

# Uxbridge Public Schools



***FINANCIAL OPERATIONS  
REVIEW  
FEBRUARY, 2017***

**Massachusetts Association of School  
Business Officials**

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**SECTION 1:**  
*Report Overview*

## **Introductory Commentary**

This report is prepared based upon findings and observations from a two-day site visit to the Uxbridge School District. The primary objectives of the report are articulated in the correspondence to Mr. Kevin M. Carney, the Superintendent of Schools, which is located on page 3 of “Section 1: Report Overview.” Additionally, “Section 1” provides a “General Overview” beginning on page 5 that briefly summarizes the demographics of the region, especially as related to the schools throughout the district.

“Section 2: Report Findings” delineates observations and findings that the MASBO Review Team discovered during our visit. This section includes topics ranging from “Special Education” on page 9 through “Scheduling” on page 39. Issues requiring remediation by School District Administration are also described throughout this entire section. The recommendations for each remediation follows each of the Report Findings, and there is also a section for “Other Recommendations” which addresses areas where there are no pre-existing conditions cited. This section also contains detailed information that has been provided by various staff members, and which relates to the performance of critical responsibilities. It is provided herein with the intent that the district can simply cut and paste relevant areas and use them to create a Business Office Procedures Manual or to expand upon any current documentation that is available.

“Section 3: Technology & Information Systems” contains analysis and recommendations that address both the capacity and organization of the technology infrastructure, and the current utilization of the system’s data systems.

“Section 4: Budget Management & Document Analysis” contains extensive recommendations that are not only related to the actual structure of the school district budget, but also to budget development and management procedures, which MASBO developed for the Department of Elementary and Secondary Education and have been adopted as “promising school district practices.”

Finally, several addenda and appendices add support to our conclusions and recommendations.



Massachusetts Association of  
School Business Officials, Inc.  
Affiliated with the  
ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

Uxbridge Public Schools  
21 South Main Street  
Uxbridge, MA 01569  
Attention: Mr. Kevin M. Carney, Superintendent

Dear Mr. Carney:

On behalf of the MASBO Review Team and the MASBO Board of Directors, I would like to thank the staff, and administration of the Uxbridge School District and the Department of Elementary and Secondary Education for affording us the opportunity to conduct this Financial Operations Review. I am especially grateful to your administrative assistant, Judi Lanoue, who was extremely helpful to us in preparing for the review. She devoted large blocks of her time in order to assist us in obtaining the information that we needed to conduct a thorough review and her help was simply invaluable to us.

The Review Team recognizes that the two-day site visit was an imposition, and we are certainly appreciative of the hospitality, cordiality, and cooperation that was afforded to us.

During my initial discussions with you, we established the primary objectives of the review, which were:

- To review current business office practices for the purpose of determining their alignment with the statutory requirements of the Commonwealth that pertain to these procedures.
- To assess the effectiveness of the district's processes associated with budget planning and development, financial reporting, payroll and accounts payable, and cash management and determine whether the current central office staffing level is appropriate.
- To review food service staffing, accounting and recommend improvements.
- To review current contracts including copiers, transportation and janitorial services and provide recommended improvements.
- To review the current procedure pertaining to the management of student activity accounts and revolving accounts.
- To acknowledge strengths, identify weaknesses, and recommend improvements to the critical financial systems of the school district.

- To review the IT capacity, infrastructure and organization in order to determine if it is adequate to support effective administration, operations and instruction.
- To review the current state of data systems and integration in order to determine whether changes are needed in order to increase efficiency and reduce error.

This review process also involved the completion of a Self-Assessment, and a copy of this document is enclosed as Appendix B.

The Review Team conducted interviews with the following individuals during its two day site visit: central office administration, high school administration (principal), elementary and middle school principals, interim business administrator, payroll and human resources, transportation personnel, town hall officials, school committee members, food service supervisor, business office staff, special education personnel, extended day program personnel, technology director, support staff that oversee the student activity account, athletic director and the student activities account supervisor.

We also reviewed budget planning, development and management processes, financial reporting, and procurement processes.

The result of this site visit review and document analysis is compiled in the enclosed report. I sincerely hope that you find the information contained herein beneficial for your purposes. Please contact me if you require any additional clarification regarding any aspect of this report.

Very truly yours,

John A. Crafton

MASBO Leadership Development & Training Coordinator



## General Overview

Uxbridge Massachusetts is a town in Worcester County, Massachusetts first settled in 1662, incorporated in 1727. The town population is approximately 13,892 and the town has 29.5 square miles of land and 0.8 square miles of water for a total of 30.4 square miles in total. The town is located 36 miles southwest of Boston MA and 15 miles south-southeast of Worcester MA at the midpoint of the Blackstone Valley National Historic Park.

Uxbridge is governed by an Open Town Meeting form of government. The Town has a Board of Selectmen which is made up of five members and are elected for three year terms. The Board of Selectmen hires a Town Manager who is responsible for the day to day operations of the town.

The School Committee is comprised of seven members who are elected every three years on a regular basis. The Chairman and Vice Chair are voted on annually by the School Committee. The School Committee meets 2 times a month for regular meetings. The Uxbridge School Committee has 3 sub committees which include:

- Policy Subcommittee: Consisting of three members which meet on a regular basis. They meet when policy changes are needed or requested to be reviewed.
- Budget Subcommittee: Consisting of three members which meet once a month usually during the months of October-May.
- Negotiations Subcommittee: Consisting of three members which meets one year prior to the expired contract and any time after that until the contract has been settled and adopted.

The committees are set in place at the yearly organizational meeting. This meeting usually takes place immediately after the election. The Chairperson is elected by the School Committee members on an annual basis.

The FY17 school department budget was funded at \$20,637,809 of which \$9,200,000 was Chapter 70 funding and \$11,400,00 was local aid. The FY17 School Department Budget represents 49.9% of the total Town FY17 budget. The FY18 School Department Budget request is \$22,106,329. The FY18 budget request represents a 7.11 % increase above FY17 or a \$1,468,557 increase.

The Superintendent of Schools was appointed July 1, 2012 and has worked in the district for 4.5 years. The School Business Manager was appointed on August 2, 2016 and has worked in the district for 4 months.

The Uxbridge Public School District has four schools; two elementary, one middle school and one high school. The two elementary schools are the Taft Early Learning Center which houses grades Pre-K through grade two (enrollment 481) and the Whitin Elementary School which houses grades 3-5 (enrollment 411). McCloskey Middle houses grades 6-8 (enrollment 422) and the Uxbridge High School houses grades 9-12 (enrollment 482) for a total district enrollment of 1850 students.

The Town of Uxbridge and Uxbridge Public Schools have a written Net School Spending Agreement (NSS Agreement) as required by state regulation.

Each school in the district has a School Improvement Plan, which is developed annually at the building level, reviewed by the Superintendent and approved by the Uxbridge School Committee.

The school district also has a Strategic Plan; the Town does not. All School Improvement Plans, which are aligned to the annual district goals and district strategy overview, are reviewed by the School Committee and the Budget Subcommittee at the outset of the budget development process. As the School Committee determines the budget it wishes to develop (i.e. needs based, level service or level funded), the committee will determine budget goals to meet the needs of schools and programs.

The Uxbridge School District Strategic Plan becomes part of the budget planning discussion. The district is in the process of completing a new Strategic Plan for 2017-2020.

Uxbridge High School had a graduation rate of 97.54% of its senior class and a dropout rate of 2.46%. Eighty-two percent of the graduating senior class goes on to further their education, 3% enter the military and 13% enter the work force.

The Department of Elementary and Secondary Education (DESE) End of Year Report (EOYR) was completed on time and submitted on time.

The school district participates in the Town's Municipal Financial Audit annually. The last End of the Year Pupil and Financial Report was performed by Melanson and Heath Accountants and Auditors of Andover, MA and dated August 28, 2014. Seven findings were noted.

**Central Office Administration currently has the following staff configuration:**

- Superintendent of Schools
- Director of Curriculum, Assessment and Instruction
- Business Manager
- Director of Pupil Services
- Plant Facilities Manager
- Food Service Director
- Administrative Assistant to the Superintendent
- Administrative Assistant to the Director of Pupils Services
- District Personnel Administrator
- Financial Support Services Administrator
- Administrative Assistant for the Business Office (Accounts Payable)



***SECTION 2:***  
***Report Findings***

## **Special Education**

The Special Education Director was appointed to the position in August 22, 2016. The Special Education Director has worked in the district for a total of 4 months.

The Office of Special Education has the following positions:

- Director of Pupil Services (1)
- Administrative Assistant (1)
- Team Chairs (3.4)
- SLP (3.8)
- SLPA - not available (1)
- PT (.8)
- OT (1)
- COTA - not available (2)
- Sped Teacher - Inclusion (22.6)
- Sped Teacher - Substantially Separate
- Paraprofessionals: ABA Techs/Autism Integration Specialist (45.9)
- BCBA (2)
- Adjustment Counselors - not available (4)
- School Psychologists (1.6)
- CONNECT Classroom Teacher

The Uxbridge Public Schools services 263 students who are currently on active IEP's. The district additionally has 26 students who have been placed in an out of district setting. The Special Education out-of-district budget is approximately \$2.6 million. The district has a Special Education population of 15%.

The school district received \$591,704 in Circuit Breaker money. Medicaid monies are monitored and processed through the school department. The Town receives \$129,141 and keeps the full Medicaid reimbursement. The school district and the Town of Uxbridge do not have an agreement that provides for the sharing of the Medicaid reimbursement money. The school district compiles the information, sends the report to the Medicaid Services Billing for processing and submission to the state. In addition, the school district pays for the processing of documents and provides the man hours required to complete the paperwork for reimbursement.

The Special Education Program pays approximately \$530,116 a year for Special Education Out of District Transportation and \$178,747 a year for In District Transportation. The district belongs to the Southern Worcester Educational Collaborative which does provide Out of District Special Education Transportation. The

26 Out of District students attend programs in either a private or collaborative setting. The school district sends students to the following programs:

1. SWCEC - Grow School
2. Devereaux
3. Dr. Franklin Perkins
4. Am. ego, Inc
5. Learning Prep
6. Learning Center for the Deaf
7. Groden Center
8. NECC
9. Bi-County; North Attleboro
10. Keough Memorial Academy
11. Wayside Academy
12. You, Inc.
13. League School
14. Center for Applied Behavioral Learning
15. Cardinal Cushing
16. Boston Higashi

The Special Education Department meets once a month with the Business Manager/ Business Office to reconcile and forecast the financial requirements of the SPED Department for the current fiscal year and project the financial requirements for the next budget year. The SPED Department does not have a SPED Operations Manual. The school district received \$591704 in Circuit Breaker money. The SPED department is focused on developing programs that will bring students back to the district. There is also an interest in reducing 1:1 monitors as well.

### **Special Education - Recommendations**

We recommend that particular attention be paid to the following areas which can have a major impact on the budget. Some of these general recommendations are applicable to all districts, and in this regard, they should not reflect upon the Special Education department in a negative manner. The full spectrum of recommendations provided herein is meant to be used as a blueprint or guide for the Special Education department in the implementation of their operational procedures. Uxbridge's percentage of budget spent on Special Education is significantly above the state average and implementation of these recommendations will help correct this trend.

- Carefully monitor out-of-district placements concentrating on keeping students within the district or the neighboring collaborative organizations where possible. Assure that control of placements does not reside with subordinate staff.
- Continue to focus on the development of in-district programs, where needed, to cost effectively reduce out-of-district placements. Encourage SWCEC to do likewise in the development of programs that would benefit their member districts. Assess whether BICO would be a better fit for Uxbridge in this regard.
- Continue the model of using Board Certified Behavior Analysts.
- Convene regular meetings (perhaps monthly) with the Business Manager in order to review the Special Education budget and project the status of said budget as of June 30, the end of the fiscal year; and most importantly, carefully monitor the accuracy of staff listings and positions.
- Maximize claims to funds available through programs such as Circuit Breaker, Medicaid Reimbursements, and Extraordinary Relief.
- Medicaid receipts are not shared with the School Department in Uxbridge. While this process complies with state law, we note that many municipalities share these receipts (which are reimbursements of school expenditures) with the schools. We recommend negotiating with the municipality to share Medicaid receipts with the school district. It is our finding, in other districts, that those towns that receive a portion, or all, of the Medicaid receipts from their respective municipality do a more thorough job of applying for them.
- As a priority item, we recommend establishing a process for tracking invoices and reconciling them with Accounts Payable. Also, the district should institute a procedure for the regular and frequent review of open purchase orders, especially in the area of contracted services. This should have a positive impact upon the Special Education budget by freeing up money that is “locked into” purchase orders, but due to circumstances such as the cancellation of services has been “freed” and can be made available to support other areas of the budget. It is imperative that encumbrances and purchase orders be used for all procurements. Tuition and service contracts should be encumbered for the annual cost of the contract with the encumbrance adjusted as payments are made or changes documented.
- Work with contractors, other districts, and the collaborative organizations to maximize the efficient use of out-of-district special needs and McKinney-Vento transportation. Utilize the DESE ride-sharing database that has been recently developed for the purpose of reducing transportation costs. Utilize SWCEC’s transportation services where feasible. Assess whether BICO would be a better fit for Uxbridge in this regard.
- If it is necessary to outsource evaluations, the director must carefully monitor the evaluators.
- Attending to data collection and reporting for the Circuit Breaker submission. Develop methods to aggressively capture Circuit Breaker data for in-district high cost placements. This can be accomplished by consulting with Special Education Directors in other school districts.
- Where appropriate, current fiscal year Circuit Breaker income should be reserved until the next fiscal year as a reserve for unanticipated placements. Carefully monitor and continually project special needs tuition costs. This information should be frequently communicated to the Business Manager.
- Scrutinize each special transportation decision to assure that it is only provided where appropriate and in a “least restrictive” manner.

- Assure that para-professionals assigned to individual students are properly reassigned when the student leaves the system. It was reported that Uxbridge had too many para-professionals, but there is evidence that the district is addressing this problem. In 2015 Uxbridge's per pupil cost was almost double the state average.
- The departments should develop a written internal controls manual addressing the above.

### **Transportation**

The Uxbridge Public Schools does not have a Transportation Director. On a daily basis approximately 1,458 students are transported on contracted school department transportation. Vendetti Motors of Franklin MA has the regular day school transportation contract for the Uxbridge Public Schools. The bus contractor uses the bus route software VersaTrans for creating district bus routes. Regular day transportation uses 12 buses and two mini buses for SPED. The two elementary schools travel together as do the middle school and high school. The longest bus route is approximately 40 minutes.

Special Education transportation is parceled out to several different contractors including:

- Mark's Transportation
- Jen's Transportation
- Travelers Transportation
- Van Pool
- Nancy Duval (in-district driver)

There are 58 in-district SPED students transported on a daily basis and 24 Out of District SPED students transported daily. The Uxbridge Public Schools does not own their own transportation fleet. The daily rate of a regular school bus per day is \$385.00 with a fuel adjustment clause provision. The total cost for regular, SPED and the fuel adjustment clause for this year is \$1,129,223.

### **Transportation - Recommendations**

- The District should assess the number of bus routes scheduled by the private contractor. Since bus companies are usually paid by the route, there is little incentive for them to minimize the number of routes needed. The district should seriously consider assuming the responsibility of developing the routing system itself. There is excellent software and consultants who are available to assist in this regard. The elimination of unnecessary routes can save significant revenue for the district.
- Before rebidding the transportation contract the district should thoroughly review contract language that may be discouraging competition or causing unnecessary costs.
- Actively solicit vendors to bid against the incumbent transportation company. Uxbridge's daily rate per bus is higher than most in the state.



- Consider instituting a transportation fee. Many districts charge a fee for any school bus transportation not required by MGL Chapter 71, section 68.
- Investigate whether purchasing special needs vehicles could yield additional cost savings.

## **Accounts Payable**

The Interim Business Manager is new to the business position and considers the bidding process/Chapter 30B an area he needs to work on. The Business Manager has not participated in the Inspector General's Office MCPPO training. The budget managers (i.e. principals, PPS director, etc.) submit POs to the business manager, who in turn, posts them. A requisition becomes a PO when the budget manager (principal, etc.) approves it. Upon receipt of the invoice, it takes approximately 30 days to process, depending on how quickly the goods /services are received. The Town Accounts' Office cuts all checks.

A warrant is generated weekly. Daily batches are submitted to the Town Accounts' Office and the batches are combined by the Town Accountant into a warrant that is signed by the School Committee weekly. The school district does not create special warrants. Signatures required in order to process a warrant are the Business Manager, School Committee Chairman and three School Committee members.

### **District Accounts Payable Process:**

- **Mail:** Purchase Orders from the schools marked “ok to pay” are received via interoffice mail. They are date stamped and put in the appropriate school folder in the top left hand drawer. Occasionally an invoice will be attached to the PO, so check for that and those can go directly into the red signature folder. Invoices received in the mail are date stamped, PO# and School are highlighted, and then matched with the POs in the corresponding school’s folder. If there isn’t a PO marked “ok to pay”, the invoice is placed into that folder. If the PO marked “ok to pay” has not been received within a week, an email is sent to the Building Secretary to request they send over the PO. It is possible they haven’t received all the goods or services or there is an issue with the order. Note each invoice with the date the email was sent. If you have a PO with no invoice after a week, check Vadar to see if it was already paid. If not, the vendor should be contacted to request the invoice.
- **Special Ed** invoices are put into Pupil Personnel mailbox for the SPED Director’s signature. These will be returned to you with a copy of the PO attached. These invoices are then put in the red folder for Business Manager’s signature.
- **District Transportation** POs are created by A/P. These invoices are then put in the red folder for Business Manager’s signature.
- **Facilities** invoices are put into Facility Director’s mailbox. He will sign and return the invoices to A/P. A/P creates Purchase Orders, prints POs and attaches them to the corresponding invoice. Invoices with POs attached are then put in the red folder for Business Manager’s signature. Building Maintenance has several blanket POs for Koopman, Elevator Services, etc. Copies of these POs are in a folder in the top left hand drawer of the A/P desk. Or you can check VADAR to see if there is a PO open for that service.

