

NEWTON PUBLIC SCHOOLS



Finance Procedures

Office of Business, Finance, and Planning

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Introduction

This Procedures Manual of the Newton Public Schools Office of Business, Finance, and Planning outlines the federal and state laws that regulate all aspects of school finance. The manual describes the roles and responsibilities of the School Committee and district personnel in relation to school finance. The procedures that personnel employ to ensure compliance with regulations and city policies as well as discharge their duties efficiently and effectively are detailed. The manual contains links to relevant documents from city, state, and federal agencies and appends relevant forms, instructions and training templates.

Roles and Responsibilities

The School Committee

The School Committee derives its authority from the Constitution of Massachusetts, from statutes, and from the regulations of the State Board of Education. The School Committee operates in accordance with the MGL Ch. 71 and 41, which delegate its authority. The Education Reform Act of 1993, Ch. 71. S. 37: *The School Committee in each city and town and each regional school district shall have the power to select and to terminate the Superintendent; shall review and approve budgets for public education in the district, and shall establish educational goals and policies for the schools in the district, consistent with the requirements of law and state-wide goals and standards established by the Board of Education.* The Newton School Committee consists of nine voting members: one person is elected (citywide) from each of Newton's eight wards, and the Mayor serves as an ex-officio member. The Newton School Committee establishes guidelines for the development of the annual district budget that provide general direction and allow the district to be creative in its approaches. The School Committee collaborates with city officials and the community to finalize the budget, votes to approve the budget, and approves and regularly reviews expenditures over the course of the year, authorizing transfer of funds across budgets to meet emerging needs.

The Superintendent

The Superintendent is the district's top executive and educational leader. The Superintendent collaborates with the School Committee, administrators and staff to set the educational mission and vision and make decisions about curriculum, instruction, professional development, budgeting, spending, staff, and facilities, ensuring that funds and resources are deployed to support the district's strategic goals. The Superintendent hires, supervises, and manages the central administrators who in turn supervise principals and directors of Newton's 22 schools pre-K to 12. He/she is the authorized signatory for all grants and contracts.

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The Office of Business, Finance, and Planning (BFP)

The Office of Business, Finance and Planning is responsible for budgeting, school facility planning, enrollment analysis and forecasting, human resources, maintenance, payroll, accounts payable, purchasing, transportation, school operations and grants, food service and legal compliance with state reporting requirements. Under the supervision of the Assistant Superintendent for Business, Finance, and Planning/Chief Administrative Officer, BFP personnel establish and monitor all district accounts, student activity accounts, fees, and grant accounts, implementing systems and strategies that ensure compliance with applicable state and federal laws. BFP personnel report on budget and spending to the School Committee five times per year and regularly meet with administrators and program directors to monitor budgets and spending.

The City of Newton

School department finance personnel work closely with the City of Newton Mayor, Chief Financial Officer, Comptroller, and Treasurer to assure that the school budget is developed responsibly, financial transactions are undertaken in accordance with federal, state and local law, regulation, contract and policy, and that all financial transactions are properly documented, approved, and recorded in the city's accounting system. The city coordinates the completion of the annual independent financial audit, including school federal grants. The Treasurer's department is responsible for the timely disbursements of all payrolls to city, school and retired (non- teacher retirees) employees, and the associated federal and state reporting requirements. The city is responsible for the disbursement of all bill warrants for payment to vendors and the reconciliation of checks and bank accounts.

School Principals and Administrators

School principals manage the budgets for their schools. Their designated administrative assistants and bursars are responsible for school based purchasing, managing student activity accounts, including collecting and depositing fees, and processing invoices related to student activities and travel.

Financial Management

The Budget Cycle and Calendar

The Newton Public Schools prepare a budget annually. Budget planning and implementation include the following phases: planning and preparation, public information, approval, implementation and monitoring, and review and reporting. Each phase is discussed below.

Planning and Preparation

During the late fall and early winter months, the budget is developed to fulfill the district's goals and strategic plan following School Committee guidelines. The budget planning process includes conversations with the School Committee, central staff and school building administrators and curriculum leaders, review of enrollments at each school and level, review of capital and maintenance needs, and analysis of resource and staffing needs. A budget calendar is developed with the date the budget is to be published, the dates of budget workshops, reviews, and

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deliberations, dates for public hearings, and the date set for the budget adoption. Generally, the budget proposal is published during the mid to late winter months and approved in March.

Public Information

At the close of the planning and preparation phase, a proposed budget is completed. The Superintendent creates a presentation for the School Committee and posts the proposed budget on the district website. A series of School Committee meetings are devoted to examining the budget details, presenting plans to address priorities, and finalizing the budget. The meetings conclude with the adoption of the budget. School Committee meetings are open to the public and allow time for public comment and questions.

Approval

Once the School Committee adopts the budget, city officials are notified. Follow-up meetings are held with city officials to review the adopted budget and answer questions. The approved budget becomes a line item in the overall city budget and is approved by the City Council.

Implementation and Monitoring

The city and district's fiscal year runs between July 1 and June 30. The BFP office assigns funds and accounts to each department and school for administrators to implement and monitor during the year. Principals and central administrators control accounts associated with their building or department. The administrator is authorized to transfer funds between operating accounts within the same category. The Assistant Superintendent for BFP maintains control over all salary, utility, business and support services accounts and revolving funds. BFP personnel meet regularly with department heads and principals to monitor expenditures and make adjustments to budgets as needed.

Budget Review and Reporting

The BFP office reports expenditures to the School Committee five times per year. These reports include explanations of spending trends, as well as any deviations from planned budget items, and projections for the next quarter. At the close of the fiscal year all accounts and funds are audited for compliance with the laws of the Commonwealth and Generally Accepted Accounting Principles. In addition, a separate report, The End of the Year Pupil and Financial Report, is compiled and submitted to the Department of Elementary and Secondary Education by September 30th of each year. When this report is complete, an independent audit is performed to confirm that the information submitted on the State report ties into the information on the accounting and student record keeping systems. The district receives more than \$500,000 in federal grant funds and must undergo an additional required audit of federally funded grants.

The District Financial Report provides a snapshot of the financial condition of the district each quarter. It provides a comparison of budgeted to actual expenditures and a forecast of remaining expenditures for the purpose of determining any anticipated deficit or surplus. Internal budget transfers among expenditure accounts are reported as adjusted budget on this quarterly report. The District Financial Report is the key method by which the BFP fulfills its primary function to monitor expenditures and to advise the Superintendent. The District Financial Report is a critical means of ensuring internal control.

