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FISCAL MANAGEMENT

Effective fiscal supervision will be the responsibility of the Superintendent. The Business Manager will be the fiscal agent for the School District. In administering the fiscal program, the Business Manager will make certain that all funds are properly received, expended and accounted for. The fiscal structure of the District will comply with the statutes, rules and regulations of applicable regulatory agencies.

Goals and Objectives

Control and management of the fiscal process will be such that it will enhance the educational process of the School District.

ANNUAL OPERATING BUDGET

The annual operating budget is a systematized plan which forecasts the expenditures and the revenues of the School District on a fiscal year basis.

Goals and Objectives

The School's budget must be a financial plan for a specified period of time and must state in dollars and cents the philosophy and the policies of the School System.

The foundation of school budgeting procedures will be the educational needs of the community. On this foundation the superstructure of yearly revenues and expenditures will be erected. From this foundation long range planning of revenues and expenditures will be conducted. The annual budget will consist of:

- A. An education plan
- B. An expenditure plan
- C. A revenue plan

Priorities

The annual budget will give priority to the needs and requirements of the instructional program.

Fiscal Year

The fiscal year for the School District will be from July 1 to June 30.

PREPARATION PROCEDURES

The Superintendent will be responsible for developing the annual school budget. The budget will conform to all, legal and regulatory standards.

Deadlines and Schedules

Prior to April 15, or at least ten (10) days prior to each scheduled budget hearing of each year, the proposed School District budget for the ensuing year will be presented to the local School Board for approval. Upon approval, the School District budget will be submitted to the Public Education Department, School Budget and Finance Analysis Unit.

Prior to June 20 of each year, a public hearing will be held to fix the final operating budget for the ensuing fiscal year.

By July 1, the final operating budget will be approved and certified for the School District by the School Budget and Finance Analysis Unit.

Staff Involvement

The Superintendent will seek staff involvement, counsel, and recommendations in the development of the annual operational budget.

Public Involvement

Prior to the public hearing held to fix the final budget, for the School District, the local School Board shall give notice to parents explaining the budget process and inviting parental involvement in that process prior to the date for the public hearing.

Local Government Involvement

The Superintendent will work closely with both city and county agencies in those areas of the School budget where a mutual needs or interests exist.

BASIS OF ACCOUNTING

The School District will operate on a cash basis system of accounting. The cash basis of accounting is the basis under which revenues are recorded only when actually received, and only money actually paid (cash disbursement) is recorded as an expenditure.

In regard to expenditures, an encumbrance system of accounting shall be required. Purchase orders, contracts and salary or other commitments which are chargeable to a budgeted appropriation must be reflected as a liability against the appropriation. The unencumbered balance of the budgeted appropriation shall indicate the non-committed balance available.

Periodic Budget Reconciliation

The Superintendent will be responsible for the monthly reconciliation of the budget. The Board will be provided with monthly reports concerning the status of the budget.

Line Item Transfer Authority

The Board will have the authority to make a transfer within the operational budget if the transfer is within the same budget series. Approval of the School Budget and Finance Analysis Unit is required for budget transfers between budget series, after the Board has approved such transfers.

DEBT LIMITATIONS

The bonded debt of the School District shall not exceed six percent (6%) of the assessed District valuation.

FUND ACCOUNTING

In order to: (i) establish uniformity in the financial reporting of school fund, (ii) meet legal requirements imposed by school laws, and (iii) assure that tax revenues will be expended only for the purpose for which taxes were levied, the accounting system is organized on a fund accounting basis.

A fund is a sum of money or other resources set aside for specific purposes of the School District. The fund accounts constitute a complete entity and all of the financial transactions for the particular fund are recorded to such accounts

The following shall establish standard account funds to be maintained by the School District, in accordance with the requirements of State Board of Education Regulation Governing Budgeting and Accounting for New Mexico Public Schools and School Districts, 6 NMAC 2.2, and PSAB Supplement 1: Budget Preparation and Maintenance.

The School District may, with authority from the School Budget and Finance Analysis Unit, create funds in addition to those listed in state regulations.

Designated Fund Investments

Any uncommitted revenue which is earmarked for the designated fund will be invested to obtain the best yield possible, and leave the funds readily obtainable on a scheduled basis. Earnings from such investments will be considered as a revenue for the designated fund.

Sale of School Property

Funds obtained from the sale of school property will be considered as revenue for the School District. Such sales must be authorized by the Board and must comply with all legal and regulatory standards.

DEPOSITORY OF FUNDS

In compliance with NMSA 1978, Section 6-10-36 governing the deposit of public funds, the Board shall designate each bank and savings and loan having main or manned branch offices located within its geographical boundaries which has qualified as a public depository and shall distribute school funds to such banks or savings and loans as directed.

BONDED EMPLOYEES

New Mexico Public Schools Insurance Authority provides crime coverage for bonding all Board members, Superintendent, Business Manager, Business Office, and all other employees. Bonding amounts will meet the requirements of law. The Business Manager of the District will be responsible for bonding arrangements.

