SECTION 500 FISCAL MANAGEMENT

BP - 501 Finance and Facilities Committee
The Finance and Facilities Committee of the Board is responsible for oversight of the School’s financial affairs and facilities, and for reporting and making recommendations on finance-related decisions at the Board level. Financial responsibilities of the Finance and Facilities Committee include:

- long range financial planning;
- recommending approval of the annual budget prepared by the Superintendent, including setting tuition and fees;
- determining allocation of funds for investments, and the direction of investment proceeds with the counsel of the Investment Advisory Committee (the “IAC”);
- monitoring of financial investments;
- reporting on any variance to the Annual Budget deemed material; and
- requests of periodic internal audits of financial, human resource, administrative, technology support, and other systems as deemed prudent to safeguard school resources to the Governance Committee for monitoring.

(Adopted Feb 16, 2015)

BP - 502 Annual Budget and Fees
a. Approval
After presentation to the School community, the Board will approve an annual budget for the School prepared by the Superintendent and recommended by the Finance and Facilities Committee.

(Adopted Feb 16, 2015)

b. Tuition and Fees
Tuition and Fees will be set at a level to ensure that the School’s annual budget is met, and that the future financial needs of the school are adequately provided for.

(Adopted Feb 16, 2015)

BP - 503 Reserves
a. Operating Reserve
The School will maintain operating reserves to cover a minimum of six (6) months of operating expenses. The School may only use operating reserves with Board approval and under circumstances that are in the best interests of the School, consistent with the aims and objectives established by the Board in the Investment Policy Statement (Appendix 101).

(Adopted Feb 16, 2015)

b. Facilities Reserve
The School will maintain facilities reserves to fund the renewal of buildings and other infrastructure projects. The School may only use facilities reserves with Board approval of the facilities plan, and for projects that are in the best interests of the School, consistent with the aims and objectives established by the Board in the Investment Policy Statement (Appendix 101).

(Adopted Feb 16, 2015)
BP - 504 Banks, Financial Institutions, and Investment Advisors
SAS will use reputable banks, financial institutions, and investment advisors and seek to use multiple advisors and bankers where it is in the interest of the School to hedge institutional risk. Selection of investment advisors will be made by the Finance and Facilities Committee, after advisement from the IAC, and recommended to the Board for approval. Any changes to banking or financial institutions will be recommended by the Superintendent to the Finance Committee, and approved by the Board.
(Adopted Feb 16, 2015)

BP - 505 Handling of Surpluses or Deficits
Any annual surplus or deficit realized in the School’s consolidated accounts accrues to the School alone. It is the responsibility of the Board to direct the management of such surplus or deficit in a fiscally prudent manner that serves the best interests of the School, both short and long term. In general, surpluses will first be directed to operating reserves, then to facilities reserves or the endowment.
(Adopted Feb 16, 2015)

BP - 506 Investment Policy
a. Investment Policy Statement
School funds will be invested according to the investment objectives as outlined in the Investment Policy Statement (Board Operating Procedure Appendix), and will require approval by the Board, and one or more Board signatories as appropriate. The IPS must:
• define the investment objectives and risk tolerance levels;
• set out the roles of different stakeholders responsible for the School’s investments;
• describe the criteria and procedures for determining investment strategies for any school funds maintained;
• establish investment and monitoring procedures for the Funds;
• provide guidelines that ensure appropriate diversification and risk management procedures; and
• document the School’s fundamental beliefs and guiding principles for the investment of the Funds.
(Adopted Feb 16, 2015)

b. Investment Advisory Committee
As established by the Board in the IPS, the Governance Committee of the Board will recommend appointments to the IAC, which will be responsible for investment decisions that fall within the IPS. The IAC reports to the Finance and Facilities Committee of the Board, to guide school investments and ensure that investment related decisions are fiscally responsible and in the best interest of the School.
(Adopted Feb 16, 2015)

c. IPS Review
The IPS provides a framework for the structuring of an investment program and the ongoing measurement and evaluation of investment performance. The IPS will be reviewed at least once every three years starting in 2013. The IPS review may be
conducted more frequently upon the advice of the IAC or the Facilities and Finance Committee.
*(Adopted Feb 16, 2015)*

**BP - 507 Financial Statements**
Financial statements of the School must be prepared in accordance with generally accepted accounting principles and under the standards set out by the Accounting Standards Council of Singapore in their Charities Accounting Standard.
*(Adopted Feb 16, 2015)*

**BP - 508 Annual Audit**
The School is subject to an annual statutory audit of its Financial Statements by a reputable outside auditor. Financial records will be maintained to ensure that the audit can be performed with ease and without significant exceptions. Audited accounts are presented for Board review prior to distribution to members for approval at the Annual General Meeting. The School will select a new audit manager or partner every 5 years for the statutory audit, or earlier at the request of the Board.
*(Adopted Feb 16, 2015)*

**BP - 509 Financial Regulations and Procedures**
The School will have in place regulations, procedures, and controls to ensure the protection of funds and assets of the school. The procedures must cover all of the business processes of the school. The Superintendent is ultimately responsible to ensure that there are financial planning and control procedures in place to ensure the financial security of the School, and to account for all funds received and disbursed by the School. *(Adopted Feb 16, 2015)*

**BP - 510 Risk Management**
The School will maintain a comprehensive School-wide risk assessment and management program to mitigate risks inherent in the School's pursuit of its Mission, including but not limited to, risks attached to people and assets associated with the School, its finances and/or reputation. The Superintendent will prepare an annual risk management audit report for review by the Board including a description of the current risk management program and a summary of existing insurance coverage.
*(Adopted Feb 16, 2015)*

**BP - 511 Emergency Planning**
The Superintendent is responsible for developing and maintaining a current Emergency Response Plan appropriate for the assessed risks to the School including fire, natural disaster, and acts of violence or terrorism.