Key Elements of the Financial Report

The District Financial Report includes the following data:

- Original Budget
- Transfers & Adjustments
- Revised Budget Amount
- Year-to-date expended
- Encumbrances
- Available Budget
- Project Expenses
- Projected Ending Balance

The report includes not only the status of the general fund but also grant funds, revolving funds, and capital funds. Any significant surpluses or deficits are explained. The report includes a narrative to discuss, at a minimum, significant changes from prior reports, and concerns or issues for the remainder of the year. All assumptions upon which projections are based are thoroughly documented in the report

Internal Control Policies and Compliance

Relevant Laws

The Newton Public Schools follow all of the relevant laws and regulations that govern school districts within the Commonwealth of Massachusetts. Additionally, any grants awarded by federal agencies comply with the laws and regulations of the federal government. To provide an accurate and auditable record of all financial transactions, accounts and fiscal records are maintained in conformity with generally accepted accounting principles as required by the Commonwealth's statutes applicable to school districts:

- No funds or accounts may be established or maintained for purposes that are not fully and accurately described within the records of the Newton Public Schools.
- Receipts and disbursements must be fully and accurately described in the records.
- No false entries may be made in the records.
- No false or misleading reports shall be issued.
- Payments may be made only to the contracting party and only for the actual services rendered or products delivered.
- No false or fictitious invoices may be submitted or paid.

Organizational Conflict of Interest or Self-Dealing (Related Parties)

The Newton Public Schools follow MGL, Chapter 268A conflict of interest law and disclosure. The district may not be operated for the benefit of an affiliated or unaffiliated organization or an individual in his or her own private capacity or individuals related to the Newton Public Schools or members of its management, unless the private benefit is considered merely incidental. This private benefit preclusion will extend to the following:

- Sale or exchange, or leasing of property between the district and an affiliated or unaffiliated organization or a private or related individual.
- Lending of money or other extension of credit between an agency and an affiliated or unaffiliated organization or a private or related individual.

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- Furnishing of goods, services, or facilities between the district and an affiliated or unaffiliated organization or a private or related individual except for the rental of district facilities as specified in the Newton School Committee Policy Manual.
- Payment of compensation, unless authorized by the School Committee, by the district to an affiliated or unaffiliated organization or a private or related individual.
- Transfer to, use by, or for the benefit of a private or related individual of the income or assets of the Newton Public School unless specifically voted by the School Committee.

Thus, the Newton Public Schools are guided by the principle of arms-length standards with all affiliated or unaffiliated organizations or with a private or related individual(s). Related party transactions shall include transactions between a school/district and members of the School Committee, administration, employees, related individuals and affiliated companies. Related individuals within the scope of this definition include spouses, parents, children, spouses of children, grandchildren, siblings, father-in-law, mother-in-law, sister-in-law, and brother-in-law of a School Committee member or school district employee. All NPS employees are required by the city to ascertain annually that they have reviewed the conflict of interest law.

Political Contributions

No funds or assets of the Newton Public Schools may be contributed to any political party or organization or to any individual who either holds public office or is a candidate for public office. The direct or indirect use of any funds or other assets of the district for political contributions in any form, whether in cash or other property, services, or the use of facilities, is strictly prohibited. The Newton Public Schools cannot be involved with any committee or other organization that raises funds for political purposes. The following are examples of prohibited activities:

- Contributions by an employee that are reimbursed through expense accounts or in other ways.
- Purchase by the school district of tickets for political fundraising events.
- Contributions in kind, such as lending employees to political parties or using the assets of the Newton Public Schools in political campaigns.

Security of Financial Data

The city/district's accounting software is reviewed regularly to ensure that only properly authorized individuals, utilizing a security password, can access or modify data. The district's financial data is backed up daily to ensure the recoverability of financial information in case of hardware failure. Such data are secured and stored according to data security procedures adopted by the City of Newton and Newton Public Schools Information Technology to ensure the security of cloud-based and local server storage.

The Principal and school bursars shall keep unused checks, unclaimed paychecks and unclaimed pay statements in a secure location. The Superintendent or the Assistant Superintendent for Business, Finance, and Planning shall secure all other financial data.

Security of School Documents

Originals of the following district documents are maintained and their presence is verified on a periodic basis.

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- Minutes of School Committee Meetings
- Banking Agreements
- Leases
- Insurance Policies
- Vendor Invoices
- Grant and Contract Agreements
- Fixed Asset Inventory List

Record Retention and Disposal

Records are maintained for the following indicated minimum periods in accordance with state records retention guidelines:

- Records, documents, and other supporting evidence including paid, cancelled or voided checks, accounts payable records, vendors' invoices, payroll sheets and registers of salaries and wages, employees' timesheets and other public documents are retained for seven years after the original entry date.
- The following records supporting federal contracts, as required by the U. S. Office of Management and Budget, are retained for the indicated minimum periods: for three years after submission of the final report of expenditures, all financial records including spreadsheets, salary information, invoices submitted and paid, and any other pertinent information, with the following exceptions:
 - If any litigation, claim, or audit is started before the expiration of the three year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
 - Records of equipment acquired with federal funds shall be retained for three years after final disposition.
 - Permanently: audit reports, annual district reports, school committee minutes, tax and legal correspondence, labor contracts, insurance claims and policies, and retirement / pension records.
 - The disposal date determined under this procedure is the end of the fiscal year, or the date of final payment of government grants.
 - All records not supporting government grants or otherwise covered by rules of the Internal Revenue Service are retained for three years from the end of the fiscal year in which the records were originally prepared.
 - All financial records are maintained, by category, in chronological order and fiscal year.

Property Management Guidelines

Use of School Assets

No employee may use any of the school property, equipment, material or supplies for personal use without the prior approval of the superintendent.

Use of City/School Credit Card

The Newton Public Schools does not maintain a credit card for employee use. The City of Newton has a credit card that may be available for emergency purchases. If an employee must use a credit card for a purchase, a request must be completed with the Purchasing office to use the City issued credit card. The credit card usage form is appended.

Property and Equipment

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The Newton Public Schools maintains detailed records of all government-furnished property and equipment, with an identification and segregation of property and equipment acquired through government grants.

Identification of Property

The Department of Information Technology barcodes all technology and maintains a database of all technology purchased by district or grant funds.

