

Reserve/Surplus History

A number of years ago (2003-2004) members of the co-op were concerned that there was an excess of money in the budget that should be utilized for the good of the school. In addition, there was concern that there be a substantial amount of savings in the event that the school suffered some kind of unknown emergency and money was needed (ie. lead abatement, COVID, transition of staff, loss of building). The long range committee of 2003-2004 was charged with formulating a plan for this money. The initial discussion included keeping a certain amount of reserve and then developing a system for spending additional money left in the budget at the end of the fiscal year.

In order to determine how to use this additional surplus to best serve the school the issue was taken to the all school community for discussion. Input from these small group discussions was taken back to the long range committee who developed a proposal which was taken in turn to the board for approval. Ultimately, the policy (at that time called the Surplus Policy) was voted upon by the full school community. In all discussions the overwhelming consensus was “to direct a larger portion of the surplus toward the teachers.”

The policy that was voted upon was as follows:

In a surplus year, after the required 9 months of operating expenses has been segregated, the remaining surplus will be budgeted as follows:

- 50% for the teachers for a flexible benefit spending account
- 20% for facility improvements
- 10 % for enrichment programs
- 20% for investment in a “moderate risk vehicle” for future years

The surplus amount is determined each year by the treasurer at the end of the school’s fiscal year (July 31st). When the fiscal year ends the treasurer will determine the amount that should go into the budget for reserve. If there is additional money the treasurer will allocate the exact amount to each of the respective funds.

Over time, the exact percentages designated for each account have changed. Implementation of these changes went into effect in 2015 and 2019.

Additionally in 2019, a change was made in terminology around this policy. Prior to the 2019 policy change it was called the surplus policy. This included the reserve amount as well as any remaining amount that would be put into the surplus categories. This was very confusing for families as it seemed there was much more money for surplus than what actually existed. It was voted by the all school community to split the policy of what had originally been the surplus policy into two policies.

One would be the Reserve Policy. This would be the amount building toward building the reserve to 125% of the operating expenses. The other would be called the Surplus Policy. This would be the amount remaining after the reserve was fully funded. This money would be split according to policy percentages into the various categories.

Allocations voted on in 2015

Reserve	150%
Facility/classroom improvements	40%
Enrichment programs	10%
Investment	20%
Teachers	30%

Allocations voted on in 2019

Reserve	125%
Facilities	30%
Enrichment	10%
Staff (4 teachers & Ed. Cord.)	50%
Investment	10%

Description of the Various Accounts

Staff Benefit:

“The overwhelming consensus from the All School Community is that we as parents want to direct a large portion of the current surplus toward the teachers(2004).”

Because the school can never be sure of the surplus from year to year, the long range committee did not think it made sense to commit to a long-term plan of increased yearly benefits for teachers, since there may be years when the school wouldn’t have the money to pay for them. Therefore, the long range committee recommends having a certain percentage of the surplus monies go to teachers for investment in a flexible spending account (2004).”

For the purpose of policy “Staff” is defined as any classroom teacher, assistant teacher and education coordinator. In order to be eligible each staff (as defined above) must be both currently employed during the disbursement year and have been employed by the school during the fiscal year in which the Surplus was generated (2015).

The staff surplus should be allocated to eligible staff members as follows: Each eligible staff member shall receive a portion of the staff surplus equal to such eligible staff prorated share of the aggregate salary expense for the period fiscal year related to all eligible staff (eg., if an eligible teacher’s salary expense for the prior fiscal year is 25% of the aggregate salary expense of all eligible staff for such fiscal year, such

eligible staff member shall receive 25% of the staff surplus)(less applicable withholdings)(2015).

Facility Improvement:

Based upon input from staff and/or board. The fund could cover things like extra supplies/materials for the classroom, outside materials or larger items such as classroom equipment, new sink for example. Expenditures for this fund would be approved by the Education Coordinator in consultation with the Cooperative Education Specialist and reported to the board. Any withdrawals for expenditures greater than \$500.00 for a single item shall require prior board approval.

Enrichment Programs:

The money in this account is for programs to enhance professional development, diversity awareness or special classroom programs and projects. This money is for items not already included in the budget as part of the itemized annual budget designated as professional development or field trips.

