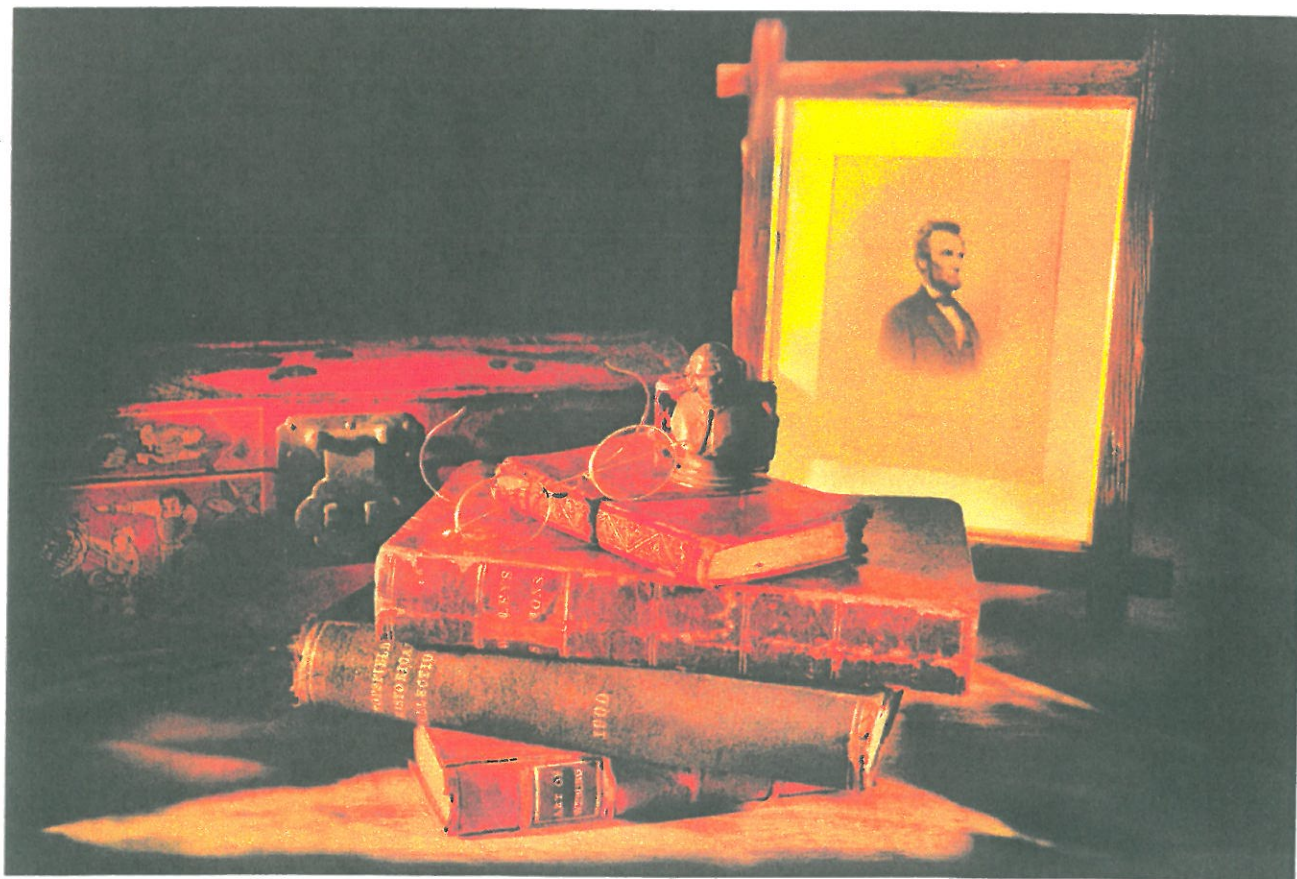


Massachusetts Association of School Business Officials

Presents

New School Official Primer



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While the objective of this publication is to provide accurate information regarding its subject matter, the reader is reminded that the publisher is not engaged in providing legal or any other professional service. Given the rapidly changing nature of the law, the information in this manual may also become outdated. Therefore, readers are encouraged to also research original and current sources of authority and/or seek the legal advice of a qualified Massachusetts attorney.

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I. ROLES & RESPONSIBILITIES

This document has been developed to assist school officials who are entering into the field with some basic information regarding the roles and responsibilities of the school committee and the school district administration, as defined by Massachusetts General Law. It also will serve to communicate how a school organization functions in practice. This is particularly important because in all non-profit environments, there is more work than actually can be accomplished with the limited resources available. This makes it increasingly important to understand who is doing what, as well as where, when and why, so that the administration and committee can work in concert to accomplish the vision, mission, and goals of the organization efficiently and effectively for the benefit of the students.

Note: The Massachusetts Association of School Committees (MASC) has published a simple diagram outlining the relationship between the School Committee and Superintendent. This diagram appears in Appendix A of this document. For your reference and convenience, definitions of key terms can be found at the back of this document on pages 15-16.

A. The School Committee

Governmental and other non-profit boards differ from private sector boards in form and in function. Private sector boards generally evaluate the performance of a CEO and offer guidance in the area of strategy implementation. They do not get involved with the day to day operation of the organization and typically meet quarterly. In non-profit organizations, the board or committee plays a much more active role in providing overall direction to the organization and as a result, they often meet more regularly. Local public sector boards (School Committees), are elected by the voters in the community to perform very specific tasks as defined by law and meet at least once per month to conduct their business. Below is a summary of School Committee responsibilities.

Massachusetts General Law Chapter 71, Section 37, defines the Powers and Responsibilities of the School Committee as follows:

The School Committee in each city and town and each regional school district shall have the power to select and to terminate the Superintendent, shall review and approve budgets for public education in the district and shall establish educational goals and policies for the schools in the district consistent with the requirements of law and statewide goals and standards established by the board of education.