Record and Report of Property

The school district maintains records for certain items of property purchased above certain designated thresholds. These items include, information technology devices and equipment, equipment purchased by federal grants (\$5,000 threshold), and vehicles operated by the school system. The inventory includes information as follows:

- Name and description
- Serial number, model number, or other identification
- Location and condition of the equipment
- Ultimate disposition data, including the date of disposal, sales price, or method of disposal.

Physical Inventories for Federal Grant funded equipment

The school district performs a physical inventory of all property purchased with federal grant funds valued in excess of \$5,000 per unit on an annual basis. The physical inventory records include each such asset, its identification number, its location, and a brief description of its condition, and includes a depreciation schedule. The physical inventory is reconciled to the above-described Record and Report of School Property. Any differences are investigated and reconciled.

Disposal of Property and Equipment

No item of property or equipment shall be removed from the premises without the prior approval of the Superintendent. With prior approval of the School Committee, textbooks and materials which are outdated or in poor condition may be discarded at the discretion of the building principal. Any other items of value no longer needed by the school district shall be disposed of only after a vote by the School Committee if the item is worth less than \$500 and by the city if the residual value is in excess of \$500 per unit. If equipment is no longer needed by the school district, such equipment shall first be offered to other city departments. If items are not useful to other city departments, the director of operations shall arrange for its disposal and shall ensure that any revenues obtained for the equipment shall be returned to the general fund unless other arrangements have been previously made. If items are disposed of, appropriate adjustments shall be made of the physical inventory list.

Procurement Guidelines

The Newton Public Schools procures only those items and services that are required to achieve the goals and educational mission and/or fill a bona fide need. Procurements are made using best value contracting, which includes assessing the best value considering quality, performance, and price.

The District maintains the following purchasing procedures in compliance with City of Newton and Massachusetts State purchasing guidelines. The City Purchasing website can be found at the city intranet: <http://www.newtonma.gov/gov/purchasing/default.asp>. A printed copy of the latest version of the Purchasing Manual is located in the district purchasing department.

Responsibility for Purchasing

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The Purchasing Director is the purchasing agent for the school district and as such, retains the authority to review and approve all purchases. Newton Public Schools requires all requests to purchase goods or services be initiated through the City financial system. Principals and central office administrators may request access to the system for their employees.

Requisitions are entered by an approved user. Prior to release of the requisition, the requisition must be approved by the purchasing director. Approved requisitions are processed into purchase orders by the City of Newton Purchasing Department.

Purchase Methods

The City of Newton operates by the principle that the best value is obtained by using open, fair competition. For that reason, procurements, with a few noted exceptions, are made using sound business practices, solicitation of quotes, invitations for bid, or requests for proposals. Two sets of rules apply to procurements: legal requirements based on state and federal statute or regulation; and Newton procurement rules based on city policy, a set of self-imposed requirements that the city has adopted as a matter of sound business practice. Newton has procurement policies that require a more rigorous process than statute or regulation. Legal requirements cannot be waived; a city policy, however, may be waived wholly or in part with the written permission of the City's Chief Procurement Officer and/or Chief Financial Officer.

The city's policy requirements for the procurement of supplies and services are more rigorous than the legal requirements. The tiered financial guidelines are listed below:

- \$0-\$2,999: follow sound business practices.
- \$3,000-\$4,999: solicit three oral or written quotes, document all efforts to obtain quotes, and complete a Quote Summary sheet to accompany the requisition.
- \$5,000-\$24,999: solicit at least 3 written quotes, document all efforts to obtain quotes, and complete a Quote Summary sheet to accompany the requisition.
- \$25,000+: Sealed bid process using a request for proposals (RFP) or invitation to bid (IFB). The City Purchasing Department has final approval of all procurements and must be consulted to issue an RFP or IFB for services.

Certain supplies and services are exempt from competitive procurement from M.G.L. 30B (<http://www.newtonma.gov/civicax/filebank/documents/49061>), however, the city requires a compelling reason to not follow its procurement policies.

Noncompetitive Procurement (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from one practicable source.
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the district.
- The vendor supplies written documentation that they are the sole source manufacturer or provider of the item or service being procured.
- After solicitation of a number of sources, competition is determined inadequate.

Under M.G.L. Chapter 30B, a sole source procurement of any supply or service under \$50,000 is allowable when a reasonable investigation shows that there is only one practicable source for the

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required supply or service. The determination that only one practicable source exists must be in writing on a Sole Source Request and Declaration Form, found in the City Purchasing Handbook. The Sole Source Request and Declaration form consists of three sections: a description of the supply/service, cost and start-stop date for the procurement; descriptions of investigations to determine other possible sources for the supply/services; and reasons for conclusion that vendor is the only practicable source.

Sole source contracts in excess of \$50,000 are only allowable for the following purchases:

- Software maintenance
- Library books
- School textbooks and educational materials
- Utilities

The City Purchasing Department's Procedures for Departmental Purchasing Manual is regularly updated and should be referred to for any purchasing questions.

Fair and Open Competition

All procurement transactions must be conducted in a manner providing fair and open competition consistent with 2 C.F.R §200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business
- Requiring unnecessary experience and excessive bonding
- Noncompetitive pricing practices between firms or between affiliated companies
- Noncompetitive contracts to consultants that are on retainer contracts
- Organizational conflicts of interest
- Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement.

Travel Guidelines

Employees who use their own vehicles for business related travel are reimbursed at the city-determined standard mileage rate per mile or at the rate per day/month negotiated through the collective bargaining process. In addition, parking fees and tolls paid are reimbursable if supported by receipts. All employees requesting such mileage reimbursement are required to furnish an expense reimbursement form containing the destination of each trip, its purpose, and the miles driven, backed up by a GoogleMaps or Mapquest confirmation. Receipts for any parking fees or tolls paid must be attached to the travel report.

Employees who travel to conferences must receive prior approval by their supervisor. Approvable expenses for conference attendance including registration costs, hotel, meals, hotel and meal taxes, and mileage or airline costs, again, with prior approval. Detailed receipts must accompany the employee reimbursement form. No alcohol purchase will be reimbursed. If an employee purchases food, except that used during instruction, itemized receipts must accompany the reimbursement form and the Superintendent must also approve reimbursement for food. An employee reimbursement form is appended.

Travel Advances

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Travel advances may be available to faculty and staff to pay for airline or conference reservations before the trip occurs, providing documentation of anticipated costs. Should the Travel Advance method be approved by the school principal and business office, upon completion of the trip, the staff member must present receipts and documentation for all related costs. If these costs are less than the amount of funds advanced, the employee must reimburse the district. If approvable travel costs exceed the amount of the advance, the employee may request reimbursement following the standard procedures for employee reimbursements.