- Food Service. Invoices are given to Food Service Director. The Food Service Director submits all invoices once a month with a cover sheet of totals by Vendor. These are entered directly as vouchers. Be sure to reconcile the totals on the cover sheet with each voucher.
- Utilities: There are Blanket Purchase Orders for all utility accounts. All utility invoices are entered on a spreadsheet located U:/Accounts Payable/Utilities/FY17 Utility Expenses.xls. Enter the amount of the **current charges** in the spreadsheet which is listed by Vendor then Account #. The PO# for each account is also listed on this spreadsheet. Write the corresponding PO# on the utility invoice and put in the Business Manager's signature folder. The only exception to this is National Grid. These are paid by the Town Accountant's Office. National Grid invoices are put in the Business Manager's signature folder, scanned then sent to the Town Accountant.
- Postage and Copier Leases are paid out of the School Choice-In account. POs are created when these invoices are received. Copier Leases are with the following vendors: Wells Fargo, US Bancorp, and Northeast Copier. Postage Lease is with Pitney Bowes. Be sure to use the Pitney Bowes Leasing Vendor when creating the PO.
- Amazon Statement with invoices are received once a month. Attach POs received back from the schools with "ok to pay" to the statement and put in Business Manager's signature folder for approval. Check KVS to make sure POs are open and invoices have not already been paid.
- Employee Reimbursements need to be signed by the Principal/Director and the Superintendent. Then a PO is created by A/P. If it's the Estimated Costs prior to expenditure, create the PO, attach to Reimbursement Request Form and send back to the Principal/Director. If the employee is submitting the final actual costs, be sure the Principal/Director and Superintendent has signed that section of the form and put in the Business Manager's signature folder for final approval.
- Superintendent /Curriculum Director: A/P creates and processes all Purchase Orders for the Superintendent and Curriculum Director. Legal bills are signed by the Superintendent prior to A/P creating a PO.
- Grants and Gifts and Donations: POs are also created by A/P.
- Student Activity: PO requests are given to the Town Accountant's Office for processing.
- Refs/Umpires: The Athletic Director sends in a packet with a Game Management Cover sheet, signed by the AD and UHS Principal. Refs are paid out of HS Game Management Account until that is depleted then they are paid out of the Athletic Revolving Account. Ref payments are processed directly as vouchers after signed by the Business Manager.
- Coaching Stipends: Payroll Administrator pays ALL coaching stipends.
- Athletics: All other athletic POs are entered by the UHS Secretary. Forward any Athletic invoices received directly to the Athletic Director for signature.

- Statements: Review statements by reconciling with VADAR. Note any invoices that have not been received and contact the vendor for invoice copies. There is a statement folder in the top left hand drawer of the A/P desk. No payable can be processed off of a statement, only an invoice.
- Koopman Statements: Koopman invoices are emailed and go directly into a Koopman folder in the A/Pemailbox. When the Koopman Statement is received, A/P prints the emailed invoices for that month and reconciles with the statement. Attach invoices to the statement, print the Blanket Koopman PO and give to Facilities Director for signature. Check to see if any of the invoices are for UHS (the name of the purchaser is on the bottom of the invoice). UHS invoices are sent interoffice to UHS for signature.
- Warrant Processing: Once all signed invoices have been entered print Voucher Detail Report and place on the stack of entered invoices by **3:30PM on Monday**. Place the warrant on the desk by the fax machine for signatures. Warrant needs to be signed by the Business Manager, School Committee Chairman and three additional School Committee members. Warrant needs to be in the Accounting Office by 11:00AM on Wednesday mornings.

Open PO Reports: On a quarterly basis, run a Purchase Order Detail Report. Go through the reports and

1. Close out any POs you know will not have any more invoices
2. Highlight what you would like the Building Secretary to update you on.
3. Call vendors for open invoices

#### SPED Account Reconciliation

1. Run General Ledger Report using Transportation or DW P&T Account Table
2. File Export to Tab Delimited
3. Save File as: add .xls at end to put into excel
4. Sort VADAR Report and SPED BUDGET Spreadsheet by Vendor
5. Match entries on GL Report to SPED BUDGET Spreadsheet

### **Purchase Order Process**

#### **(Building Level)**

Processing requests from teachers or staff members, must include shipping costs. If teachers are ordering from a catalog or online they must request a quote from the vendor to be sure that pricing is accurate. Requisitions are hard copy and purchase orders are electronic. The Accounts Payable and Payroll Coordinator report directly to the Business Manager. The following is the purchase order process:

- Building secretary enters Purchase Order Pending in VADAR
- Building Principal or Budget Manager Approves/Commits PO then email the Business Manager
- Business Manager posts the Purchase Order
- Building Secretary Prints the Purchase Order
- Building Secretary emails, phones or Faxes in the order
  - **The only exception to this is for dues/memberships/conference registration/employee reimbursements or any other remittance that needs to be mailed with a check. Please just send your PO with all backup and approvals to Accounts Payable for processing.**
- Do not order anything prior to approval of your PO by the Business Manager.
- When you receive shipment of the order you placed, send the original packing slip attached to a copy of the Purchase Order and all backup initialed and marked “OK TO PAY” to A/P for payment processing.
- If you have made an error while entering or need an adjustment on a PO and realize this after it is posted, please contact Judi to edit or adjust the PO.

**New Vendor Set-up:**

Request a completed/signed W-9 from the vendor. Forward W-9, phone, and fax number to A/P office via email to Accounting.

**Amazon.com ordering process**

For Building Secretaries:

All orders need to have a PO before order is placed.

1. Place items in the cart
2. Print Cart and create Purchase Req.
3. When a PO# is issued go back to your cart
4. Proceed to check out and put PO# in appropriate field
5. Confirm the ship to address as part of your checkout process

**Hannaford Card Process**

- There will be one card per building to include: UHS, McCloskey, Whitin, Taft, 15 Mendon, Food Service Director and Day Care Director.
- The card will be kept with the Building Secretary at each building.
- Prior to making any purchases, make sure there is an open Purchase Order for Hannaford.
- The purchaser will sign out the Hannaford card with the Building Secretary. (sign in/out sheet attached)
- The purchaser goes to Hannaford then returns to the building and gives the Building Secretary the original receipt with a copy of the Purchase Order, and signs the card back in as returned.

- The Building Secretary will scan the receipt and PO and email it as an attachment to Central Office Accounts Payable. This provides electronic record of submission.
- The Building Secretary will then send the original receipt attached to the PO via interoffice mail to Central Office Accounts Payable.
- All scan receipts will be kept by Central Office Accounts Payable to assist in reconciling the monthly Hannaford statements.
- If the card is lost, please notify Accounts Payable ASAP, so the card can be deactivated and a new card issued.

The Accounts Department does have a Accounts Receivable/ Payable Manual which is part of the Employee Procedure Manual.

### **Accounts Payable - Recommendations**

We found that the Vadar accounting software was not serving the needs of the accounts payable system (see detail elsewhere in this report). If the software can't be replaced, we recommend extensive training to understand its limitations and abilities. Duplicative procedures need to be eliminated, and a cross-walk between the Town's chart of accounts and the DESE chart of accounts needs to be developed.

As noted above, the Business Manager considers the bidding process an area that he needs to work on. We strongly recommend that he enroll in the Inspector General's courses that lead to MCPPO certification.

The following is a list of other Purchasing / Accounts Payable efficiency improvement procedures:

- It is imperative that all purchases are subject to the development of purchase orders, and that the orders be encumbered, and that there is online access to the status of these orders and budget line items. Particularly in the Special Needs area, annual contracts should be encumbered for the annual total with the encumbrance reduced as payments are made.
- We recommend that the business office investigate emailing purchase orders to vendors.
- We recommend that the business office periodically review all open purchase orders and take appropriate actions to close them.
- When purchases are made without a purchase order, the vendor payment time can become excessive, leading to dissatisfied vendors, as well as, wasted time with extra communication and review.
- We recommend that open purchase orders be created for those vendors providing maintenance supplies and other such materials rather than using confirming requisitions. In general, all purchases should have purchase orders that authorize the payment of an invoice.
- We recommend that a system be devised in the financial software packages to prevent multiple purchases to a single vendor reaching an amount exceeding the Chapter 30B limit of \$35,000 and above.

- We recommend that all business office staff, including payroll, be cross-trained so that illness or short notice departures safeguard the financial integrity of the operations.
- The Business Manager should develop and maintain a procedures manual that is followed by the staff.

## **Payroll**

The school district does have a Payroll/Personnel Administrator. If Payroll/Personnel Administrator is out there is another individual who is cross trained to cover the absence. There are 346 employees paid through the school department payroll. The pay options for teachers is 26 pays September-August with a lump sum option. Attendance is tracked through the IPASS software program. There are three maintenance employees on the school department payroll and no custodians. Custodians report to the Plant Manager.

The Payroll/Personnel Department is developing a procedures manual for their area. The Payroll/Personnel Administrator feels the following are considered to be best practices:

- The auditing between the Town and the school department
- Procedures for posting and hiring
- The maintaining of records and technology based software
- The direct deposit requirement for all staff
- To reduce cost the district has moved from weekly to bi-weekly payrolls

The payroll is reconciled bi-weekly with the Town. The Town will not advance the payroll process if it is out of balance. The school district confirms the accuracy of the postings on a monthly basis. Payroll forecasting is done by the Payroll/Personnel Administrator by reviewing Expenditure Reports and Bi-weekly forecasts against actual and forecasts. The district does have a mid-year salary increase for 2016-2017 which pay is set at a contractual rate for the for days 1-45 and an increase from day 46 forward. The Town of Uxbridge subcontracts their Accounts Department two days a week with the Town of Millville. On Fridays the Accounting Department is closed.

### **The following is the Uxbridge Public Schools payroll process:**

- A form is attached with all pertinent payroll paperwork and sent to Payroll at Town Hall level.
- New employee is set up in IPASS and given an email address by Superintendent's Office and Technology Dept.
- New employee is added to payroll roster after confirmation of salary and numbers of pay.
- A file is generated for employee personnel file.

## **Payroll – Recommendations**

The payroll process is very paper heavy with much duplication. Consideration should be given to placing more emphasis on the use of computers at the cost center level as a way of automating and improving the efficiency of the entire process. One of the goals would be to eliminate manual timesheets.

The automated substitute service should be used to properly track employee absence data and integrate it with the payroll and EPIMS data bases,

It is our understanding that the School Department payroll manager only partially processes the school payroll, while the Town actually manages the payroll. We recommend that the entire payroll be managed by the schools. This would be more efficient and would enhance the School Departments control of its payroll budget and staff financial records.

We recommend encumbering payroll, if possible, in the accounting software, and that the software be used to make monthly payroll projections. School administration should attempt to make direct deposit mandatory and develop an online “check stub” so that paper online deposit slips do not need to be distributed.

A School Committee member should be approving payrolls in compliance with Massachusetts statutes.

We believe that payroll and human resource activities should be kept separate as much as possible with payroll coming under the Business Manager and HR coming under some other administrator such as the superintendent or curriculum director.

We recommend that Human Resources should be responsible for tracking attendance, sick days, personal days, etc. and should notify payroll when limits are reached and employee pay is to be adjusted. HR should also notify principals of “problem” attendance trends.

### **Human Resources**

The Uxbridge School District does not have a Human Resources Director. The district has a Payroll and Personnel Administrator who has been in the position for twenty- two years. The Uxbridge School Department has an FTE count of 241 which includes: teachers, specialists, paraprofessionals, building secretarial staff, food service managers, permanent building substitutes, computer technicians, administrators and central office support. Part Time: 32 which includes; teachers, specialists, paraprofessionals, cafeteria workers, day care workers, USD bus drivers and crossing guards.

Employee records are maintained in the Central Office. The Administrative Assistant to the Superintendent is responsible for maintaining/ overseeing teacher licensure. Since Payroll and Personnel are one in the same; all payroll functions in addition to assisting staff members with any changes and /or paper work related to health insurance and benefits are done in that office. Teachers are evaluated according to the teacher



contract. Grievances, legal issues and contract negotiations are handled by the Principals, Superintendent and the Union, when applicable.

The Superintendent's Administrative Assistant applies and maintains CORI for the district. The Payroll and Personnel Administrator is responsible for maintaining the district personnel list. The district personnel list is updated bi-weekly against payroll rosters. The Business Manager manages the data base of all professional and support staff and the positions, FTE's, steps, columns, longevity and pay rates. The Superintendent's Secretary is responsible for maintaining and keeping current the district personnel lists. The school district uses the following when advertising for available job openings:

- Posted at Town Hall
- Posted in Central Office
- Posted in the Schools
- School Spring
- emailed to the school district staff
- Newspaper if necessary

### **Human Resources – Recommendations**

As mentioned under payroll we suggest that the district consider designating a central office administrator, other than the Business Manager, as the administrator of Human Resources – thus creating a desired separation of duties from the payroll function. While reorganization would have to be analyzed by Uxbridge's senior staff, we make the following suggestions. Two of the major responsibilities of a modern school HR director are professional development and teacher evaluation. We are not aware of who has those duties in this district. We would transfer the following duties from the Business Manager; benefits, new hire functions, contracts, interviews, licensure, grievances and any other duties perceived as non-financial HR. The Director of Finance would still have a major role in the financial analysis of benefits and contracts, but would give up the non-financial and administrative HR responsibilities.

On the clerical side, the HR staffer would manage the function for the senior administrator and would relinquish any current finance office responsibilities. He / she would, however, be cross trained for those positions. Likewise, the payroll coordinator would relinquish current HR duties, but be cross-trained to cover for the HR staff.

We recommend that the HR staff be responsible for tracking attendance, sick days, personal days, etc. and should notify the Superintendent and Principals of any "problem" attendance trends as well as when limits are reached and employee pay is to be adjusted. The statistics accumulated by the attendance software (sick days,

personal days, etc.) should be disseminated to the staff on a regular basis. The automated substitute service should be used to properly track employee absence data and integrate it with the payroll and EPIMS databases, The Payroll Coordinator should be able to perform these functions if necessary.

### **Health Benefits**

Health benefits are handled by the Town Payroll Benefit Office. The employee/town split on health insurance is 30% employee and 70% town. Insurance (health and life) payments made by the Town on behalf of the school department employees are charged back to the schools through Net School Spending.

There was no evidence of a method for reconciliation between the Town and the Schools as to the number of employees enrolled in the health insurance programs and how school department retirees were monitored as part of the health benefits program. No documentation was available to the school department which could verify current, retired or deceased school department employees enrolled in health insurance programs.

### **Health Benefits – Recommendations**

The Town and School Department need to jointly develop a system for reconciling the health benefits charged to the Schools with the personnel records of the Schools. At present the Schools cannot verify which current, retired or deceased school department employees are enrolled in health insurance programs.

### **Review of Job Descriptions**

In discussion with administration and during staff interviews it was evident that most positions have job descriptions, but not all job descriptions are current. The Business Manager stated that several positions are in need of revision. Several administrators are working on that project. Positions which have had changes recently or in the past should accurately reflect the duties and responsibilities of that position. Employees are being evaluated annually or in accordance with contract language. Job descriptions that were provided as examples were well written and complete.

### **Review of Job Descriptions - Recommendations**

At minimum, some positions have outdated job descriptions. Those job descriptions do not necessarily reflect the duties being performed by an employee. The district needs to update outdated job descriptions to reflect new assignments and responsibilities of employees.

All position descriptions should be in accordance with ADA requirements including the level of education and expertise required to perform the role. Each position description should clearly spell out the

tasks required to perform the job including knowledge of technology programs such as Excel or Word. Accurate job descriptions ensure that staff members know and are capable of performing all tasks required of them; and consequently, should contain an elucidation of physical requirements. Evaluation Standards should also be stated in the job description.

### **School Business Office**

The Business Office is made up of the following positions:

- Business Manager
- Accounts Payable Administrative Assistant
- Payroll Administrator
- Financial Support Services Administrator

The Business Administrator and the Town Treasurer meet on an annual basis or as required. The Business Manager is licensed by DESE as a School Business Official. The Business Manager is not designated by the Inspector General's Office as being Massachusetts Certified Public Purchasing Official (MCPPO).

Currently the Business Office does not have a Business Procedures Manual, but one is currently being worked on. Business staff are not cross trained to take over another employee's position if the situation required it.

The revolving accounts are over seen by the Business Manager, the Accounts Payable Administrative Assistant and the Town Treasurer. A report is submitted to the School Committee monthly for their review. The district does not have an internal audit system for the review of revolving accounts or the Student Activity Accounts.

### **School Business Office – Recommendations**

We did not find a policy on budget transfers. We recommend that a policy be created in accordance with the memo from MASC (see Addendum C). In addition, clear procedures based on the policy should be developed for the business office and included in a written procedures manual.

The Business Office does not have a written business office procedures manual. Other departments, such as athletics and food services, should also have procedure documents. We recommend that these several documents be included in a Business Office's Procedures Manual and that additional procedures be developed as part of this manual. We recommend that the business office assure that existing cash handling procedures are consistent and are being followed by the Athletic Department, Food Services Department, Student Activity Account managers, and other like activities. MASBO has a library of over 30 procedures manuals that can be referenced in this respect.

An alternative to creating a separate business office procedures manual would be to include all of the recommendations for the business procedure manual to be included in the full, district procedure manual.

In addition, the Policy manual should call for all employees handling funds to be bonded. While these employees may be bonded, we recommend that the School Department check with the City's insurance advisors and obtain the necessary bonding if they in fact do not already have it.

