

Develop and Adopt a Budget and Assure Sound Financial Oversight

Overview

Financial resources support the delivery of education. Boards have an important role in assuring the education system has sufficient resources to achieve its mission and in providing high-level financial oversight to assure that resources are properly managed on behalf of taxpayers.

The Board must devote time each year to establishing the importance of its financial oversight responsibility and to conveying the importance of prudent management of resources by all staff in the supervisory district/union. Managing financial resources responsibly is foundational to achieving the educational mission.

Roles and Responsibilities in Budgeting and Financial Management

School Board

1. Assure focused and responsible management of financial resources both within the district and (if applicable) the supervisory union.
2. Establish policy related to budgeting and financial oversight.
3. Propose a budget and assure approval by the electorate.
4. Assure adequate internal controls have been put in place by the administration.
5. Conduct financial monitoring as required by board policy.
6. Be a good consumer of the annual audit, and the financial conditions of the school system – both long and short-term.

Superintendent

1. Create a culture of care and concern among school district employees regarding the financial resources of the district.
2. Establish procedures for lawful management and reporting of financial resources in accordance with school board policy.
3. Develop budget recommendations based on ongoing consultations with school administrators, parents, students and other community members. Ensure public hearings and informational meetings occur prior to formal adoption of a budget proposal by the Board.
4. Develop a system for internal controls consistent with GASB accounting standards.
5. Provide financial reports to the board, as required by the board's policy on financial monitoring. Ensure the board is aware of any material deviations from the budget.
6. Ensure an annual audit is conducted for every school district. Ensure the business office provides the auditor with all necessary documentation as requested by the auditor.

** Adapted from Essential Work of Vermont School Boards, VSBA p.34*

CODE F30
(Policy to Consider)

BUDGETING

Policy

The budget is a policy document that reflects the goals of the school district. It is the policy of the _____ School District to develop school budget(s) that reflect the district's goals in improving student achievement as outlined in its strategic and annual action plans and to ensure responsiveness to community needs.

Administrative Responsibility

1. The superintendent will develop an annual calendar for budget development. The calendar will provide sufficient time for:
 - o establishing budget priorities based on ongoing consultations with school employees, parents, students and other citizens;
 - o preparing budget requests by administrators and staff;
 - o budget proposal preparations by the board budget committee;
 - o public hearings and informational meetings prior to formal adoption of a budget proposal by the board.
2. The superintendent will prepare a draft budget based on the district's strategic and annual action plans and the input of school, community and board members.

Approval

The board will, after public hearings and/or informational meetings adopt a budget for consideration by the district's voters. The budget will be presented by the board for approval by the voters at the annual meeting of the district. Preparation of the board's budget presentation and other board strategies for explaining and supporting its budget will be a formal agenda item at a meeting of the board prior to the annual district meeting.

Presentation

The board will adopt a budget presentation format which:

1. reviews the accomplishments of the prior year with regard to student performance and budgetary effectiveness in addressing increased student performance;
2. clarifies budget priorities linked to student achievement adopted by the Board during the budget preparation process;
3. emphasizes cost-saving measures taken by the Board during the current budget period;
4. indicates anticipated amounts and sources of revenue from sources other than local taxation
5. compares costs and budget increases or decreases for specific programs over a period of time;
6. clearly indicates such key budgetary factors as cost per pupil, student-teacher ratios, tax rate, and state aid computations;
7. allows ample time for questions from voters;
8. explains in a clear way the relationship between the budget and the amount of taxes to be raised;
9. explains the relationship of the needed tax rate and the tax bills that individuals will receive using information developed by the State Agency of Education.

Date Warned:

Date Adopted:

Legal Reference(s): 16 V.S.A. §563 (Powers of boards)

16 V.S.A. §165 (a)(1) (Action plans)

Cross Reference: Fiscal Management and Financial Accountability

Financial Reports and Statements

Budgeting and Financial Management Self-Assessment

	Fully Achieved	Mostly Achieved	Partially Achieved	Beginning to Achieve	Don't know/ unsure
The board adopts and monitors policies related to budgeting and financial oversight.					
The board develops broad budget parameters and expects the administration to create the line item details.					
The board engages the community in setting budget priorities.					
The budget is responsive to community priorities and concerns as reflected in voter approval of the budget.					
The board assures that internal controls are in place to protect public funds.					
The board receives quarterly financial reports and assures the administration is addressing any material deviations from the budget.					
The annual audit is free from any material findings.					

**CODE F1
(Recommended)**

FISCAL MANAGEMENT AND GENERAL FINANCIAL ACCOUNTABILITY

Policy

It is the policy of the _____ School District to manage its financial affairs in a fair and open manner using acceptable financial practices and providing appropriate accountability.

Administrative Responsibilities

With the advice and consent of the auditor of accounts and the Vermont Commissioner of Education, the superintendent shall establish and maintain an accrual system of accounting for the proper control and reporting of school district finances and for stating the financial condition of the school district.

Guidelines

1. The approved budget will be the spending plan for the year. The superintendent or his or her designee is authorized to make commitments in accordance with the budget appropriations in amounts not to exceed \$_____. For expenditures in excess of that amount, or expenditures of over \$_____ not planned for in the budget, approval for purchases must be made by the board.
2. The superintendent shall have authority to transfer funds for planned expenses between two line items in the budget up to an amount not to exceed ____% of the lesser of the two.
3. The superintendent shall arrange an annual audit of accounts by a certified public accountant.
4. Employees handling large sums of money will be properly bonded.
5. Inventories of supplies, materials and instructional equipment will be maintained and reviewed on an annual basis.
6. The bidding requirements of 16 V.S.A. §559 will be followed by the board and its designees.
7. A system will be established for managing miscellaneous accounts such as fees, fines, penalties, book losses, breakage and sale of equipment and materials.
8. At the school level, the Principal will be responsible for overseeing all student accounts.

Date Warned:

Date Adopted:

Legal Reference(s): 16 V.S.A. §563 (3) (Powers of school boards)

16 V.S.A. §559 (Public bidding)

24 V.S.A. §832 (Bonding requirements)

16 V.S.A. §1756 (Indemnity and insurance)

Vt. State Board of Education Manual of Rules & Practices §3250

Cross Reference:

Budgeting

Financial Reports and Statements