

## **SECTION D**

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## **FISCAL MANAGEMENT GOALS**

The quantity and quality of learning programs are directly dependent on the effective, efficient management of allocated funds. It follows that achievement of the school district's purposes can best be achieved through excellent fiscal management.

As trustee of local, state, and federal funds allocated for use in public education, the Committee will fulfill its responsibility to see that these funds are used wisely for achievement of the purposes to which they are allocated.

Because of resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the school district take specific action to make sure education remains central and that fiscal matters are ancillary and contribute to the education program. This concept will be incorporated into Committee operations and into all aspects of school district management and operation.

In the school system's fiscal management, it is the Committee's intent:

1. To engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures so as to achieve the greatest educational returns and the greatest contributions to the educational program in relation to dollars available.
2. To establish levels of funding that will provide high quality education for the students.
3. To use the best available techniques for budget development and management.
4. To provide timely and appropriate information to all staff with fiscal management responsibilities.
5. To establish best financial practices for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.
6. To comply with all state and federal financial laws and regulations.

## **ANNUAL BUDGET**

The annual budget is the financial expression of the educational program and goals of the school district, and it reflects the difficult choices that confront the District.

The budget requires on the part of the Committee, the staff, and the communities, orderly and cooperative effort to ensure sound fiscal practices for achieving the educational goals and objectives of the school district.

Public school budgeting is regulated and controlled by legislation, state regulations, and local school committee requirements. The operating budget for the school district will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The Superintendent will serve as budget officer but s/he may delegate portions of this responsibility to members of his/her staff as s/he deems appropriate. The three general areas of responsibility for the Superintendent as budget officer will be budget preparation, budget presentation, and budget administration.

LEGAL REFS:       M.G.L. 71:34; 71:37; 71:38N

**BUDGET SCHEDULES PLANNING AND ADOPTION**

The Superintendent will develop a schedule for the preparation of the school budget, taking into consideration state law and town charter and bylaw requirements, in cooperation with local committees. A public hearing will be held not less than seven days after the notice for the hearing has been published in a local newspaper.

**BUDGET TRANSFER AUTHORITY**

In keeping with the need for periodic reconciliation of the school department's budget, the Superintendent will recommend transfers to the School Committee, which may authorize these transfers by a vote of the Committee.

## **CAPITAL IMPROVEMENT PLAN AND CAPITAL BUDGET**

In order to properly plan and fund major facility, technology and other program improvements for the District, the Superintendent will prepare a five-year capital plan as part of the annual budget process. The plan will be presented to the Committee for review and approval.

Developing and funding a capital plan is the first step in meeting the District's capital needs. A sufficient level of operating budget support for maintaining capital resources is required in order to extend the useful life of major investments.

The plan will include a five-year projection of capital needs and expenditures which details the estimated cost, description and anticipated funding sources. The impact on the operating budget of capital projects will be included in the plan.

The capital plan will also include an inventory of assets.

Funding for the first year of the five-year capital improvement plan will be included in the next year's annual operating budget.

The capital plan will be funded by a combination of assessments to member towns, special purpose funds of the District, and grant funds from the federal and state governments.

The Superintendent will develop the capital plan based on information prepared and compiled by district staff and external resources as required. External resources include but are not limited to town officials, state and federal officials, finance professionals and legal counsel.

### **Capital Plan Guidelines**

1. Definition of a capital project: a tangible asset or project (or related study) with an estimated useful life of five (5) years or more, and a cost of \$5,000 or more.

Examples:

- a. New buildings, or additions to existing buildings, including land acquisition costs and equipment needed to furnish the new building or addition for the first time;
  - b. Major alterations, renovations, or improvements to existing buildings that extend the useful life of the existing buildings by at least ten (10) years;
  - c. Major equipment acquisition, replacement or refurbishment, including but not limited to vehicles, furnishings, and information technology systems' hardware and software;
  - d. New construction or major improvements to the physical infrastructure, including sidewalks, sports facilities, and playing fields. Infrastructure improvements must extend the useful life of the infrastructure by at least ten (10) years;
  - e. A feasibility study, engineering design services, or consultant services which are ancillary to a future capital improvement project.
2. Guidelines for prioritizing capital projects (not necessarily in priority order):
- a. Imminent threat to health and safety of students, employees, citizens, or property;
  - b. Compliance with changes in laws, statutes, and codes;

- c. Maintenance and improvement of capital assets;
  - d. Requirement of state or federal law;
  - e. Improvement of the infrastructure;
  - f. Improvement/maintenance of productivity;
  - g. Newly identified need (for example, instructional, special needs adaptation, athletic fields, playground);
  - h. Priority assigned by Department;
  - i. Consistency with and support of long-term planning objectives.
3. Capital Asset Inventory:
- a. In order to better coordinate the capital plan with existing assets, the plan will include an inventory of capital assets, including age and condition.