### **Maintenance and Facilities**

The district does have a Facilities Department, a Facilities Manager and two assistants. The Facilities Manager reports to the Business Administrator. A Capital Plan is currently being upgraded and assessed. It is based on dollar value, safety and the impact on building integrity. (i.e.: roof leaks impacting structural integrity) The facilities department is responsible for five district buildings. This responsibility involves the execution of work orders, maintaining air control (heat, air conditioning), grounds (playground areas), mowing at Uxbridge High School, field preparation for athletic events, filters in ahu's, eru's, uv's supplies including inventory control, asbestos management (AHERA), maintaining fleet vehicles (6), IPM plans, building use requests, procuring vendors, and materials. In addition, on-call emergencies, maintaining boilers, hot water heaters in regard to flushing and day to day operational overviews. Vendor co-ordination for service calls etc.

Work orders are originated and tracked utilizing the School Dude facilities software which can be accessed district wide by staff members who in turn can enter a work request. All requests are routed to the facilities manager as being the assignee, at this point the request can be redirected to whomever the Facilities Manager sees fit to handle the work order. The request can also be viewed by the assistant managers with the same option to redirect to the appropriate assignee. The managers can also self-assign work orders for issues that need addressing. Once the work order is complete, the appropriate "action taken box" is filled out detailing the work that was done along with the hours, date completed and closed out. Facilities employees are tracked through IPASS who salaried personnel, therefore their attendance is tracked through day off requests (vacation, sick days, personal days, etc).

The new high school has been the only major construction project that has taken place over the last five years. The Town took 18-20 years to approve the high school project. Now the new focus is on the McCloskey Middle School which was built in 1937 and is plagued with numerous building issues such as asbestos, water intrusion and a poor heating system all of which need to be addressed in some fashion.

The district does have a list of needed improvements but it does not constitute a Capital Improvement Plan that is merged into a Town Capital Improvement Plan. The list is reviewed but the Town has put little effort, time or resources in to funding the projects. The Town has earmarked \$37m for Capital Improvement Projects of

which \$33m is assigned to Town projects and \$3m to the schools. The list of needed improvements is generated by the principals, Plant Operations Manager, Business Manager and Superintendent of Schools. The list of needed improvements than are reviewed by the Superintendent of Schools, the Town Manager, the Town Finance Committee and the Town Meeting. Funds are appropriated and the placed into a town controlled expense account. The district provided no evidence of how GASB 34 school department items are accounted for.

### **Rental of Buildings**

The Uxbridge School Committee has established policies surrounding the Rental of Buildings. The Plant Manager has developed letters and forms that clearly state what the facilities can and cannot be used for. The rate schedule for the use of facilities is reviewed by the School Committee and adjustments are made by School Committee vote. The following includes a copy of the School Committee Policy File: KF, the application request for the use of the facilities, the fee schedule for rentals and the letter of confirmation stating the applicant has met the requirements of the school district and the rental is approved.

### **Maintenance and Facilities – Recommendations**

A real capital plan including facility needs is necessary to assure the smooth operation of the school facilities over future years. It is a necessary part of scheduling capital expenditures in an efficient manner. The Superintendent, Assistant Superintendent, Principals, Technology Director and Senior Custodians should work together to create a plan for at least five years that includes facility needs. It is imperative that the Town address these needs in proactive manner. Of major importance is addressing the need for a new middle school and documenting the need if the district intends to submit and SOI to MSBA.

We recommend that the district explore partnerships for job-sharing possibilities with the town relative to maintenance and facilities. While an analysis of a consolidation of Town and School facilities and grounds operations is beyond the scope of this report, many Towns have successfully combined part or all of these functions. These consolidations have yielded significant improvements in efficiency while also reducing costs.

### **Rental of Buildings – Recommendations**

We recommend that the Rental of Facilities fee schedule be reviewed to assure that all costs incurred by the school system as a result of the rental of facilities to outside groups are fully reimbursed. The rationale for this recommendation is based on the premise that the Uxbridge Public Schools, like all school districts in the Commonwealth, receives state Chapter 70 funds as a supplement to the property taxes that are allocated for the implementation of a comprehensive educational program for school-aged children. The spending of these Chapter 70 funds is, by statute, intended solely for the support of academic programs. Consequently, all utility, custodial, and other costs that pertain to facility rental for purposes that are not directly related to Uxbridge's

academic programs should be fully reimbursed by outside groups that are renting the facilities. It is important to note that updating facility rental rates would allow the district to use a portion of the balance in the Facility Rental Revolving Account to pay utility fees, which would tend to mitigate the impact of the loss of school choice revenue.

### **Grants Management**

Uxbridge Public School grants are the responsibility of the Business Manager and the Payroll Supervisor. The school district does not have a Grant Writer. The Special Education Director and the Curriculum Director usually write the district grants. Grant balances are reviewed monthly with the grant authority (writer) monitoring the grant spending.

### **Grant Management – Recommendations**

We recommend that the extensive grants management procedures be included in the recommended procedures manual. We further recommend that the Finance Director should only have responsibility for the financial operation of the grants. The grants should be managed by the various educational staff that seek out, apply for, and oversee the operation of the particular programs.

### **Revolving Accounts**

Revolving Accounts are also the responsibility of the Grants Accounting Clerk. Duties include:

- Receiving all funds for the school district including wire deposits from the state treasury, student activity deposits, weekly and monthly Food Service deposits, sports events ticket sales, school store income, summer school tuition, pre-school tuition, donation checks, town department payments, and donation checks and town department payments.
- All checks and cash must be processed weekly, entered into VADAR, and submitted to the Town Treasurer and Town Accountant.
- All other receivables are coded with proper receipt codes and entered in batches. Copies are sent to the Town Treasurer and Town Accountant.
- All original batches are kept in the Finance Department.
- Revolving fund balances are submitted to the Director of Finance upon request.
- Legacy accounts are an ongoing project. Each School Secretary should receive a list of all open old revolving accounts to spend down before using school money if and at all possible.

### **Revolving Accounts – Recommendations**

We recommend that revolving account procedures be included in the recommended procedures manual, and that the Finance Director be well versed in the many different statutes governing revolving accounts. Also, old revolving accounts should be attended to, spent down, and closed.

Active revolving accounts should have a budget figure for expected opening balance, expected annual revenues and expenses, and target closing balance forward (if any).

The tuition rates for the pre-kindergarten and after school programs need to be analyzed and simplified.

The district should seek to get all parent paid tuitions and fees on-line and minimize the need to handle cash

### **Net School Spending Agreement**

In discussion with the Superintendent, Business Manager and the Town Manager there is currently a Net School Spending (NSS) agreement in place between the Town and the Schools. The Town and Schools do have an agreement that discusses charge backs to the school district, but the document does not identify what the charge backs are or at what percentage/dollar amount they will be.

The document has been signed by the Town Manager, but not the Superintendent dated June 2016. Once the Net School Spending Agreement is written and mutually agreed to, changes or amendments can be made and become part of the agreement. The agreement should be reviewed on an annual basis and reflect any changes which both the Town and Schools have agreed to before it is signed by both parties. The Massachusetts Department of Elementary and Secondary Education does have a requirement found in the Compliance Supplement (Schedule 1) which states:

- “11. For municipal expenditures that result in services directly related to the school committee:
- a. Obtain a copy of a written agreement between the School Committee and Municipal Officials documenting agreed upon methodologies to be used when allocating, distributing or assigning municipal expenditures to the district.
  - b. Test the amounts reported using the documented methodology. These amounts should agree.”

### **Net School Spending Municipal Agreement – Recommendations**

The agreement appears adequate, but should be reviewed annually by the Town and School District. In particular, the School Department should annually review the documentation referred to above and the agreement

should be signed by the Town Manager and the Superintendent of Schools or their designee. See Addendum D for additional information.

### **Municipal and School District Relations**

In interviews with Town Officials and School Department Officials it stated the working relationship between the upper level administration was described as “good”. The MASBO Financial Review Team had the opportunity to speak with both the Town Manager, and the Town Accountant and both individuals were supportive of the school department and felt there was an open dialogue that went in both directions. The School Administration is also located in Town Hall which provides easy access to all offices.

The Business Administrator does not meet with Town Officials on a scheduled quarterly basis to reconcile the school budget. Town do meet monthly with the school to reconcile SAA accounts. The Town did state that it is sometimes difficult to get contracts from the school administration. The Town also stated that the SAA accounts are audited every three years during the Annual Town Audit. There was no audit report presented for the team to review.

The Financial Review Team did have a chance to meet with the Uxbridge School Committee. In discussion with the Committee it was stated that they felt they were getting enough financial information with the monthly administrative financial reports. They felt the reports were good and they were clear. They felt the budget process worked. There was mention that they would like greater clarity on revolving account expenditures, an overview of the daycare program and more detail on active accounts. They felt there could be more communication between the Town Manager and Superintendent.

### **Municipal and School District Relations – Recommendations**

- The short and long-term capital improvement plan for the Schools should be prioritized and reviewed, and then be part of a municipal long range capital plan.
- An agreement on delegation of procurements should be reached.
- The municipal agreement on indirect Town costs for schools should be reviewed annually as mentioned previously, and signed by both the Town Manager and the Superintendent. More specific, the Town needs to document the number of employees (current and retired), and the costs of the health insurance programs charged back to the schools. Backup documentation should be provided for each item in the municipal agreement so that municipal “chargeback” costs can be verified.
- Expand consolidated bids and RFPs for district and town procurement of goods and services. The district and town should mutually investigate consolidating “back office” technology administration.
- Investigate consolidation of services such as IT and buildings and grounds management.



## **Food Service**

The Uxbridge Public Schools is a self-operating food service program. The school lunch program does have a Food Service Director. The district's Free and Reduced lunch percentage is 26%. The Food Service Program normally ends the school year with a minimal profit (retained earning balance \$500.00); last year there was not a carryover. There is no food service plan in place to increase retained earnings. Current meal prices are: Breakfast: \$1.25 for all schools; lunch: Elementary: \$2.75, Middle/High \$3.00. The district does use government commodities with the Food Service Program.

Each school has it's own kitchen with meals being prepared on site. The Food Service Program is not charged by the district for utilities or custodial services. Meals have been transitioned to being delivered by the food service Independent group. There are cafeteria staff that does interoffice mail; delivers paychecks and transports products between schools. The school district is responsible for equipment repair and equipment replacement. There are 21 employees employed through the food service program:

- 1 Food Service Director
- 4 Site Managers
- 16 Cafeteria Staff

The Food Service Program uses the Point of Sales (POS) food service software: PCS.

The district serves approximately 817 meals per day. The meal per labor hour is 13.5 meals per labor hour. Meals per labor hours are determined by the lunches served and hours worked and dependent on each location. The number of meals per labor hour prepared at each site is as follows:

- Taft: 12
- Whitin: 14
- McCloskey: 13
- UHS: 13

Cash collection is handled in the following manner:

- Cash his collected at the registers by the cashiers
- Checks are collected by the or sent to the Site Manager
- Site Managers enter checks into the system at the end of each day
- Site Managers use the PCS system to reconcile day end monies and reporting
- Site Managers make a bank deposit each day
- All deposit slips/reports are sent through interoffice to Food Service Director and kept on file.

- Any catering, rebates or other payments are sent to one location for deposit and accounting. They are then deposited into the bank once accounted for.

There is no written policy in place which outlines the above Cash Collection Procedures. Currently there is approximately \$1500. in uncollected meals which the district is attempting to collect. Alternate meals are provided to students when lunch is forgotten. The district does have a negative balance policy which allows up student to carry forward a negative balance of':

- elementary students: \$8.50
- middle school students: \$9:00
- high school students: \$9.00

High school students cannot graduate if they have an outstanding balance with any school program. Food service staff handling money are not bonded. There is no food service plan to increase retained earnings for the Food Service Program.

### **Food Service –Recommendations**

- The food service director should be aware of basic statistics such as meals per labor hour which give a significant indication of the programs staffing efficiency.
- The district should raise lunch prices a small amount annually (if needed), rather than being faced with a large increase after several years with no increase.
- The cash handling system should be in a written procedures manual that should be part of the Business Manager’s procedures manual.
- The findings emphasize the need to develop a district charge policy. This “Owed Lunch Money” policy should be created by a committee that includes the Food Service Director, School Principals, staff members and the Director of Finance and Operations. The policy should be as specific as possible, and meet the goals of the school district. It should also be reviewed and approved by the school committee. Once approved, policy training for staff is needed and the policy should also be extensively publicized and shared with affected stakeholders, i.e. parents, students and staff. The policy should also be included in student handbooks and should appear on the district website. School Nutrition revolving accounts are forbidden, by statute, from carrying negative balances at the end of the fiscal year. Any negative balance accrued through owed lunch monies must be reimbursed by the district’s operating budget. Consequently, this statutory provision underscores the importance of having a policy that can be followed by the food service staff and communicated to parents/students.
- By utilizing an initiative such as the *Smarter Lunchroom* and other resources developed by NFSMI (National Food Service Management Institute), the district will begin to see more positive results for the program. Online support, training, and materials are all available at NFSMI. The integration of this

program will allow the school district to bring the rewards derivative from implementing the *Smarter Lunchroom* tools to fruition.

- First, the *Smarter Lunchroom Survey* tool should be utilized as a basis for decision making regarding the School Nutrition program by facilitating the completions of a self-assessment. The results will determine the weaknesses and strengths of the current program and assist in developing a strategy for maximizing efficiency and the quality of food service. JSI (John Stalker Institute) has partnered with Cornell University in bringing the SLRT to Massachusetts. The district should be in touch with JSI for further information.
- The *Smarter Lunchroom Movement* was started in 2009 with the goal of creating sustainable research-based lunchrooms that guide smarter choices. It is a grassroots movement of those concerned with the way children eat and wish to change these behaviors through the application of evidence-based lunchroom focused principles that promote healthful eating.
- The mission of the *Smarter Lunchroom Movement* is to equip school lunchrooms with evidence-based tools that improve child eating behaviors and thus improve the health of children. The School Nutrition team should communicate available marketing tools and/or strategies that are intended for each area of the program. Then once the available tools are determined, they should be implemented and maintained monthly.
- Tools should not be limited to the usual items such as posters, signs, sign holders, baskets, display strategy training, menus, newsletters, contests, special events, programs, etc. The School Nutrition program should take advantage of as many of the various marketing resources and tools that can be found in such areas as School Nutrition Association, USDA, New England Dairy Council, Farm to School, etc.
- All staff should be ServSafe certified. ServSafe certification classes and exam should be required for all School Nutrition employees. John Stalker Institute (JSI) at Framingham State University offers “Workshops To Go”, which should be scheduled to present school nutrition-specific training topics to the team (and possible combined with other nearby school districts) at minimum 2-3 times per year. Examples include: “Fill It Up the Right Way”, “Substitutions Solutions”, “Focus on the Customer” and “Food Allergies” JSI and NFSMI both offer online training courses at low or no cost to the district that will enhance knowledge of the Head Cook and other team members.

### **Student Activity Accounts**

The Uxbridge School Committee did take a vote to establish Student Activity Accounts (SAA). The Committee also voted to establish SAA checking accounts for the Uxbridge Middle and Uxbridge High Schools and an SAA Agency Account to be held by the Town of Uxbridge with oversight by the Town Treasurer. In addition, the Uxbridge School Committee voted to place a maximum limit of \$30,000 at the high school level and \$10,000 at the middle school level, which can be deposited in the school’s SAA checking account at one time.

A Student Activity Account Compliance Review is a DESE requirement every three years by an external auditing firm with an interim review required each of the two years in between. The three audit and interim

reviews have not been conducted in several years. The School Committee is updated annually of active SAA clubs and activities and vote to recognize them for the new school year.

A graduating Senior Class traditionally donates money for the upstart of the incoming Freshmen Class; donate to the school or a school program. The Senior Class has to start a class bank account for the graduating class to take the money off of the Uxbridge High School SAA accounting books.

The principal, vice principal and administrative clerk are all on the high school checking signature cards which are on file with the bank. Two of the three have to sign SAA checking account checks. The EPES financial software is used for the SAA checking account at the high school. The high school checking account is reconciled monthly or more as needed. Reimbursement for the SAA checking account is done through the Town Treasurer's Office with the appropriate backup.

The Town Accountant does a warrant for the SAA checking account. The high school has two SAA meetings a year (September/October/and April/May). There are no written SAA procedures/guidelines for SAA advisors to follow. It is unknown when the last time the SAA accounts were audited. The Whitin Elementary School has a school store that is run by SPED students. The account for the school store carries a maximum balance of approximately \$2,000. Monies collected for recorders or books are deposited in the school's revolving gift account. The PTO runs most of the schools programs for the elementary schools.

### **Student Activity Accounts – Recommendations**

- The district needs to have a CPA firm conduct an annual audit.
  - The CPA firm should provide advice on the handling of “commissions”
  - The CPA firm should provide advice on the operation of the school stores.
- Establish a Chain of Custody and Separation of Duties procedure for handling cash.
- Hold a fall training meeting for all staff involved in the SAA area, including the Director of Finance, so that everyone is aware of the policies and procedures.
- The district should use the warrant system to make large SAA invoices.
- The district should conduct an “off year” SAA review of the FY16 activities during FY17.

### **End-of-Year Report**

The End-of-Year Financial Report (EYOR) was prepared by the independent auditing firm of Melanson Heath Inc., Massachusetts for the fiscal year ending June 30, 2015. The audit process reported 12 compliance items that need to be addressed in both fiscal 2014 and 2015. Corrective Action for all of the reported items are to be addressed through an End-of-Year Report Amendment. It was determined during the MASBO Financial

Review that the EOYR Amendment had been submitted to ESE. The district was granted an extension for last year's EOYR.

### **End of Year Report – Recommendations**

- Determine if the EOYR amendment's corrections were addressed in district documents and procedures.
- Establish a methodology for translating the VADAR accounts into the FY17 EOYR.
- Carefully prepare the FY17 EOYR to avoid the FY15 errors and any errors reported in the FY16 audit.
- Submit the FY17 EOYR by the due date if possible.