Massachusetts Association of School Committees (MASC) summarizes the School Committees' areas of responsibility as follows:

- system-wide goals
- policy development
- community relations
- budget review and approval
- health and safety
- curriculum approval (changing school books)
- collective bargaining

A School Committee approves:

- Budgets
- Grants & Other Donations
- Warrants
- Appropriations from E&D and the Stabilization fund (regional schools only)
- Revolving Funds (as allowed by law)
- Change in School Books

School Committees are vested with the responsibility to:

- Negotiate all employment contracts
- Establish district goals and a long-range plan
- Develop policies
- Review the budget
- Review school improvement plans
- Establish the maximum balance on student activity checking accounts
- Organizes school safety patrols

School Committees hire/appoint the following individuals and/or organizations:

- Auditor (Regional schools only) (MGL Chapter 71, Section 16A)
- Attorney (MGL Chapter 71, Sections 37E and 37F)
- Superintendent (MGL Chapter 71, Section 37 and 59)
- Assistant Superintendent (MGL Chapter 71, Section 59)
- Business Administrator (MGL Chapter 71, Section 41)
- Director of Special Education (MGL Chapter 71B, Section 3A)
- Treasurer (*Regional Schools Only*) (MGL Chapter 71, Section 16a)
 - Chief Procurement Officer (*Regional schools only*) (MGL Chapter

30B, Section 2)

- Recording Secretary (MGL Chapter 71, Section 36 and 16a)
- Athletic Director (MGL Chapter 71, Section 47)
- School Physicians and Nurses (MGL Chapter 71, Section 53)
- Librarians (MGL 71, Section 38H)
- School Psychologists (MGL Chapter 71, Section 38P)
- Attendance Officer (MGL Chapter 76, Section 20)

School Committees may work as a “committee of the whole,” or may establish subcommittees to focus on specific areas of responsibility. The four most common subcommittees are; Communications, Finance, Personnel and Policy. If a subcommittee structure is employed, the number of members assigned to the subcommittee should not constitute a quorum of the full committee. In addition, a chairperson for each subcommittee is determined annually. The subcommittee chairperson is responsible for scheduling meetings, running the meeting, and taking/submitting minutes (see Appendix B for guidelines regarding minutes) to the full committee regarding the topics, major points of discussion, and any recommendations that occurred during the meeting.

Communications

Charge – The Communications subcommittee develops a communication network within the community, develops a communication plan, prepares and publishes written or multi-media material to keep the community informed regarding school district events and affairs, and provides other marketing and public relations materials for external communication about district matters related to School Committee affairs.

Fiscal Management

Charge – Establish Fiscal Management subcommittee reviews and recommends policies related to the operational management of the organization, serves as a study group for issues that involve finances and may require policy decisions, reviews and approves warrants, and reviews the auditors' reports and management's response.

Personnel

Charge – The Personnel subcommittee negotiates employment contracts and addresses personnel issues that fall within the School Committee's jurisdiction.

Policy

Charge – The Policy subcommittee periodically reviews, and recommends changes to, District policies and recommends new policies to the full committee as the need arises.

The School Committee may also decide to set up ad hoc committee or task forces to address a specific issue. Examples of ad hoc committees and/or task forces include a Technology Committee, a Superintendent Search Committee, a Capital Improvement Task force, a Use of Facility Task force, and/or an Outsourcing Task forces.

B. Overview of Management Responsibilities

Management is responsible for planning, organizing and controlling the affairs of the school district. The School Committee is responsible for establishing the long-range plan and policies of the District. The School Committee develops policies in two ways; 1) directly, by developing written guidelines, and 2) indirectly, by approving plans and agreements (budgets, employment contracts, etc.). Executive level administrators provide leadership in the form of recommendations and support to the school committee in establishing long-range plans and policies. Once established, the administration is responsible for ensuring that the policies and plans are implemented. This is accomplished by preparing medium-range and short-range plans, as well as organizing, directing, and controlling the affairs of the organization in conformance with all applicable laws.

In order to direct, organize, and control the affairs of an organization, a clear mission and vision statement are needed. Once these statements are established, goals to realize the vision are prepared. These goals, and the means to accomplish them, are outlined in long, medium and short-range plans. In order to establish goals, an assessment of current conditions may need to be performed. Once an assessment is complete, a plan outlining the actions necessary to move the organization forward from its present state to its desired state can be developed. These plans provide a blueprint for progress as well as a context for decision making and communication.

Once the plan is complete, the organizational structure and systems to support and accomplish the goals of the organization can be established. Structures and systems need to be developed for accounting functions which vary depending on type of district- regional or municipal (General Ledger, Accounts Payable, Accounts Receivable, Payroll), finance (cash flow, banking, credit management), purchasing, invoicing/collections, inventory management, delivering instruction, personnel administration, benefits administration, marketing and public relations. Each function has its own goals, roles, responsibilities, and requirements, and is reliant on information flowing to and from other areas. When designing systems, the interrelationships between the functions are important to define so that cohesive procedures can be established. The structure defines the various departments/ functions of the organization, while the system defines the means and methods of operating within the organization. With the systems and structure defined, management focuses its attention on controlling the organization.

An organization is controlled by:

- 1) Observing, analyzing, and summarizing facts to assist in making good decisions;
- 2) Communicating with, motivating, supporting, and providing leadership to employees;
- 3) Resolving problems, making adjustments, and providing the resources necessary to perform the required tasks; and
- 4) Monitoring performance of the systems, employees, resources, and attainment of goals.

There are a variety of tools that managers use to perform various control functions. Examples include employee review and evaluations, performance reports, and cost accounting.

II. FINANCIAL MANAGEMENT

Effective financial management is achieved through accurate forecasting and planning. In order to accurately forecast and plan, an organization must first define its purpose, values, and goals.

Budget Development is integral to achieving the goals of the organization. Having established an overall plan or road map, the organization then quantifies its priorities in a fiscal plan. During this process each entity states the fiscal requirements for achieving its individual, departmental, and organizational goals.