**FUNDING PROPOSALS AND APPLICATIONS**

The School Committee encourages the administration to seek and secure all possible sources of state, federal, and other special funds that will enhance the educational opportunities for the children in our schools.

The Superintendent will keep informed of all possible funds available to the school district under the various state and federal programs, and in what manner these funds can best be used in the school district.

The Superintendent or designee(s) will be responsible for seeking out and coordinating the development of proposals for all specially funded projects. Funding proposals only require approval of the School Committee if so referenced in the specifications of the grant.

The Superintendent is authorized to sign all reports for these projects and will be responsible for the proper expenditure of funds received for such projects.

LEGAL REFS:           M.G.L. 44:53A  
                              P.L. 874 Impact Aid  
                              Board of Education 603 CMR 32:00; 34:00

*1st Read: August 13, 2019*

*2nd Read: September 3, 2019*

*Approved by School Committee: September 3, 2019*



**AUTHORIZED SIGNATURES**

The School Committee may designate any one of its members for the purpose of signing payroll warrants and accounts payable warrants to allow for the release of checks; provided, however, that the member shall make available to the board, at its next meeting, a record of such actions. This provision shall not limit the responsibility of each member of the board in the event of a noncompliance with this section, as required by Chapter 71 Section 16A. The Superintendent must approve payrolls and bill warrants.

The Director of Finance is authorized to review bills and payrolls as required by Chapter 41 Section 52 and Chapter 71 Section 16A.

The Treasurer and the Assistant Treasurer are authorized to pay bills as required by Chapter 41 Sections 35 and 109A and Chapter 71 Section 16A.

LEGAL REFS:       M.G.L. 41:35 and 41:109A  
                          M.G.L. 41:52  
                          M.G.L. 41:56  
                          M.G.L. 71:16A

*School Committee Approved: January 11, 2022*

*Second Read: January 11, 2022*

**BONDED EMPLOYEES AND OFFICERS**

Each employee who is assigned the responsibility of receiving and dispensing school funds, including the Treasurer and Assistant Treasurer, will be bonded individually or covered by a blanket bond. The cost of the bond will be paid by the District.

LEGAL REFS:                   M.G.L. 40:5; 41:35

**FISCAL ACCOUNTING AND REPORTING**

The Superintendent is responsible for receiving and properly accounting for all funds of the school district.

The accounting system used will conform with state requirements and to sound business practices, providing for the appropriate segregation of accounts, funds, and special revenue.

The School Committee will receive periodic financial statements from the Superintendent showing the financial condition of the school district. Such other financial statements as may be determined necessary by either the Committee or the administration will be presented.

LEGAL REFS:        Board of Education 603 CMR 10:00  
                         M.G.L. 41:35

## **ANNUAL AUDITS**

An audit of district finances shall be conducted annually in compliance with DESE regulations and state and federal law. In addition, the Committee may conduct a private audit of the school district's accounts at its discretion.

The annual audit is considered a management function of the School Committee, and the report shall be presented at a public meeting. The Committee will consider recommendations made by the auditor for maintaining an efficient system for recording and safeguarding the school district's assets.

LEGAL REFS:       M.G.L. Ch. 71:16A  
                      603 CMR 10.10

## **PURCHASING**

The School Committee supports competitive procurement without prejudice in compliance with state procurement law and seeking maximum educational and operational value for every dollar expended.

The acquisition of materials, equipment and services will be managed by the Business Office with the Finance Director serving as Chief Procurement Officer. S/he will develop and administer the purchasing program in keeping with legal requirements and with the adopted school budget, under the oversight of the Superintendent.

School purchases will be made through the purchase order system. All purchase orders will be approved by the immediate building or program supervisor and the Chief Procurement Officer. Purchases in excess of \$10,000 will also require the approval of the Superintendent.