### **Gate Receipts/Cash Management**

The following gate receipt procedures are used by the Athletic Director (it should be noted that they need to be provided in written form to anyone involved in the collection of gate receipts):

- 1) Verify the number of the "start tickets" for Students and Adults, and record them on Ticket Report.
- 2) Count the cash box money to verify the total of \$150 and then record the total on Ticket Report.
- 3) The Booster Club signs off, on the Ticket Report, for money received in the cash box.
- 4) At the end of the game, record the last ticket numbers sold for Adult and Student tickets, and record same on the Ticket Report.
- 5) Count the money received at the gate and match it with numbered tickets sold on Ticket Report.
- 6) Complete the bank deposit slip totaling gate revenue for the event.
- 7) Copy all paperwork 2 times (Central Office/Athletic Dept.).
- 8) Complete the turnover sheet and submit it to the Treasurer documenting tickets sold and money collected.
- 9) Secure all paperwork and monies in Athletic Director's Office in a locked file cabinet.
- 10) Hand over gate money, bank deposit slip, Ticket Report, and Turnover Sheet to Central Office (Business Office Administrative Assistant.)
- 11) Central Office verifies slips and money and signs off on Turnover Sheet.
- 12) Gate money is recorded in Athletic Revolving Book.

### **Gate Receipts/Cash Management – Recommendations**

- As with Student Activity Accounts, establish a Chain of Custody and Separation of Duties procedure for handling cash.
- We recommend that the Athletic gate receipt procedure provide for the separation of duties when counting the gate receipts.
- We would also recommend that a chain of custody for moving the gate receipts from person to person be incorporated into the Athletic Procedures.
- While the Athletic Director outlined his procedures, these need to be put in writing along with the above recommendations.
- All receipts, gate or student fees, should be stored in a secure safe until deposited. All funds should be deposited within two business days.

### **Loss of School Choice Revenue**

It was reported to the MASBO team that a large number of students have opted, through the Federal School Choice statute, to attend school in other communities. This represents a loss of approximately \$1 million in school district revenue. We have alluded to a number of operational measures in this report that can save the district money, and many of them are listed below:

- Implementing a program to more effectively track and monitor staff attendance, and thereby, reduce the cost of substitute teachers.
- Investigate the implementation of a P card program, which will reduce the cost of processing the district's procurements (explained in more detail later in this report).
- Implementing measures will significantly reduce waste and abuse in the district's current operational procedures (explained in more detail later in this report).
- Establish a procedure for obtaining a fair share of Medicaid reimbursements that currently are allocated entirely to the municipality.
- Implementing measures that will increase the student participation rate in the school lunch and breakfast program, which will enable the program to pick up a greater portion of the operational cost that are currently paid by the district.
- Reviewing the Facility Rental schedule to assure that the fees paid by outside organizations accurately cover the actual cost (including utilities, custodial, etc.) of renting the facility.
- Implementing online vendor purchasing, which should be utilized whenever possible.
- Improved procedures for cash management involving gate receipts, accounts receivable operations, and the like.
- Improved procedures for effectively utilizing and monitoring tuition and fee revenue that is received.
- Review classroom utilization rates to determine potential spaces that could be rented out for collaborative spaces.

The magnitude of a \$1 million revenue loss is indeed immense to a school district that is the size and economic makeup of Uxbridge. Revenue stabilization will require a great deal more than the aforementioned operational efficiencies and spending reductions.

Consequently, we recommend the consideration of three other measures that could have the potential of increasing revenue. The first consideration is the establishment of a modest transportation and/or athletic user fee.

It is also acknowledged that the imposition of user fees may have the potential to exacerbate the problem by causing more students to enroll in other communities. In this regard, it would be prudent to check whether user fees have been adopted by surrounding communities that have been placing School Choice students.

The second measure is the establishment of a “magnet” program as an effort to entice members of the current school choice population to re-consider and re-enroll in the Uxbridge Public Schools. The magnet school concept was employed as a method for desegregating schools by allowing students to enroll in particular schools that would have special academic and/or enrichment programs that interest them.

In this regard, we suggest that the district investigate the possibility of implementing a K-12 engineering program. There is a significant national shortage of engineers and the salary for these positions is consistently at a high level. In addition, Massachusetts is a leader in robotics technology manufacturing firms.

Just such a program was developed by the Museum of Science several years ago, and it is based on a career education conceptual scheme. More specifically, in the elementary grades the focus is upon developing an awareness in students concerning the field of engineering. The curriculum addresses what an engineer does and the various kinds of engineers. The curriculum at this level employs a large reliance on the use of manipulatives and the integration of basic concepts into the science and math curriculum.

In the upper elementary and junior high level, the focus intensifies into a deeper exploration of the roles and responsibilities of the various engineering careers. The integration of subject content with the other academic areas is also increased significantly. Finally, in the high school grades, the curriculum is aimed at career preparation – learning about the entry-level requirements of various engineering positions, including preparing for attending a college that will provide more comprehensive training in the field.

An additional component of the program would be the creation of a Sci – Tech Academy, which would be scheduled to occur for a week during the summer months. The Academy would be offered not only to students interested in engineering, but also to those students planning to enter college and major in a science or technology studies. Of course, a tuition would be charged to participants, which would be large enough to cover all costs

associated with this program. If there is sufficient interest, the academy could be expanded to accommodate students at the various levels of the engineering program.

We suggest establishing a partnership with the closest state university in order to assist the district in developing and implementing a comprehensive K-12 engineering program, which would culminate in a free or discounted college education for successful Southbridge students.

The entire program would be significantly enhanced through the formulation of an advisory committee consisting of representatives from technology firms that would be interested in hiring graduates from this program. These firms may also be willing to support the program financially. Obviously, grant money can also be sought for this purpose.

Of course, this program would need to be heavily marketed to Southbridge residents whose children attend school in other nearby districts.

In addition to a college or university partnership and the formulation of an engineering career advisory committee, we suggest that a Program Steering Committee be established consisting of the principals of each of the schools, and one parent member of each school improvement council who will participate in the program.

The third measure is the establishment of an extended day program for “latchkey” children. Such programs usually operate during the early morning and late afternoon, and accommodate the needs of parents whose work hours prevent them from being home either when school begins or at the end of the day. They provide a secure and safe environment for children. A sliding scale fee (according to ability to pay) is charged, which includes the cost of transportation. The establishment of this type of program is suggested more to stem the tide of children exiting the district through school choice.

In addition to providing a needed academic and social welfare service to program participants, the establishment of this program would enable the school system to charge off a reasonable share of the utilities and custodial services of the school where the program is housed.

### **Zero Tolerance and a Separation of Duties**

Since the inception of MASBO’s Financial Operations Review program approximately ten years ago, the MASBO team has been continually reminded of the importance of establishing a clear and distinct separation of duties among staff who have been assigned responsibilities associated with the management of school district revenues. We have repeatedly observed either weak or non-existent separations in the duties of staff who handle cash and/or revenue management areas in many of the reviews that have been conducted over this ten-year period. Recently we observed first-hand the impact that the failure to maintain a well-defined separation of duties among



staff can have, when we conducted a review in a school district that had experienced the perpetration of a rather large fraud.

It is important to note that the establishment of separate and distinct financial responsibilities among staff members can be highly effective fraud prevention measure, if it is reinforced with a “zero tolerance policy” that addresses the strict adherence to established written operational procedures. In fact, experience has demonstrated that the implementation of these aforementioned measures will not only serve as a safeguard against the perpetration of fraud, but will also mitigate against the loss of revenue that occurs through the proliferation of waste and abuse issues.

Waste is easily recognizable, and often prevalent, in such operational processes as payroll, accounts payable and procurement that it actually becomes the accepted modus operandi. It is usually perpetuated by the failure of management to assure that operational processes and technology are up-to-date so that effective oversight controls can be executed. A common example of waste includes the implementation of paper intensive and/or duplicative operational processes. The cost impact is usually found in the loss of productivity and can be quite expensive. More specifically, the prevalence of this kind of waste often necessitates hiring additional staff to accomplish tasks that can be completed in less time and with fewer people.

Abuse issues are a bit more serious and often even more costly. Such issues are often also caused by permissive and weak management—in other words, the absence of a “zero tolerance policy” regarding the implementation of proper operational procedures. Some examples that we have found in other districts include using the district’s postage meter to accommodate one’s personal postage needs; taking extra break time on a regular basis; habitually arriving late or leaving work early; wrongfully using sick time; using district laptops for non-work related purposes (i.e. shopping on the internet) during work hours.

The only difference between abuse and fraud is that fraud requires the use of “lying” to cover up the offense, and the number one cause of fraud is the lack of the separation of duties. This is closely followed by weak implementation of management controls and oversight, in other words, the absence of a zero tolerance policy.

It is generally believed that no defense is impregnable regarding protecting against these issues, but effective defense measures such as those described above, will certainly represent a deterrent. A number of recommendations in this report have focused on assuring that there exists a strong network of checks and balances, which is accomplished only through establishing the previously mentioned separation of duties. In other words, duties that relate to the same transaction should be performed by different individuals. For example, the person who balances the checkbook (i.e. Student Activity Accounts) or does the bank deposits should not be responsible for signing the checks.

It is important that the relationship between the Director of Finance and Operations and the Business Office staff be established in a manner that not only reflects a zero tolerance of waste and abuse, but also reflects consistency in the application of a separation of duties with regard to all situations where money is being handled.

### **Procurement Card Program**

Because of its unique and innovative nature, and its potential for improving efficiency, generating revenue and saving money, the review committee recommends that consideration be given to adopting a Procurement Card (P-Card) program for implementation in the NRSB. This program is operational in approximately twenty other states, and MASBO has been awarded a contract with Illinois ASBO (the program's sponsor) for its implementation in municipalities and school districts throughout Massachusetts.

This program should not be adopted, however, until a high level of stability and accuracy is maintained with regard to the school district's financial processes, particularly the accounts payable and receivable functions.

The P-Card program has the potential to generate revenue as well as reduce costs to the District. Revenue results from large rebates that are based on the high volume of purchases, in the aggregate, by entities participating in the program; last year, these total purchases exceeded \$200 million. Cost savings results from the potential of making purchases more efficient. The traditional purchase order process can be inefficient in the following ways:

- labor intensive
- large amounts of paperwork
- many people and steps involved
- same process regardless of transaction value
- expensive – high average transaction cost
- not cost-effective for small dollar value purchases
- time-consuming
- too often creates significant shipping and handling charges
- P-Cards, on the other hand, provide many advantages and benefits over cash, check, purchase order and credit card purchasing, such as:
  - no implementation or annual fees; no transaction charges
  - control over what is purchased and where purchases can be made
  - limit the dollar value of each purchase
  - individual card limits/parameters can be established
  - prevents budget overspending
  - requires no special software (only internet access)

- fraud protection per transaction
- speeds up obtaining critically needed items
- convenience; no minimum number of cards
- reduces to one check or electronic transfer the payment of many purchases from multiple vendors
- superior purchasing reports – management information systems are free
- rebates on expenditures are provided annually

MASBO can provide more information regarding implementation of this program, including referrals to other Massachusetts districts who have been successfully enjoying its benefits for several years.

### **Other Revolving Accounts and Cash Collection Processes**

There should be a written cash collection policy and procedures for all revolving accounts, including but not limited to Food Service, Student Activity Accounts, Facility Rental Athletic, etc. Separation of duties and chain of custody procedures when money is being handled should be clearly stated and understood.

All individuals responsible for the collection of cash/monies should be bonded under an insurance policy.

Also, larger accounts such as Athletics, Food Service, and Facility Rental should undergo a periodic external audit by an outside auditing firm at least every three years. In the intervening years an internal review should be conducted by the Director of Finance and Operations. These accounts should be monitored by the Business Office.

### **Scheduling**

Experience has shown that additional savings can often be obtained by adopting the following procedures:

- Ensure the Middle/High School schedules are built well in advance of teacher assignment contractual dates – paying attention to RIF language.
- Maintain a class size minimum to run a class (for example, a minimum of 12 unless prior approval by the School Committee is obtained).
- Review classroom utilization rates to determine potential rental / collaborative spaces.
- Align middle school and high school schedules to allow for greater shared staff.
- Consider whether there are any graduation requirements that can be met differently (i.e. instead of requiring a separate speech class, the requirement could be embedded in an English class).

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***SECTION 3:***  
***Technology & Information Systems***

## **General Approach**

This section of the MASBO financial review concentrates on the intersection of financial operations and processes with I.T. systems for Uxbridge Public Schools (“UPS” or the “district”). It also addresses some aspects of I.T. that may not be considered part of financial operations but impact or tangentially relate to financial operations, including capacity, infrastructure, organization, and data systems and integration. It will also include a general discussion of teaching and learning as it relates to I.T.

The MASBO review team focused on the following components of UPS’s technology program:

1. I.T. capacity, infrastructure, and organization to determine if it is adequate to support effective administration, operations, and instruction;
2. the data systems currently in use; and
3. Integration of data across systems and processes.

Our recommendations are aimed at streamlining processes and providing actionable information relating to infrastructure and data systems. Our general findings include the following:

1. IT capacity and infrastructure are generally adequate to support effective administration, operations, and instruction.
2. The district’s data systems and integration are inadequate.
3. The I.T. organization needs improvement.
4. The district needs an updated technology plan.
5. The district would benefit from a wholesale transition to an enterprise resource planning system.

## **Capacity, Infrastructure, and Organization**

Capacity, infrastructure, and organization means the hardware, software, networking, and I.T. human resource (“HR”) component required, now and in the future, to manage the demand for data storage, retrieval, and processing.

The UPS does not have an updated technology plan, so we were unable to assess UPS goals and metrics to determine progress toward their achievement regarding their I.T. initiatives. However, based on interviews with

the District Technology Coordinator and other staff, viable ideas and concepts surfaced indicating a sense of direction constituting the foundation of a much-needed technology plan.

Based on our interviews, the hardware and networking currently in place can support effective administration, operations, and teaching and learning. Data centers provide adequate access to resources at adequate speeds. There is a one gigabyte fiber loop connecting the four school buildings and the administrative offices building. Each of the buildings has a direct connection to the district fiber network hub. Redundancy capabilities are in place in case of outages. Each school has adequate hardware and connectivity to operate administrative applications, although at times current maximum capacity is reached. There is a plan in place to increase network capacity as future needs increase. The configuration of the network connecting the UPS buildings should provide adequate bandwidth to handle all data storage, retrieval, and processing needs for all resources available.

The UPS has a program in place to integrate technology into the classroom. All teachers have a MacBook and an iPad. iPad usage is introduced to students at the elementary level. Each high school student has one iPad. Currently, there is one teacher on staff for instructional technology. Current I.T. resources are sufficient to support state-mandated testing, although scheduling proctors and space for these sessions is a challenge. Based on our interview with the District Technology Coordinator, UPS is adequately prepared for the increased processing power and bandwidth requirements planned by the Commonwealth's online testing initiative.

E-Rate is being utilized as a reimbursement source for many technology upgrades. UPS utilizes E-Rate Online, a reputable service provider, to assist in the inventory of opportunities, submit needed forms, and guide the process to secure E-Rate funding. It is unclear whether E-Rate Online provides the necessary auditing function of determining the acceptable use of purchased resources subsidized through E-Rate.

The organizational structure relating to I.T is not adequate as it currently exists. Evidenced by the organizational chart, I.T. lacks prominence at UPS. Currently the District Technology Coordinator is the primary staff member providing I.T. direction coordinating networking, hardware, systems, student instruction, and technology integration. No other UPS staff interviewed had positions that were dedicated to stewarding district I.T. Moreover, a staff member with a dual support role supporting the Business and Curriculum Departments has an overarching view of information flow and use, but this fact is not evidenced by the staff member's title or how they show up on the organizational chart. UPS appears to be behind the times in terms of realizing the importance of integrating and processing the information provided by their operational systems. There is an underutilization of available resources to better inform management control and decision making. At the time of the interview, the Business Manager, who is the direct supervisor of the District Technology Coordinator, had been in the position for approximately four months. Business roles, responsibilities, and relationships between the two—and other staff members who support I.T. functions—needs to be developed.

## **Capacity, Infrastructure and Organization - Recommendations**

### **1. Develop and publish a technology plan.**

The district should immediately work with municipal administrators to develop and publish a technology plan. Commencing development as quickly as possible increases the chances of successful implementations because:

- the planning process itself is informative and will force the attention to detail required to carry out planned initiatives, and
- the document serves as a communication tool informing stakeholders of the district vision, primary objectives, planned initiatives, deadlines, and the financial, human, and facility/equipment resource impact.

Given the current organizational structure, it is recommended that the Business Manager supervise and direct the drafting and development of the technology plan while working closely with the District Technology Coordinator. For your reference, Massachusetts district technology plans can be found [here](#)<sup>1</sup>.

### **2. Confirm E-Rate compliance is adequate.**

Investigate to ensure UPS is following all E-Rate regulations, and ensure E-Rate reimbursements are maximized. There are strict requirements that must be met if qualified for funds. Many of these are often overlooked. If audited and found non-compliant, UPS will fail to receive or be forced to repay E-Rate funds. If affordable, an outside E-Rate auditor or consultant should be considered to perform a compliance review.

### **3. Develop a technology department staffing model to ensure all essential I.T. functions are covered.**

The UPS organizational structure should be updated to reflect key I.T. functions, either through hiring or appointing a CIO, or through highlighting key I.T. functions and assigning them throughout the existing structure. The idea is for the organization to become more aware of what a structured technology environment entails and what purpose the functional areas serve and how they work together.