The **Chart of Accounts** provides the mechanism with which to track all financial transactions. An understanding of **Funding** sources and their characteristics allows the organization to maximize the allocation of resources available to support the goals and objectives. **Financial Reporting** is a monitoring tool used to evaluate plan implementation. **Line Item Transfers** provide the mechanism whereby the plan can be adjusted to reflect changes that occur during the implementation process.

By using these simple tools, each entity within the organization does its part to manage and record the actual financial history of the organization. This history provides a benchmark by which each group within the organization can measure its performance. This informational hindsight enhances the organizational forecasting of successive budgets by providing real data based on actual occurrences and expenditures.

In short, Financial Management is the task and responsibility of every member of an organization. It is through the use of recognized plans, adherence to the approved budget, and the use of the tools provided that enables the organization to achieve its goals.

A. Budget Cycle - Budget Development & Implementation Process

A budget cycle is two years in duration. It starts with planning and ends by analyzing the results of implementation. The budget cycle begins in August of the prior year and will end in August following the completion of the fiscal year. There are six phases in a budget cycle: planning, preparation, marketing, approval, implementation, monitoring, and review and assessment. Each phase is discussed below following a summary of the roles of the School Committee and administration, and the process or cycle.

The School Committee plays its most significant role in the planning stages, as noted in the prior section on "Roles and Responsibilities." The administration is responsible for preparing the budget in accordance with the goals, plans, and policies adopted by the School Committee and requirements imposed by Federal, State, and local agencies. The School Committee reviews the budget to ensure that the goals, plans, and policies it established have been funded. If there is any deviation, i.e., priorities and/or initiatives were not funded, the administration provides an explanation as to why they were not included in the budget. The School Committee may elect to shift priorities and re-direct the administration to make adjustments. The Committee then approves the budget and the budget is submitted to the city/town for funding. Throughout the process, the Committee informs the city/town(s) and public about the budget in conjunction with the administration. After the funding has been approved by the city/town, the administration implements and monitors the spending plan. During this phase, the administration prepares periodic progress reports. Once the year closes, the spending plan is reviewed internally and independently by outside auditors. The results are used to assess progress and identify areas that need to be adjusted based on situational changes.

i. Planning:

Once goals and plans are established, formal review occurs during late summer for the next fiscal year. The review process culminates in the establishment of annual goals and school improvement plans. The school improvement plans are submitted to the Superintendent for approval and the School Committee for review. These plans provide the direction necessary to prepare the budget. The budget is simply the restatement of the plans in dollar form.

ii. Preparation:

During the summer months, the data from the previous fiscal year is entered into budget worksheets. This information and other forms are compiled into a budget preparation packet that is distributed to administrators in the fall or early winter. Based upon school, district, and state level goals and initiatives, administrators develop a budget proposal for submission to the central office. The Superintendent and School Business Official review these proposals. Once the School Business Official has compiled all of the data, a meeting(s) is held with the district leadership team. At these meetings, the administration seeks to clarify requests, evaluate goals and initiatives, discuss potential issues, prioritize funding requests, and develop a budget proposal to submit to the School Committee and community for review and approval. Generally, the budget proposal is published by the administration sometime during the winter months.

In the fall, a budget development calendar is prepared and disseminated internally and externally. The budget calendar includes the dates for the budget submission, all budget meetings, the public hearing, and a tentative date for the budget adoption. The budget process, and the calendar, tends to begin a month or two later for municipal school districts than for their regional school counterparts. Timelines are dictated by town/city bylaws, the regional agreement, and Massachusetts General Laws (M.G.L.).

iii. Marketing:

All budget meetings are open to the public and should be so noted in the budget calendar published in the budget document and on the district's website. In addition, the administration should send out a letter to town officials notifying them of the upcoming schedule. It is suggested that a hard copy of the budget document be distributed to the town administrator/mayor, the town finance committee chair, the Board of Selectmen, the town libraries, the school committee members, all school administrators, and each school administrative office. It is highly recommended that the proposed budget is also posted on the district's website. The budget calendar is included in the budget document, as well as posted in the town/city hall.

At the first School Committee budget review meeting, the Superintendent and School Business Official present a general overview of goals, enrollment, staffing, revenue and expenses. This is followed by more in depth workshop(s) designed to review the budget detail by cost center and program. Note: There must be a public hearing held for public input and comment two weeks prior to the budget adoption. Subsequent meetings are devoted to discussing issues raised at the hearings, revisiting priorities and finalizing the budget in preparation for the adoption of the budget.

Once the School Committee adopts the budget, city/town officials are notified in writing of the actions taken by the committee. Though no additional formal action is required by the School Committee, follow-up meetings should be scheduled with town officials to review the adopted budget and answer questions. In addition, the School Committee can publish articles and newsletters during the entire budget process to convey important information regarding district plans, goals, accomplishments and budget data. It is also helpful to prepare a one page handout summarizing important points that can be disseminated at the town meeting and/or to distribute to other stakeholders.

iv. School District Approval:

Once the School Committee adopts the budget, the school department's budget becomes a line item in the overall city/town budget. In a city form of government the city budget is approved by the city council. In a town form of government the town budget is approved at an annual town meeting.

MGL Chapter 16B outlines the process for the approval of a regional school district budget. A regional school district must also consider any process or budgetary requirements delineated in the regional agreement between the cities/towns and the district. In all cases, the laws of the Commonwealth supersede that of any other agreement. However, in some cases the school district agrees to a stricter standard than that provided for by law. The state mandate also affirms that the School Committee must determine the amount of money needed to operate the district and must apportion the amounts to the municipalities, according to the terms of the regional agreement.

v. Implementation & Monitoring

All funds and accounts are assigned to an administrator or department head to monitor and control during the year. Site based administrators control accounts associated with their building. The administrator is authorized to transfer funds between operating accounts to make adjustments for minor purchasing fluctuations. The School Business Official (S.B.O.) maintains control over salary, utility, business and support services accounts and revolving funds. The Director of Special Education is responsible for all special education funds and should work very closely with the School Business Official to ensure student services are provided within available resources. The Superintendent and/or the central office administrator in charge of academic programs is responsible for all district-wide instructional services. This may include professional development, grants, curriculum development, 504 services, etc. Typically the Superintendent is responsible for the general administrative (superintendent and school committee) services budgets.

