

I. Roles and Responsibilities

This document has been developed to assist in clarifying the roles and relationships of the Weston School Committee, as defined by law and School Administration, as defined by policy. It will also serve to communicate how a school organization functions. It is important to understand who is doing what, as well as where, when and why so that the organizational resources are allocated efficiently and effectively. Definitions of key terms can be found at the back of this document (page 10)

A. The School Committee

Governmental and other non-profit boards differ from private sector boards. In non-profit organizations, the board or committee plays a much more active role in providing overall direction to the organization. The School Committee is an elected board that performs very specific tasks as defined by law.

Massachusetts General Law (M.G.L.) 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
- collective bargaining

School Committees establish subcommittees to focus on specific areas of responsibility. Five common subcommittees of School Committees are Fiscal Management or Finance Committee, Communications, Curriculum, Personnel or Negotiations and Policy. The School Committee Chairperson appoints members to the subcommittees. Each subcommittee, in conjunction with the Districts Administration, establishes several goals that they feel are relevant to current issues and goals established for the year by the full School Committee (these should be published in the budget document).

A School Committee approves:

Budgets
Grants, Gifts & Other Donations

Curriculum
Warrants
Revolving Funds (as allowed by law)

All 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

School Committees hire the following individuals and/or organizations:

Attorney
Superintendent
Business Administrator
Chief Procurement Officer
Secretary to School Committee

B. Overview of Management Responsibilities

Management is responsible for planning, organizing and controlling the affairs of the organization. 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 (approving curriculums, budgets, employment contracts, etc.). School 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 must be preformed. Once the assessment is complete, a plan outlining the action necessary to move the organization forward from its present state to its desired state can be developed. These plans will provide a blueprint for progress as well as provide 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 (General Ledger, Accounts Payable, Accounts Receivable, Payroll), purchasing, invoicing/collections, inventory management, delivering instruction, personnel 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 occurred 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 will provide a benchmark by which each group within the organization can measure their performance. This informational hindsight will enhance 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 the recognized plans, adherence to the approved budget and the use of the tools provided that the organization will successfully achieve the goals it establishes for itself.

A. Budget Cycle - Budget Development & Implementation Process

There are six phases in a budget cycle: planning, preparation, marketing, approval, implementation & monitoring and review & assessment. Each phase is discussed below after summarizing the roles of the School Committee and School 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 School Administration is responsible for preparing the budget in accordance with the plans and policies adopted by the School Committee and requirements imposed by Federal, State and local agencies. The committee reviews the budget to ensure that the plans and policies that were established have been funded. If there is any deviation from the plans and policies, i.e. priorities and/or initiatives were not funded; the administration should provide 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 School Committee then approves the budget and the School Administration notifies the appropriate town officials. Throughout the process the committee should market the budget in conjunction with the administration.

After the funding has been approved by the town, the administration implements and monitors the spending plan. During this phase, the administration prepares periodic progress reports to the committee and town. Once the year closes, the spending plan is reviewed internally and independently. The results are used to assess progress and identify areas that need to be adjusted based on situational changes.

1. Planning:

Once a long-range strategic plan is established, formal review occurs during late spring or summer for the next fiscal year. The review process culminates in the establishment of annual district goals and school improvement plans. The school improvement plans are submitted to the School Committee late spring for acceptance. The budget is simply the restatement of the plans in dollar form.

2. Preparation:

Once the budget is approved at Town Meeting, the data is entered into the accounting system. This information and other forms are compiled into a budget preparation packet that is distributed to administrators during the fall. Based upon school, district, and state level goals and initiatives, administrators develop a budget proposal for submission to the Central Office by mid-November. The Superintendent and Assistant Superintendent for Finance and Operations (ASFO) then review these proposals. Once the ASFO has compiled all of the data, a meeting is held with the administrative council.¹ This allows the administration time to clarify requests as well as discuss any issues and determine their options to resolve them.

In the fall, the School Committee approves their budget review calendar and the Superintendent and the ASFO begin to meet with local officials to discuss funding. The budget calendar includes the date the budget is to be published, the dates of budget workshops/reviews/deliberations, dates for public hearings, and the date set for the budget adoption. Generally, the budget proposal is published in early January.

