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FISCAL MANAGEMENT GOALS

The quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. It follows that achievement of the district's purposes can best be achieved through excellent fiscal management. Further, the School Committee recognizes the important trust it has been given with the responsibility of managing a large amount of public resources. As trustee of local, state, and federal funds allocated for use in public education, the Committee will be vigilant in fulfilling 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 District take specific action to make sure education remains central and that fiscal matters are ancillary and contribute to the educational program. This concept shall be incorporated into Committee operations and into all aspects of District management and operation.

In the District's fiscal management, the District seeks to achieve the following goals:

1. To engage in thorough advance planning, with broad-based 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 expended.
2. To establish levels of funding which will provide high quality education for the district's 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 maximum efficiency procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

ANNUAL BUDGET

The annual budget is the financial expression of the educational program of the school department, and it mirrors the problems and difficulties that confront the school system.

The budget then is more than just a financial instrument and requires on the part of the Committee, the staff, and the community orderly and cooperative effort to ensure sound fiscal practices for achieving the educational goals and objectives of the school system.

Public school budgeting is regulated and controlled by legislation, state regulations, and local School Committee requirements. The operating budget for the school system 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 he/she may delegate portions of this responsibility to members of his/her staff, as he/she 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 and 71:38N

FISCAL YEAR

As established by state law, the fiscal year of the school system is July 1 to June 30. This is in common with the fiscal year for the state, municipalities, towns, regional and other special school districts, and other governmental bodies.

Statutory

LEGAL REFS.: Chapter 52, Section 10, Acts of 1973 Chapter 184, Sections 1 and 2, Acts of 1974

BUDGET PLANNING

Budget decisions reflect the attitude and philosophy of those charged with the responsibility for educational decision-making. Therefore, a sound budget development process must be established to ensure that the annual operating budget accurately reflects this school system's goals and objectives.

In the budget planning process for the school system, the School Committee will strive to:

1. Engage in thorough advance planning, with staff and community involvement, in order to develop budgets and guide expenditures in a manner that will achieve the greatest educational returns and contributions to the educational program in relation to dollars expended.
2. Establish levels of funding that will provide high quality education for all our students.
3. Use the best available techniques for budget development and management.

The Superintendent will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar.

**DISSEMINATION OF BUDGET RECOMMENDATIONS/HEARINGS
AND REVIEWS**

Following its adoption of a tentative budget, the School Committee shall annually publish a budget document to be made available to community members.

The public shall be invited to attend a hearing at which the School Committee and the Superintendent or his/her designee shall explain the proposed budget and accept questions, comments, and suggestions from the audience.

In accordance with law, notice of the hearing shall be published in a newspaper having general circulation in the City at least seven days prior to the hearing. Other means shall also be used to inform all residents of the hearing and of their opportunity to appear and to speak for or against the whole or any part of the proposed budget.

LEGAL REF.: 71:38N

BUDGET TRANSFER AUTHORITY

In keeping with the need for periodic reconciliation of the school department's budget, the School Committee will consider requests for transfers of funds as they are recommended by the Superintendent.

The Committee wishes to be kept abreast of the need for these adjustments so that it may act promptly and expedite financial record keeping for the school system.

All funds in the general account not expended by the close of the fiscal year will be returned to the town.

FUNDING PROPOSALS AND APPLICATIONS

The School Committee will encourage 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 or designee will keep informed of all possible funds available to the school system under the various state and federal programs, and in what manner these funds can best be used in the school system.

The Superintendent or designee will be responsible for seeking out and coordinating the development of proposals for all specially funded projects.

The Superintendent or designee 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

BONDED EMPLOYEES AND OFFICERS

Each employee of the school system who is assigned the responsibility of receiving and dispensing school funds will be bonded individually or covered by a blanket bond. The city will pay the cost of the bond.

LEGAL REFS.: M.G.L. 40:5

FISCAL ACCOUNTING AND REPORTING

The Superintendent shall be ultimately responsible for receiving and properly accounting for all funds to the district.