Other allowable methods for paying for costs associated with student travel activities may be arranged with the business office on a case by case basis.

Student Travel

Students, accompanied by faculty chaperones, travel nationally and internationally for a variety of reasons including tournaments, competitions, cultural and educational exchanges and service projects. School Committee policy states, "All student trips which include late or overnight out-of-state or out-of-country travel must have prior approval of the School Committee. Initial approval by the School Committee is required before engaging students in fundraising activities. The School Committee will also consider the educational value of the trip in relation to the cost prior to granting initial approval. Overnight trips should offer significant educational benefits to students that clearly justify the time and expense of the trip. Such trips should be appropriate for the grade level.

Final approval will not be granted until all preparations for the trip have been completed including, but not limited to, all logistical details involving transportation, accommodation arrangements and fundraising efforts. The School Committee requires that final approval be sought no less than 30 days prior to the scheduled trip dates.

Teachers and other school staff are prohibited from soliciting for privately run trips through the school system and in the schools. The School Committee will only review approval for school-sanctioned trips. The School Committee will not review or approve trips that are privately organized and run without school sanctioning.

The district Purchasing Department will work with trip organizers to solicit quotes from reputable travel agencies to find the best prices for airfare and tour operators. In cases where substantial savings may be achieved, and the school can demonstrate the savings with higher alternative cost information, the school may elect to self-operate the trip. If the trips are self operated, liability insurance must be obtained for the trip. The following link provides access to information regarding the approval process and steps necessary to launch international travel.
<https://www.newton.k12.ma.us/site/Default.aspx?PageType=6&SiteID=4&SearchString=student%20travel>

Consultants and Contractors

Consultants and contract personnel may be engaged to provide direct services to students and consultation, technical assistance and professional development to teachers and administrators.

Consultant Utilization

Consultants and contractors must be set up as vendors with the city, requiring that the consultant complete a W-9 form which is sent to the City Comptroller along with a vendor request form. A contract or professional agreement must be completed in order to encumber funds for the service. Professional agreements are employed when the total cost obligation of the service is under \$24,999 and must include a scope of services that details work requirements, rate of

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compensation, and nature and amount of other expenses. This is signed by the contractor and the Assistant Superintendent for Business, Finance and Planning or other central staff member. Once the signed agreement is in place, an encumbrance or a purchase order is generated.

For a large contract with extended educational or administrative services, a management contract signed by the Assistant Superintendent for Business and Finance, the Comptroller, City Solicitor and Mayor must clearly identify the contractor's performance requirements, including student's academic achievement if appropriate to the service provided, the contractor's compensation, and the district's rights to educational curricula and intellectual property developed, and expected deliverables if any, with the individuals or organizations providing the services and details of actual services performed. Upon execution of these contracts, the City Comptroller encumbers the funds.

Invoices must be submitted by consultants on their own letterhead, including sufficient detail as to the time expended and the nature of the actual services performed. Consultant invoices must be approved by the principal/department head, and submitted to the district accounts payable office for payment. Processing of invoices generally takes two to four weeks.

Monitoring and Compliance

The use of consultants and contract personnel is closely monitored so as not to vary from the rules of the Internal Revenue Code. In particular, the consultants will:

- Not be controlled as to what services will be performed and how these services will be performed. Consultants will not have set hours of work.
- Adhere to a precise contract scope of services, recomputed or at least adjusted annually. This consultant agreement will specify the obligation of the consultant to pay his or her own self-employment taxes, if applicable.
- Not receive any fringe benefits as such, although their fee may include provision for fringe benefits.
- Not be assigned a permanent workstation.
- Make their services available or work for a number of firms or persons at the same time.
- Use their own stationery or time sheet in billing for services.

Grants and Gifts

All grants and gifts made to the Newton Public Schools must be approved by the School Committee. The grant or gift is then set up in a unique account with the City Comptroller for each grant or gift by grants office personnel. This applies to gifts of any size made to individual schools or the district. The exception is gifts made in connections with Student Activities (see Student Activity section). Grants personnel work with program directors to manage and monitor funds. Detailed instructions about accepting and managing grants are found in the document Newton Public Schools Procedures with Internal Controls for Grants Management. <https://docs.google.com/document/d/1-ohqCMs6Uj4CJuTOg1n1nLh2ogEJlrFFDoMo7Aq3moE/edit>

Gifts from charitable foundations, private corporations or individuals must be accepted by the School Committee. Money from these accounts can only be expended for the intended funded purpose and are subject to acceptance by the School Committee. The account closes when the funds are fully expended or the purpose has been fulfilled. Gifts must adhere to the School Committee

policy which is located at:

<http://z2policy.ctspublish.com/masc/Z2Browser2.html?showset=newtonset>

The district has established named gift accounts that are under the auspices of individual school principals. Funds from these accounts are deposited directly by the school bursar with a cash receipt schedule prepared that indicates the budget code and account of the gift account. All disbursements from gift accounts are processed through documented accounting procedures.

Internal Control Procedures

Internal control procedures are those actions that BFP personnel employ to comply with state and federal laws and School Committee policies.

General Financial Procedures

Financial management is achieved through accurately forecasting and planning the budget, following effective, acceptable accounting practices to record expenditures, providing vigilant monitoring of all expenditures to maximize the allocation of resources, and accurately reporting budget implementation. Principals and department heads are responsible for effective financial management of their site or department budgets.

Chart of Accounts

The Chart of Accounts provides the mechanism for tracking and recording all financial transactions in the general ledger. The district chart of accounts is designed to comply with the Department of Elementary and Secondary Education guidelines to facilitate reporting at the end of each year. Budgets are entered into the city's software accounting system.

General Accounting Procedures

To ensure that all accounting entries are current, accurate and complete, all transactions are entered immediately in the city's financial software system. All entries are supported by adequate documentation that clearly shows the justification and authorization for the transaction. For example, all requisitions for purchases must follow city and school department guidelines, be properly documented and authorized by the principal, department head, or central staff member and approved by the purchasing director. Invoices for payment must offer sufficient detail to demonstrate alignment with the specifics of the purchase order. The accounts payable personnel maintain records of all purchase orders, invoices, and payments.

Budget Transfers

Budget transfers are an important part of maintaining financial control over the budget. Expenditures should not be made against an account that does not have a sufficient balance to cover its cost. In order to process a purchase request against an account with an insufficient balance, a transfer must be executed to move budget into that line item from another line item that has sufficient balance.

