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**File: DA - 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 system'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 system take specific action to make sure education remains central and that fiscal matters are ancillary and contribute to the educational program. This concept will be incorporated into Committee operations and into all aspects of school system 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 expended.
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 maximum efficiency procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

SOURCE: MASC

**File: DB - ANNUAL BUDGET**

The annual budget is the financial expression of the educational program of the school department, and it reflects the goals and objectives of the School Committee to meet the needs of all students.

The budget then is more than just a financial instrument and requires on the part of the Committee, the staff, and the community, an 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.

SOURCE: MASC August 2016

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

**NOTE: References to portions of a town or city charter may be appropriate here. The charter should be reviewed.**

**The annual budget for regional school districts is prepared in accordance with the requirements of M.G.L. 71:16B. A reference to that chapter and section should be added, and the content of a policy in this category should be checked against that citation.**

**File: DB-1 - ANNUAL BUDGET**

The Regional School District Committee delegates the development of the District budget to the Finance Policy Sub-Committee which will, with the Superintendent, Business Manager, and the District Treasurer, develop annual budgets for the operating and maintenance of the District, and such capital budgets as shall be necessary for the pursuit of the goals of the District and the educational programs proposed and approved by the District Committee.

Said budget shall conform to the guidelines as set forth by the Legislature in the Massachusetts General Laws and directives and regulations as set forth by the Massachusetts Dept. of Elementary and Secondary Education, and shall be in compliance with the foundation budget. It is acknowledged that the foundation budget reflects the minimum recommended spending for a District, and excludes transportation costs, debt service costs, and costs associated with the acquisition of fixed assets. The aforementioned items must, therefore, be budgeted in addition to the foundation budget, and funds to support those expenditures must be raised from the member communities, after the use of any offsetting revenues received from the state.

A budget is a spending plan, which is developed well in advance of the fiscal year. Circumstances may occur which necessitate changing spending priorities and redirecting funds within the budget accordingly. Revisions to the budget may be made from time to time by the Committee, upon the recommendation of the Superintendent.

The annual budget for each school operated by the District shall be developed with input from the School Council, and shall reflect the priorities established in the Annual School Improvement Plan.

The District Agreement notwithstanding, there shall be no requirement for the annual operation and maintenance budget for the District to be adopted prior to the receipt of funding estimates from the state.

In developing a budget, care shall be taken to make the documents associated with the budget clear and understandable to Finance Committees of member communities and to the general public.

At the discretion of the Finance Policy Subcommittee, an informal public information meeting may be held to solicit input from the general public. In accordance with the District Agreement, a public hearing shall be heard prior to the adoption of the Final Operating and Maintenance Budget by the District Committee. The Superintendent and members of the Finance Policy Sub-Committee will make every effort to fully inform all member communities and their officials of the budget plans of the District.

Assessments to member communities shall be made in compliance with the foundation budget, which may, in certain instances, differ from the apportionment under the District Agreement. When there is a conflict, state law shall prevail. In assessing for expenditures which are excluded from the foundation budget, the District Agreement shall determine the apportionment of assessments after the District Committee has applied all applicable state aid.

SOURCE: MASC August 2016

LEGAL REFS.: M.G.L. 71:16B; 71:34; 71:37 and 71:38N

**File: DB-1-R - BUDGET - APPORTIONMENT OF EXPENSES**

The Regional District School Committee shall annually determine the amounts necessary to be raised, after deducting the amount of aid such district is to receive pursuant to section sixteen D, to maintain and operate the District school or schools during the next fiscal year, and amounts required for payment of debt and interest incurred by the District which will be due in the said year, and shall apportion the amount so determined among the several municipalities in accordance with the terms of the agreement.

The amounts so apportioned for each municipality shall be certified by the Regional School District treasurer to the treasurers of the several municipalities within thirty days from the date on which the annual budget is adopted by a two-thirds vote of the School Committee, but no later than April thirtieth.

