

**SECTION D**  
**FISCAL MANAGEMENT**

<b>DA</b>	<b>FISCAL MANAGEMENT GOALS</b>
<b>DB</b>	<b>ANNUAL BUDGET</b>
<b>DBC</b>	<b>BUDGET DEADLINES AND SCHEDULES</b>
<b>DBD</b>	<b>BUDGET PLANNING</b>
<b>DBG</b>	<b>BUDGET ADOPTION PROCEDURES</b>
<b>DBJ</b>	<b>BUDGET TRANSFER AUTHORITY</b>
<b>DD</b>	<b>FUNDING PROPOSALS AND APPLICATIONS</b>
<b>DGA</b>	<b>AUTHORIZED SIGNATURES</b>
<b>DGD</b>	<b>PURCHASING CARDS</b>
<b>DH</b>	<b>BONDED EMPLOYEES AND OFFICERS</b>
<b>DI</b>	<b>FISCAL ACCOUNTING AND REPORTING</b>
<b>DIE</b>	<b>AUDITS</b>
<b>DJ</b>	<b>PURCHASING</b>
<b>DJA</b>	<b>PURCHASING AUTHORITY</b>
<b>DJE</b>	<b>BIDDING REQUIREMENTS</b>
<b>DJG</b>	<b>VENDOR RELATIONS</b>
<b>DK</b>	<b>PAYMENT PROCEDURES</b>

**Note: Administrative Guidelines are not School Committee Policy. Guidelines are developed as a result of School Committee Policy. Such Guidelines are denoted (-P).**

## **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 and technology for budget development and management as well as for financial processes, procedures and analysis
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.

Adopted by the Reading School Committee on September 28, 2006

## ANNUAL BUDGET

The annual budget is the financial expression of the educational mission and program of the school department.

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 mission, 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.

Adopted by the Reading School Committee on September 28, 2006

LEGAL REFS: M.G.L. [15:1G](#); [71:38N](#); [71:59](#)

## **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.

In accordance with Massachusetts General Law, the School Committee will hold a public hearing on a proposed budget before it takes a final vote on a proposed budget.

Adopted by the Reading School Committee on September 28, 2006

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

## **BUDGET PLANNING**

The major portion of income for the operation of the public schools is derived from local property taxes, and the School Committee will attempt to protect the valid interest of the taxpayers. However, the first priority in the development of an annual budget will be the educational welfare of the children in our schools.

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 and technology for budget development and management.

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

Adopted by the Reading School Committee on September 28, 2006

## **BUDGET ADOPTION PROCEDURES**

Authority for adoption of the final school budget lies with the Town Meeting.

The fiscal year shall begin on the first day of July and shall end on the thirtieth day of June, unless another provision is made by general law.

The General Laws of the Commonwealth of Massachusetts also establish the following procedures pertaining to the School Committee budget:

Public Hearing by School Committee - As per Chapter 71 Section 38N of the General Laws. "The School Committee of each city, town or regional school district shall hold a public hearing on its proposed annual budget not less than seven days after publication of a notice thereof in a newspaper having general circulation in such city, town or district. Prior to such public hearing said Committee shall make available to the public at least one copy of said proposed budget for a time period of not less than forty-eight hours either at the office of the Superintendent of Schools or at a place so designated by said Committee. At the time and place so advertised or at any time or place to which such hearing may from time to time be adjourned all interested persons shall be given an opportunity to be heard for or against the whole or any part of the proposed budget. Such hearing shall be conducted by a quorum of the School Committee. For the purposes of this section a quorum shall consist of a majority of the members of said School Committee."

Adopted by the Reading School Committee on September 28, 2006

LEGAL REFS:        M.G.L. [71:34](#)

## **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.

Adopted by the Reading School Committee on September 28, 2006

## **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 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 will be responsible for seeking out and coordinating the development of proposals for all specially funded projects.

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.

Adopted by the Reading School Committee on September 28, 2006

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



**AUTHORIZED SIGNATURES**

The chairman of the School Committee, or the vice-chair when the chair is unavailable, and the Superintendent 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.

Adopted by the Reading School Committee on September 28, 2006

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

**TOWN OF READING  
TOWN GOVERNMENT  
and  
PUBLIC SCHOOL  
PURCHASING CARDS**

Use of purchasing cards will expedite Town and School purchasing and payables for isolated one-time purchases along with payment for smaller dollar items. Purchasing cards may be issued to one or more employees at the discretion of the Town Manager or Superintendent of Schools as applicable, and with the names of all users to be filed with the Town Accountant. Issuance of a purchasing card under the name of the Town of Reading or the Reading School Department is a privilege and every reasonable effort shall be made to ensure that cards are used responsibly and in a manner consistent with Town and School Department policies, guidelines and applicable laws and regulations of the Commonwealth of Massachusetts.