Once the fiscal year begins, the spending plan is partially implemented. Staff can be appointed consistent with the spending plan adopted by the School Committee. Purchase orders are issued by cost center administrators for books, materials, and services necessary for opening school if contracts are in place. In public schools most supplies and services are subject to bidding. For this reason, most school districts require the SBO to maintain certification in public procurement.

The approval process for purchasing non-salary items is as follows. Staff requisition supplies and services through the purchase order system. Requisitions are approved by the appropriate administrator(s). Once approved, they are sent to the accountant who verifies the account number, ensures that the paperwork is in order, and confirms that there are sufficient funds in the line to process the transaction. The accountant converts the requisition into a purchase order if, and when, all requirements have been met. All purchase orders are authorized by the School Business Official who ensures that there is an appropriation and that the procurement complies with Massachusetts General Laws and the policies and procedures of the district. The accountant should not permit administrators to process purchase orders which will create a negative balance in an account unless a transfer request accompanies the purchase order requisition. Further, the accountant should not process purchase requests with an improper account code (i.e. paper & pens cannot be charged to a textbook account).

In either case, the accountant should return the requisition to the administrator with an explanation and instructions for the administrator to follow should they wish to resubmit the request at some point in the future.

All administrators must review budget to actual financial reports for the cost centers they oversee at least monthly. These reports reflect all expenditures, transfers, encumbrances and fund balances (if applicable) to date. In addition, the School Business Official (S.B.O.) should perform a comprehensive review of all accounts and submit a financial report with footnotes and comments regarding the district's financial position to the School Committee at least on a quarterly basis. It is also customary for the SBO to prepare a cost-to-complete report after spending has concluded for the year (April 1). At that time the SBO, after consultation with the leadership team, may recommend action to address any deficits and/or to request an appropriation for one-time expenditures should there be funds available after the spending plan approved for the year has been fully implemented. All general operating funds that remain after the fiscal year closes revert to the city or town coffers (except in the case of a regional school district). In a regional school district funds remaining at the end of the year close out to their Excess & Deficiency account unless the fund balance exceeds 5% of the general fund budget. In this case, the funds must be returned to the towns in the form of a lower assessment. Revolving, gift and agency funds retain their own fund balances. (The different fund properties are discussed in the next section).

6. Review and Assess Progress

When the fiscal year closes, all accounts and funds are audited for compliance with the laws of the Commonwealth and Generally Accepted Accounting Principles. This report is submitted to the City Council or Board of Alderman in a city, Board of Selectman in a town or School Committee in a regional school district in late summer / early fall. In addition, a separate report, The End of the Year Pupil and Financial Report, is compiled and submitted to the state by September 30th of each year. When this report is complete, an independent audit is performed to confirm that the information submitted on the State report ties into the information on the accounting and student record keeping systems. If the district receives more than \$500,000 in federal grant money, it must undergo an additional audit that is required by the Single Audit Act.

Another important task that should occur once a fiscal year closes is an assessment of progress made toward the short, medium and long-range goals and objectives. This review is used to make adjustments to future plans and to establish goals for the next fiscal year.

B. Funds

There are different types of funds that exist in a municipal environment. Some funds are for a specific purpose and some are to support the general operation of the municipality. There are laws that govern the manner in which the monies are receipted into the district and accessed for spending. This section will provide a brief description of the main properties associated with the fund categories that pertain to school district. These categories include general fund and warrant articles, special revenue funds (grants, gifts, and revolving), and trust and agency funds.

i. General Fund and Warrant Articles

All monies received by the District, except as otherwise provided for by statute, are deposited into the General Fund to support general operations. Expenditures from this fund are subject to an appropriation by the School Committee. The budget, once approved, serves as the appropriation for expenditures from the General Fund.

In addition to the annual budget, the District may ask the town(s) or city to support additional funding requests. In a town form of government, these requests are presented as warrant articles. Warrant articles are usually requested for extraordinary one-time projects such as studies, large technology related procurements, or facility repairs and/or improvements. Although the general fund budget closes each fiscal year, fund only close when all the funds have been expended, or the purpose for which the fund was established no longer exists. For example, if a warrant article is approved for \$50,000 to replace a small boiler and the boiler has been purchased and installed for \$45,000, the warrant article would then be closed, and the remaining \$5,000 would be returned to the town(s). The \$5,000 cannot be spent for another purpose without approval (re-appropriation) from town meeting(s). Any additional capital or one time expenditures for a school district operating in a city form of government are submitted in writing to the city through the mayor. The mayor will then proceed with seeking approval from the city council.

ii. Special Revenue Funds

Special Revenue Funds, or "Special Funds" as they are often referred to, are established for specific purposes defined by law or a legislative act. There are three types of special revenue funds that the school district encounters; revolving funds, gift accounts, and grants.

Revolving Funds

Revolving Funds can only be established for specific purposes noted by statute. Generally, the revenue generated for these funds are derived from fees charged for a non-mandated service or activity (before and after school programs, athletics, building usage, etc.). The budgets for these funds are not subject to the annual adoption/approval process noted in the general fund section above. However, expenditures from these funds must be specifically related to the purpose for which the fund was established. Any money left in the fund at the end of the year carries forward into the next year, and the fund remains open unless or until the revenue generating activity ceases to exist.

Gift Accounts

Gift accounts are similar in nature to warrant articles except that the revenue comes from a different source. Gifts can be accepted by the School Committee from charitable foundations, private corporations, or individuals. Money from these accounts can only be expended for the intended fund purpose and are subject to acceptance by the School Committee, based on their policy as limits may apply. The account closes when the funds are fully expended or the purpose has been fulfilled.