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Not all monies remaining on a line item of the budget represent an available balance. Rather, funds for future purchases, approved in the budget but not yet placed, may be residing on a line thereby creating a positive available balance. This balance is not a “free” balance; it is referred to as the “available” balance. Maintaining internal control is critical. School administrators can request budget transfer amounts between the non-salary accounts under their control that are within the same object category. The BFP executes requested line item transfer requests and batches journal entries for the Comptroller, who provides final approval prior to posting in the accounting system. The BFP office tracks and oversees all salary and benefit accounts and will prepare transfers for salary and benefit accounts where necessary.

Account Reconciliation

At least five times per year, the BFP department prepares a fiscal and operations report for review and acceptance by the School Committee. This report includes current status of all school operating budget accounts as well as projections for the rest of the fiscal year. The report shows transfers that have occurred between budget accounts throughout the course of the fiscal year due to changing needs. This process demonstrates compliance with state law and School Committee policies.

Cash Management Procedures

The goal of the district’s cash management procedures is to record receipts completely and accurately and to prevent the diversion of cash assets (cash assets include both checks and cash). The district has internal control systems in place to monitor cash receipts and to ensure that deposits are made in a timely manner.

Receipt of checks and cash payments delivered in person or by mail is assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts. Each receipt is documented in a deposit form that assigns the receipt to a specific revenue account. A copy of the payment is made and used as back up for bank deposits. Bank deposits are made as needed by identified program staff person. Accounts are reconciled with balances carried by the city treasurer.

Cash Receipts Procedures

The Newton Public Schools has internal control systems in place to monitor cash receipts and to ensure that deposits are made in a timely manner. To the extent feasible, the following duties are segregated in each location where cash is received: opening mail, collecting funds, preparing funds for deposit, making deposits, preparing the accounting record. In the case of collecting and preparing funds for deposit, two staff should be present to verify funds. Only active employees of the school department whose job descriptions entail cash receipts and students involved in approved student activities may receive funds for deposit. Employees without job description designation, volunteers and other non-school personnel may not handle or receive school funds.

Checks and money orders are to be made payable to Newton Public Schools, or to a specific school program, and not to a specific employee. Checks must be written in the correct amounts, have an original signature, include the payee’s name and address, and be correctly dated. Cash and other receivables should be turned over upon receipt to the designated school employee or school bursar

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for processing. If immediate turnover is not possible, funds should be safeguarded in a safe or locked cash box and turned over on the next business day. Under no circumstances should cash or other receivable be stored in a classroom, a desk drawer, or other unsecured location. Similarly, funds should not be brought home, be left in a vehicle, be given to a third party for safekeeping, or be deposited into an employee's personal bank account.

Fund Deposits

All funds must be deposited within five business days. School staff may not retain undeposited funds as petty cash balances or to make change. Each student activity or fee based program is assigned a unique budget code. Payments made by check are recorded on a receipt log listing check date, number, source and amount. Cash payments are logged and recorded at the same time. Designated district and school personnel make bank deposits as designated by the City Treasurer. A deposit form is retained and attached to a cash receipts schedule noting relevant budget codes and revenue accounts and sent to the City Treasurer on the same or by the next business day. A daily report is run for payments collected online and a cash schedule created for the Treasurer. Receipts and credits are compared to accounts receivable and bank deposits. Accounts are reconciled with balances carried by the City of Newton Treasurer.

Payroll Procedures

Payroll procedures are organized as follows: personnel requirements, personnel data, timekeeping, preparation of payroll, submission of payroll, distribution of checks or payment vouchers of direct deposit. Principals and department heads work closely with the Human Resources (HR) Office to ensure that the school hires only those employees, full or part-time, it absolutely needs within the full time equivalents (FTEs) approved by the School Committee through the budget development process. The HR office in collaboration with the BFP office exerts tight control over the number of new employees hired.

The district has adopted payroll procedures for installing new employees on the payroll system and removing terminated employees from the system, as well as monitoring vacation and sick pay. Requests for new employees are initiated by the building principal or supervisor and submitted to the HR Director who reviews the request to ensure that it falls within the approved budget. The HR office maintains detailed databases to ensure that the funding of positions being vacated is greater than the cost of the new hires.

Each employee is assigned an individual identification number. Salaries, schedule, and leave are set by collective bargaining agreement. Pay and benefits are coded to the employee's site location and function.

Payroll is prepared in-house semi-monthly or weekly for some employees. Attendance data is maintained by school location and reviewed by School Principals, Central Staff, or the Human Resources Department. Individual timesheets are prepared and approved at the schools and submitted to the payroll office where they are processed and filed. Records are maintained for at least seven years according to Massachusetts record retention law.

For salaried employees, payroll information gets loaded into the Payroll Module from the Human Resources Module by the City Information Technology Department. For hourly employees, a timesheet is prepared and submitted to the School Payroll Department. The Payroll Department enters timesheet hours into the system and runs and reviews a payroll verification report

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(warrant). The payroll verification report is electronically signed through a secured program by the School Committee and the Assistant Superintendent/Chief Administrative Officer or other central staff members, and submitted to the Comptroller's Office.

A timesheet activity report and a report for payments of \$5,000 or more are run and compared to the payroll verification report. These reports are reviewed by the Director of Finance and the Assistant Superintendent/Chief Administrative Officer for any discrepancies.

Payroll warrants are run weekly and semi-monthly. Teachers and other school-year employees that are paid on a 24 pay cycle have the option to take a lump sum at the end of June for summer pay. If an employee ends employment at the end of June, all salary funds due are paid in June. When an employee is terminated, the School Human Resources Department advises the School Payroll Department to enter a specific termination code into the city payroll System to update employee records.

Checks and direct deposits for weekly payroll warrants are distributed on Thursday and for semi-monthly warrants on the 15th and last day of the month, or on the last business day prior to these dates if they fall on a weekend or holiday. For paper checks, custodial or payroll staff picks up the checks from City Hall and delivers them to the School Payroll Department. Some checks are then delivered to individual employees by mail. Employees who receive payment by direct deposit are encouraged to receive their pay stubs electronically via email. Paper pay stubs are delivered in the same manner as paper checks.

All payroll warrants are approved by the Mayor and City Comptroller.