¹ The Administrative Council consists of the Superintendent, Assistant Superintendent, Assistant Superintendent for Finance and Operations, Director of Student Services, Building Principals, and Director of Technology and School Libraries.

3. Marketing:

All budget meetings are open to the public and should be so noted in the budget calendar published in the budget document. In addition, the administration should send out a letter to town officials notifying them of the up-coming schedule. A hard copy of the budget document should be distributed to the Town Manager, Assistant Town Manager, Town Treasurer, Town Finance Committee (School Contacts), Town Library, School Committee members, District Administrators and each School Administrative Office. The proposed budget should also be posted on the Finance and Operations section of the Districts website. The Budget Calendar should be included in the budget document, as well as posted in town hall.

At the first budget review meeting with the School Committee, the Superintendent presents an overview of goals, enrollment, staffing, revenue and expenses. This is followed by a more in depth hearings designed to review the budget detail by cost center and program and seek public comment and input. Subsequent meetings are devoted to discussing issues raised at the hearings, revisiting priorities and finalizing the budget. The meetings conclude with the adoption of the budget.

Once the School Committee adopts the budget, town officials are notified. In addition, the School Committee publishes a budget mailing during the budget process to convey important information regarding district plans, goals, accomplishments and budget data. A town-wide Budget Hearing is schedule to allow the Board of Selectmen and School Committee to describe the proposed budget. The Budget Hearing is scheduled in late April or Early May.

4. Approval:

Once the School Committee adopts the budget, the school departments' budget becomes a line item in the overall town budget and submitted for approval at the annual Town Meeting.

5. Implementation & Monitoring

Once the fiscal year begins the spending plan is partially implemented. All funds and accounts are assigned to a Principal or Director to monitor and control during the year. Site based School Principals/Directors control accounts associated with their building/program. The Assistant Superintendent for Finance and Operations is authorized to transfer funds between operating accounts within the same category within the constraints of the School Committee Policy. The Assistant Superintendent for Finance and Operations maintains control over all salary, utility, district-wide accounts and revolving funds. The Director of Student Service is responsible for all special education funds. The Assistant Superintendent for Curriculum is responsible for all district-wide instructional services; this may include professional development, grants, and the general administration of curriculum related non-salary accounts.

The district abides by all procurement laws ensuring appropriate bids and contracts are awarded for supplies and services. Staff requisitions supplies and services using the purchase order system. Requisitions are approved by the appropriate Administrator(s). Once approved, they are entered into the accounting system and electronically submitted to the Assistant Superintendent

for Finance and Operations. The Assistant Superintendent for Finance and Operations 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 Assistant Superintendent for Finance and Operations then processes the purchase order. All purchase orders are authorized by the Assistant Superintendent for Finance and Operations as being in compliance with Massachusetts General Laws and consistent with the policies and requirements of the district. School Administrators receive financial reports once a month and have on-line access to their accounts. These reports reflect all expenditures, transfers, and encumbrances to date. School Administrators are not allowed to process purchase orders, which would create a negative balance in an account unless a transfer request precedes the purchase order requisition. Expenditures with an improper account code will not be processed (i.e. paper & pens can not be charged to a textbook account). The Assistant Superintendent for Finance and Operations prepares a comprehensive review of all accounts and funds for submission to the School Committee on a quarterly basis. All general operating funds that remain after the fiscal year closes revert to the town coffers as free cash.

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 (GAAP). This report is submitted to the Board of Selectmen. In addition, a separate report, The End of the Year (EOY) Pupil and Financial Report, is compiled and submitted to the Massachusetts Department of Elementary and Secondary Education (DESE) 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 information systems. This report is submitted to the School Committee. 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 district. 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 the school district. These categories include general fund and warrant articles; special revenue funds (grants, gifts and revolving); and trust and agency funds.

1. General Fund and Warrant Articles

All monies received by the District, except as otherwise provided for by statute, are deposited into the General Fund of the town to support general operations. Expenditures from this fund are subject to an appropriation by appropriate governing body: Town

Meeting. The budget, once approved, serves as the appropriation for expenditures from the General Fund.

