

BOARD POLICIES

Finance and Operations Section 4000

Operational Statements 4100 - 4199

4110 FINANCIAL PHILOSOPHY

Morrison Christian Association is a Christian not-for-profit corporation.

Morrison Academy will manage its financial resources in order to provide quality education at a reasonable cost for current and future missionary families in Taiwan.

Morrison Academy shall abide by all laws and regulations of the Republic of China and, where applicable, the United States.

1/12

4120 FINANCIAL OBJECTIVES

In order to implement the financial philosophy, Morrison Academy will:

1. Approve a balanced annual budget.
2. Charge tuition and fees comparable to other international schools in the local market that offer similar services.
3. Provide a tuition discount to missionaries that considers a sampling of tuition rates of Christian schools in Asia and the USA.
4. Provide for the needs of employees in accordance with [Policy #3300 Philosophy of Compensation](#).
5. Provide for future capital needs.
6. Provide accurate financial information to appropriate parties.

10/18

4130 DOCUMENT RETENTION

Morrison Academy shall maintain clear standards of document retention stated in the Administrative Procedures Manual.

Upon any indication of an official investigation of Morrison Academy and/or its personnel by any governmental entity, related document destruction shall be suspended immediately until at least seven years after an investigation has been completed. (See also [Policy #5705 CHILD PROTECTION](#).)

Fundraising 4250 - 4259

4253 FUNDRAISING FOR MORRISON ACADEMY

Purpose

Funds may be raised and donations accepted for specific Board approved purposes of Morrison Academy. Approved purposes may include:

1. capital and equipment
2. development and facility improvements
3. instructional and co-curricular resources
4. subsidized programs, such as dorms or satellite schools
5. student financial aid and scholarships

Donations will be accepted only for purposes that fit the needs and plans of Morrison Academy.

Guidelines

1. Donations will be accepted only from individuals, organizations or groups that would not compromise, or give the appearance of compromise, to the Christian standing of Morrison Academy or to its reputation.
2. Donations will carry no promises of special treatment or a preferential treatment with respect to admissions.
3. Fundraising will be done in a way that does not draw attention away from the main purposes of the school.
4. All fundraising costs will be funded through the operating budget. Donations will be allocated entirely to the designated fundraising project.
5. Fundraising materials will be absolutely truthful and accurate. There will be no material omissions or exaggerations of fact or use of misleading photographs.
6. Coercive or manipulative tactics will not be employed. Public recognition of donors will be done equally without respect to the amount of the donation. Donors may remain anonymous. Donation records will not be shared or sold to other organizations or individuals.
7. Gifts of appreciation, such as plaques or books, may be given as appreciation for a donation.
8. A building, room or program may be named after or dedicated in honor of an individual or organization that has made a major investment in that project, or significant service contributions to Morrison Academy or the cause of Christ. Where, due to change in circumstances, association with the individual or organization may be deemed to be in conflict with the values of Morrison Academy the Board may authorize the removal of the name from the building, room or program. Naming a building, room or program for an individual employee may not occur until at least three years after an employee has left the school. Recommendations for such dedications are to be submitted to the Finance Committee, which may bring the recommendation to the Board of Trustees for final approval.
9. Upon recommendation from the Finance Committee, the Board may approve a name for a

restricted endowment fund in excess of NT \$300,000.

Approval and Supervision

Fundraising projects and the acceptance of donations under NT\$400,000 will be approved by the Principal in consultation with the Superintendent. The Principal or his designee will supervise the fundraising.

Fundraising projects and the acceptance of donations in excess of NT\$400,000, but under NT\$2,500,000 will be approved by the Superintendent. The Superintendent or his designee will supervise the fundraising.

Fundraising in excess of NT\$2,500,000 and capital campaigns shall be recommended by the Superintendent and approved by the Board Finance Committee and the Board. The Superintendent or his designee will supervise the fundraising.