The accounting system used shall conform with requirements of the State Department of Education and with good accounting practices, providing for the appropriate separation of accounts, funds, and special moneys.

The School Committee shall receive monthly financial statements from the Superintendent showing the financial condition of the district. Such other financial statements as may be determined necessary by either the Committee or the administration shall be presented as found desirable.

The district administration shall also be responsible for pupil accounting and shall report enrollment and attendance as required by the State.

INVENTORY CONTROL POLICY

1. GENERAL

- A. The adoption of Standard 34 by the Government Standards Board (GASB34) requires in part that government entities maintain formal records of and capitalize assets having a certain threshold value. The value of these assets will be part of the balance sheet financial statement now required by GASB34.
- B. Additionally, the New Bedford School Committee recognizes the need to maintain inventory records for the physical control of items of material in part to assist in replacing items as part of the planning/ budget process and in part to provide security of the items.

2. GENERAL REQUIREMENTS

- A. It is the responsibility of all those who have been delegated the authority to commit School Department funds through the purchasing function of who have been assigned custodial responsibility over property to adhere to this policy.
- B. All real property, defined as land, buildings and appurtenant structures and fixtures attached to the land and building, regardless of the method acquired will be capitalized.
- C. Personal property, defined as all property other than real property, including equipment and materials, having a value equal to or greater than the capitalization threshold value set from time to time by the City of New Bedford shall be capitalized. The value is currently \$10,000.

3. SPECIFIC REQUIREMENTS

- A. The Superintendent of Schools or designee shall promulgate procedures for the management of School Department property in accordance with sound business practices and internal controls.
- B. Custodians of property will take periodic inventory of School Department property when so directed by the Superintendent of Schools and report the results of that inventory in the required form.

AUDITS

An audit of the school department's accounts will be conducted annually. In addition, the Committee may request a private audit of the school system's accounts at its discretion.

The Committee will consider recommendations made by the auditor for maintaining an efficient system for recording and safeguarding the school department's assets.

PURCHASING

The School Committee declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.

The acquisition of materials, equipment and services will be centralized in the Superintendent's office of the school system.

The Superintendent or designee will serve as purchasing agent. He/she will develop and administer the purchasing program for the schools in keeping with legal requirements and with the adopted school budget.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the Superintendent or designee, with such exceptions as may be made by the latter for emergency purchases.

LEGAL REFS.: M.G.L. 7:22A; 7:22B; 30B; 71:49A

PURCHASING AUTHORITY

Authority for the purchase of materials, equipment, supplies, and services is extended to the Superintendent or designee through the detailed listing of such items compiled as part of the budget-making process.

The purchase of items and services on such lists requires no further Committee approval except when by law or Committee policy the purchases or services must be put to bid.

LEGAL REF.: M.G.L. 30B

CROSS REF.: DJE, Bidding Requirements

BIDDING REQUIREMENTS

All purchases of materials and equipment and all contracts for construction or maintenance projects whose total cost will exceed \$25,000 will be based upon competitive bidding.

An effort will be made to procure multiple bids for all purchases in excess of \$25,000. When recommending acceptance of a bid, the Superintendent will inform the School Committee, whenever possible, of the competitive price of a reasonable substitute for the item specified.

When bidding procedures are used, bids will be advertised appropriately. Suppliers will be invited to have their names placed on mailing lists to receive invitations to bid. When specifications are prepared, they will be mailed to all merchants and firms who have indicated an interest in bidding.

All bids will be submitted in sealed envelopes, addressed to the Superintendent and plainly marked with the name of the bid and the time of the bid opening. Bids will be opened in public at the time specified, and all bidders will be invited to be present.

The Committee reserves the right to reject any or all bids and to accept the bid that appears to be in the best interest of the school system. The Committee reserves the right to waive any informality in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of the bids. Any bid received after the time and date specified will not be considered. All bids will remain firm for a period of 30 days after opening.