Below, we set forth a structure containing the functions that should be considered when planning for technology advancement, whether through hiring or appointing a CIO, or assigning I.T. functions throughout the existing organizational structure. We will display the structure, then briefly discuss ideas on how the UPS may utilize it. We realize districts of differing sizes will staff differently. In this model the CIO would direct the following areas of responsibility:

- Administrator/Director/Manager of Digital Learning and Assessments
  - Digital Learning/Assessments

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<sup>1</sup> Link URL: <http://www.doe.mass.edu/news/news.aspx?id=21140>



- State Assessments
- Instructional Technology Specialist
- Administrator/Director/Manager of Information Systems
  - Student Database Administration
  - Strategic Data and Reporting
  - Systems Analyst
- Administrator/Director/Manager of Technology Operation
  - Systems Engineers
  - System Technicians
  - Help Desk

Ideally, UPS should hire a CIO who reports directly to the Superintendent to address, at least, the following:

- The technology expectations of the State about the teaching and learning culture
- District technology integration and reporting challenges
- The provision of necessary professional development to augment I.T. awareness and knowledge
- The need for a technology department staffing model suitable for the district
- The development of a supported and concentrated technology vision at the senior leadership level
- The design, implementation, and execution of a cogent and persuasive technology plan

At the CIO level, organizational and managerial skills are at least as important as technology skills. The CIO would take on the responsibility of running all aspects of technology and information systems in the district. The CIO would have knowledge of all academic systems and infrastructure, and would be responsible for the integration of—and have input into choosing—the main administrative systems. The CIO should adopt a federated approach to data integration and reporting services.

If UPS finds it impossible to hire a CIO now, it should identify a high-ranking staff member of the organization who has some knowledge of I.T. systems to take on the role of CIO. In that case, a scenario the UPS might consider would be to:

- Assign the functions of the CIO to the current Business Manager
- Assign the function of the Director of Digital Learning to the Curriculum Director
- Choose one of the Business Manager’s support personnel to take on the role of Manager of Information Systems

- The District Technology Coordinator would provide the needed support to the previous three areas and concentrate on the function of technology operations

The reality may be that UPS will not acquire new senior technology positions soon. If that is the case, some of the job descriptions and titles for personnel processing human resource, financial, or student data should reflect the capacities and expectations of the job they do. If there is an opportunity to incorporate any of the functional titles in the structure above, take it. As reliance on staff with data skills increases in the administrative offices, the organization should adjust job descriptions and titles.

### **Data Systems**

In our opinion, some systems do not adequately address the needs of UPS nor do they readily provide data used for reporting or analysis in an efficient manner. In short, access to data is limited in key areas. For instance, approvers cannot access budget balances efficiently in real-time. Obtaining information can be time consuming and often requires navigating a “clunky” front end.

A summary of the key systems currently utilized by the UPS follows:

1. No outside payroll service is utilized. Currently, the Town relies on KVS.
2. The current system for help desk tracking is a SchoolDude helpdesk software.
3. The Microsoft Office suite of products is being used for staff productivity.
4. Students and school staff use Google Apps for Education including Gmail, Calendar, Classroom, Contacts, Drive, Docs, Forms, Groups, Sheets, Sites, Slides, Talk/Hangouts, and Vault.
5. iPASS is the student database system used for managing student data and is used in many Massachusetts districts. Functionality includes photos, mobile device tracking, discipline, student badges, attendance, and assessments. This system also feeds data to Connect Ed, Versatrans, and PayPAMS. It likewise feeds data to DESE, including SIMS, using a SIF interface. iPASS is hosted in the cloud, which complicates ready access to the data. UPS is considering transitioning to PowerSchool for its student software.
6. iSTAFF, a product related to iPASS, is used for managing staff data including position control, attendance, credentials, and certification information. This system provides data to EPIMS, Connect Ed, and the payroll and accruals processes.
7. Attendance information is currently entered manually from paper based systems (time sheets) collected from schools. Many of the processes involved are disjointed and cause dual entry. Integration with payroll is manual and inefficient. Reporting for absenteeism is burdensome and paper-heavy. When

teachers take a day off with notice, two paper forms are filled out and manually entered in iPASS. When a teacher calls in sick, school clerks fill out paper forms and manually enter the data into iPASS. Likewise, leave data is first input on a paper form and then manually copied to iPASS by school clerks. The overall time and attendance/accrual tracking systems need process improvement.

8. SmartFindExpress is used to automate the management of substitutes and tracking absences for teachers. It has been very recently purchased and is not currently integrated with iSTAFF.
9. Adori (formerly Case-E) IEP Management Software is used by the district to track IEP activity. It is used in multiple states and many school districts. The Director of Pupil Services wants to transition to the eSPED system (recently purchased by Frontline Education) because they believe it will integrate better with the iPASS student software system.
10. Administrative staff is currently researching electronic filing (“document management”) systems, such as OfficeScope and DocSTAR.
11. The database for teacher licensure is maintained in an excel spreadsheet.
12. G/L, Finance, Budgeting, and Requisition Entry are handled in the VADAR system, but most of the modules are inefficient and not integrated. The system is used by some towns in Massachusetts and per Financial Management Structure Reports filed with Mass.gov, there are several mentions of problems integrating with other systems. UPS finds it difficult to use and cannot readily get to data for reporting or analysis. VADAR utilizes staff IDs from iSTAFF.
13. The payroll system used by both the town and the district is KVS. The district is using it in a limited capacity. In our opinion, KVS software is an outdated system. The interface is reminiscent of a DOS-based front end as opposed to a Windows-type interface. It was originally developed for New York municipalities, and there are few Massachusetts school implementations.
14. Transportation is handled by an outside vendor utilizing the Versatran software package. Individual schools provide information from iPASS periodically.
15. UPS uses Connect Ed as a communication and notification system for both staff and students. It syncs real time with data from iPASS and iSTAFF.
16. Other systems include:
  - a. Naviance College and Career matching software – receives information from iPASS
  - b. PayPams food service point of sale system – receives information from iPASS
  - c. VMware vSphere – Hypervisor for Server Virtualization

- d. Brandon CopSync – Desktop based 911 system
- e. The UPS website is maintained internally using Front Page. It is very time consuming for the staff member who maintains the website. The high school website is created using Google products, and this seems to be a better fit.

### **Data Systems – Recommendations**

#### **1. Ensure the best suited Enterprise Resource Planning ("ERP") system is in place for district needs.**

In our opinion, the Town and UPS *should* share the same ERP system. However, we do not believe VADAR or KVS is adequate for the UPS; KVS is going to be discontinued, and the town's VADAR implementation does not utilize the payroll module. If the Town is unable or unwilling to move to an ERP system adequate for both entities, then it is our recommendation that the district move to another system on its own. We would recommend choosing an ERP system that is more prevalent in Massachusetts school districts. Examples include but are not limited to MUNIS, BudgetSense, or Softright. A SaaS (cloud-based) model is recommended for ease of updating versions, support, storage, and administration. If this option is cost prohibitive (considering total cost of ownership), the Town should, at least, provide access through an Open Database Connectivity ("ODBC") connection to UPS allowing read-only availability to the back-end data for reporting and analysis.

Continuing to use iSTAFF as the HR component in UPS can be a viable option. However, in our opinion it is better to include the HR system within the ERP system, if one exists. The reasoning behind this is that ERP systems better integrate HR with payroll, position control, health insurance, certifications, credentials, employee deductions, years of service, leave, and so on. The ERP system can then "feed" the student system with necessary HR information using tried and true integration processes. Other pertinent information can then be added and maintained in the student database system. This integration should take place real time (e.g. using SIF) or on nightly basis (possibly using automated import/export packages). We believe the current implementations of VADAR/KVS/iSTAFF make it difficult integrate and to work efficiently.

#### **2. Create and maintain a systems database with a schematic depicting how the systems relate to each other.**

Create and maintain a thorough list of applications, consultants, and other ongoing contracts or licenses. Include function, uses, annual costs and fees, and contract termination dates. Use this database to determine the total cost of ownership and to inform decisions as to what systems will be best utilized and most cost-effective for UPS. Show the system design and how the systems integrate with one another and proposed changes in software. Use this to minimize paper and redundant systems. Ideally, this information would be included in the technology

plan and closely monitored by a senior staff member managing I.T. It should be noted during the review process the Director of Pupil Service suggested changing the current IEP system to something integrating better with iPASS. At the same the District Technology Coordinator was considering a move from iPASS to Powerschool. Maintaining and communicating a systems database would be helpful in this case.

### **3. Leverage the capabilities of SmartFindExpress to improve the absence and attendance processes**

Incorporate the capability of SFE to provide absence information on *all* employees in the district. The system was purchased to man the absences of teachers and paraprofessionals through an automated calling system. However, many districts use systems such as SFE to track information on all staff.

### **4. Improve VADAR processes**

A system such as VADAR (while it is in use) is marketed to streamline processes and reduce the amount of work and paper through integration. It should provide adequate reporting and audits. For example, make improvements to the requisition/purchase order process to eliminate paper requisition forms. Requisitions should be directly entered in VADAR at the individual locations.

### **5. Use Google Sites for the UPS Website**

This recommendation is because the current development tool, Microsoft Front Page, has been discontinued and replaced by Microsoft Expression Web and Microsoft Office SharePoint Designer. The district already has institutional knowledge about Google Sites because it is used by the schools. It is also recommended consideration be given to hire a developer at least for the transition.

### **6. Learn about Microsoft Access and incorporate it as a reporting tool**

Microsoft Access is an excellent reporting tool the district already owns. It can concurrently connect to any back-end data base supporting ODBC, which stands for – Open Database Connectivity – and is already owned by UPS. This provides a means to view the data at UPS through a federated lens. It is not recommended to create internal databases unless careful thought is given to the application using the data.

## **Systems Integration**

“Systems integration” means the current state of data sharing and processes, including interfacing with municipal systems.

Overall, UPS systems integrating requires improvement.

Data sharing and integration with the Town of Uxbridge (the “Town”) is poor. For instance, the UPS does not have sufficient access to VADAR data maintained by the Town. The Town does not feel that it has adequate access to UPS’s contracts. The Town utilizes a technology support consultant that is charged back to UPS, but

UPS staff does not feel sufficiently supported. The Town switched from KVS to VADAR without informing UPS staff and developed processes without input from UPS staff. After the switch to VADAR, UPS staff is very reliant on the Town system administrator for assistance with invoices and accounts payables, and it does not have access to adequate real-time data concerning budget and appropriation balances, which is a major control issue in approving expenditures. Training, while available, appears to be insufficient.

UPS has recently implemented eSchoolSOLUTIONS' SmartFindExpress substitute management software. It was evident during our interview with her that this effort was aimed primarily at managing teacher or paraprofessional absences using substitute teachers. The staff member who handles Finance and monitors absences and payroll [seemed to like the idea of] [automating this process and integrating absence data with payroll data.]

ConnectEd is used as the SIF connection to the state. State reporting is a challenge. For example, the discipline report is sent by SIF. The UPS must export the data to the state, relinquishing control and waiting until it is processed. Due to the lengthy processing time, this report is submitted overnight, and becomes a major issue when attempting to meet state deadlines.

Sending SIMS and EPIMS reports are also a challenge.

To report information iPASS to the state, administrative staff must perform a long checklist of tasks, and thousands of errors are still returned. She must routinely submit a ticket to the UPS iPASS vendor, IMG-Harris, who then must make changes in order to submit the data properly. They do not share what changes they make.

For position control, administration staff sends out appointment letters using mail merge. A spreadsheet is updated throughout the year as people get transferred, etc.

The special education system in use, Case-C, does not integrate well with iPASS, creating inefficiencies for the special education staff.

Students that live in the Town but attend school out-of-district must be included in state reports. However, their data are not in iPASS.

Only one staff member at the UPS knows how to use VADAR.

### **Systems Integrations – Recommendations**

#### **1. Maximize usage of SmartFindExpress to decrease reliance on paper-based systems.**

SmartFindExpress is used in other districts to manage absences for all employees. This model could be adopted at UPS to track staff absences and cross-check teacher absences with substitute and paraprofessional

payroll data. Implementation of a system to maximize the function of SmartFindExpress Express in this manner should be made a priority.

It has an approval process functionality that should be explored as a way to automate [advance] authorization of absences by principals and the superintendent. SmartFindExpress absence data should also be integrated with your time and attendance and accrual tracking systems. Finally, we recommend getting OTBI access to SmartFindExpress.

**7. Improve data integration with the Town.**

The UPS should have access to the Town's VADAR data. The Town and UPS should also consider obtaining a module for managing procurement contracts, workers compensation certificates, W-9s, etc.

**8. Gain tunnel access to iPASS for reporting purposes.**

**9. Automate the accruals, attendance, and leave processes.**

Move away from paper forms. As mentioned above, utilize SmartFindExpress for all employee absences, including all teacher absences. This will enable administrative staff to run absence reports in teach time and cross check against the substitution records. Likewise, the leave process should be revamped to eliminate the need for paper forms.

The process to confirm that a teacher's subject matter is consistent with that teacher's certification should be automated.

**10. Outsource website design and management.**

**11. Chart of accounts.**

The UPS should have control over its own chart of accounts; it should not be within the purview of the Town to dictate the account structure. In general, you can take two approaches to the chart of accounts. One is to tie it to the day-to-day operations to focus on the needs of the organization, of you may tailor it to the end-of-year report. Our recommendation is to utilize the former approach and build a reporting tool that utilizes a "cross walk" table that automatically and cleanly generates the end-of-year report.

**12. Improve data accessibility for reporting and integration.**

All data should be accessible for efficient reporting. Read-only access through an ODBC connection can be a very powerful and efficient method of reporting. ODBC connections make it possible to produce reports across systems.

Consideration should be given to ensuring all major systems have the same back-end database. For example, if the student database is using a Microsoft SQL Server database as a back-end, the financial enterprise system should use the same. All major systems should be ODBC compliant.

## ***SECTION 4:***

# ***Budget Management & Document Analysis***



## **Budget Management**

In developing the following recommendations for this section as well as the other sections concerning budget matters, the team referenced a document entitled “*Promising District Practices Guide*,” which was developed by MASBO for the Department of Elementary and Secondary Education. These practices are a compilation of information obtained from the many financial operations reviews that have been completed over the past eight years that the MASBO Financial Operations Review program has been in operation.

First, the team attempted to determine the extent to which district administrators are able to regularly and accurately track spending and other financial transactions; and whether the district uses forecast mechanisms and control procedures to ensure that spending is within budget limits. The team also determined the extent to which the district has a system in place to ensure that state procurement laws are followed, that staff are qualified to manage their fiscal responsibilities, and that all assets and expenditures are monitored and tracked to attain the most efficient and effective utilization.

Based on the information that was obtained during our interviews and the review of pertinent budget-related documents, we recommend that the following budget management processes be used as guidelines. These guidelines are presented with the understanding that the school district has already made some progress with regard to the implementation of a number of them, but that additional work needs to be done in this regard.

Hopefully, these guidelines will serve as a blueprint to be used by the district as changes are considered in an attempt to improve the efficiency, accuracy, and effectiveness of budget management processes:

- All cost center managers should be able to regularly and accurately track spending and other financial transactions. This means that every department can access the financial accounting system and can monitor real time expenditures. It also means that all administrators should be trained to access the budget and expenditure data for their school or department.

- It is a priority that all administrators understand line item transfer procedures and how transfers are tracked and reported on financial reports. The recommended transfer procedure is fully explained in an article written by the Massachusetts Association of School Committees (MASC) entitled, “*A Review of the School Committee’s Authority to Make Internal Budget Adjustments*” (which appears in the Addenda section of this report). This transfer procedure is based on the structure upon which the budget document is built, and begins with the approval of the budget.
- The budget needs to be structured according to either cost centers or DESE function codes. When the school committee votes their approval, they should understand that they are voting, not only to approve the budget’s “bottom line,” but they are also voting to approve the cost centers or function codes as budgetary line items. This is important because it is the method by which transfers are implemented throughout the fiscal year. In regard to transfers of funds from one cost center to another – or in the case of when function codes are used, from one function code to another – the school committee must formally vote their approval beforehand.
- The district should use forecasting tools to regularly project expenditures and ensure that spending is within budget limits. More specifically, this process involves projecting remaining salaries and expenditures at least quarterly and comparing totals to budgeted amounts. The Interim Business Administrator should then advise the Superintendent and School Committee when he/she believes expenditures are exceeding appropriations. A procedure should also be in place for department administrators to alert the Superintendent and the Director of Finance and Operations of decisions, actions, or conditions that could impact the budget negatively or positively (e.g., unanticipated out-of-district placements, unanticipated building repairs, etc.).
- The district’s purchasing policies and procedures should be designed to ensure cost-effectiveness by making optimal use of national or state contracts and procurements for goods and services as appropriate. It is also important to take advantage of regional purchasing, MASBO’s Regional Roundtables, collaboratives, or similar initiatives whenever appropriate, and to use competitive bidding or similar practices when national, state, or regional opportunities are not cost-effective.
- District staff should be encouraged/incentivized to improve operational efficiency and to minimize wasting of resources wherever possible. Reuse and recycling activities should be encouraged and widely evident within the district.
- As a priority item, the Interim Business Administrator should develop comprehensive, transparent reports on at least a quarterly basis for presentation to the school committee. The district currently uses an “Expense Control Report” for this purpose. Copies of budget reports should be distributed to municipal departments and officials and to the public-at-large. MASBO has a “model” financial report template that can be utilized for this purpose. This template is located on the MASBO website. These reports should include the following:
  - A projection of remaining salaries and expenditures, approved budget and adjusted budget, current (year-to-date) expenditures and encumbrances.
  - A discussion and/or footnotes explaining significant variances.
  - Financial reports should comply with GAAP and GASB (34, 45, 54).
- Statutory/mandatory auditing requirements regarding annual audits should be performed for all federal grants exceeding \$500,000 in compliance with OMB Circular A-133. Annual compliance audits of the End-of-Year report should be conducted as required by DESE. Any EOY audit exceptions should be corrected immediately and resulting amendments to the EOY report filed as required.