5/15

4255 CORPORATE CONTRACTS

Morrison Academy may engage in contractual financial agreements with corporations for the purposes of reserving placements in Morrison for the children of corporate employees and providing capital for campus construction projects. The two authorized types of contracts are Transferable Corporate Debentures (TCDs) and Annual Corporate Contracts (ACCs).

A single TCD/ACC entitles the corporation to nominate one child of a parent employed by the corporation for priority placement at the Morrison Academy campus designated on the contract, provided the child satisfies the school's entry qualifications. A TCD/ACC does not guarantee placement if the candidate student does not meet the admissions requirements and agree to adhere to all conduct standards as established by the school. A TCD/ACC student applicant who meets all the admissions requirements receives the highest admissions priority, bypassing the school's usual waiting list and class size limits.

The specific number of TCDs and ACCs allowed for each campus is set by the Board. The Director of Finance oversees the status of each TCD/ACC. Corporations, if first time TCD/ACC applicants, are required to submit corporate documents specified by the Director of Finance.

A TCD is a non-interest bearing instrument and is not secured by any of the property, assets, or undertakings of the school. The Board determines the value of each TCD. A TCD may be transferred to another corporation upon authorization by the Director of Finance and payment of a transaction fee as a percentage of the TCD's face value. The Board may decide when to retire a TCD from circulation.

An ACC is an annual fee-based contract that is renewable on an annual basis once the nominated student is enrolled. The Board determines the minimum fee as a percentage premium applied to all tuition and fees. The fee percentage is stated in the contract terms and is payable on an annual basis if the contract is renewed.

The Board reserves the right to reacquire a corporation's TCD or rescind an ACC at any time if it determines that a corporation is engaging in business activities that conflict with the core values of the school.

10/15

Debt Policies 4260 - 4279

4261 INTERNAL FINANCING

Morrison Academy will normally use internal financing for projects. Short-term debt, for no longer than twelve months, may be incurred to provide services or facilities in a timely manner and shall be reported to the Finance Committee.

6/04

4262 LONG-TERM BORROWING

Board approval is required to incur long term debt for longer than twelve months.

6/04

4270 RISK MANAGEMENT

Morrison Academy will use internal reserves for self-insurance whenever possible. Morrison Academy may purchase insurance as one method of managing risk not covered by internal reserves. The Director of Finance and the Finance Committee will annually review the insurance needs of the school and make necessary recommendations to the Board.

11/06

4271 LIABILITY

Personal Property

Morrison Academy assumes no responsibility for lost, stolen, or damaged personal property, even when stored on campus.

Injury

Reasonable precautions will be taken by Morrison Academy and its staff to protect and prevent anyone on school premises or anyone engaged in school activities from being injured. HOWEVER, Morrison Academy assumes no responsibility for injuries an employee/student may receive, or for property damage or injury they cause outside of school activities whether on or off school property.

FURTHERMORE, Morrison Academy will assume no responsibility for injuries an employee/student may receive, or for property damage or injury they may cause on or off the school premises when engaged in school activities, if they do not demonstrate responsible behavior, or when they do not follow school procedures/policies.

6/04

Financial Assistance 4280 - 4289

4281 TAIWAN MISSIONARY DISCOUNT

In order to fulfill the stated purpose of the school in helping missionaries educate their children, Morrison Academy may grant discounts on tuition and fees for those who qualify as missionaries under the requirements of [Policy #1613 MISSIONARY](#) and who reside in Taiwan. As part of the annual budget adoption process, the Board of Trustees will determine the discounts. The total missionary discount shall not exceed 60% of tuition linked to the rate at the lowest campus price, registration and the following fees: entrance, building, dormitory program, dormitory facilities, English Language Learner and Learning Needs. The missionary discount for each of these fees may be set individually.

The Finance Committee shall determine the specific missions, churches or other sending organizations which are eligible for missionary discounts. Members of these organizations will be granted continued missionary discounts by the Director of Finance provided that the individual remains in good standing with and accountable to that organization, resides in Taiwan, and continues to meet the requirements of [Policy #1613 MISSIONARY](#).