Employee Reimbursement

Employee reimbursement is handled through the payroll office. Employees are discouraged from purchasing classroom materials and supplies on their own and urged to use the purchase order process. Employee reimbursements are considered only in the event of emergencies or necessity, that is if a vendor requires payment via credit card; any sales tax paid will not be reimbursed. A Newton tax exempt form can be requested from City of Newton purchasing office via NPS Business Office. Reimbursement requests must be made within the fiscal year during which the expenses were incurred. Reimbursements will only be paid after the delivery of the good or service and require full documentation and original receipts. An employee reimbursement form is located at <https://www.newton.k12.ma.us/cms/lib/MA01907692/Centricity/Domain/1104/Employee%20Reimbursement%20Form.pdf>.

Accounts Payable Procedures

The accounts payable office processes payments to approved vendors for goods and services using acceptable accounting practices and the city software requisition/purchase order module. Back up is maintained for all transactions.

Requisition and Purchase Order Process

In order to be paid for goods or services, individuals and companies must be set up as a vendor with the city. All vendor numbers are available in the system so that each department can look

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them up and create requisitions. If a vendor number cannot be found, the School Purchasing Department is notified and will help search for an existing vendor number or assist the buyer in setting up a new vendor. With each new vendor created in the system, a corresponding W-9 form must be submitted to City Purchasing. Most purchases are made using a requisition and purchase order process described previously. After ascertaining the availability of funds, approved personnel enter a requisition in the city financial software system, appending a detailed list of items/services to be purchased and an account to be charged. Upon approval of the Director of Purchasing, the requisition is submitted to the City Purchasing office and converted to a purchase order.

Several times a week the Purchasing Manager runs a report of pending requisitions and reviews them for procurement compliance, budget code and account number accuracy, and checks that all necessary documents have been attached to the requisition. If the products or services are being purchased through an existing state contract, the state contract number must be added to the "comments" section of the requisition. When all information is completed, the requisition is approved, modified or rejected in the system by the School Purchasing Department. Once approved, requisitions can then be accessed by the City Purchasing Department. All approved requisitions are converted into purchase orders, printed out at City Hall and mailed back to the School Purchasing Department. The original purchase order is sent to the vendor with instruction that duplicate copies of invoices are to be sent to the School Accounts Payable Department directly. A copy of the purchase order is sent to the ordering department with instruction to return the purchase order copy to Accounts Payable when the order has been received and reviewed with approval to pay.

If any purchase orders are to be modified or canceled, the individual departments must notify the School Purchasing Department. The School Purchasing Department assists them in filling out a form with the changes and submitting the form to City Purchasing. The requested changes are then entered into the city financial software system.

There is no minimum dollar value for a purchase. Purchases must be made through a purchase order or contract. There are some purchases that may be exempt from the full procurement process such as textbooks, subscriptions, professional development and insurance, as defined in MA General 30b Procurement Laws.

Both purchase requisitions and purchase orders are pre-numbered and used in sequence. Numbers are system generated. Each department/school is responsible for reconciling their requisitions and purchase orders.

In order to ensure that an appropriation exists, a budget is set up in the city software system. There are system controls in place to disallow requisitions when there is no available budget. The system does not allow a requisition request unless an available budget exists. A variance of +25% is allowed for purchase orders.

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Invoicing and Bill Payment

Upon receipt of the goods or services, the vendor must send an invoice on company stationery. It is reviewed and approved by the principal or department head and submitted to the accounts payable office for processing. Generally, payment in full is not made until the service is complete, but payment may be made for partially fulfilled orders but only for the goods or services that have been delivered. The process used to submit invoices for payment is as follows:

- For partial shipments - once invoices are received by the Accounting Department, a copy of the invoice is sent to the department for a signed authorization to pay.
- Full shipment – once invoices are received by the Accounting Department, accounting files are checked to see if a copy of the purchase order has been received from the department head with appropriate signatures.

After invoices have been authorized for payment, the Accounting Department enters invoice batches in the system. Batches are then reviewed and signed by the person who entered information into the system, and by the person reviewing the batches. Batches must be reviewed and signed by the Assistant Superintendent/Chief Administrative Office, the Director of Business and Planning, or the Director of Finance.

Once invoices are reviewed, they are stamped and initialed. System controls are relied on to prevent double payment; the finance software does not allow invoices with a number that has already been entered to be posted in the system. In addition, the system informs the user if an appropriation does not exist. If expenditures exceed appropriations, the Accounting Department contacts the ordering department and informs them that a budget transfer request must be made. The Assistant Superintendent/Chief Administrative Officer, Director of Business and Planning, or Director of Finance must approve any budget transfers.

General Fund and Warrant Articles

The accounts payable personnel prepare invoice batches with original invoices for approval by the Assistant Superintendent for Business, Finance and Planning. A batch of invoices is delivered to the City Comptroller to be added to a weekly warrant, with disbursement warrants drawn on Tuesday and Thursday of each week. Warrants are approved by the Mayor and Comptroller. Checks are generated by the City Treasurer and mailed to vendors. It is the goal of the district and city to pay vendors within 30 days of invoice receipt.

Petty Cash and Related Bank Checking Accounts

With a few exceptions, most petty cash accounts are replenishment bank checking accounts. Petty cash accounts are approved by the School Committee and are authorized by the City Treasurer. Bank account limits similarly are approved by the School Committee and are authorized by the City Treasurer. Account limits range from \$300 to \$500 for most accounts, with high school athletics accounts at a higher limit of \$2,000. All petty cash accounts are used for specifically designated purposes when it is not feasible to process payments using the city warrant process. The number of approved accounts is small and includes the business office, the school lunch program, community

education and each high school athletics office. Each petty cash account has an identified custodian who attests his/her compliance with city policies and who has authority to write checks from the account, submit receipts for reimbursement, providing proper backup (invoice, detailed register receipt) so that the City Treasurer can issue reimbursements from the account. Accounts are reconciled at the end of the fiscal year, with copies signed by the custodian and district department head or school principal and sent to the Comptroller.