- Online vendor purchasing should be utilized whenever possible, and district bid specifications should also be made available online. Vendors should be able to respond to bids online as well. In addition, tools should be in place to allow for online bid tabulations to be made automatically. See recommendation pertaining to P card program.

The following are recommended procedures for cash management involving gate receipts, user fees, and etcetera:

- Accounts receivable policies and procedures should be clearly articulated and documented in a procedures manual.
- Proper segregation of duties must be in place to ensure that the person handling cash and deposits is not the same person who is recording the transactions in the general ledger.
- Receipts are regularly deposited into the proper account using AD 9 & 10 forms.
- The number of days for cash receipts to be deposited should be minimal, preferably within 48 hours of receipt.
- Receipts should be posted monthly and entered individually as much as possible to allow for better tracking.
- Monthly reconciliations should be performed – bank statements to cashbook and cashbook to general ledger.

The following are recommended procedures for payroll operations:

- Payroll policies and procedures should be clearly articulated and documented in a procedures manual. This manual can be combined with accounts payable functions and other business office functions to create a “Business Office Procedure Manual.” See the MASBO website for sample Procedures manuals that can be used as a “template” for this purpose.
- The district should document payroll transactions using appropriate forms (time cards, change in status, new hire, termination, LOA, etc.) to ensure transactions are properly authorized and documented prior to execution.
- A history of all salary schedules should be maintained, preferably electronically.
- A random audit of a sampling of employees should be performed each pay period.
- Weekly coordination with HR on employee changes should occur.
- Payroll changes from period-to-period should be researched and explained, and reconciliation of payroll to salary appropriations should occur regularly.

The following is a procedure for effectively utilizing and monitoring tuition and fee revenue that is received:

- Special revenue and revolving funds should be audited internally on a regular basis throughout the year and at least every three years by an external auditor.

- Financial reports concerning the utilization of special revenue funds and revolving accounts should be submitted to the superintendent, school committee, and municipal departments responsible for oversight of the budget on a quarterly basis.
- The school department should have written procedures in place to ensure that special revenue funds are managed properly.
- The district should have policies and procedures in place to ensure that revenues are utilized for the purposes intended and to advance the district’s mission, vision, and goals.
- The school district’s annual operating budget should contain anticipated revenue and expenditures from all special revenue and revolving accounts.
- All special revenue and revolving funds should be managed in compliance with relevant state statutory requirements.

### **Budget Development**

In addition to many operational issues that were reviewed during the MASBO team’s two-day site visit to the Uxbridge School District, a number of interview sessions involved a discussion of the budget development process. These interview discussions were designed to determine if the district engages in the preparation of a participative, well-documented, and transparent budget process that uses student achievement as a factor in the development of the budget document.

The team also explored the extent to which the district’s budget document is clear, comprehensive, complete, current, and understandable. The extent to which the budget provides accurate information on all funding sources, as well as budgetary history and trends was reviewed by the team as well.

As mentioned previously, the recommendations for this area are also referenced from the *“Promising District Practices Guide.”*

- As part of its budget development process, the district should implement a review process to determine the cost-effectiveness of its programs, initiatives, and activities. This process should be based, in part, on student performance data and needs. It is important that school principals have the authority and assistance needed to make appropriate decisions about their schools’ expenditures.
- District officials should employ a data driven decision-making model to evaluate the district’s education programs. This involves using MCAS scores and other assessment data to evaluate the district’s educational programs and alignment with the MA curriculum frameworks. It also involves the use of its own trend data to ensure Adequate Yearly Progress. A third option is to utilize information found in DESE’s DART software for benchmarking purposes. More specifically, this software can be used to provide comparisons with other districts that have a similar makeup to the Uxbridge School District. The district and each site/cost center then would conduct an analysis to determine what strategies, programs and activities will best achieve desired results.
- The district should also ensure that adequate funding is available to hire and retain appropriately qualified staff. This can be accomplished by comparing its compensation and benefit packages to other

districts of comparable size and socio economic status to ensure that it is competitive. This can also be accomplished through the utilization of DART. In this regard, class sizes and student/teacher ratios should also be considered.

- The district should also provide sufficient funding to ensure all staff have access to high-quality professional development, and that all new hires receive adequate induction and mentoring.

The MASBO team recognizes that Uxbridge already has a comprehensive budget calendar. Nevertheless, the following is an example of how a typical budget development process is implemented utilizing a similar, but not identical, budget calendar. This budget development process is presented here simply to illustrate an effective methodology. It is acknowledged that many other alternatives can be utilized depending upon the administrative and staff structure of the district.

- The budget development process begins in late September or early October. During this period of time, the district business office sends each cost center a budget preparation package/template to be used in the creation of the cost center's budget.
- Cost center managers (management staff that control the cost center's operations and spending—i.e. principals, supervisors, directors) work with staff to develop a needs based budget, which is submitted to the business office around the time of the Thanksgiving holiday.
- The school business administrator then assembles all of the cost center submissions into a “draft” preliminary, district-wide budget. This document is then utilized between Thanksgiving and the Christmas holiday by the superintendent and school business administrator to interview cost center managers for the purpose of reviewing their requests (other central office staff may also become involved at this stage in the process depending on the type of cost center being interviewed, i.e. curriculum and instruction director, Human Resource Director, etc.).
- All necessary adjustments to budgetary requests are then made, and by mid-January, a “preliminary” district budget is developed and ready for school committee review.
- From mid-January to mid-March or April, several public meetings are usually scheduled between the school committee and district administration for the purpose of thoroughly reviewing and explaining the entire budget to them.
- A public hearing is then scheduled and the school committee votes to approve the budget. This is accomplished in consonance with municipal bylaws regarding this matter.
- Finally, the budget document is submitted to the municipality for finance committee review, and ultimately, integration into the municipality's budget.

In the case of the above example, the bulleted items would be included on the budget calendar. The calendar also needs to be distributed publicly at the start of the school year to all school and municipal officials and posted on the district website. Additionally, all stakeholders should be involved in the budget development process, including school-site councils, school committee, appropriate municipal officials and school administration staff.

It is important to ensure that all statutory requirements are met including:

- The budget should be both program-based (regular, special education, alternative education, vocational education, operation and maintenance) and site-based.
- A public hearing must be held at least fourteen (14) days prior to the adoption of the budget.
- Budget process must meet the local and state mandatory deadlines.
- The district and community must have appropriate written agreements in place detailing the manner for calculating indirect charges levied on the school district budget.

We further recommend that an evaluation of progress and effectiveness should be conducted prior to budget development including state and federal initiatives and mandates, the district's long range plan and any other special district initiatives, district and school improvement plans, and most importantly, the school committee and administrative programmatic goals and objectives.

Plans, goals, objectives, and budget parameters should be developed and discussed with district administrators. This procedure begins with the development of a revenue budget based on state Chapter 70, local property tax allocation projections, and special revenue fund balances. Then initial expense projections are made based on cost center budget submissions. The budget parameters are put into place using initial revenue and expense projections. These parameters tie budget requests to the goals and priorities approved by the school committee.

Also, the budget should be based on the following data that is collected from cost centers:

- Enrollment projections
- Class-size projections
- New initiatives and programs
- Performance data / benchmarking
- Programmatic needs
- Facility and capital needs
- Staffing needs

### **Budget Document Review**

This Fiscal 2017 "School Department Budget Proposal" document was reviewed from the perspective of the national standards for budget documents that were established approximately fifteen years ago by the Association of School Business Officials (ASBO) International. These national standards represent an extraordinarily difficult achievement for school districts to meet, and consequently, ASBO created a very prestigious award entitled "*The*

*Meritorious Budget Award*’ to honor and acknowledge the districts that have met them. Indeed, to date there are less than a dozen school districts that have received this award in the Commonwealth of Massachusetts. This analysis, however, is focused upon the most critical features that, in our opinion, must appear in every school district budget.

One of the district’s primary goals should be the development of a budget that can be used by the district and its stakeholders as a financial plan, a policy document, an operations guide and a communication device. Implementation of the following suggestions, in our opinion, would achieve this results.

In this regard, the following is an explanation of the adjustments which should be implemented in order to accommodate the core elements of an effective budget document. Please also refer to Addendum B for more extensive guidelines based on Meritorious Budget Award criteria.

### **Summary Comments**

The line item detail for the FY 2017 Budget is essentially a computer-generated printout from the general ledger. It provides *actual* expenditures from three previous years as well as the budget request, which are needed in order to provide sufficient spending data for the analysis of spending trends. There is an absence of a column which delineates the percentage increases or decreases for each line item and for the entire budget. This “line item detail” is inserted in (but not part of the actual budget proposal document.

It is important to note, however, that the budget proposal document is extremely well done. It contains a wealth of information in the form of narrative, graphs and tables, which clearly explain the district’s goals, priorities and initiatives. Staffing levels at each of the district’s schools are also provided along with class size and enrollment. The document is both site and program based. The Superintendent’s message significantly increases transparency by clarifying exactly what the budget is attempting to address through the allocation of funds in particular programs, sites, and academic areas.

However, as mentioned in the budget development section of this report, the budget document needs to be clear, comprehensive, complete, and current. Consequently, the following comments and suggestions are based on these four perspectives:

- From a clarity perspective, the line item detail should be included in the document itself. It should also be separated in a manner, which would articulate the budget request of each cost center.
- From a completeness perspective, the capital improvement plan, technology plan, fee schedules, debt service schedules (if applicable) should all be included at least in summary fashion. These document summaries should appear as addenda to the budget.
- From a clarity perspective, an Executive Summary section should be prepared with an explanation:

*An executive summary that can serve as a “stand alone” overview of the budget document. This document should provide summary (not extensive detail) information, including an overview of significant budgetary issues, trends, and resource choices. This Summary Information should be presented within the budget document either in a separate section (e.g., executive summary) or integrated within the transmittal letter or other overview sections, or as a separate “budget-in-brief.”*

- From a completeness perspective, accomplishments from prior years should be highlighted in a section entitled “Performance Measures.” The superintendent’s “budget message” or the executive summary should contain a listing of these district-wide achievements.
- From a comprehensiveness perspective, the district’s budget should all educational expenditures including revolving accounts, grants and food service program expenditures.

It is critically important that the district adopt a specific policy for handling how the school committee will approve and monitor the annual budget, particularly with regard to the transfer of funds.

The school administration, building principals and other cost center managers should oversee the individual school budgets following the guidelines established by the School Committee. Spending policies should not be so restrictive as to prohibit an administrator or principal from making a budgetary decision that will positively impact the educational operation to improve student performance within their school program.

The MASBO website contains sample budgets that utilize the concepts articulated in this section of the report. These sample budgets can be downloaded and used as templates. The Springfield Public Schools and Worcester Public Schools budget documents are recommended for your review. Also, the Masconomet Regional School District’s budget is also available for review.

It is understood that implementing many of the budgetary formats and informational adjustments takes time, especially when a district is somewhat handicapped with limited staff. Consequently, it is certainly acceptable to make these changes gradually over a number of budget cycles.

In summary, the MASBO team found a significant number of issues that will require the attention of the School Committee and Administration. On the other hand, on several occasions we encountered evidence that the district was indeed aware of particular problems and was taking action to correct them. The Addenda contained in this report should assist in addressing many of the issues that are noted. Other assistance and information can be obtained by accessing the MASBO Website (sample operations manual, budgets, statutes mentioned above, etc.) or contacting David Verdolino, MASBO Executive Director at 978- 452-7044 or [exec@masbo.org](mailto:exec@masbo.org).



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# **SECTION 5:**

## *Addenda*

**ADDENDUM A**

**PAYROLL PROJECTIONS/BEST PRACTICE PROCEDURES**

*The following is a formula that will allow you to accurately project salary accounts, compare budget to actual expenditures and Monitor positions usage (FTE):*

**Total Amount Expended to Date**

**+**

**Total Payroll Amount for your current Payroll**

***+/- Non-Recurring Charges or Adjustments***

**= Net Payroll for “Run-out”**

**X**

**Number of pays remaining**

**Adjustments that must be factored in so that remaining pays can be estimated accurately:**

**Step / Increments Due**

**Cost of Living Adjustments Due**

**Degree Change Adjustments**

**End of Year Payments (Stipends, Sick Leave Buy Backs, etc.)**

**+/- Adjustments for Vacancies / Leaves / Position Growth**

**- Expected Funding Offsets & Reimbursements**

*The following are recommendations for accurately monitoring payroll on a continual basis:*

- Maintain Salary Book (history of salary agreements).
- Randomly audit a sampling of employee pays each period.
- Explain payroll changes period-to-period.
- Maintain a payroll procedures manual.
- Weekly coordination with HR on employee changes (no-pays, new hires, retirements, etc.).

## ADDENDUM B

### BUDGET DEVELOPMENT GUIDE

#### **The Budget as a Policy Document (PD)**

PD1. **Mandatory:** The document should include a coherent statement of entity-wide long-term financial policies.

PD2. The document should include a coherent statement of entity-wide, non-financial goals and objectives that address long-term concerns and issues.

PD3. **Mandatory:** The document shall include a budget message that articulates priorities and issues for the budget for the new year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes. The message may take one of several forms (*e.g., transmittal letter, budget summary section*).

PD4. The document should include clearly stated goals and objectives of organizational units (*e.g., departments, divisions, offices or programs*).

#### **The Budget as a Financial Plan (FP)**

FP1. The document should include and describe all funds that are subject to appropriation.

FP2. **Mandatory:** The document shall present a summary of major revenues and expenditures, as well as other financing sources and uses, to provide an overview of the total resources budgeted by the organization.

FP3. **Mandatory:** The document shall include summaries of revenues and other financing sources, and of expenditures and other financing uses for the prior year actual, the current year budget and/or estimated current year actual, and proposed budget year.

FP4. **Mandatory:** The document shall describe major revenue sources, explain the underlying assumptions for the revenue estimates, and discuss significant revenue trends.

FP5. **Mandatory:** The document shall include projected changes in fund balances, as defined by the entity in the document, for appropriated governmental funds included in the budget presentation (fund equity if no governmental funds are included in the document).

FP6. **Mandatory:** The document should include budgeted capital expenditures, whether authorized in the operating budget or in a separate capital budget.

FP7. The document should describe if and to what extent significant non-routine capital expenditures will affect the entity's current and future operating budget and the services that the entity provides.

FP8. **Mandatory:** The document shall include financial data on current debt obligations, describe the relationship between current debt levels and legal debt limits, and explain the effects of existing debt levels on current and future operations.

FP9. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

### **The Budget as an Operations Guide (OG)**

OG1. **Mandatory:** The document shall describe activities, services or functions carried out by organizational units.

OG2. The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

OG3. **Mandatory:** The document shall include an organization chart(s) for the entire organization.

OG4. **Mandatory:** A schedule or summary table of personnel or position counts for prior, current and budgeted years shall be provided.

### **The Budget as a Communications Device (CD)**

CD1. The document should provide summary information, including an overview of significant budgetary issues, trends, and resource choices. Summary information should be presented within the budget document either in a separate section (*e.g., executive summary*) or integrated within the transmittal letter or other overview sections, or as a separate budget-in-brief.

CD2. The document should explain the effect, if any, of other planning processes (*e.g., strategic plans, long-range financial plans, and capital improvement plans*) upon the budget and budget process.

CD3. **Mandatory:** The document shall describe the process for preparing, reviewing and adopting the budget for the coming fiscal year. It also should describe the procedures for amending the budget after adoption.

CD4. **Mandatory:** Charts and graphs should be used, where appropriate, to highlight financial and statistical information. Narrative interpretation should be provided when the messages conveyed by the graphs are not self-evident.

CD5. The document should provide narrative, tables, schedules, or matrices to show the relationship between functional units, major funds, and non-major funds in the aggregate.

CD6. **Mandatory:** The document shall include a table of contents to make it easy to locate information in the document

CD7. A glossary should be included for any terminology (including abbreviations and acronyms) that is not readily understandable to a reasonably informed lay reader.

CD8. The document should include statistical and supplemental data that describe the organization, its community, and population. It should also furnish other pertinent background information related to the services provided.

CD9. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

## ADDENDUM C

### **A Review of the School Committee's Authority to Make Internal Budget Adjustments**

by Glenn S. Koocher, M.P.A. and Stephen J. Finnegan, J.D.

An area of increasing controversy and some contention among municipal officials is the authority of the school committee over the budget for the local or regional school district. Prior to the passage of Proposition 2 1/2, school committees enjoyed fiscal autonomy, whereby the legislative bodies of the cities and towns were required to appropriate the funds requested by the school committee for school purposes. Proposition 2 1/2 repealed school fiscal autonomy and vested bottom line budget approval with the municipal budget authority.

After the passage of Proposition 2 1/2, the Commissioners of Education and Revenue issued a joint memorandum underscoring the line item and authority of school committees based in part on *Leonard v. School Committee of Springfield*, 241 Mass 325 (1922). Subsequently, two laws further reinforced the line item and transfer authority of school committees. (St. 1981, c.471 and 782.)

The Massachusetts Education Reform Act of 1993 (MERA) made some significant changes to the law governing public education. However, setting the district budget and determining district policy remains firmly with the school committee, (M.G.L. Ch. 71, Sections 34 and 37) and the fiscal authority of the board changed little under MERA. Indeed, one of the changes to school budget authority added the minimum required local contributions and net school spending mandates to Chapter 70.

The final promulgated school budget, of course, is subject to the legal requirements of net school spending but is also subject to review by the mayor or city manager and city council in cities, and the review of a town finance committee and decision of the town meeting.

Regional school district budgets must receive the approval of two-thirds of the school committee and two-thirds of the member municipalities pursuant to M.G.L. Ch. 71, Section 16B, but are otherwise subject to "all the powers and duties conferred by law upon school committees." (M.G.L. Ch. 71, Section 16.) These municipal reviews impact only the final school department budget, and "shall not allocate appropriations among accounts or place any restrictions on such appropriations." (M.G.L. Ch. 71, Section 34.)

