative, donors are given the option to direct gifts to one of several specific areas of need, and donations that go unspent over the course of a particular fiscal year (FY) are to be rolled over to the next budget cycle and applied to areas consistent with the donor's intended use.

Undesignated funds are expected to be spent in furtherance of measurable outcomes set forth in the Strategic Plan. The earlier referenced procedure did not specify the manner in which Annual Fund donations would be generated, managed and generally administered. The purpose of this procedure is to fill that gap in SAB oversight. Collectively, this and the earlier referenced procedure provide guidance in the administration of the Annual Fund.

### II. PURPOSE OF THIS PROCEDURE

The purpose of this procedure is to implement a process to: (1) establish an initial target amount for the next Fiscal Year (FY) Annual Fund drive after initial consideration of projected expenses against all other sources of school income (Tuition, Parish donations, Grants, etc.); (2) develop a fundraising campaign to achieve the projected target; (3) monitor progress toward the initial target and adjust, as necessary, as the FY Budget Cycle goes through SAB, School Administration, Parish Finance Council and Monsignor review; (4) assure collected funds are expended consistent with donor intent or in furtherance of a measurable outcome in the strategic plan, including any amounts rolled over to the next FY; and (5) annually report on the administration of the Annual Fund.

### III. IMPLEMENTING PROCEDURE

- A. Establishing the Initial Annual Fund Target: - By December 31st of the current FY, the Principal will provide the Chair of the Annual Fund and Chair of the FP&A Committee, a proposed Annual Fund target for the next FY. For example, by December 31, 2021, the Principal should provide a proposed Annual Fund target to be collected during the 2022-2023 school year. The proposed target should be based upon the overall proposed budget for the next FY and include individual targets either for designated giving areas or specific measurable outcomes set forth in the Strategic Plan, or both. This target should consider projected budgetary rollover from the current FY into the next year. After coordination between the Principal, the Chair of the Annual Fund, and the Chair of the FP&A Committee, the proposed target will be presented to the SAB for review and comment during its next scheduled meeting.
- B. Development of a Fundraising Campaign to Meet the Initial Annual Fund Target: During the spring prior to the next FY, the Chair of the Annual Fund will propose to the SAB, for review, comment, and endorsement an outline of a campaign to reach the targeted amount during the next FY. No later than April 15<sup>th</sup>, the Principal and Chair of the FP&A Committee shall seek approval of the proposed Annual Fund target from the Pastor and request adjustments to the target based on anticipated budgetary rollover (including, but not limited to Annual Fund budgetary rollover) from the current year. Before May 31st, the Principal shall inform the Chair of the Annual Fund of any changed circumstances impacting the proposed target. To allow for accurate information to be included in the School's Annual Report and other fundraising materials (printed in August), any remaining issues with the fundraising target/narratives must be resolved by June 30<sup>th</sup> each year.
- C. Monitor Progress Toward the Annual Fund Target and Adjust, if Necessary: The Chair of the Annual Fund will manage implementation of the Annual Fund campaign and monitor progress toward the agreed upon target.

- D. Assure Collected Funds are Expended, or Rolled Over to Next FY, Consistent with a Donor's Intent or in Furtherance of a Specific Measurable Outcome Set Forth in the Strategic Plan: In coordination with the SAB, the Principal's office will act as the "steward" of collected funds to assure such funds are either expended consistent with a donor's intent, in furtherance of a specific measurable outcome in the Strategic Plan, or rolled over to the next FY to be so spent. As to any proposed expenditure of Annual Funds in excess of \$7,500 that have not either been designated by donors for specific giving areas or in furtherance of a specific measurable outcome in the Strategic Plan, the Principal shall coordinate with and gain consensus among the Chairs of the FP&A, Recruitment and Retention, and Facility & Campus Improvement Committees, or their designees before expending Annual Fund money.
- E. In May each year, the Principal's office, as steward of the Annual Fund, will provide the Chair of the Annual Fund: (1) a narrative summary of School purchases, repairs, improvements, activities, and/or programs that were made possible by the budgetary flexibilities provided by the Annual Fund; (2) an accounting of the total annual budget expenditures in each of the eight Designated Giving Areas for the current year (whether paid directly by the Annual Fund, Grants, the School's operating budget, or another source); (3) a proposed target and explanation for each of the proposed Designated Giving Areas for the following year; and (4) other information, as requested, to facilitate with reporting to the School community.
- F. Reporting on Annual Fund Administration: In August of each year, the Chair of the FP&A Committee prepares an Annual Report, summarizing the School's financial performance over the academic year and presents it to the Principal for review and further distribution to all stakeholders. As part of the preparation of that report, the Chair of the Annual Fund shall provide input reporting on the administration of the Annual Fund.
- G. After initial implementation of this procedure, in August of each subsequent year, the Chair of the FP&A Committee will recommend adjustments to the SAB, if any, based on experience in Annual Fund administration.