The Director of Finance shall approve applications and annual renewal applications for individual missionary status according to the definition in [Policy #1613 MISSIONARY](#). Exceptions to [Policy #1613 MISSIONARY](#) may be granted by the Finance Committee and shall be reported to the Board.

The school may require the following documentation from an individual to support an initial application or annual renewal for missionary discounts:

1. Documentation that demonstrates that the applicant fits the definition of a missionary as outlined in [Policy #1613 MISSIONARY](#).
2. Financial disclosure with evidence that the total family income is less than NT\$2,500,000 per year, and that less than 50% of family income is derived from non-ministry related employment. Family income is defined as the gross income that is reported on the Republic of China tax return and exempted income not reported on the Republic of China tax return for both spouses, not including education funds for Morrison Academy.

The school may also require the following documentation from the mission:

1. A Statement of Faith that is in agreement with the Morrison Academy Statement of Faith.
2. A statement that the mission identifies itself as Protestant, is incorporated as a not-for-profit organization in a country other than the Republic of China, and receives the majority of its financial support from sources outside of Taiwan.
3. A statement that the individual is a member in good standing with the mission organization, and is accountable to the organization.

10/18

4282 CHRISTIAN WORKER DISCOUNT

Morrison Academy may grant discounts to those who qualify as Christian Workers according to the requirements of [Policy #1614 CHRISTIAN WORKER](#) or to those who qualify as missionaries according

to [Policy #1613 MISSIONARY](#), but who reside outside of Taiwan. As part of the annual budget adoption process, the Board of Trustees will determine the percentage of the discounts. These discounts shall not exceed 50% of tuition, registration and the following fees: entrance, building, dormitory program, dormitory facilities, English Language Learner and Learning Needs. The Christian worker discount for each of these fees may be set individually.

The Finance Committee shall determine the specific missions, churches or other sending organizations which are eligible for Christian worker discounts. Members of these organizations will be granted continued Christian worker discounts by the Director of Finance provided that the individual remains in good standing with and accountable to that organization, and continues to meet the requirements of [Policy #1614 CHRISTIAN WORKER](#) or [Policy #1613 MISSIONARY](#).

The Director of Finance shall approve applications and annual renewal applications for individual Christian worker discounts. Exceptions to [Policy #1614 CHRISTIAN WORKER](#) may be granted by the Finance Committee and shall be reported to the Board.

All applicants for a Christian worker discount must provide documentation that demonstrates that the applicant meets all these requirements. Additionally, a Taiwan Christian worker must provide financial disclosure with evidence that the total family income is less than NT\$2,500,000 per year, and that less than 50% of family income is derived from non-ministry related employment. Family income is defined as the gross income that is reported on the Republic of China tax return and exempted income not reported on the Taiwan tax return for both spouses, not including education funds for Morrison Academy. Missionaries who reside outside of Republic of China must provide financial disclosure with evidence that the total family income is less than NT\$2,500,000 per year.

The school may also require the following documentation from the organization:

1. A Statement of Faith that is in agreement with the Morrison Academy Statement of Faith.
2. A statement that the organization identifies itself as Protestant. For off-island Christian workers, their organization must be incorporated as a not-for-profit organization in a country other than the Republic of China, and receive the majority of its financial support from sources outside of Taiwan. For on-island Christian workers, their organization must be a not-for-profit organization which receives the majority of its financial support from sources in Taiwan.
3. A statement that the individual is a member in good standing with the organization, and is accountable to the organization.

5/14

4284 FAMILY DISCOUNTS

The Board may authorize a discount for missionary and Christian worker families with multiple children in the school in conjunction with the annual approval of fees.

5/18

4285 FINANCIAL AID

On the basis of demonstrated need, parents of students enrolled in Morrison Academy may apply for Financial Aid Grants to help pay for tuition, boarding, Learning Needs (LN) and English Language Learner (ELL) fees. Requests for such aid will be considered without regard to their missionary or non-missionary status.

Categories

There are two categories of Financial Aid Grants: Short Term Grants and Long Term Grants. Both categories are based on financial need. Long Term Grants are also based on class size and the family’s positive contribution to the school’s Christ-centered Core Values.