ACCOUNTING SYSTEM

The accounting system will be organized on the basis of funds and account groups as established by the Public Education Department School Budget and Finance Analysis Unit. The Business Manager will be responsible for establishing and maintaining a sound financial Accounting System.

ACCOUNTING SYSTEM

Designated Funds

The Business Manager will be responsible for tracking of all designated funds within the Accounting System.

Description and Function

The Business Manager will be responsible for maintaining descriptions and functions of all funds within the Accounting System.

Posting and Ledgers

The Business Manager will be responsible for maintaining sufficient control and supervision over the accuracy of data posted to the ledger for each fund within the Accounting System.

FINANCIAL REPORTS AND STATEMENTS

The Business Manager will be responsible for maintaining adequate accounting records for the preparation of financial reports and financial statements.

INVENTORIES

Equipment

The School District will maintain a physical inventory of equipment costing \$1,000 or more in accordance with state and federal laws and regulations. Depreciation on the physical inventory will be taken annually in accordance with GASB 34 (Governmental Accounting Standards Board) guidelines.

Land and Buildings

The School District will maintain an inventory for all land and buildings belonging to the School District in accordance with state and federal laws and regulations. Depreciation on land and buildings will be taken annually in accordance with GASB 34 guidelines.

AUDITS

The Board will enter into a contract with a contract auditor approved by the State Auditor on a fiscal year basis. The Board shall comply with the Procurement Code in retaining the contract auditor. The auditor will work closely with the Business Manager in conducting an annual audit of Business Office transactions.

Types and Deadlines

Fiscal Year - The contract auditor will audit the business records of the School System on a fiscal year basis. This audit will include all phases of the business operation including: (i) operational budget, (ii) special revenue funds, (III) inventory, and (iv) federal funds.

EXPENDITURE OF FUNDS

The expenditure of School District funds will be in conformance with state statutes, regulations of the School Budget and Finance Analysis Unit, Board policies and administrative rules and regulations.

CHECKING ACCOUNTS

The Business Manager will establish and maintain as many different checking accounts as necessary to provide efficient and accurate administration of the budget. Such accounts will include, but not be limited to, the following funds: (i) operation, (ii) cafeteria, (iii) activities, and (iv) federal.

CHECKING ACCOUNTS

Payroll

The Business Manager will establish and maintain as many different payrolls as necessary to provide accurate and efficient administration of the various accounts. Such payrolls will include, but not be limited to: operational, cafeteria, activities and federal programs. All checks shall include stubs detailing earnings data and deductions for the current pay period.

Payrolls are posted in gross to the budget accounts and matching funds are posted to the appropriate accounts.

Accounts Payable Checks

Accounts payable will be paid by pre-numbered checks. The checks shall be written by computer and posted to the budget as they are written.

Vouchers with invoices attached are prepared, checked, and approved by the Business Manager before the check is written. After verification, the checks are mailed to the payee. The vouchers are then filed numerically, by check number.

AUTHORIZED SIGNATURES

All checks shall be computer generated. The signatures of the Board President, and Board Secretary, and the Superintendent shall appear on each check. The required signatures will be scanned into the computer and printed on each check. The Business Manager is responsible for the security of the scanned signatures.

Check Writing Services

The Business Manager will be responsible for the justification and origination of all School District checks. Procedures will be developed which will provide reasonable pay schedules for all parties doing business with the Board.

PETTY CASH ACCOUNTS

Petty cash accounts must be authorized by the Business Manager. The Business Manager will be responsible for setting a maximum on new accounts and for establishing guidelines for the use of such accounts.

PAYROLL PROCEDURE

All payroll checks will be issued on a semi-monthly basis. The payroll will be computed on the basis of annual contract amounts for certified personnel and on annual and overtime basis for non-certified personnel. It will be the responsibility of the Business Manager to develop guidelines and procedures in effectively administering the payroll.

EXPENSE REIMBURSEMENTS

Expense reimbursements will be made by the Business Manager upon the receipt of an expense statement. Such reimbursement will not exceed the rate of per diem and mileage allowance approved by the Superintendent for approved school business travel of the school employee.

PURCHASING OF GOODS AND SERVICES

Purchases made by and for the Board will comply with the Procurement Code as well as applicable rules and regulations of regulatory agencies, Board policies, and administrative rules and regulations.

Purchasing Authority

The Business Manager shall serve as the central purchasing officer and will be responsible for all purchases made by and for the Board. Guidelines will be established by the Business Office for finalizing purchases.

Board Approval

Board approval will be obtained on all purchases exceeding the small purchases limitations set forth in the Procurement Code. Small purchases will be approved and processed by the Business Manager and reviewed by the Board. The Business Manager shall adopt small purchase regulations governing such procurements.

Quality Control

Purchases made by and for the Board will be of the best quality available for the funds available, and for the intended use of the material, equipment and/or service.