School committees make dozens of difficult decisions during the budget process that includes at least one mandatory public hearing (M.G.L. Ch.71, Section 38N) but in fact, usually involves more. The board must act, often with passionate special interests seated before them, to vote affirmatively or negatively on individual



programs and line items recommended by the superintendent of schools. Someone usually goes home disappointed with virtually every decision.

It is no surprise that when municipal budgets are tight special interests lobby with added vigor for their priorities. It is not unusual for school advocates to take their case to the municipal officials, often hoping to reverse a controversial decision of the school committee. More frequently, town meetings, boards of selectmen, or city councils will promulgate the municipal budget, including the final level of school spending, with a strong recommendation to the school committee.

Although this may sound like a mandate to the average citizen, it is really only a strongly worded recommendation that is not binding. M.G.L. Chapter 71, Section 37 is clear that the school committee shall "... review and approve budgets for public education in the district."

Moreover, Section 34 adds "the vote of the legislative body of a city or town shall establish the total appropriation for support of the public schools, but may not limit the authority of the school committee to determine expenditures within the total appropriation." Furthermore, Section 34 states that "the city or town appropriating body may make nonbinding monetary recommendations to increase or decrease certain line items allocating such appropriations."

For example, if a school committee approves a budget of \$10 million for a district where required net school spending is \$9.75 million, the town meeting or city council may approve the lower figure, but only the school committee is empowered legally to make the subsequent internal budget adjustments to cut the \$250,000 trimmed by the municipal legislative body. Anticipating the potential for a contentious debate and public scrutiny, and in the hope that municipalities will fund at the higher rather than minimally required levels, school districts often present more detailed budget requests with ample documentation and program explanations.

A second major area of budget contention arising since MERA adjusted the dynamics between superintendents and school committees, concerns the authority to transfer among accounts. Various school committees have adopted policies or rules that allow a superintendent to transfer up to a certain amount, usually five thousand dollars, from one line item to another without the approval of the board.

Both Massachusetts Association of School Committees (MASC) counsel and the Department of Revenue, Division of Local Services, have opined that, based upon M.G.L. Ch. 71, Sections 34 and 37, the authority to transfer among accounts is vested solely in the school committee, and therefore may not be delegated to the superintendent or other officer.

While a school committee may not delegate the statutory authority to transfer among accounts to the superintendent, they may grant authority to transfer within an account by following the guidance offered in 1994 by the Division of Local Services: "The school committee could grant the superintendent more discretion by

limiting the number of allocations to fewer, more general categories in its budget vote and by labeling subcategories as information only.

For example, despite education reform, the school committee could budget general teacher salaries as a cost center with information items for each school. The superintendent could then use amounts shown for one school in another school without the necessity of a formal transfer vote. Conversely, the committee could give principals more authority by voting to allocate actual budget items to each school, requiring a formal committee vote to transfer from one school to another.”

School committees that want to scrutinize the annual operating budget more closely might have many “cost centers” identified in their promulgated budget; others that want to allow the superintendent more discretion could have fewer such accounts.

*Editor’s Note: This article represents the opinions and conclusions of the authors and not those of the Department of Revenue.*

*Glenn Koocher, M.P.A., is Executive Director of the Massachusetts Association of School Committees.*

*Stephen J. Finnegan, J.D., is General Counsel to MASC.*

## ADDENDUM D

### 10.04: Financial Accounting and Reporting: Other Municipal Departments

(1) The following expenditures from local revenues by a municipal department other than the school department which result in services to or on behalf of the school district shall be reported to the Department on or before September 30 of each year in accordance with the expenditure categories and cost allocation methods set forth in guidelines published by the Department. The cost of insurance and retirement benefits for non-school district employees shall not be included or reported.

(a) **Administrative Services.** The cost of municipal accounting, auditing, central data processing, central purchasing, employee benefits administration, financial services provided to the school department.

(b) **Educational Media and Library Services, Exclusive of Capital Outlay.** The activities of librarians and catalogers, and the costs associated with cataloguing books, pamphlets, periodicals and other materials for use by school district students where there is an agreement between the school district and the library board for specific services to be provided to students.

(c) **Health Services.** The salaries of health personnel who provide direct services or instruction to public school students or school department employees pursuant to an agreement between the school district and the municipality for the provision of these services and related costs for supplies, materials and other direct expenditures in support of services covered by the agreement; the salaries of public safety officers, on an hourly basis, who provide direct classroom instruction on alcohol and substance abuse and violence prevention to public school students pursuant to an agreement between the school district and the municipality for the provision of these services; the salaries of health personnel who provide direct services which state law requires be provided to non-public students or non-public school employees and who make regularly scheduled visits to non-public schools for this purpose and related costs for supplies, materials and other direct expenditures in support of these and other services provided in accordance with M.G.L. c. 71, § 57.

(d) **School Security Services.** Salaries and other expenses of security staff or school police who are scheduled solely on school grounds where there is an agreement between the school committee and the municipality for specific services to be provided.

(e) **Student Transportation Services.** All costs incurred as a result of programs transporting public school students once daily to and from school, and the costs incurred in transporting non-public school students once daily to and from school to the extent required by M.G.L. c. 76 § 1.

(f) **Operation and Maintenance of School Facilities.** The direct costs of salaries, supplies, materials and contractual expenses for the ordinary and extraordinary maintenance of school buildings, grounds and equipment. School maintenance expenditures shall be reported for services performed within a school building or on school grounds, and shall include other property used by the public schools only where there is an agreement between the municipality and the school district concerning the use and maintenance of that property. Overhead costs for non-school buildings shall not be included or reported.

(g) **Employee Benefits.** The actual costs of pensions paid to school department retirees or the actual costs of assessments paid to state, county or municipal retirement systems on account of school department employees or retirees, including any special assessments for early retirement incentive programs for school department employees; the direct insurance premiums for active and retired school district employees, after deducting all employee contributions; contributions to self-insurance trust funds from the municipality's general fund; and the indirect costs of administering employee benefit programs.

(h) **Non-Employee Insurance.** The direct insurance premiums for school buildings, grounds, equipment and liability coverage, contributions to non-employee self-insurance trust funds from the municipality's general fund, and the indirect costs of administering school facilities and liability insurance programs.

(i) **Rental/Lease of School Buildings and Non-Instructional Equipment.** Expenditures for the lease or rental, at the request of the school district, of buildings and non-instructional equipment for the public schools, not including any capital lease which provides for the municipality's acquisition of the leased building or equipment at the conclusion of the lease term.

(j) **Interest on Borrowing for School District Purposes.** Actual interest paid in borrowing for Revenue Anticipation Notes to support current year school district operations, interest on bonds and loans used to finance the purchase or construction of schools, textbooks, instructional equipment and technology, non-instructional equipment, and school building maintenance.

(k) **Other Recurrent School-Related Expenditures.** Other items of a recurrent nature for school purposes such as the salaries of crossing guards and the costs of public safety inspections.

(l) **Acquisition, Improvement and Replacement of School Sites, Buildings, Equipment and Student Transportation Vehicles.** Such costs shall be limited to funds expended for school capital construction and major reconstruction projects, maintenance projects which exceed the cost limit for extraordinary

maintenance, the actual cost of student transportation vehicles, amortized in accordance with guidelines published by the Department, and other specific appropriated items, including school building planning costs and lease/purchases of buildings or non-instructional equipment, that are intended to acquire a new asset for the school district.

**(m) Programs with Other Public and Private Schools and Educational Collaboratives.** The tuition or assessment paid for instructional programs provided by other school districts or private schools to students resident in the municipality who attend those schools by agreement of the district school committee or as a result of placement by a state agency.

(2) Where the Department's guidelines permit districts to select among two or more permissible methods for allocating the municipal expenditures set forth in 603 CMR 10.04 (1) (a) through (m), one method shall be chosen by the school district and used consistently from year to year. The allocation method used to report expenditures by municipal departments other than the school department may be changed only with the approval of the Commissioner.

(3) When school and municipal officials cannot agree on the correct reporting, allocation and documentation of expenditures by municipal agencies for educational purposes, they shall so notify the Department. The Commissioner shall, upon receipt of such notice, appoint a designee to conduct an informal hearing to encourage the parties to reach an agreement and make a final determination on the issues in dispute if no agreement is reached within a reasonable time period. The Commissioner shall consult with and seek assistance from the Commissioner of Revenue or his designee in attempting to resolve such disputes. last updated: July 2, 2013

## **ADDENDUM E**

### **Confidential Employees**

#### **A. Factors**

To be regarded as confidential, an employee must have a continuing and substantial relationship with a managerial employee that creates a legitimate expectation of confidentiality in their routine and recurring dealings. Employees who have significant access or exposure to confidential information concerning labor relations matters, management's position on personnel matters, or advance knowledge of the employer's collective bargaining proposals are excluded as confidential.

#### **B. Examples of Evidence**

The parties should indicate to whom the incumbent in the disputed position reports and to what bargaining unit, if any, the supervisor belongs. If the employee's job duties allegedly involve budgetary, grievance, negotiating, hiring, promotion, and/or disciplinary processes, the parties should specify the employee's role and the type of information or documents that the employee handles or reviews.

#### ***Complementary Content***

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## ADDENDUM F

### Student Activity Guidelines

#### Section 1. Purpose

The following guidelines are promulgated in accordance with M.G.L. c. 71, §47, which establishes the requirement that student activity monies be handled in accordance with good accounting practices. Recognizing that these monies do indeed belong to the students and not to the School District and that there needs to be adequate controls in place to safeguard these monies, sound business guidelines need to be developed to govern these accounts. There is a value to students who perform functions and handle monies belonging to the student groups. The exposure the students receive is a valuable learning experience in control and administration of accounts.

#### Section 2. Student Activity Accounts

1. In accordance with Chapter 66 of the Acts of 1996 the School Committee should authorize the district to establish an “interest bearing bank account, hereinafter referred to as the “Student Activity Agency Account” (hereinafter “Agency Account”) for the purpose of conducting student activities.
2. All monies collected through student activities must be deposited to the Agency Account. The “Student Activity Checking Account” (hereinafter “Checking Account”) shall be controlled and operated by the school principal. Such an account is only for expenditures in accordance with School Committee policy and these guidelines. Each account may have up to two signors, the Principal and his/her designee.
3. The funds to establish such a Checking Account must come from the Agency Account as must all monies to periodically replenish the checking account (after submittal of appropriate documentation) up to the maximum balance. Funds to establish and replenish Checking Accounts must come from the Agency Account. The District Treasurer is responsible for this transfer after the principal initiates the request.
4. The maximum balances for Checking Accounts shall be established by the School Committee.
5. Checking Accounts are to be used for check-writing purposes only. No money may be directly deposited into the checking accounts.

### **Section 3. Organizational Management of Student Activity Accounts**

#### **Bonding**

1. In accordance with M.G.L. c. 71, section 47, the principal designated to operate and control such Agency Account shall give bond to the district in the amount determined by the treasurer to secure the principal's faithful performance of his duties in connection with such an Agency Account. All employees who handle student monies shall be added to the school's general liability insurance policy.

#### **Audits/Annual Reviews**

1. Checking Accounts and Agency Accounts shall be reviewed annually by the Assistant Superintendent at the close of the school year. Each year, an audit of Checking Accounts and Agency Accounts must be completed by an independent audit firm. Fees associated with the audit will be paid for out of the school district operating budget.
2. The Superintendent and his designated staff members shall review monthly reports of all Agency Accounts and Checking Accounts. These monthly reports will be prepared by the individuals having daily oversight of the accounts and will be submitted to the Superintendent's Office on the first business day of each month. The reports shall contain the opening balance of the previous month, copies of any deposit slips representing for deposits made into the Agency Account and receipts for any disbursements from the Agency Account or the Checking Account.

#### **Training**

1. At the beginning of each school year, the Assistant Superintendent or his designee will provide to each school principal a copy of these guidelines. The School principal shall distribute a copy of these guidelines to any individual having daily oversight of the Agency Account or the Checking Account. The Principal or the Assistant Superintendent or his designee shall conduct a training on the procedures, forms, authorizations needed, and the books and records to be kept to accurately systematize an audit trail and prepare the proper reports as required by these guidelines. Attendance at a training session shall be required before any individual can have daily oversight of an Agency Account or Checking Account.

#### **Tax-Exempt Status**

1. All Checking Account purchases will be under the tax exempt number of the school district. Monies not under the control of the school system (ex. PTO, Booster Clubs, staff monies, etc.) are not considered student activity monies and are not eligible to use the tax-exempt number. Any monies belonging to staff



(ex. sunshine funds, staff vending machines) cannot be maintained in such accounts. Should staff wish to maintain such an account(s), they must establish a bank account in their own name, and cannot use the municipal/district tax exempt number for such accounts.

### **Gifts**

1. Gifts to recognize student activities can be deposited into the Agency Account and expended in accordance with district policy.

### **Class Accounts at Graduation**

2. Class accounts may only remain active for 90 days after graduation. Prior to graduation, the principal shall inform the class officers that all remaining funds in the class account must be expended within 90 days after graduation for class related activities/events or the balance in the class account must either be turned over to the incoming senior class or to a 501 (c)(3) charity of the class' choosing.

## **Section 4. Operating Procedures**

### **Record Keeping**

1. Detailed records and back up documentation must be maintained in order to facilitate auditing and the integrity of Agency Accounts and Checking Accounts. The following operating procedures shall be used:
  - Pre-numbered tickets should be used with an inventory system for monitoring the use of such.
  - A standardized financial report promulgated by the school district shall be submitted to the building principal within twenty-four (24) hours of the completion of a fundraiser. The student advisor will be responsible for completing the financial report and submitting it.
  - All disbursements must require a bill or some type of receipt.
  - All deposits must require a school deposit slip stating the source of the monies, total amount being deposited, and signature of the person making the deposit.
  - Bank reconciliations and account reconciliations should be completed at least quarterly by the district. Copies of the account reconciliation shall also be sent to the student officer/treasurer and the faculty advisor of each organization.
  - Annual financial reports will be made to the School Committee at the close of the school year. The individual responsible for daily oversight of the student monies shall be responsible for completing the

financial reports and submitting them to the school principal who shall transmit the report to the School Committee.

### **Subsidiary Accounts**

1. The principal shall maintain subsidiary accounts within the Agency account, in order to match receipts and expenditures to the appropriate recognized student activity organization. Subsidiary accounts should be balanced each month to the control account.

### **Receipts**

1. Any student organizations receiving monies from any source (fund-raisers, donations, etc.) will turn over such money to the principal or the principal's designee within twenty-four hours for subsequent deposit to the Agency Account.
2. If money is received on a weekend, it shall be turned in on the first business day of the Principal's Office. No student shall take money home at any time; money received over the weekend shall be deposited to a night depository, secured in a locked vault, or safeguarded by other means.
3. The principal or principal's designee will deposit into the agency account all monies received from student activity organizations no later than forty-eight hours of receipt by the Principal 's Office.
4. All money turned over to the office by a student organization (student officer/treasurer or advisor) shall be accompanied by a school deposit, and signed by the person turning over the money to the office.
5. All monies turned into the office by students must be co-signed by the advisor or a teacher.
6. The advisor or student officer/treasurer should keep a duplicate of the school deposit slip submitted to the office with the money.

### **Earnings**

#### **Interest Earnings**

1. Interest earnings may be expended for costs related to the operation of the Agency Account. This includes (but is not limited to) bank charges, audits, specialized bonds for employees handling student activity monies (if not covered under general liability policies), forms and tickets, and bookkeeping costs.
2. Interest accrued in the Agency Account will be primarily used to pay associated bank fees. Any additional interest will be transferred into the Checking Accounts. The interest will be apportioned to schools based on the size of that school's balance at the end of the fiscal year. [For example, if High

School student activity funds account for 50% of the Agency Account balance, then 50% of the accrued interest should be directed towards the High School checking account].

**Commissions:**

1. Any monies paid to the school or to a student activity organization as commissions belong to the students (ex. school pictures, yearbooks, class rings, and candy sales) shall be deposited into the Agency Account. Such monies shall be expended in accordance with policy set by School Committee.
2. Any other undesignated earnings related to student activities shall be deposited into the Agency Account.

**Purchases**

1. No purchases will be made without prior approval of the principal.
2. The up-fronting of personal monies should be avoided whenever possible. If it is anticipated the up-fronting of monies may be necessary, prior approval shall be obtained from the principal.
3. Equipment and supplies purchased with Agency Account monies are the property of the organization, not of any individual student, advisor, or other interested party.
4. Student advisors, or others involved in purchasing through the Agency Account, shall not in any way benefit personally from the purchase.
5. Student activity monies shall not be used for any purpose unrelated to student activities or for the benefit of any staff person.

**Expenditures/Disbursements/Checks**

1. All expenditures/disbursements from the Checking Account shall be made by check.
2. No check shall be made payable to cash.
3. Checks shall be signed only after they are completely prepared with the amount and payee.
4. No check shall be issued unless it is accompanied by a standard check request form. The form shall be accompanied with the invoice/receipt and any other supporting documentation and shall state to whom the check shall be made payable, the reason for the payment, the amount of the check, the account to be charged, and the approval signature of the student officer/treasurer or advisor.
5. Check signature authority shall be in accordance with School Committee policy. Two signatures are required on checks issued over \$5,000.

6. No check will be issued without bills or receipts accompanied by the disbursement form to document the disbursement.
7. A record of all checks issued will be maintained.
8. All checks shall be accounted for, including voided checks.
9. Checkbook reconciliations to bank statements and account reconciliations shall be done quarterly. The principal shall review and approve the reconciliations.