CRITERIA FOR INITIAL DECISION	SHORT TERM GRANTS	LONG TERM GRANTS
Person Initiating Application	Parent	Principal
Application Date	After admission	Any time
Maximum Years	2	Finance Committee’s Discretion
Max class size (in initial year)	n/a	Policy 5205
Faith of parents & student	n/a	Protestant
Maximum Family Income	\$2,500,000	\$2,500,000
Maximum Grant	30% (50% maximum)	30% (50% maximum)

Short Term Grants are determined after enrollment, and should not be an expectation for enrollment but to assist in order to help meet short-term financial needs such as, but not limited to, business failure, loss of missionary support, or major medical expenses. The family should meet all of the “Financial Conditions” listed below. Short Term Grants may be awarded to 30% of registration, building fees, tuition, dormitory program and dormitory facilities fees, as well as LN and ELL fees. In the case of extreme hardship, grants may be awarded up to a maximum of 50%. Grants are calculated on the balance due after discounts have been applied. Cases that are exceptional or involve extreme hardship will be referred to the Finance Committee. In case of questions regarding the decision of the Finance Committee, the full Board can be polled.

Long Term Grants may be granted before or after enrollment. The financial aid application process must be initiated by a written recommendation from the Principal to the Director of Finance. The initial authorization of a Long Term Grant must meet all of the following conditions:

- Finance Committee minute approval of the annual grant is required.
- The Principal must recommend and annually affirm that the parents and child make a positive contribution to the school’s Christ-centered Core Values.
- Maximum Class Size for Long Term Financial Aid (according to POLICY 5205) has not been exceeded.
- Student is or will be enrolled at the K-8th grade level.
- The parents agree with and sign the Morrison Academy Statement of Faith and identify themselves as Protestant.
- The child does not require ELL or LN support.
- The family meets all the “Financial Conditions” listed below.

In the case of extreme hardship Long Term Grants may be awarded to a maximum of 50% of registration, building fees, and tuition.

Financial Conditions

1. Full financial disclosure is required in order to be eligible for consideration for Financial Aid

Grants. Financial disclosure may include salary/support, housing, car and travel allowances, retirement and education benefits, child allowances, and family investments and assets. The applicant may be asked to provide copies of their most recent Taiwan and/or home country tax returns. Income for work expenses will be excluded.

2. Total family income is less than NT\$2,500,000 per year. Family income is defined as the gross income that is reported on the Republic of China tax return and exempted income not reported on the Republic of China tax return for both spouses, not including education funds for Morrison Academy.
3. Grants will be awarded only after debts from previous semesters have been paid up to date.

Implementation Process

All grants are paid from a Board-budgeted Financial Aid Account, . Grants must be renewed annually and are dependent upon the availability of funds for that particular budget year.

The Director of Finance, in consultation with the Board Treasurer, will authorize the distribution of Short Term Grants and administer the Financial Aid Account. Long Term Grants must be minuted by Finance Committee.

3/15

4286 ALUMNI SCHOLARSHIPS

Alumni Scholarships may be granted to graduates of Morrison Academy who are enrolled in an undergraduate educational program. These scholarships will be awarded based upon services provided to Morrison Academy. Each scholarship will be funded by the Financial Aid account, and will be given directly to the undergraduate educational institution.

Alumni Scholarships will be authorized by the Director of Finance and reported to the Board Finance Committee ([Policy #4285](#)).

5/07

4288 ROBERT MORRISON FUND

Scholarship from the Robert Morrison Fund may be granted to families that demonstrate a commitment to Christ's Great Commission and cannot afford to attend Morrison without financial assistance. These scholarships may be granted to missionaries according to the requirement of [policy #1613 MISSIONARY](#) and according to the requirement of [policy #1614 CHRISTIAN WORKER](#). They may also be granted to other Christians who meet all of the following criteria:

- The parents demonstrate a commitment to Christ's Great Commission.
- The parents agree with and sign the Morrison Academy Statement of Faith and identify themselves as Protestant.
- The parents must have been engaged in effective ministry in Taiwan for at least 10 hours per week for at least five of the last six years. Effective ministries are considered activities that reach people with a saving knowledge of Jesus Christ.