The Regional School District treasurer shall include in the certification to each municipality a statement setting forth the amount which the District is to receive under said section sixteen D for the ensuing fiscal year and the proportionate share of such aid for such municipality.

In addition to amounts appropriated for long-term debt service, school lunches, adult education, student transportation, and tuition revenue, each municipality that belongs in the Regional School District shall annually appropriate for the support of the Regional School District, an amount equal to but, not less than the sum of the minimum required local contribution.

Notwithstanding the provisions of the Regional School District agreement, each member municipality shall increase its contribution to the Regional District each year by the amount indicated in that district's share of the municipalities' minimum regional contribution in that fiscal year. The District shall appropriate the sum of the minimum regional contributions of its member districts as well as all state school aid received on behalf of member municipalities. The District may choose to spend additional amounts; such decision shall be made and such amounts charged to members according to the District's required agreement.

Except as required by General Law, each school district may determine how to allocate funds appropriated for the support of public schools without regard to the categories employed in calculating the foundation budget.

SOURCE: MASC

LEGAL REF.: M.G.L. 71:16B

**File: DBC - BUDGET DEADLINES AND SCHEDULES**

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and charter.

The calendar year for budget preparation will be determined by calculating backwards from the final adoption date.

Whatever dates are assigned, the final date for the submission of the budget to the Selectmen will be arranged cooperatively with the School Committee and finance committee. The Selectmen have authority to impose a date as early as December 31.

In reaching its decision on the budget amount that it will submit to the Selectmen, the School Committee will also observe the statutory requirement of holding a public hearing on the proposed budget not less than seven days after the notice for this hearing has been published in a local newspaper.

Established by law and charter

SOURCE: MASC August 2016

LEGAL REFS.: M.G.L. 71:38N

Town Charter (See local reference)

**NOTE: Regional school districts should also refer to 71:16B for pertinent information. A citation to that section of law should also be added to the legal references.**

**File: DBD - BUDGET PLANNING**

The first priority in the development of an annual budget will be the educational welfare of the children in our schools. However, the District will also attempt to balance the valid interest of the taxpayers.

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.

SOURCE: MASC August 2016

**NOTE: Include in this category statements on the general plan for budget development and on staff/student/public participation in the process (but not the official hearings). If advisory committees take part, this might be included in the policy, with details on their functioning presented as an accompanying regulation. Many school systems have special publications for staff on budget development offering procedures in detail. Such publications can be referred to (by adding a note at the end of this policy) as a source of additional information.**

**File: DBG - BUDGET ADOPTION PROCEDURES**

Authority for adoption of the final school budget lies with the citizens who comprise, and who are entitled to vote at, the town meeting. The school budget is presented as part of the total town budget for action at the annual town meeting.

Established by law and charter

SOURCE: MASC

LEGAL REFS.: M.G.L. 71:34

Town Charter, (See local reference)

**NOTE: Town and city charters should be checked for specific provisions relating to budget adoption procedures. Appropriate citations should be added as was done on the statement above.**

**Regional school districts should refer to and cite M.G.L. 71:16B at this category. A reference to a regional agreement may also be necessary at this code.**

**BUDGET ADOPTION PROCEDURES**

The annual Regional School District budget as adopted by two-thirds vote of the Regional School District Committee shall require the approval of two-thirds of the local appropriating authorities of the member municipalities.

In the event the regional school budget is not approved by at least two-thirds of the member municipalities as required, the Regional School District Committee shall have thirty days to reconsider, amend and resubmit a budget on the basis of the issues raised.

SOURCE: MASC

LEGAL REF.: M.G.L. Ch. 71:16B



**File: DBJ - 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 requests for transfers between the major accounts (Department of Elementary and Secondary Education Chart of Accounts defines these as the 4 digit accounts ending in 00) must be submitted to the School Committee for approval. Transfers between line items within a major account must be reported to the School Committee as part of the Director of Business and Finance's quarterly report at the business meetings of the School Committee.