### **Cash Boxes**

1. A check may be made to open a cash box at the beginning of each fiscal year. This will be done via a voucher "to open cash box for fiscal year XX". This check shall be cashed for change and placed in a locked cash box, which shall be kept in a safe or other secure locked location.
2. A cash box(es) may be needed during the year to make change during fund-raising activities. At no time shall a cash box be used as a petty cash fund.
3. The cash box shall be signed out to student organizations as needed for fund-raising. A log book shall be kept which records which group is using the cash box, the date signed out, the amount in the cash box, and the signatures of both the person signing it out of the safe and the person receiving it. Upon return of the cash box, the log shall also record the date returned, amount returned (which shall be equal to the amount signed out), and signatures of both parties again.
4. The cash box shall be closed out at the end of the fiscal year by depositing the money back to the main account. The amount deposited back must equal the amount originally withdrawn to establish the cash box.

### **Fund-Raisers**

1. All fund-raising projects will be held in accordance with School Committee policy.
2. Results of fund-raisers shall be reported to the principal within one week of the close of the fund-raising activity on an approved form.
3. All monies received through fund-raiser shall be deposited in accordance with the preceding section on "Receipts".
4. Expenditures related to fund-raisers must be handled in accordance with the guidelines and policies for all other student activity account expenditures (see "Purchases" and "Expenditures/Disbursements/Checks")

## **Inactive Accounts**

1. Any student activity organization inactive for a period of three (3) years or more, and for which there has been no receipts or disbursements recorded on their behalf, shall require the following actions to be closed:
  - a. Written notification by the principal to the faculty advisor or student officer/treasurer that the particular activity will cease to be a viable account. The faculty advisor shall notify any students of said student activity organization of the written notification.
  - b. All assets of the recognized student activity organization shall be determined and stated in writing.
  - c. All assets of an inactive recognized student activity organization shall revert to the Agency Account.

## **Forms**

There shall be a uniform set of forms used with regard to the guidelines herein. Said forms are appended to the guidelines. There are some recommendations that have been suggested by people who are involved with the NRSD Student Activity Accounts program. The suggestions include:

- Negative Balances- no more
- Student Travel
  - Formal Request with approval from SC- Detail included (Best Practice)
  - Final report for finances after trip
  - Approval Authorization Forms
  - All travel needs to be approved by the School Principal with policies established by School Committee
- Large Account Receipts-Pre-numbered receipts for all monies
  - Examples:
    - Year Book
    - Dues

- School Trips

- Sign off of receipts (turnovers) by two people excluding Treasurer
- Small Accounts need a checklist for receipts
- Turn-over period – date needed for time of payment of fees and submission to Treasurer
- Advisor Accountability
  - Reconciliation of all funds for the programs they are advising
- All checks must be accounted for
  - Voided Checks
- Signor must be confirmed on all checking accounts
- 30B encouraged on all big ticket items
- List of all individuals involved in Student Activities
- Form for Reconciliation- uniform across the district
- Maintain a reconciliation document

**Appendix A**  
**Review Team Qualifications**

**John A. Crafton**

35 Rowley Country Club Road

Rowley, MA 01969

(978) 273 3888

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**PROFILE:** *Master of Business Administration and Education; experience as School Business Administrator with extensive expertise in fiscal, property management, food services and transportation. Knowledge of Communicating Education Reform, The Foundation Formula, How Much to Appropriate, DOE Reporting, UMAS/DOE Linkages, Accounting Alternatives and Net School Spending. Ability to analyze issues and plan appropriate and effective strategies. Well organized; detail oriented. Creative. . .self-motivated. . .independent thinker. Computer literate.*

**EDUCATION:**

1981            **BOSTON COLLEGE**, Boston, Massachusetts

**PROGRAM LEADING TO DOE CERTIFICATION AS SCHOOL BUSINESS  
ADMINISTRATOR**

1979            **SALEM STATE COLLEGE**, Salem, Massachusetts  
**MASTER OF EDUCATION with specialization in Psychology**

1969            **WESTFIELD STATE COLLEGE**, Westfield, Massachusetts  
**BACHELOR OF SCIENCE-EDUCATION**

**ADDITIONAL TRAINING:**

*Massachusetts Certified Public Purchasing Officer*

*Educator's Certificate: Business Administrator (All),*

*Principles of Supervision – Worcester State College*

*Ongoing education includes numerous workshops and seminars*

*Extensive involvement in the Massachusetts Association of School Business Officials  
Professional Support Services*

**PROFESSIONAL EXPERIENCE:**

2005-Present    **MASSACHUSETTS ASSOCIATION OF SCHOOL BUSINESS OFFICIALS**,  
Chelmsford, Massachusetts

**EXECUTIVE DIRECTOR**

1993-2005      **METHUEN PUBLIC SCHOOLS**, Methuen, Massachusetts

**ASSISTANT SUPERINTENDENT FOR BUSINESS**

Responsibilities are similar to those cited below.

1969-1993      **DRACUT SCHOOL DEPARTMENT**, Dracut, Massachusetts

**DIRECTOR OF PERSONNEL AND BUSINESS SERVICES**



Supervise the financial affairs of the District, including handling all funds, accounting, reporting procedures and long-range planning. Additional duties include: supervising the transportation services, physical plant services, school lunch program, central office activities; attending school committee and other town meetings; planning, organizing and continuing the data processing activities as related to District's operations, instructional operations and programs, research activities and pupil record keeping; maintaining department records; compiling statistical data for the preparation of budgets; preparing and implementing budget; supervising purchasing as the Chief Procurement Officer for the School District; supervising the preparation of bidding documents; monitoring and signing purchase orders; recruiting, interviewing, and recommending central office clerical employees; administering personnel policies of the School Committee; assisting in classifying job descriptions; developing and maintaining system for personnel records; preparing and maintaining statistical information on all personnel and submitting necessary report to the State Department of Education and to the School Committee; maintaining open lines of communications with all community organizations and town departments; preparing financial reports; developing capital improvement programs; monitoring and initialing invoices for payment; monitoring requests for personal days, family sick days, bereavement and unpaid leave of absence.

#### **ACCOMPLISHMENTS:**

- *Initially employed as an elementary teacher in Dracut for four years, and then Guidance Counselor*
- *Received MASBO President's Award 2003*
- *Received ASBO's Eagle and Pinnacle Awards*
- *Received ASBO's Meritorious Budget Award*
- *Received MASBO's Lifetime Achievement Award (which was named after me)*

#### **RESEARCH:**

- *Worked with the Rennie Center, MA. Budget and Policy Center and Dept. of Elementary & Secondary Education to complete the following research-based documents: "Smart Budgeting"; "Cutting Class: Underfunding the Foundation Budget's Core Education Program"; Meeting the Challenge: Fiscal Implications of Dropout Prevention; Model Budget Template, Model Financial Report Template, Promising Finance and Asset Management Practices Guide, a Massachusetts Regional School Administrators' Guidebook;*

**Joel H. Lovering**

20 Windsor Road

East Walpole, Massachusetts 02032

(H) 508 668-1445 (C) 508 294-4509

jlovering@comcast.net

**Summary of Qualifications:**

Superintendent of Schools for a public school District of 6300 pupils. Extensive experience in facilities, fiscal and property management, food service and transportation. President and Finance Chairman of the Southeastern Massachusetts Arts Collaborative (SMARTS), President of the Schools to Career Partnership, Inc. (SCP), Voting Member: Bi County Collaborative (BICO) Board of Directors, Past President of the Massachusetts Association of School Business Officials (MASBO), sitting member of the Association of School Business Officials, International (ASBO) Facilities Professional Sub Committee. Knowledgeable in the areas of Educational Reform, School Finance, bidding procedures, DESE reporting, school construction and curriculum. Certified by the State of Massachusetts Inspector General Office in procurement, building design and construction procedures, supplies and services (MCPPO); Registered School Business Official with the Association of School Business Officials International (RSBA). Retired Lieutenant Colonel USAR Aviation

**Education:**

**Bridgewater State College**

Bridgewater, Massachusetts

Master of Education in School Administration 1974

**Norwich University**

Northfield, Vermont

BA Education, Minor: Science 1968

**Johnson and Wales College**

Providence, Rhode Island

Associate Degree: Business Administration 1979

Associate Degree: Business Management 1979

Associate Degree: Computer Science 1979

**Licenses:**

Massachusetts Department of Elementary and Secondary Education: Superintendent of Schools, School Business Official, Principal K-12

Rhode Island Department of Elementary and Secondary Education: Superintendent, Principal K-12

**Employment:**

**September 2006 to Present**

Educational Consultant: Massachusetts Association of School Business Officials (School District Financial Review Team)

Program Coordinator: Massachusetts Association of School Business Officials Licensure Program

**July 2009 to October 2009**

Educational Consultant to Pope John Paul II Catholic Academy

Interim Director of Finance and Administration, Pope John Paul II Catholic Academy

**July 2009 to July 2011**

Energy Education Inc.: Marketing Consultant

**July 1, 2007 to June 30, 2009**

Executive Director: Rhode Island Association of School Business Officials

**July 1, 2003 to June 30, 2006**

**Superintendent of Schools, Attleboro, MA**

Responsible for 6300 students, 780 employees, 12 school buildings and a \$50m budget. Chief Executive Officer of the school department, working directly with city and elected officials. Created school District personnel office, and realigned business office for better efficiency. Responsible for making a \$1.1m midyear budget adjustment due to city reducing the school appropriation six months into the fiscal year and ending the fiscal year with a positive balance. Work directly with food service and facilities management companies working within the District. Chief negotiator for all administrative, custodial and maintenance contracts. Chief Procurement Officer for the school District. School District spokesman on school District related affairs. Work directly with the school committee and subcommittees on policy, curriculum, finance and procurement issues. Responsible for cooperative working relations with all school unions and city departments. Responsible for setting educational goals for the school District and ensuring their implementation. Directly involved with curriculum and special education matters in support of all students and student activities.

**February 1989 to July 1, 2003**

**Assistant Superintendent of Schools for Business, Attleboro, MA**

(Director of Funds and Facilities 1989-1992; Business Administrator 1992-1998: (title changes)

Overall responsibility for all business affairs of the school District. Duties include the development, implementation and oversight of the school District budget; monitoring proper control measures for payroll and business accounts; supervising long range financial planning while introducing creative approaches to saving tax dollars. Ensuring that expenditures are properly charged within the budget and kept within appropriation limits; liaison to city government for financial issues. Work directly with the School Committee Finance subcommittee on budget, procurement and facility matters; responsible for the management of transportation, facility maintenance and food service contracts. Chief negotiator for clerical, custodial, maintenance and bus driver contracts; advisory member of the Municipal Building Commission on school building projects.

**Accomplishments:**

Worked with City Municipal Building Commission and School personnel to plan, construct/renovate and build six school building projects.

Collaboratively worked with seven communities to develop an energy consortium that has saved the Attleboro School District over \$125,000 in utility cost annually.

Worked with City Officials to successfully change school District budget from pencil ledger to computerized budget format.

Co-authored the MASBO Strategic Plan as President of the Massachusetts Association of School Business officials.

Successfully bid and contracted with facilities maintenance, Food Service Company and transportation companies over a period of 18 years.

**Teaching Experience:**

Attleboro Public Schools

Attleboro, Massachusetts

**September, 1972-February 1989**

Brennan Middle School: Grades 6-8

Classroom teacher in the areas of Science, Government, Social Studies and Reading

Achievements: Successful teaching experience; Vice Chairman of Brennan Middle School Improvement Council; Horace Mann Grant recipient; Co-Chairman NELMS Evaluation Committee; Harvard University Educational Technology recipient; New England Secondary Schools and Colleges Science Sub-committee Chairman visiting accreditation team; South Eastern Massachusetts host classroom for Governor Dukakis' Drug Alliance Program.

**September, 1968-June, 1969**

Thatcher Middle School: Grades 5-8

Classroom teacher in the areas of Science and Reading

**Military Experience:**

Lieutenant Colonel USAR (ret)

**United States Army: June, 1968-February 1972**

Armor Officer, Fort Knox, Kentucky; UH-1 Helicopter Pilot, Fort Wolters, Texas; Fort Rucker, Alabama, Company Commander/Aircraft Commander, Republic of Viet Nam 1971-1972

**Massachusetts Army National Guard: March, 1972-December, 1991**

Company Commander, G3 Division Airspace Management Officer, UH-1/OH 6 Helicopter Pilot, Division Rear Project Officer

**United States Army Reserve: June, 1991-August 1996**

Instructor: Combined Arms Services Staff School

**Past/Present Professional Memberships and Awards:**

Massachusetts Association of School Superintendents

Association of School Business Officials, International: Member; Management Techniques Committee 2002-2004, Facilities Management Committee 2004-present

Massachusetts Association of School Business Officials: Board of Directors 1997-2000; Vice President 2000-2001; President Elect 2001-2002; President 2002-2003; Past President 2003-2004

Recipient: Massachusetts Association of School Business Officials President's Award; May 2006

Rotary Club of Attleboro

American Association of School Administrators

**John A. Manzi**  
**35 Knollwood Drive, Longmeadow, MA 01106**  
**413.537.9886**  
**johnamanzi@gmail.com**

#### OBJECTIVE

A Position as a K-12 Chief Operations Officer

#### SKILLS PROFILE

- Experience with K-12 administrative systems , functional and data systems aspect
- Managed enterprise data systems, integration, and reporting
- Implemented/reconfigured financial, time and attendance, human resource, payroll, substitute management , and payroll systems
- Designed and implemented data and process compliance systems

#### EMPLOYMENT HISTORY

**Financial Data Administrator, Springfield Public Schools** 3/1/2013 — Present

*Springfield, Massachusetts*

- Reconfigured Kronos Timekeeper system
- Implemented Kronos Leave, Attendance, and Analytics systems
- Integrated multiple administrative systems creating efficiencies and eliminating redundancies
- Schedule and assign work to staff on a regular basis
- Implemented audit and compliance systems
- Designed Cognos data warehouse frameworks and reports
- Managed processing of data for all administrative system including DESE end of year report, school budget, Medicaid reimbursements, collective bargaining

**Director of Budgeting, Planning, and Special Projects, Springfield Public Schools** 2008 — 2013

- Implemented \$310 million budget
- Integrated and transitioned accounting systems
- Directed state end of year reporting
- Led major integration efforts of HR and financial systems
- Developed/coordinated all administrative data systems
- Implemented/Integrated MUNIS municipal ERP system

**Chief Administrator of IT Research and Innovation,  
Springfield Public Schools**

1994 — 2007

- Transitioned paper based systems to automated data systems for payroll, human resources, and financial services departments.
- Created the HumRes database and Payroll systems using Microsoft SQL Server back-end database and Microsoft Access as a front-end application – This system was used for over a decade and was the main payroll and HR in-house administrative system
- Administered Microsoft SQL Server user security and privileges
- Provided services in the following areas:
  - Financial Systems Support
  - Payroll Systems Support
  - ADP Implementation/Integration
  - Certification Application Support
  - Professional Development Support
  - SPED Reporting and Support
  - Helpdesk Systems and Support
  - Central Office Reporting
  - School Information Systems Support
  - Project Management Office Support (PMO)
  - Student Success Plan
  - District Assessment Support
  - Transportation Restructuring
  - IT Infrastructure Migration
  - Easy IEP System Integration
  - IT Documentation Repository
  - M-Number System Development
  - 504 Plan System Development
  - STAT System Development
  - Staff Allocation Support

**Bruno's Pizza, Founder/Controller**

1985 — 1994

*Springfield, Massachusetts*

- Managed multiple retail outlets
- Expanded business to over \$1 million in sales per year
- Managed 30 full time employees

**Springfield Housing Authority**

1984 — 1986

*Springfield, Massachusetts*

- Account Manager
- Implemented Reporting systems



## **DAVID A. KING**

Mr. King retired as the chief fiscal officer of the Waltham Schools after 28 years in the position. He is trained in government and non-profit systems analysis as well as educational finance and administration. Mr. King has participated in or directed the following projects:

- Developed and managed, as Chairman of the Waltham School Building Committee, a \$180 million facilities renewal project. The project replaces eleven (11) existing school buildings with five (5) new buildings and three (3) fully renovated buildings with new additions.
- Served as Interim Business Manager for the Southbridge, Watertown, & Attleboro Public Schools, replacing the previous manager on a temporary basis, assisted in hiring the permanent replacement and mentored my replacement.
- Consulting on projects with Wayland, Dennis, Holbrook, Beverly, Amesbury, Westfield, Needham, Pembroke and Berlin-Boylston Public Schools as well as Minuteman Technical H. S.
- Contract manager and steering committee chairman for Camp, Dresser & McKee's development of a model Environmental Management System for the Waltham Public Schools.
- Implemented computerized accounting and record keeping systems in the Waltham Public Schools, first with mainframe computers, then personal computers and currently client server networks.
- Provided technical assistance in developing a system wide racial equity plan.

- Consultant to the Massachusetts Department of Education on audit standards for the End of Year Pupil and Financial Report. Developed data collection and reporting systems to support this document.
- Designed and redesigned Waltham Public Schools chart of accounts to be compatible with UMAS, DOE requirements and reporting, City of Waltham Auditor's requirements and several computerized accounting packages.
- Provided School Department liaison to City implementation of Burroughs payroll system, SCI fiscal software and MUNIS payroll system.
- Advised the Waltham Superintendent of Schools on computer education and business computer systems prior to establishment of a Computer Education/Technology Department.
- Consulted with Massachusetts Department of Education on financial reporting for SPED programs.
- Advised and provided instruction on Education Reform finance regulations for the Waltham Public Schools' administrative staff & School Committee, and the Mayor, City Auditor and City Council.
- Directed the design and construction of a 10,000 sq. ft. Vocational Automotive Technology Center for Waltham High.
- Directed the development of a long-range plan for Waltham High's outdoor athletic facilities. Managed design and construction of (4) new multi-purpose fields along with a 400-meter track & baseball facility.
- Chosen by Massachusetts Department of Education as test site for implementing Creighton School Bus Routing System (now Versatrans). Operated Creighton-Manning computerized bus routing and school districting software for 19 years.
- Managed school bus transportation in Waltham for 34 years.