At a minimum, the plan shall provide for:
- emergency evacuation and closure of the School, and ensure that procedures are practiced by employees and students regularly;
- provisions for on-going schooling in the event of a prolonged closure;
- preparations for emergency succession should he/she be unable to fulfill his/her duties;
- an up-to-date crisis communication plan.
*(Adopted Feb 16, 2015)*
BP - 512 Disposal of Non-investment Assets

a. Building and Real Estate
   The Board shall approve all dispositions of buildings and real estate.
   (Adopted Feb 16, 2015)

b. Other Moveable Assets
   The Superintendent will determine appropriate disposal procedures for movable
   assets such as equipment, textbooks, technology and other property that is no longer
   usable by the School. Such procedures will be in the best interests of the School, and
   will be properly accounted for with the business office.
   (Adopted Feb 16, 2015)

BP - 513 Signature Authority
   The Board will establish limits for signature authority over bank and investment
   accounts as described in Board Operating Procedures.
   (Adopted Feb 16, 2015)

BP - 514 Emergency Financial Assistance
   The School may elect to have an emergency financial assistance program for families
   in need. The financial program will be needs based, will be within the established
   emergency assistance budget, and will be administered in the sole discretion of the
   Superintendent or his or her designee. Offers of assistance will be reviewed and
   offered as appropriate, but reviewed at a minimum of semi-annually.
   (Adopted Feb 16, 2015)

BP - 515 Gifts and Donations

a. Charitable Giving
   The School encourages voluntary financial contributions that further enable SAS to
   fulfill its mission. Charitable contributions provide a source of funding among other
   sources to comprise a comprehensive, diverse funding model. Charitable giving
   programs are structured to provide reliable funding over a period of time and may be
   used as part of the long term budgeting process. Annual fund programs, which
   produce sustainable yearly gift levels, and endowment funds with consistent payout
   policies, will be components of the SAS giving program.
   (Adopted Feb 16, 2015)

b. Authority to Solicit
   The Board, staff, and volunteers shall only solicit and accept gifts that enhance the
   well-being of the School. Only authorized representatives and staff, delegated by the
   Superintendent, and coordinated by the Advancement Office, will make any formal
   solicitation of gifts for SAS. Other individuals or groups who would like to solicit funds
   for SAS must receive permission from the Superintendent or his or her designee. This
   includes but is not exclusive to the SAS Parent-Teacher Association, the SAS Eagles
   Booster Club, and the SAS Foundations. All faculty, staff, alumni, parents, or friends
   of SAS are encouraged to refer prospective donors to the Advancement Office or the
   Superintendent.
   (Adopted Feb 16, 2015)
c. **Associated Organizations for Charitable Support**

SAS can be funded by the SAS Foundation Limited in Singapore, or by the Singapore American School Foundation in the United States (a US established 501(c)3 organization), collectively the “SAS Foundations.” The SAS Foundations can issue tax-deductible receipts, where allowed by law, for gifts that benefit the School. The SAS Foundations work in coordination with SAS to determine funding priorities, and to ensure that donors’ charitable interests match with school needs and priorities.

Other organizations, such as the PTA and Booster Club, are authorized to raise funds that will benefit the SAS educational mission and student opportunities.

*(Adopted Feb 16, 2015)*

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**d. Gift Acceptance**

SAS may accept gifts that, upon acceptance, are consistent with the state, federal, and local laws of Singapore or the United States. Unrestricted gifts are encouraged as those gifts with the fewest restrictions allow SAS to address its most pressing needs and strategic priorities. SAS will accept both *inter vivos* gifts and gifts from estates. SAS does not accept gifts that involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, ethnicity, handicap or any other basis prohibited by either US Federal law or Singapore law. Gifts that may expose SAS to adverse publicity, require expenditures of SAS resources, or involve SAS in unexpected responsibilities because of their source, conditions, or purposes will be referred to the Superintendent for decision of acceptance or rejection.

*(Adopted Feb 16, 2015)*

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**e. Donor Confidentiality**

Donor information, when requested, will remain strictly confidential. There will be no sale or sharing of e-mail addresses or directories to any individual or group. SAS and the SAS Foundations will establish guidelines and practices relating to privacy and disclosure of gift funds uses in compliance with Singapore law.

*(Adopted Feb 16, 2015)*

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**BP - 516 Endowment**

**a. Purpose**

The SAS endowment is a fund that will exist in perpetuity, with the purpose of investments to preserve capital, combat inflation, fund the rebuilding of the SAS campus, and provide an annual payout to support the programs at SAS.

*(Adopted Feb 16, 2015)*

**b. Endowment Investments**

All endowment funds will be invested according to the IPS and no endowment funds will be separately invested without the approval of the Board. The Board will determine the payout, if any, of all endowed funds on an annual basis.

*(Adopted Feb 16, 2015)*

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**BP - 517 Recognition and Naming**

Individuals or organizations, that have made substantial contributions to the School, may be considered for special recognition via a plaque, portrait, marker, naming of
facilities, or by other means upon approval by the Superintendent. The School will have guidelines and procedures to provide fair, consistent determination of naming opportunities, with consideration given to the long-term ramifications of each. *(Adopted Feb 16, 2015)*

**BP - 518 Memory Wall**

The Superintendent may choose to designate a particular area of the School for commemoration of events significant to the School or members of the School community. At the discretion the Superintendent a donation may be required for such commemorations in an appropriate amount. *(Adopted Feb 16, 2015)*