Grants

State and Federal grants are subject to legislative approval and are either competitive or entitlements. In addition, grants may be received from private sources. Any grant application must be approved by the School Committee before being submitted to, and approved by, the appropriate grant awarding agency. Grant funds are intended to supplement funding from local appropriations for specific target areas. Because these funds are awarded on an annual basis, any funds not expended must be returned to the awarding agency unless otherwise stated at the time of the award.

3. Trust and Agency Funds

Trust and Agency Funds are fiduciary funds. Fiduciary funds are those held by the governmental unit for a specific purpose on behalf of a private organization, individual (s), or another agency, with the governmental unit acting in a trustee capacity or as an agent. There are two types of fiduciary funds that the school district encounters; non-expendable trust funds (endowment funds) and agency funds (student activity funds).

Non-expendable Trust Funds (Endowment Funds)

Endowment Funds are often established on behalf of an individual for a specific cause or purpose. Money given for this purpose must be accepted by the School Committee and deposited into an interest bearing account under the control of the treasurer. Only the interest earned from investing the money is expended, not the principle. The fund is administered by a committee or individual outlined in the trust agreement.

Agency Funds (Student Activity Funds)

The only agency fund applicable to school district operations is for extracurricular student activities. The School Committee must sanction these activities. Revenue to support the activities can come from donations, fundraising, or fees charged for participation. All revenue must be deposited into the Agency Account. Funds are accessed through a local checking account maintained by the building principal.

C. Financial Reporting

Financial reports are used to monitor the implementation of the budget. The most common reports used to assist management in monitoring implementation are the quarterly financial report, the expenditure report, and the fund balance report. The quarterly report is prepared at the end of each fiscal quarter and involves reconciliation of all funds and accounts. During the reconciliation process, revenue and expenditure projections are compared to the actual activity that has occurred since the budget was prepared and subsequently adopted. At this time, minor budget adjustments can be made and if necessary, spending for non-essential items may be frozen. This may happen if the state imposes 9C-cuts or unanticipated events result in significant cost increases. Budget adjustments cannot affect the overall spending plan adopted by the School Committee without further action from them. No funds can be expended from the general operating budget without an appropriation so if a department head wishes to purchase textbooks or other items that were not originally approved when the budget was adopted, the School Committee must take action to approve the “new” expense.

The expenditure report is an account status report that provides information on year-to-date expenditures and encumbrances. The report also compares expenditures and encumbrances to the amount budgeted in each account. The fund balance report is a report used to monitor the activity in various funds (general, special revenue, etc.). It provides information on revenues received, expenditures charged against the fund, and the available cash balance for that specific period in time. Staff roles in preparing and analyzing these reports are defined below.

Department Heads and Directors

Department Heads and Directors review an expenditure report relative to their program area on a bimonthly basis. Any additional information that is necessary to fully understand the status of the accounts is directed to the Accountant.

Cost Center Administrator

Expenditure reports for all funds are reviewed by Cost Center Administrators on a bimonthly basis. Any additional information that is necessary to fully understand the status of the financial position of the cost center is requested through the Accountant or School Business Official. Fund balance reports are also reviewed on a monthly basis for all special funds that are overseen by the administrator.

Accountant

The Accountant prepares and disseminates financial reports, processes revenue and expenditure transactions, executes line item transfers, and analyzes and reconciles accounts and funds. He/She also works with Cost Center Administrators to close out and/or adjust encumbrances on a quarterly basis.

Payroll and Benefits Coordinator

The Payroll and Benefits Coordinator processes payroll in conformance with the district staffing plan, which is prepared by the School Business Official. He/She processes changes that are authorized in writing by the School Business Official, maintains a quarterly file of changes, and reconciles encumbrances with the School Business Official on a quarterly basis. In addition, she performs a cost-to-complete estimate on all employees on April 1st and June 1st, reconciles results with the School Business Official, and adjusts the encumbrances when completed.

School Business Official

The School Business Official freezes spending every quarter and reconciles all accounts and funds with the Accountant and Payroll and Benefits Coordinator. Encumbrances are adjusted to reflect changes that occurred during that quarter. The staffing plan is updated to reflect the changes that occurred over the quarter. Every effort is made to close out POs quarterly. Adjustments are reviewed by the cost center administrators to confirm that the changes that were requested were processed, and that the information in the staffing plan reflects the present and future needs of the school system for the present fiscal year. A quarterly report, reflecting all of the changes to all funds, is submitted to the School Committee. The report includes footnotes explaining significant variations from the original budget plan. A cost-to-complete is performed during the first two weeks in April. Purchases essential to complete the school year are entered, and every employee's final pay for the school year is calculated and crosschecked between the payroll office and the accountant. Once the records between the schools and central office are in agreement, then the encumbrances can be adjusted where required. This same process occurs again on June 1, and spending ceases for the fiscal year.

School Committee

The School Committee approves all new funding sources, examines and approves all expenditures through the warrant signing process, and reviews quarterly and annual financial reports.

D. Line Item Transfers

Policies and practices regarding transfers may vary from district to district depending on how funds in the budget are appropriated. However, the School Committee maintains authority over transfers that occur within the categories that they approve when they appropriate money during the budget approval process. Transfers should be well documented regardless of local policy and transfers and adjustments should be clearly visible on periodic financial reports provided to the School Committee.

Transfers are an important part of maintaining financial control over the budget. Expenditures should not be made against an account that does not have a sufficient balance to cover its cost. In order to process a purchase request against an account with an insufficient balance, a transfer must be executed to move money into that line item from another line item that has a "free" balance. A "free" balance is created when the amount budgeted for an item(s) is greater than the actual cost of items when purchased. For example, if 25 math textbooks are budgeted at a cost of \$50 each including shipping and handling and, when the actual order is placed the publisher is offering a \$5 discount on each book, then a "free" balance of \$125 is created on the math textbook line.