Specifications

The Business Manager will be responsible for the development of pertinent specifications for purchases requiring such. Specifications will be designed in such a way that prospective bidders, offerors or suppliers will have a competitive opportunity to submit a bid or proposal for such procurement.

Purchasing Guides and Vendor Lists

It will be the responsibility of the Business Manager to compile and maintain adequate purchasing guides and vendor lists for the School District. Vendor lists will be non-restrictive as long as the vendor is responsible as defined in the Procurement Code, NMSA 1978, Sections 13-1-82 and 13-1-83.

Trial Tests and Field Checks

It will be the responsibility of the Business Manager to maintain accurate data on all guarantees and warranties and to maintain sufficient control and supervision over materials, equipment and services purchased by the School District. The specifications as to the procurement shall address the requirements or conditions to be imposed on the vendor when items or services are being tested or field checked.

Guarantees

It will be the responsibility of the Business Manager to specify and obtain adequate guarantees or warranties of quality, performance or work when purchasing for the School District. Such guarantees or warranties will be administered by the Business Manager.

COST CONTROL

It will be the responsibility of the Business Manager to organize School District purchases a manner which is economical and advantageous to the School District.

Standardization

It will be the responsibility of the Superintendent to standardize as many elements of the total school operation as is feasible and practical in order to standardize purchases.

Quantity Purchasing

It will be the responsibility of the Business Manager to plan and consolidate purchases where quantity discounts are available on such items of materials and equipment used in quantity by the School District.

Cooperative Purchasing

The Board authorizes cooperative purchasing for the School District where there exists a clear advantage in such purchasing. Quality standards of the School System shall not be sacrificed in order to justify cooperative purchasing.

BIDS AND QUOTATION REQUIREMENTS

Procurement Code requirements shall be met in seeking bids or quotes.

Local Purchasing

Local vendors will be provided competitive opportunity to sell to the School District. However, all provisions of the Procurement Code will be followed.

Requisitioning

All requests for purchases for the School District will be presented at the Business Office on the system-wide purchase order. The purchase order must be approved by the immediate supervisor and the Business Manager before a purchase is made.

Contract Change Orders

After contract approval, change orders must be reviewed and given final approval by the Board.

Vendor Relations

Vendors are welcome to do business with the School District as long as the vendor is responsible as defined in the Procurement Code, is dependable in his transactions with the School District, and has not been debarred.

Sales Calls and Demonstrations

Vendors may make sales calls and hold demonstrations in the School District only upon approval of the Superintendent's Office.

PAYMENT PROCEDURES

After complete verification of the purchase by the Business Manager, a check will be disbursed to this payee. Each vendor will be paid as soon as is practical after delivery of goods or services.

Bill Payment Authorization

It will be the responsibility of the Business Manager to authorize payment of School District obligations, such authorization to be given only after all purchasing conditions of the Board and the Procurement Code have been fulfilled. A listing of monthly vouchers shall be presented to the Board for approval.

CAPITAL EQUIPMENT PURCHASING

The budget for capital equipment will be established at the time the regular operational budget is formulated. The purchase of capital equipment will not exceed the budget unless an emergency occurs. The purchase of capital equipment will comply with all of the foregoing Board policies pertaining to the purchase of goods and services. Financing of capital equipment purchases shall comply with legal restrictions applicable to long-term obligations and incurring debt.

STUDENT ACTIVITY FUNDS MANAGEMENT

Student Activity Funds are under the supervision of the Board and subject to audit in the same manner as public school funds.

Student Activity Funds shall include **all** student funds collected by District organizations including parent-school organizations and booster clubs, except those who possess a 501 (c)(3) certificate. (Ref. Policy Section JHB)

All money brought to school or earned at school by students for any purpose and in any capacity is the responsibility of the building principal. An appropriate repository for activity funds shall be established in each school building.

All funds must, therefore, be handled in a manner that will ensure reasonable protection for all parties concerned. All offices, schools, and individuals handling activity funds are subject to audit at the discretion of the Board, the administration, and state agencies.

CASH FOR SCHOOL BUILDING

All cash received in each individual building must be deposited by the next succeeding business day.

The only funds remaining in individual buildings shall be the minimum required for making change. If change for special events is needed, arrangements shall be made to pick up, use and redeposit in the same business day, if possible. If this requirement cannot be met due to the schedule of the specific event, the redeposit shall occur in the next succeeding business day.

SCHOOL PROPERTIES DISPOSAL PROCEDURE

It will be the responsibility of the Business Manager to administer the inventory system of the School District. State statutes will be followed in determining items to be included on the inventory. The Board must approve the deletion of any item from the inventory. Items to be declared surplus and sold must be approved by the School Budget Planning Unit if the value is \$5000 or more. Disposition of surplus, obsolete, or unusable, tangible, personal property shall be accomplished in accordance with the requirement of NMSA 1978, Section 13-6-1. School Budget Planning Unit approval must be requested in the disposal of land or buildings.