The Town Accountant will authorize the type of items that can be purchased on the card and the maximum single transaction limit. In any event, the purchasing card shall not be used for purchases of travel, lodging, food, or beverages, for employees or Officials. The procurement card may be used for travel, lodging, and food and beverage (but not alcohol) expenses from student activity accounts for student travel. The Procurement card may be used to register for conferences or seminars. If the use of purchasing cards is extended beyond the one year trial period, the Town Accountant will periodically establish and issue policy guidelines to purchasing card users. It is the responsibility of each purchasing card user to ensure that their respective card is stored in a secure place and that the account number is protected. A card number may be used in a secure internet transaction but shall never be written out and transmitted via email. Each purchasing card user is responsible to reconcile every transaction made within the month.

Purchasing cards may be issued to individual users at the discretion of the Town Manager or Superintendent of Schools as applicable. Each user will sign for receipt of the card. Cards are to be stored in a secure location. If a purchasing card is lost or stolen the purchasing card user will notify the Town Accountant who will notify the bank, local police department and the Town Manager or Superintendent of Schools as applicable. Replacement of a lost or stolen card will be at the determination of the Town Manager or Superintendent of Schools as applicable.

Failure to adhere to purchasing card policy and guidelines will result in revocation of card use, and the user may be subject to disciplinary action. An individual who is found to abuse the use of a purchasing card will be subject to disciplinary action up to and including termination from employment along with potentially criminal charges being filed against them. In addition the Town will seek restitution for any inappropriate charges made to a purchasing card.

The Town Accountant will establish procedures to be followed regarding the reconciliation processes. All relevant records are to be included with each statement and retained with applicable voucher records.

LEGAL REF: M.G.L. 30B

Adopted by the Reading School Committee on August 27, 2012

Adopted by the Board of Selectmen July 24, 2012

Re-Adopted by the Board of Selectmen on October 22, 2013

Revised and Accepted by the Reading School Committee on November 4, 2013

**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 cost of the bond will be paid by the town.

Adopted by the Reading School Committee on September 28, 2006

LEGAL REFS:        M.G.L. 40:5

## **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 updates from the Superintendent showing the financial condition of the school department. Such other financial updates as may be determined necessary by either the Committee or the administration will be presented as found desirable.

Adopted by the Reading School Committee on September 28, 2006

LEGAL REF: Board of Education 603 CMR 10:00

## **AUDITS**

The Town of Reading retains a certified public accounting firm to annually audit the financial statements of the Town. The financial records and transactions of the Reading Public Schools are included in the scope of this audit.

Section 3.8 of the Town of Reading's Bylaws concerns the makeup and the responsibilities of the Town's Audit Committee. As required by the Bylaw, the School Committee shall appoint one member of the Audit Committee. The Audit Committee reviews the audit plan with the independent auditor and, upon completion of the audit, meets with the independent auditor to discuss the results of the audit and the annual financial reports. The School Committee's appointment to the Audit Committee shall report the findings of the audit to the School Committee.

In addition to the audit of the Town of Reading's Financial Statements, the School Committee must arrange for and undergo an independent review of the Reading Public Schools End of Year Pupil and Financial Report in accordance with the requirements of the Department of Education.

The School Committee may also engage the services of a certified public accounting firm to audit or independently review the records and transactions of the Reading Public Schools, as the School Committee deems appropriate.

Adopted by the Reading School Committee on September 28, 2006

## **PURCHASING**

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

The Superintendent will develop and administer the purchasing program for the schools in keeping with legal requirements and with the adopted school budget.

Adopted by the Reading School Committee on September 28, 2006

Revised: January 18, 1996

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 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.

Adopted by the Reading School Committee on September 28, 2006

LEGAL REF: M.G.L. 30B

## **BIDDING REQUIREMENTS**

School officials shall be governed by the purchasing and bidding practices as required by M.G.L. Chapter 30B.

Adopted by the Reading School Committee on September 28, 2006

LEGAL REFS: M.G.L. 7:22A; 7:22B; 30B, 149, 30:39M



## **VENDOR RELATIONS**

Representatives of firms doing or hoping to do business with the school system will be acknowledged and interviews granted or not, depending on the circumstances. Personnel charged with the purchasing function will not be required to put their time at the indiscriminate use of sales personnel, who will limit their visits to staff members designated by school officials.

Adopted by the Reading School Committee on September 28, 2006

## **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 lists of bills 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 town accountant for processing and subsequent payment by the town treasurer. Actual invoices, statements, and vouchers will be available for inspection by the School Committee.

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

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

Adopted by the Reading School Committee on September 28, 2006

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