The bidder to whom an award is made may be required to enter into a written contract with the school system.

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

CROSS REF.: DJA, Purchasing Authority

SALES CALLS AND DEMONSTRATIONS

Salespeople are not permitted to call on teachers or other school staff members without authorization from the school administration.

School principals may give permission to sales representatives of educational products to see members of the school staff at times that will not interfere with the educational program.

PAYMENT PROCEDURES

All demands for payment from district funds shall be processed by the Business Manager. Payment shall be authorized against invoices properly supported by approved purchase orders, against property submitted vouchers, or in accordance with salaries and salary schedules set by the School Committee.

As an operating procedure, the Committee shall receive each month lists of bills for payment from district funds. The lists shall be reviewed by the School Committee. Actual invoices, statements, and vouchers shall be available for inspection by the School Committee.

The Business Manager shall assume responsibility 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 principals shall be responsible for observing budget allocations in their respective schools. Each shall serve as custodian of the activity accounts in his/her respective school and shall be responsible for their proper handling and expenditures.

CROSS REF.: JJF, Student Activity Accounts

PAYROLL PROCEDURES

All salaries, supplements, and payments for extra duties shall be paid through the City Treasurer's office. No payments shall be made directly to any school personnel by the local school.

All personnel shall be covered by this policy.

EXPENSE REIMBURSEMENTS

The same general policy shall apply to all personnel and district officials in regard to reimbursement of expenses. This policy shall be as follows:

1. Personnel and officials who incur expenses in carrying out their authorized duties shall be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the administrator responsible for business affairs.
2. Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.
3. When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate currently approved by the City of New Bedford.
4. Prior administrative approval by the Superintendent or his/her designee shall be required for the above.

MANAGEMENT OF SURPLUS SUPPLIES

1. GENERAL:

- A. The New Bedford School Committee recognizes the importance of safeguarding property belonging to the School Department. This extends to those items that are excess to the needs of the Department. Taxpayers are entitled to the proceeds, if any, that may be garnered from the intrinsic or residual value of surplus property.
- B. This policy pertains to item of supply only. Supplies are defined as all property, other than real property, including equipment, materials, printing and insurance and further including services incidental to the delivery, conveyance and installation of such property. Real property is defined as land and buildings, appurtenant structures and fixtures attached to the land and buildings. A line of supply is defined as a single line entry on a reporting form that indicates a quantity of property having the same description and condition code from any one reporting location.

2. GENERAL REQUIREMENTS:

- A. The disposal of surplus supplies shall be in accordance with Massachusetts General Law, Chapter 30B, section 15; Section 10-54 of the Code of New Bedford. M.G.L. 30B, § 15 applies to a line item of supply with a value of \$500.00 or more. Local procedures govern line items of supply less than \$500.00.

3. SPECIFIC REQUIREMENTS:

- A. The Superintendent of Schools or his/her designee is responsible to determine if supplies are not required for the needs or discharge of responsibilities of the School Department.
- B. When it is practicable to do so, the School Department shall use surplus supplies as its first source of supply in fulfilling its requirements. Accordingly all personnel shall make a positive effort to satisfy School Department requirements by obtaining and using surplus property (including that suitable for adaptation or substitution) before initiating procurement action. Listings of School Department surplus supplies will be screened internally on a periodic basis to satisfy any department needs.
- C. The School Committee shall approve the Superintendent's determination of surplus to the needs of the Department prior to reporting to the City's Purchasing Agent.
- D. Surplus supplies may be disposed of by including as a trade-in in an Invitation for Bid.
- E. The Superintendent of Schools shall promulgate procedures for the management of surplus supplies in accordance with sound business practices and internal control.

MANAGEMENT OF SURPLUS SUPPLIES

- F. Donations of surplus supplies may be made to a charitable organization provided that the organization has a current IRS tax exempt status and the donation has been approved by the Mayor and majority of the City Council.