Student Activity Accounts

Student activity accounts are established by the School Committee to ensure that students have an opportunity to take part in co-curricular and outside-classroom experiences, provide efficient procedures for their creation, operation and demise, and outline a system for the safeguarding, accounting and internal control of co-curricular and outside-classroom activity funds. In compliance with Massachusetts General Law Chapter 71, Section 47, the School Committee:

1. Authorizes the Principals or designees to accept money for recognized student activity organizations, which currently exist, or as from time to time may be revised. All funds received for student activities must be deposited into the Student Activity Agency Account; this is the City of Newton primary deposit account. No funds shall be directly deposited to a Student Activity Checking Account except from the Student Activity Agency Account. Each school's checking account is a **replenishment account** - only reimbursement checks from the City Treasurer may be deposited.
2. Authorizes the City Comptroller to establish and maintain a Student Activity Agency Account(s) which is to be audited as part of the City's annual audit. The interest that is earned on such accounts shall be maintained in the Agency Account and distributed annually among the Student Activity Checking Accounts.
3. Authorizes Student Activity Checking Accounts for use by the Principals or designees with specific maximum balances established annually for each school by vote of the School Committee. Payments for expenditures shall be made, whenever possible, by check, debit, or EFT directly from the Student Activity Checking Account. Reimbursements to personal credit card holders shall require the prior authorization of the Principal or designee. Signatory authorization for Student Activity Checking Accounts shall be restricted to the Principal and (Superintendent or Treasurer) or designee. Student Activity Checking Accounts shall be audited annually in accordance with DESE guidelines.
4. Directs Principals to be bonded annually in an amount agreeable to the Treasurer.
5. Shall periodically, prior to the start of each school year, vote to establish or change the maximum balance that may be on deposit in each Student Activity Checking Account. The Student Activity Checking Accounts are replenishment accounts and, as such, balances remain stable.

Graduating class funds held on behalf of graduating classes are to be held within the Student Activity Checking Account for the high school. Such funds shall be designated by the class' year of graduation, such as Class of 2020, etc. Once a class has graduated from high school, their funds should be removed from the High School Student Activity Checking Account no later than two years from the date of graduation. It is the responsibility of the class officers to arrange for these funds to be removed from the High School Activity Checking Account, having received advance approval (in writing) from the class

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officers to transfer any remaining funds to the principal's account upon establishment of the Class Fund. When requested, and once all outstanding financial obligations of the graduating class have been met, the remaining balance should be removed from the fund. Checks payable to individual members of the graduating class are not permitted.

Should the class officers not request to have their funds removed from the Student Activity Checking Account within two years of their graduating, the funds will be forfeited by the class and transferred into the General Sub-fund portion of the Student Activity Agency Account. These funds will then be allocated by a vote of the School Committee. Class officers should be given a copy of this policy during the course of their senior year to ensure their knowledge of their obligations to perform under this policy.

A student activity account may be used for funds raised by student organizations which will be expended by those students for their benefit. Funds raised or donated that are governed by laws other than the student activity laws cannot be deposited to a student activity account. In addition, funds belonging to staff through sunshine funds or vending machines or other activities not related to the students may not be deposited in the student activity account.

By statute, Principals control the accounts in their buildings. Each employee of the district who is assigned the responsibility of receiving and dispensing school funds will be bonded individually or covered by a blanket bond. The cost of the bond will be paid by the city.

Internal Audit Requirements

Deposits and expenditures for each student activity account are documented using Quickbooks or Excel by a principal's designee. The accounting system ensures accurate recording and reporting of cash receipts and disbursements by each student activity fund. Ledgers record a cash and/or investment account and are reconciled with the bank checking account maintained by the principal, combined with the agency savings account maintained by the city treasurer. General cash and/or investment accounts in aggregate can be reconciled to the aggregate detailed fund accounts within the fund recorded for and held by each student activity.

Newton Public Schools follows the Agreed Upon Procedures and Audit Guidelines for Student Activity Funds, as put forth by the Massachusetts Department of Elementary and Secondary Education.. Newton Public Schools conducts in-house audits annually of both high school student activity accounts and one middle school (in-house audits of four middle schools are rotated on an annual basis). The City of Newton outside independent audit includes a student activity account in its audit, at a minimum, once every three years for student activity accounts greater than \$25,000.

Internal Audits are conducted annually by school business management staff designated by the Newton Public Schools Chief Administrative Officer. This staff is not directly involved in the administration or transactional processing of the student activities.

The following Agreed Upon Procedures/Audit Guideline steps are taken in the in-house audit of the above-referenced Student Activity Account:

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1. Obtain a listing of each active student activity. From this list, determine source of funding and objective of each student activity. Evaluate if funds have been properly deposited into the student activity account or if funds are more appropriately classified as revolving, gift, grant or other type of fund.
2. Verify that the accounting system for Student Activity Funds facilitates the accurate recording and reporting of cash receipts and disbursements by each student activity fund in the school student activity ledgers.
3. Verify that the accounting system for Student Activity Funds facilitates the recording of a general cash and/or investment account that can be reconciled with the bank checking account for student activity maintained by the Principal, combined with the agency savings account maintained by the City/Town/District Treasurer.
4. Determine that all student activity deposits were made to the City of Newton agency account maintained by the City/Town/District Treasurer.
5. Determine if the School Principal has properly made requests for replenishment of funds to the Student Activity checking account including submission of original invoices or equivalent supporting documentation.
6. Review the selected checking account bank statements to determine if bank reconciliations are prepared at least quarterly, signed by the preparer, and sent to the appropriate parties for review.
7. Review the selected checking account bank statements to determine if checking account balances ever exceed amounts established by the School Committee.
8. Determine if standard forms are used for deposits and disbursements.

A reconciliation summary is prepared that demonstrates that the sum of funds in student activity club balances equals the combined funds in the City Agency Account and the Student Activity Checking Account. Account custodians and school principals sign the reconciliation summary. The source and use of monies also are reviewed for each student activity and club to ensure that student activity account funds raised by student organizations will be expended by those students for their benefit. The results of these internal audits are documented in writing and submitted to the City Comptroller.

Occasional Independent Audit

An annual audit of the student activity funds is conducted in accordance with procedures as agreed upon between the School Committee and the auditor based upon guidelines issued by the Department of Elementary and Secondary Education (ESE). In addition, ESE recommends the audit be performed by an outside independent audit firm once every three years for those with funds greater than \$25,000.

In the intervening years, the audit may be conducted by a responsible individual independent of the student activities, with the approval of the School Committee. Such an individual could be the Town Accountant, who already has audit powers under MGL Chapter 41 the Treasurer, or the School Business Manager if the School Business Manager is not involved in the administration or transactional processing of the student activities.

PTO School Named Checking Account

Individual school Parent Teacher Organizations, as 501.c.3 non-profit organizations, whose mission is to support the school students and teachers, have established school named checking accounts at some schools and have granted signatory authority to the school principal and/or the principal's designee (e.g., school bursar).