- The parents and their ministry are verifiably accountable to and work in relationship with a mission, local church, or not-for-profit para-church Christian organization.
- The student maintains a positive contribution to the school community and makes good academic progress.
- The total family income is less than NT2,500,000. Total family income is defined as gross income that is reported on the Republic of China tax return and tax-exempt income not reported on the Republic of China tax return for both spouses, not including education funds for Morrison Academy.
- The family's school fees from the previous semesters have been paid in full.

The Robert Morrison Fund shall be funded by designated gifts and kept in the Robert Morrison Fund account. The granting of scholarships is dependent upon the availability of funds. Within the Robert Morrison Fund, specially designated scholarships (e.g. a memorial scholarship) may be established and recipients must meet any special qualifying criteria in addition to the criteria mentioned above. Scholarships may also be granted from the Robert Morrison Fund with no special designation.

The Director of Finance collaborates with the Principal on recommendations for individual students based on family financial need and the student's progress. The Finance Committee shall administer and authorize the distribution of this Fund, and will consider applications submitted by April 30. Normally scholarships will be awarded by May 31 for the following school year. These scholarships are awarded annually on a case-by-case basis. Recipients may reapply each year. Scholarships may be up to a maximum of 50% (after any other discounts) of entrance, registration, tuition, building/facility fees, and dormitory program fees. Recipients of these scholarships cannot qualify for Financial Aid.

10/18

Contracts for Service 4290 - 4294

4291 CONTRACTS WITH MISSIONS

Missions are to be reimbursed salary and benefits for each mission-supported employee contracted by the school.

12/19

4293 LONG-TERM LEASE CONTRACTS

Long-term lease contracts shall be those contracts that provide for leasing Morrison Christian Association property for a period longer than 24 months.

Property designated in the Site Plan for long-term lease shall be available for lease.

The Finance Committee of the Board of Trustees will consider and make a recommendation to the Board of Trustees to enter a contract for long-term lease.

The following factors will be considered in establishing long-term lease contractual agreements with lessees:

1. alignment with the Board of Trustees approved long-term site plan
2. adherence to government regulations
3. maximization of lease income
4. integrity and stability of the lessee
5. assurance that the use of the facilities will not be contrary to the best interests of Morrison Academy

If in favor, the Board of Trustees will make a recommendation to the Taiwan Provincial Morrison Christian Association Juridical Entity to enter into a long-term lease contract. These contracts must have the express written consent of the majority of the Directors of the Morrison Christian Association Juridical Entity. Long-term lease contracts will be signed by the chair of the Morrison Christian Association Juridical Entity and must be notarized by the appropriate Chinese court.

The administration will have the authority to enter into lease contracts for 24 months or less and shall establish procedures of the use of facilities.

1/12

Financial Procedures 4295 - 4299

4296 INVESTMENTS

The Director of Finance shall monitor and report to the Board the status of all funds according to the following principles:

1. Disbursement, collection, and deposit of all funds will be scheduled to ensure maximum cash availability and return of investment.
2. Cash may be pooled for investment purposes.
3. Arrangements with financial institutions shall be reviewed on a continuing basis.
4. Funds for investment should be invested in moderate risk financial instruments, as recommended by the administration and approved by the Board. The investment in stocks or stock funds should not exceed 30% of the total investment. The weighted beta of all the financial instruments in the Morrison Academy portfolio or accounts should not exceed .75. In addition, the instruments chosen should have at least a 10-year history, with 8 out of 10 years having positive year end earnings.
5. Morrison will invest in corporations or entities that are ethical from a biblical perspective. Morrison will avoid investing in corporations or entities that promote and/or derive a majority of income from abortion, pornography, tobacco, alcohol, gambling, or comparable industries.
6. All investment income, with the exception of the Endowment Fund, shall be accrued to the Current Fund.
7. The Director of Finance should submit an annual review to the finance committee of the investments and their current status along with appropriate market forecasts for these investments.