Not all monies remaining on a line item in the budget are a "free" balance. Rather, funds for future purchases, approved in the budget but not yet placed, may be residing on a line, thereby creating a positive available balance. This balance is not a "free" balance; it is referred to as the "available" balance.

The Accountant processes line item transfer requests and maintains all documentation related to the transaction. It is always a good idea to initial and date the form, and send a copy back to the originator to confirm the transfer has been processed. Ideally, transfers should be processed on a weekly basis.

III. DEFINITIONS

Accounting – The bookkeeping methods involved in processing and recording business transactions and preparing reports.

Advisory Council – Advisory Council often includes the Department Heads, the Assistant Principals, the Principals, Curriculum Coordinators, the Director of Bus Operations, the Director of Food Service, the Director of HR, the Director of Special Education, the Director of Buildings and Grounds, etc.

Appropriate – to set aside or assign money for a particular purpose or use. It is the authority to spend money on hand for a specific purpose. Not all money received requires an appropriation for spending.

Budget – A formal plan of action expressed in monetary terms.

Chart of Accounts – The accounts established in the general ledger to track and record financial transactions. The accounts have an alpha title and a numeric code. Detailed reports used for day-to-day operations by supervisors and managers use the numeric code. Reports to boards, committees, banking institutions, and outside organizations use the alpha title.

Controlling – The process of ensuring that results agree with plans.

Cost Center – A cost center is created by segregating independent functions within an organization. An administrator oversees each cost center. Examples of cost centers include the following:

Cost Center	Administrator
The Elementary School(s)	Principal (s)
The Middle School (s)	Principal (s)
The High School(s)	Principal (s)
District Special Education	Director of Special Ed
Other Instructional Services	Assistant Superintendent/Superintendent
General Administration	Assistant Superintendent/Superintendent
Business and Other Support Services	School Business Official
Buildings and Grounds	Director of Buildings and Grounds

Cost-to-Complete – A report that is prepared towards the end of a fiscal year that includes estimates for all costs required to complete the year. This reports provides a snap shot of what management believes the expenditures will be when the fiscal year closes.

Effectiveness – The concept of getting the job done. Producing the desired response.

Efficiency – Operating with the lowest use of resources possible under the present circumstances. Acting or producing effectively with the minimum of waste, expense or unnecessary effort and resources.

Finance – The science of managing money and other assets.

Fund Transfers – Moving money from one fund to another.

Leadership Team – Leadership Team, also may be known as the Executive Cabinet or by a similar descriptor, includes the Superintendent, Assistant Superintendent(s), School Business Official, the Director of Special Education/Pupil Services and sometimes the Principals.

Line Item Transfers – Reallocating funding from one account line item to another within a fund.

Minimum Local Community Contribution (Minimum Contribution) – The difference between the Net School Spending (NSS) requirement determined by the state and the amount of money the state is contributing towards the spending requirement.

$$\text{NNS-state Chapter 70 aid allocated to the community} = \text{Minimum Local Community Contribution}$$

Net School Spending (NSS) – The minimum annual spending requirement for educating students attending school in the district. This spending excludes costs for transportation, food service, debt service, and community programs. The funding sources to support this spending come from state aid (Chapter 70 money) or community contributions (Minimum Contributions). The state calculates the contributions annually during their budget development and approval process. These minimum spending requirements are mandatory.

Town Finance Committees – Members of a committee who advise voters on financial matters. The Finance Committee makes recommendations on warrant articles at town meeting and they usually have authority to make reserve fund transfers during the year. Seventy-five percent (75%) of the finance committees are appointed by the moderator, board of selectman or other group. Voters elect only twenty five percent

IV. APPENDICES

A. Management Responsibility Chart

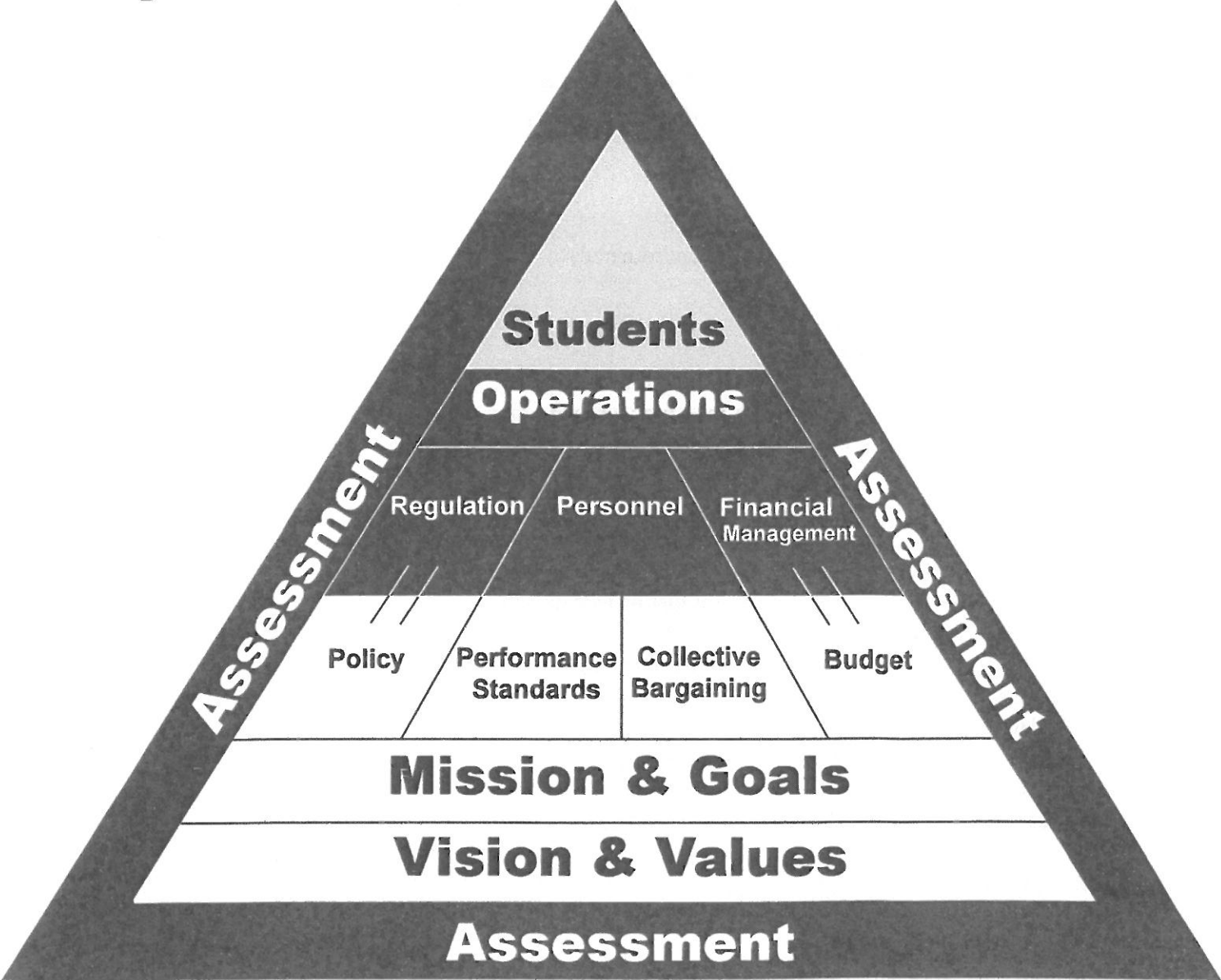
B. Minutes (Roberts Rules of Order)

