The Charter School of Wilmington

Financial Reserve Policy

1. The Charter School of Wilmington shall at all times hold Unrestricted Cash reserves of at least sixty days of total expenses. Unrestricted Cash is defined as Cash and equivalents, less any funds that have been restricted for future purposes by the donors, minus Current Liabilities and accrued compensatory time. At fiscal year-end, sixty days of total expenses is defined as total expenses for the fiscal year, multiplied by 60, divided by 365. On all other dates, sixty days of total expenses is defined as the greater of the current fiscal year’s budget and actual expenses for the prior 12 months, multiplied by 60, divided by 365.

2. The Current Ratio (current assets divided by current liabilities) at fiscal yearend will be at least 1.1.

3. The President shall submit and the Board of Directors shall approve preliminary and final (i.e., after student count is finalized) budgets that include a “Contingency” item equal to at least two percent (2%) of annual revenue from the State of Delaware and local school districts.

4. These provisions may be suspended by a vote of the Board of Directors.

September 24, 2013