5/16

4297 CASH MANAGEMENT

The Director of Finance shall adhere to the following cash management principles:

1. Building Fees shall be credited to the Plant and Development Fund.
2. The Board of Trustees shall approve the opening and closing of school checking, savings and other investment accounts. The Superintendent will designate those school personnel who will have authorization over such accounts. School bookkeepers and accountants will be ineligible for this responsibility, with the exception of the "Security Administrator" of the EC*Web Access Agreement.
3. The System Accountant is designated as the "Security Administrator" of the EC*Web Access Agreement. Users of EC*Web Access will be designated by the Director of Finance.

5/12

Budget 4300 - 4399

4305 BALANCED BUDGET

The projected annual expense of the school budget shall not exceed the projected annual revenue.

5/07

4310 BUDGETING PRIORITY

Morrison Academy will give first priority to educational programs and direct student services.

5/08

4315 DELINQUENT BILLS

Morrison Academy will pursue an aggressive policy of collecting school bills. Tuition and fees not paid within 30 days of the first day of the semester normally will result in the removal of the student from the school unless a Deferred Payment Plan has been agreed upon.

5/05

4320 TUITION AND FEES

Those receiving a Morrison provided service are expected to pay a fair share of the real cost of the service provided. The Board of Trustees may authorize a subsidy of a specific program or service deemed important to fulfill the purpose and vision of the school. Resale, auxiliary services, and instructional programs not covered by tuition are to be self-supporting. All tuition and fees generated by any school or department are considered part of the Morrison Academy operating budget and are

to be reflected therein.

Registration, entrance fees, building fees, tuition, dormitory fees, and Learning Needs (LN) and English Language Learner (ELL) instruction fees, as well as the authorization to collect revenue, will be established by the Board of Trustees in conjunction with the annual budget approval process. Revenue projections shall be based on realistic enrollment estimates.

ELL and LN programs are not covered by tuition. A fee shall be charged to the parents of an individual identified as an ELL or a LN student. (See [Policy #5240 LEARNING NEEDS PROGRAM](#) and [Policy #5250 ENGLISH LANGUAGE LEARNERS](#)) ELL instructional fees shall cover personnel costs. In order to assist missionaries, Morrison Academy may maintain a system-wide LN service deficit that shall not exceed 65% of the program's personnel salary and cash benefits costs.

User fees are fees other than the Board established fees and shall be established by the Director of Finance and reported to the Finance Committee. User fees for facility rental shall be set in accordance with current market value and shall reflect the full cost of facility operations and depreciation. Discounts or waivers may be established for Christian missions and churches by the Director of Finance. Discounted facility user fees shall cover the full cost of operations, excluding depreciation. Discounts shall not exceed the following:

- Local church group - 30%,
- Mission group - 40%,
- Inter-mission group - 50%.

Any exception to the above discounts shall be reported to the Finance Committee.

1/17

4340 AUTHORIZATION OF EXPENSES

The annual line-item budget is approved by the Board.

Budgeted expense requests shall be authorized, in writing or electronically, by the appropriate administrator prior to payment. Expenditures over NT\$2,000,000 will require authorization from the Director of Finances and another administrator.

Administrators may authorize overseas expenditures from accounts payable for the following academic year. These expenditures may not exceed 80% of the current year's expense budget for instructional supplies, textbooks, food, equipment, and capital. These payables will be automatically charged to the next year's budget.

5/12

4345 DECREASED ENROLLMENT

Should enrollment fall two percent below the budgeted student enrollment during a current year, the Board will require the administration to provide, by the following Board meeting, a list of expenditures to be reduced in order to maintain a balanced budget.

6/04

4350 PERSONNEL - ENROLLMENT AUTHORIZATION

The number of personnel assigned to each school campus will be authorized by the Board of Trustees through the budget process. The Enrollment/Full-Time Equivalent Ratio will be reported to the Board annually. Dorm, ELL, Learning Needs, and Instrumental Music Lesson personnel will be excluded from calculating this ratio.