C. Parliamentary Motions Guide (Roberts Rules of Order)

D. Guidelines for use of E-mail

A. Management Responsibility Chart

Management Responsibilities



-  School Committee & Superintendent
-  Superintendent Responsibilities
-  School Committee Responsibilities

B. Minutes (Roberts Rules of Order)

Minutes

(Based on *Robert's Rules of Order Newly Revised (10th Edition)*)

THEME: *Minutes are a record of what was done at the meeting
NOT what was said by members or guests.*

INCLUDE:

- ✓ First Paragraph:
 - Kind of meeting (regular, special, adjourned)
 - Name of board
 - Date and time of meeting
 - Place of meeting, if varies
 - Fact that Chairman and Clerk were present or name of substitute
 - Whether minutes of previous meeting were read and approved
- ✓ Separate paragraph for each subject matter with name of mover:
 - All main motions or motions to bring a main question again before the assembly (except any withdrawn, see below) stating
 - The wording in which adopted or disposed of
 - The disposition of motion (including amendments or motions)
 - Secondary motions that were not lost or withdrawn
 - All notices of motion
 - All points of order and appeals, whether sustained or lost
- ✓ Last Paragraph
 - Hour of Adjournment
- ✓ Number of votes if count ordered or ballot vote
- ✓ Names and votes if roll call vote
- ✓ Signature of Clerk ("Respectfully submitted" unnecessary)

DO NOT INCLUDE

- * Secunder's name
- * Remarks of guest speakers
- * Motions that were withdrawn (see RONR§ 48, page 452 for exceptions)
- * Personal opinion on anything said or done

C. Parliamentary Motions Guide (Roberts Rules of Order)

Parliamentary Motions Guide Based on Robert's Rules of Order Newly Revised (10th Edition)

The motions below are listed in order of precedence. Any motion can be introduced if it is high on the chart than the pending motion.

YOU WANT TO:	YOU SAY:	INTERRUPT:	2ND?	DEBATE?	AMEND?	VOTE?
§21 Close meeting	I move to adjourn	No	Yes	No	Yes	Majority
§20 Take break	I move to recess for	No	Yes	No	Yes	Majority
§19 Register complaint	I rise to a question of privilege	Yes	No	No	No	None
§18 Make follow agenda	I call for the orders of the day	Yes	No	No	No	None
§17 Lay aside temporarily	I move to lay the question on the table	No	Yes	No	No	Majority
§16 Close debate	I move the previous question	No	Yes	No	No	2/3
§15 Limit or extend debate	I move that debate be limited to...	No	Yes	No	Yes	2/3
§14 Postpone to a certain time	I move to postpone the motion to...	No	Yes	Yes	Yes	Majority
§13 Refer to committee	I move to refer the motion to...	No	Yes	Yes	Yes	Majority
§12 Modify wording of motion	I move to amend the motion by...	No	Yes	Yes	Yes	Majority
§11 Kill main motion	I move that the motion be postponed indefinitely	No	Yes	Yes	No	Majority
§10 Bring business before assembly (a main motion)	I move that [or "to"]...	No	Yes	Yes	Yes	Majority

Jim Slaughter, Certified Professional Parliamentarian - Teacher & Professional Registered Parliamentarian
336/378-1899 (W) 336/574-3993 (H) P.O. Box 41027, Greensboro 27404
Website:

Parliamentary Motions Guide

Based on Robert's Rules of Order Newly Revised (10th Edition)

Incidental Motions - no order of precedence. Arise incidentally and decided immediately.

YOU WANT TO:	YOU SAY:	INTERRUPT	2nd?	DEBATE?	AMEND?	VOTE?
§23 Enforce Rules	Point of order	Yes	No	No	No	None
§24 Submit matter to assembly	I appeal from the decision of the chair	Yes	Yes	Varies	No	Majority
§25 Suspend rules	I move to suspend the rules which...	No	Yes	No	No	2/3
§26 A void main motion altogether	I object to the consideration of the question	Yes	No	No	No	2/3
§27 Divide motion	I move to divide the question	No	Yes	No	Yes	Majority
§29 Demand rising vote	I call for a division	Yes	No	No	No	None
§33 Parliamentary law question	Parliamentary	Yes	No	No	No	None
§33 Request for Information	Point of information	Yes	No	No	No	None

Motions That Bring a Question Again Before The Assembly - no order of precedence. Introduce only when nothing else pending.