The School District prepares an annual budget. This budget, once adopted by the School Committee and approved by the town is an appropriation from the General Fund. Warrant articles are usually requested for extraordinary one-time projects such as large technology related procurements or upgrades and facility repairs or improvements. Although, the general fund budget closes each fiscal year, warrant articles 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 should then be closed and the remaining \$5,000 would revert back to the town. The \$5,000 cannot be spent for another purpose without approval (re-appropriation) from Town Meeting.

2. 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 (pre-school, 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 from charitable foundations, private corporations or individuals must be accepted by the School Committee. Money from these accounts can only be expended for the intended fund purpose and are subject to acceptance by the School Committee. 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. Either way, a grant application, approved by the School Committee, must be 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 funds that are held by the governmental unit for a specific purpose. They are held on behalf of a private organization, individual (s) or other 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 is received by the School District and deposited into an interest bearing account. 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. The establishment of these accounts must follow M.G.L. Chapter 71 Section 47. 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. Activity Funds are established at Field, Middle and High Schools.

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 quarterly report is prepared at the end of each fiscal quarter and should involve the review of all funds and accounts. During this review process, revenue and expenditure projections are compared against what actually occurred. Then the budget may be adjusted to reflect the changes that occurred during that quarter or are anticipated to occur before the year concludes. Budget adjustments cannot affect the overall fund appropriation. 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 for in each account. 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 monthly basis. Any additional information that is necessary to fully understand the

status of the accounts is directed to the Bookkeepers or the Assistant Superintendent for Finance and Operations.

School Administrator

Expenditure reports for all funds are reviewed by School Administrators on a monthly basis. Any additional information that is necessary to fully understand the status of the financial position of the cost center is requested through the Bookkeepers or the Assistant Superintendent for Finance and Operations.

Central Office Personnel

The Central Office prepares and disseminates financial reports, processes revenue and expenditure transactions, executes line item transfers and analyzes and reconciles accounts and funds. They also work with School Administrators to close out and/or adjust encumbrances on a quarterly basis.

Payroll Personnel

The Payroll Department processes payroll in conformance with the district-staffing plan prepared by the Assistant Superintendent for Finance and Operations. They only process changes that are authorized in writing by the Superintendent, Assistant Superintendent for Finance and Operations and/or Human Resources Director.

Assistant Superintendent for Finance and Operations

The staffing plan is updated to reflect the changes that occurred over the quarter. Every effort should be made to close out purchase orders on a quarterly basis. Adjustments are reviewed by the Assistant Superintendent for Finance and Operations 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 financial report, reflecting all of the changes to all funds may be submitted to the School Committee. The report includes footnotes explaining significant variations from the original budget plan.

School Committee

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

D. Line Item Transfer Process

Transfers are an important part of maintaining financial control over the budget. Expenditures cannot 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.

Not all monies remaining on a line item of the budget represent 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. Maintaining internal control is critical; the following is a time-tested recommendation for transfer authority.

School Administrators

School Administrators can transfer dollar amounts between the non-salary accounts under their control that are within the same object category with the approval of the Assistant Superintendent for Finance and Operations, and in some cases, the School Committee.

Assistant Superintendent for Finance and Operations

The Assistant Superintendent for Finance and Operations tracks and oversees all salary accounts and will prepare transfers for salary accounts where necessary. The Assistant Superintendent for Finance and Operations maintains all line item transfer requests, initials and dates the form and sends a copy back to the originator for confirmation.

III. Definitions

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

Administrative Council – Administrative Council includes the Superintendent, Assistant Superintendent for Curriculum, the Principals, the Director of Student Services, the Director of Technology and School Libraries, and the Assistant Superintendent for Finance and Operations.

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.

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. In Weston we have the following cost centers.

Cost Centers

Three (3) Elementary Schools
(Country, Woodland, and Field)
Weston Middle School
Weston High School
Special Education
Professional Development
General Administration

Administrator

Principals

Principal
Principal
Director of Student Services
Assistant Superintendent of Curriculum
Assistant Superintendent for Finance and
Operations

Business and Other Support Services

Athletics

Technology

Buildings and Grounds

Transportation

Assistant Superintendent for Finance and Operations

Director of Athletics

Director of Technology and School Libraries

Director of Facilities

Transportation Coordinator

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.

Encumbrance – To set aside a specific amount of money for a specific purpose.

Finance – The science of managing money and other assets.

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.

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.