5/12

Accounting Policies 4400 - 4499

4400 FUND ACCOUNTING

To ensure observance of limitations and restrictions placed on the use of resources available to the school, the accounts of the school shall be maintained in accordance with the principles of fund accounting. Separate accounting shall be maintained for each fund.

The following funds shall be maintained:

Current Fund

The Current Fund contains the economic resources for the day-to-day financial transactions of the school. The expenditure of these funds shall be determined by the yearly budget.

Plant and Development Fund

The Plant and Development Fund contains (a) unexpended funds to be used for the acquisition, renewal, or replacement of land and buildings and (b) funds already expended for and thus, invested in equipment, land, and buildings. The sources of income for this fund are transfers from the Current Fund, building fees, money raised through fundraising, and profits from non-operating sources. The annual transfer from the Current Fund plus the Building Fee must be at least 6.5% of the budgeted annual revenue. All expenditures from this fund must be authorized by the Board.

Endowment Fund

The Endowment fund contains economic resources invested to produce income that may be used to carry out specific objectives of the school. The primary sources of revenue of this fund are gifts and contributions from individuals, corporations, institutions, and Board authorized transfers. The principle of this fund is to remain in perpetuity. The creation of new endowments must be authorized by the Board.

5/12

4402 RESERVE ACCOUNTS

National Retirement and Severance Reserve Account

Retirement and severance benefits for national employees will be held in the National Retirement and Severance Reserve Account. An adequate amount will be budgeted annually to insure that the

national retirement and severance benefits are at least 90% vested.

Crisis Plan Reserve Account

A minimum of one million US dollars will be held in a US account for the Crisis Plan Reserve Account to facilitate contingency plans in the event that the school must be closed for an indefinite period of time. This account will be subject to the same guidelines as in [Policy #4296 INVESTMENTS](#). The minimum amount will be reviewed at least every two years by the Board of Trustees.

5/11

4403 YEAR END TRANSFER

At the close of each fiscal year the surplus or deficit in the Current Fund in accounts other than reserve accounts will be transferred to the Plant and Development Fund. It will be reported to the Board in the Year End Statement.

6/04

4410 ACCOUNTING STANDARDS

Morrison Academy will use accounting procedures and principles in accordance with the Republic of China Generally Accepted Accounting Principles (ROC-GAAP), as they relate to not-for-profit organizations.

Morrison Academy will not postpone current obligations to the future, accrue future revenues to the current fiscal year, or extend the length of the fiscal year.

Full disclosure will be provided in the annual financial statements.

1/12

4420 FISCAL YEAR

The fiscal year runs from July 1 until June 30.

4/92

4430 ANNUAL AUDIT

An annual audit by a certified auditor shall be required at the end of each fiscal year.

4/92

Property and Facilities 4500 - 4599

4510 PROPERTY OF MORRISON CHRISTIAN ASSOCIATION

Morrison Christian Association may purchase, use or hold real property for school related use or investment purposes.

All property sale, purchase, and long-term lease transactions must have the express written consent of the Board of Trustees of Morrison Christian Association as well as the consent of the majority of the Directors of the Taiwan Provincial Morrison Christian Association Juridical Entity and must be registered with the appropriate Republic of China authorities.

Sale prices of land, in the event of a sale, shall be determined by the buyer and seller, and shall have no reference to the original purchase price. Morrison purchase of property within the Taichung faculty housing area shall be governed by the terms of [Policy #4511 MORRISON CHRISTIAN ASSOCIATION PROPERTY TRUST AGREEMENTS](#).

The Taiwan Provincial Morrison Christian Association Juridical Entity property list must be updated each time Morrison Christian Association either buys or sells property and each time this policy is reviewed.

1/12

4512 FACULTY HOUSING

Morrison seeks to provide equitable housing options for expatriate, head-of-household personnel. The school will offer either school-managed housing or a housing allowance.

1/12

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