§34 Take matter from table	I move to take from the table...	No	Yes	No	No	Majority
§35 Cancel previous action	I move to rescind...	No	Yes	Yes	Yes	2/3 Maj. w/ notice
§37 Reconsider motion	I move to reconsider the vote...	No	Yes	Varies	No	Majority

POCKET GUIDES TO THE CONFLICT OF INTEREST LAW

Clip & Save*

The Top Ten Rules Municipal Employees Need to Know About the Conflict of Interest Law

10. Whether elected or appointed, paid or unpaid, part-time or full-time, you are a municipal employee subject to the conflict of interest law - even "consultants" may be considered municipal employees.

9. Don't accept brides (don't sell or trade your official actions).

8. Don't accept meals, tickets or gifts from anyone to thank or reward you for any official action you have taken or may take to influence you in any official action.

7. Be loyal to your municipality:

-Don't accept money from or represent anyone other than your municipality for work involving your municipality

-Don't accept paid, private work that is incompatible with your public position and duties.

-Don't improperly disclose or use confidential information that you obtained as a municipal employee.

6. Don't use your official position to get special benefits for yourself or anyone else that are not available to the general public.

5. Don't create appearances of conflicts of interest: Publicly disclose significant relationships or circumstances that might cause a reasonable person to think that you might be unfair or biased in your official actions.

4. Don't act on any matter affecting your own financial interests or those of family members, partners or organizations with which you have a private relationship.

3. Don't double dip. Don't accept an additional (even unpaid) municipal position before seeking legal advice.

2. After you leave municipal service:

-Don't accept money from or represent anyone other than the municipality you served if the private work involves a matter that you participated in or worked on as a municipal employee

-Strictly observe the one-year "cooling-off" rule: Don't represent or appear before municipal agencies for a private party on matters that were under your "officially responsibility" when you were a municipal employee.

AND THE NUMBER ONE RULE IS... Get Advice!

Most of these rules have exceptions. Some are simple; some are not. Free legal advice is readily available from your municipality attorney or the State Ethics Commission (617-727-0060)

The Top Ten Rules State Employees Need to Know About the Conflict of Interest Law

10. Whether elected or appointed, paid or unpaid, part-time or full-time, you are a state employee subject to the conflict of interest law - even "consultants" may be considered state employees.

9. Don't accept brides (don't sell or trade your official actions).

8. Don't accept meals, tickets or gifts from anyone to thank or reward you for any official action you have taken or may take to influence you in any official action.

7. Be loyal to the state:

-Don't accept money from or represent anyone other than the state for work involved the state.

-Don't accept paid, private work that is incompatible with your public position and duties.

-Don't improperly disclose or use confidential information that you obtained as a state employee.

6. Don't use your official position to get special benefits for yourself or anyone else that are not available to the general public.

5. Don't create appearances of conflicts of interest: Publicly disclose significant relationships or circumstances that might cause a reasonable person to think that you might be unfair or biased in your official actions.

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AND THE NUMBER ONE RULE IS... Get Advice!

Most of these rules have exceptions. Some are simple; some are not. Free legal advice is readily available from your municipality attorney or the State Ethics Commission (617-727-0060)

D. Guidelines for use of E-mail

GUIDELINES FOR USE OF E-MAIL BY MEMBERS OF GOVERNMENTAL BODIES

MIDDLESEX COUNTY DISTRICT ATTORNEY'S OFFICE
TOM REILLY, DISTRICT ATTORNEY
1998

INTRODUCTION

In light of the proliferation in the use of personal computers in recent years, it has become more common for persons, both at home and at work, to communicate through electronic mail, commonly known as "e-mail". In order to assist members of governmental bodies to comply with the Open Meeting Law in their use of this new technology, the following guidelines have been prepared. As every case will present its own set of circumstances, these guidelines must be considered general in nature. Specific questions concerning the proper use of e-mail, or other questions concerning the Open Meeting Law, may be directed to the District Attorney's Open Meeting Law Team at (617)494-4062.

DISCUSSION

The Open Meeting Law requires that "all meetings of a governmental body shall be open to the public" and that "no quorum of a governmental body shall meet in private for the purpose of deciding or deliberating toward a decision on any matter "except as provided by this section" (M.G.L. x. 39, sec. 23 A).

Thus, no substantive discussion by a quorum of members of a governmental body about public business within the jurisdiction of the governmental body is permissible except at a meeting held in compliance with the requirements of the Open Meeting Law. (Like private conversations held in person or over the telephone, e-mail conversations among a quorum of "any public business violate the Open Meeting Law, as the public is deprived the opportunity to attend and monitor the e-mail "meeting".)

Members of governmental bodies should also be cautious about communicating via e-mail on an individual basis. This is because private, serial conversations may reach a quorum of members without the knowledge of all participants. Private, serial discussions of public business involving a quorum violate the Open Meeting Law regardless of the knowledge or intent of the parties.

* Certain housekeeping matters may, of course, be communicated outside of a meeting. Questions concerning meeting cancellations and scheduling often must be discussed outside of a meeting. Similarly, requests to put items on the agenda, so long as no substantive discussion occurs, are properly communicated outside a meeting. Other proper uses of e-mail may be to permit members of a governmental body to communicate with town department heads or staff. Both members of governmental bodies and town employees, however, must take care not to utilize such communications to poll board members or otherwise engage in deliberations.

(Additionally, whenever an e-mail message is sent or received by a member of a governmental body, it is the recommendation of this office that a hard copy be created and immediately placed in a central files, where it can be provided as public record on request.)

CONCLUSION

Despite the convenience and speed of communication by e-mail, its use by members of a governmental body carries a high risk of violating the Open Meeting Law. Not only do private e-mail communications deprive the public of the chance contemporaneously to monitor the discussion, but the excluding non-participating members such communications are also inconsistent with the collegial character of governmental bodies. For these reasons, e-mail messages among members of governmental bodies are best avoided except for matters of a purely housekeeping or administrative nature.

Massachusetts Association of School Business Officials