Fiscal authority for the purchase of materials, equipment, supplies, and services is approved as part of the budget-making process.

The purchase of items and services funded in the budget requires no further Committee approval except, when by law or Committee policy, the purchases or services must be put to bid and awarded by the Committee.

LEGAL REFS: M.G.L. 7:22A; 7:22B; 30B; 71:49A  
CROSS REF: DJE - Procurement

**PROCUREMENT**

The District will follow the chapters of state law for the projects categories listed below:

- Supplies and Services – Chapter 30B

Under \$5,000	sound business practices
\$5,000 to \$24,999	three written or oral quotes
\$25,000 and over	sealed bids or proposals

- Purchase, Sale or Lease of Real Property – Chapter 30B

Under \$25,000	three written or oral quotes
\$25,000 and over	sealed bids or proposals

- Building Projects - Ch. 149

Over \$10,000	sealed bids
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- Public Works Projects - Chapter 30, Section 39M

Over \$10,000	sealed bids
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- Building Design Services - Chapter 7, Section 38A 1/2

Over \$10,000	Qualifications Based Selection
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All aspects of the procurement process which require School Committee review and approval will be submitted to the Committee for consideration.

LEGAL REFS: M.G.L. 7:22A; 7:22B; 30B

**PAYMENT PROCEDURES**

All claims for payment from school district funds will be processed in accordance with state law and regulations under the supervision of the Superintendent. Payment will be authorized against invoices properly supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the School Committee.

The Committee will receive a list of bills and payrolls for payment from school district funds. The lists will be certified as correct and approved for payment by the School Committee and then forwarded for payment by the treasurer. Actual invoices, statements, and vouchers will be available for inspection by the School Committee.

The Superintendent will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

The school building administrators and directors will be responsible for observing budget allocations in their respective schools and departments.

LEGAL REFS:                   M.G.L 41:41; 41:52 41:56

**EXPENSE REIMBURSEMENTS**

Personnel and school district officials who incur expenses in carrying out their authorized duties shall be reimbursed upon submission of a properly completed and approved voucher and any supporting receipts required by the Superintendent. When official travel by a personally owned vehicle is authorized, mileage payment will be made at the rate currently approved by the Superintendent or collective bargaining agreements, as applicable.

To the extent budgeted for such purposes in the school budget, approval of travel requests will be as follows:

1. Travel by School Committee members must have prior approval of the School Committee.
2. Each individual request will be judged on the basis of its benefit to the school district.

LEGAL REFS: M.G.L. 40:5; 44:58



## **SCHOOL PROPERTY DISPOSAL**

When the District has educational supplies, equipment, or furniture for which there is no further foreseeable use, a director, principal, or other administrator may request permission from the Superintendent to dispose of same following the provisions of Chapter 30 and the following guidelines:

Per Chapter 30B, surplus materials with a value of less than \$5,000 shall be disposed of as follows:

1. An itemized list of materials to be discarded, excluding books, will be submitted to the Superintendent who will certify that these items are not needed by the District.
2. The Superintendent will authorize the disposal of the materials in the most practical way, taking into consideration staff time, cost and value of the material. Options include but are not limited to auction, donation, yard sale, recycling, and disposal as refuse.
3. Disposal of books worth less than \$5,000 will be conducted under the direction of the principal with approval from the Superintendent in one of the following ways, taking into consideration staff time, cost and value of the material.
  - A. By sale to a used book company.
  - B. By public book sale to students, parents, and the communities.
  - C. By donation or exchange for goods and services with an educational collaborative or other school system.
  - D. By donation to non-profit private schools within the communities.
  - E. By donation to other schools or charitable organizations.
  - F. By disposal through waste removal if all other possible alternatives fail.

Per Chapter 30B, surplus materials with a value of \$5,000 or more, including books, shall be disposed of through sealed bids, public auction or an established market for recyclable materials or book resellers, for example.

The list will be presented to the School Committee who will consider declaring the books, furniture or equipment surplus and grant permission for disposal. The Superintendent will recommend a disposal method, taking into consideration staff time, cost and value of the material.

Also, surplus supplies can be disposed of through trade-in as part of a bid process (no vote required) or by a charitable donation, by a two-thirds vote of the School Committee.