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

SOURCE: MASC August 2016

**NOTE: Certain provisions in a policy in this category may be established by town or city charter. If so, appropriate citations should be added as legal references.**

**Regional school districts are affected by the provisions M.G.L. Chapter 71, Section 16B 1/2 that provides for an excess and deficiency fund that may not exceed five percent of their operating budget.**

**REGIONAL SCHOOL DISTRICT BUDGET TRANSFER AUTHORITY**

In keeping with the need for periodic reconciliation of the school department's budget, the Regional School District 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 requests for transfers between the major accounts (Department of Elementary and Secondary Education Chart of Accounts defines these as the 4 digit accounts ending in 00) must be submitted to the School Committee for approval. Transfers between line items within a major account must be reported to the School Committee as part of the Director of Business and Finance's quarterly report at the business meetings of the School Committee or the School Committee's finance subcommittee.

All funds in the general account not expended by the close of the fiscal year will be placed in an excess and deficiency fund that shall not exceed five percent of the operating budget and its budgeted capital costs for the succeeding fiscal year. Any added funds exceeding five percent shall be returned to the member communities to reduce their assessments in accordance with law.

SOURCE: MASC August 2016

LEGAL REF.: MGL 71:16B1/2; E&D Fund

**File: DD - FUNDING PROPOSALS AND APPLICATIONS**

The School Committee will encourage the administration to seek and secure 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 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 will be responsible for seeking out and coordinating the development of proposals for all specially funded projects and for submitting the proposals to the Committee for approval.

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.

SOURCE: MASC August 2016

LEGAL REF.: M.G.L. 44:53A

P.L. 874 Impact Aid

Board of Education 603 CMR 32:00; 34:00

**NOTE: Regulations for staff investigation and submission of proposals are frequently needed to implement a policy in this area.**

**File: DGA - AUTHORIZED SIGNATURES**

The Chair of the School Committee or designee and the Superintendent or designee will sign payrolls presented for approval.

The town treasurer, who also serves as the school department treasurer, signs all checks drawn against school department funds. No other signature is valid.

SOURCE: MASC August 2016

LEGAL REF.: M.G.L. 41:41; 41:52

**NOTE: Town and city charters often address this topic. References to appropriate sections of a charter should be added as necessary.**

**The content of policy in this area for a regional school district will be different than the above. Regional school districts should refer to and cite M.G.L. 71:16A at this code.**

**REGIONAL SCHOOL DISTRICT AUTHORIZED SIGNATURES**

The treasurer and the assistant treasurer are authorized to sign check withdrawals and to sign the appropriate bank forms for the Regional School District.

SOURCE: MASC August 2016

LEGAL REF.: M.G.L. 71:16A

**File: DH - 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 town will pay the cost of the bond.

SOURCE: MASC

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

**NOTE: Regional school districts should refer to and cite M.G.L. 71:16A at this code.**

**REGIONAL SCHOOL DISTRICT BONDED EMPLOYEES AND OFFICERS**

Each employee of the school system or School Committee member who is assigned the responsibility of receiving and dispensing school funds will be bonded individually or covered by a blanket bond. The cost of the bond will be paid by the District.

SOURCE: MASC

LEGAL REF.: M.G.L. 40:5 71:16A

**File: DI - FISCAL ACCOUNTING AND REPORTING**

The Superintendent will be ultimately responsible for receiving and properly accounting for all funds of the school system.

The accounting system used will conform with state requirements and with good accounting practices, providing for the appropriate separation of accounts, funds, and special monies.

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

SOURCE: MASC

LEGAL REF.: Board of Education 603 CMR 10:00

**NOTE: References to town or city charters may be appropriate at this category, and the content of the policy should be changed accordingly.**

**File: DIE - AUDITS**

An audit of the school department's accounts should 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.

SOURCE: MASC

**NOTE: References to a town or city charter may be appropriate here. The content of these references may require a change in the content of a policy adopted by a local school Committee in this area.**

**Regional school districts should cite M.G.L. 71:16E at this code. Certain provisions of that law could be incorporated into a policy on audits.**

**REGIONAL SCHOOL DISTRICT AUDITS**

An audit of the school department's accounts shall be conducted annually.

Upon the completion of each audit, a report there on shall be made to the Chair of the School Committee, and a copy sent to the Chair of the Selectmen or City Council and the Chair of the School Committee in the member municipalities.

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

SOURCE: MASC

LEGAL REF.: M.G.L. 71:16E

**File: DJ - 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 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, with such exceptions as may be made by the latter for emergency purchases.

SOURCE: MASC

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

**NOTE: This category is useful for a general, overall policy on purchasing, which includes content that might otherwise be filed in a number of subcategories of this main topic. Specific regulations pertaining to purchasing are better filed under DJF, Purchasing Procedures.**

**File: DJA - PURCHASING AUTHORITY**

Authority for the purchase of materials, equipment, supplies, and services is extended to the Superintendent 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.

SOURCE: MASC

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

CROSS REF.: DJE, Bidding Requirements

**NOTE: The cross reference is to a closely related policy in this manual.**



**File: DJE - PROCUREMENT REQUIREMENTS**

All purchases of materials and equipment and all contracts for construction or maintenance in amounts exceeding \$50,000 will be based upon competitive bidding. All purchases valued between \$10,000 and \$50,000 shall require the procurement officer to attempt to secure 3 quotes for all materials, equipment, or services. All purchases valued at less than \$10,000 shall require the use of sound business practices to secure the best quality at the best price.

An effort will be made to procure multiple bids for all purchases in excess of \$50,000. 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 distribution lists to receive invitations to bid. When specifications are prepared, they will be distributed 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.

SOURCE: MASC February 2017

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

CROSS REF.: DJA, Purchasing Authority

**NOTE: The cross reference is to a closely related policy in this manual.**

**NOTE: Town or city charters may contain related provisions. If so, appropriate citations should be added to the legal references.**

**In addition, all provisions of M.G.L. 30B shall be adhered to. Limits referenced in the law may be changed to create a more restrictive process but may not be changed to reduce the requirements.**

## **File: DK - PAYMENT PROCEDURES**

All claims for payment from school department funds will be processed in accordance with regulations developed by 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.

As an operating procedure, the Committee will receive monthly lists of bills (warrants) for payment from school department funds. The lists will be certified as correct and approved for payment by the School Committee and then forwarded to the municipal auditor for processing and subsequent payment by the municipal 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 will be responsible for observing budget allocations in their respective schools.

SOURCE: MASC August 2016

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

**NOTE: Specific details established by an individual town should be substituted for those required in the policy above, which were established by that city's code of ordinances. Appropriate citations should also be substituted. Different procedures are often required for regional school districts. Those details should be added in place of those in the policy above.**

## **REGIONAL SCHOOL DISTRICT PAYMENT PROCEDURES**

All claims for payment from the School District's funds will be processed in accordance with regulations developed by 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.

As an operating procedure, the Committee will receive monthly lists of bills (warrants) for payment from school department funds. The lists will be certified as correct and approved for payment by the School Committee or by a subcommittee of no less than 3 members. 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.

SOURCE: MASC

LEGAL REFS.: M.G.L. 41:41; 41:52 41:56; 71:16A

**File: DKC - EXPENSE REIMBURSEMENTS**

Personnel and school department officials who incur expenses in carrying out their authorized duties will be reimbursed by the school department 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 generally be made at the rate currently approved by the Committee.

To the extent budgeted for such purposes in the school budget, approval of travel requests by School Committee members must have prior approval of the School Committee. Staff travel requests within budgetary limits may be approved by the Superintendent. Staff travel requests that exceed budgetary limits will require the approval of the School Committee and the identification of funding sources by administration. Each request will be judged on the basis of its benefit to the school district.

SOURCE: MASC August 2016

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