PTOs maintain ownership of school named bank accounts that exist under the authority of the PTO board and are identified by the PTO's Federal ID Number (FEIN). Banks should require proof of authorization by the Board of Directors and a non-profit organization's FEIN for opening accounts. Other account activities may be carried out by account signatories including: receipt of bank statements, online account access, adding and removing account signatories, or account closing. The PTO Treasurer and a second member of the PTO Board Executive Committee are maintained as signatories on school named accounts thus ensuring that PTOs maintain access to their accounts. The PTO is responsible for regular review of deposit and check writing activity and should regularly review bank statements.

The use of these accounts is for the sole purpose of providing funding for certain needs that are not otherwise supported by school Student Activity Funds, School Revolving Funds or the Operating Budget, as defined in this Financial Procedures document. This support, to be determined by the principal's discretion, may include:

- Support for individual students in need of financial assistance for field trip expenses, school supplies, emergency needs normally covered by individual students and families
- Supplies for special events above and beyond the principal's per pupil budget allocation
- Supplies for teachers above and beyond the principal's per pupil budget allocation

The source of funds for these accounts is PTO donations. No other funds are deposited in these accounts.

Fee Based Programs

The Newton Public Schools charges families fees for some services such as school lunch and transportation and extra-curricular activities including athletics, a before school elementary care program, drama, and music. Students who choose to park a car at Newton South High School are charged a fee; waivers do not apply for parking. The School Committee establishes policies and costs of fees, including family caps. No student is denied participation in school-sponsored activities and bus transportation due to inability to pay. Families requesting a waiver or reduction of fees may apply for financial assistance and waivers :

<https://www.newton.k12.ma.us/site/Default.aspx?PageID=1072>. Special circumstances are considered and applications for financial assistance are confidential.

The Newton Public Schools utilizes an online payment system to process fees, and encourages online payment of fees. Payment is accepted in the form of Electronic Check and several credit cards. Use of a credit card is subject to convenience fee paid directly to the online banking service vendor. <https://unipaygold.unibank.com/transactioninfo.aspx> Community groups may also rent school facilities with a Use of School Building (USB) permit and payment of a fee.

Revolving Accounts for School Department Programs

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A revolving fund separately accounts for specific revenues and earmarks them for expenditure by a the school without appropriation for particular purposes to support the activity, program or service that generated the revenues. Typically, revolving funds are authorized by state law for programs or services with expenses that (1) fluctuate with demand and (2) can be matched with the fees, charges or other revenues collected during the year.

Revolving Funds are governed by Massachusetts municipal finance law as recorded in M.g.l. Chapter 71. The enabling legislation specific to each type of revolving account determines the types of activities that may be covered, whether expenditures may include salaries or capital items, the types of revenue sources, whether a fund balance may carry forward, and other accounting procedures. Newton Public Schools has adopted numerous allowed revolving accounts including: Adult and Continuing Education, Non-Resident Tuition, Extended School Services for Children, School Lunch, Vocational Education, Athletics and Student Activities, and School Rental/Use of School Property.

A full list of allowed Massachusetts School Department Revolving Funds can be found at: <https://www.mass.gov/files/documents/2017/09/24/revolvingfundchartschool.pdf>

Annual Notice of Fees

Fee-based programs are reviewed annually and fees levels are recommended and approved as part of the annual budget process. A notice of approved fees is sent to all families prior to the start of each school year, as well as information about applying for a fee waiver.

Procedures for Fee Collection and Deposit

The following procedures govern the collection and deposit of all fee based services:

1. Fees are collected at the school or education center by the identified administrative assistant or bursar.
2. Checks are recorded in a spreadsheet; data entered includes check number, date, amount, issuer name and address and fee based program.
3. Cash from lunch registers is collected daily, placed in a sealed transparent envelope and deposited in the school lunch account. See Food Service Section for details on cash handling procedures.
4. A deposit slip is completed and deposit delivered to the designated City of Newton bank account, depending on the program; the bank's proof deposit receipt is retained and filed.
5. A cash schedule is completed listing total revenue for the specific account and sent to business office.
6. The cash schedule is signed by the Assistant Superintendent for BFP and a batch of receipts is sent to the City Treasurer.
7. A daily report is run on online payments and cash schedule prepared for Treasurer.
8. City Treasurer/Comptroller record revenue in main Financial Accounting System.

Procedures for Fee Reconciliation and Past Due Collections

The following procedures govern the reconciliation of fees paid and owed:

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1. Fee and waiver information is made available to all participants at point of registration for the fee-based activity
2. Participants in fee-based programs are tracked and their fee status is recorded (Full Fee, Waiver and waiver reason).
 - a. The business office determines the use of accounting software packages it uses in the district to ensure that reliable and effective systems are in place in the district.
 - b. Training for staff on the proper use of such systems (e.g. Quickbooks, Family ID, Aspen, or others to be determined) is made available.
3. Payments received from each participant are recorded together with the method of payment (online ACH, online credit card, check, cash)
4. The amount due is calculated based on the Fee Status, Fee Amount less payments made.
5. A payment reminder is provided at a minimum of two times for each participant with a balance due. Distribution methods can include U.S. mail, email, or in cases of high school students, hand delivery to student.
6. An initial payment reminder should be sent approximately 15 school days after the start of the fee-based activity. The second reminder should be sent before the end of the activity.
7. Additional follow-up for non-payment of fees is up to the discretion of the program director or school principal, in consultation with the business office for larger sums owed, or in cases of chronic non-payment.

The following sections describe some of the fee based programs of the Newton Public Schools.

Student Transportation

The Newton Public Schools provides bus transportation under contract with Eastern Bus Services. Families must apply for a bus pass by August 1 each year. There is no fee for students in grades K-5. Students in Grade 6 who reside greater than 2.0 miles from their school qualify for a distance waiver and do not pay the fee. Students in grades 7-12 who wish to ride a bus must purchase a bus pass; annual fees are published each year and families are informed of the cost. Students who intend to ride the yellow school bus to their private school must apply for a bus pass; the same fee policies apply. Transportation fees directly offset the bus transportation. Students whose transportation is required by their education plan are not charged a fee.

Before School Program (elementary early drop off)

The Newton Public Schools offers an Early Morning Program for students in Grades K through 5 in each of the elementary schools, with supervised care offered from 7:30 a.m. until 8:25 a.m. when the school day begins. Fees are used to cover program costs including payments to staff who provide the early morning child care.

After School Enrichment/Arts Programs (Elementary Music, MS Activities, HS Drama)

Students may participate in a variety of fee-based music, drama, extracurricular activities from grade 4 through graduation. These include:

- Elementary instrumental music, grade 4
- Elementary band and orchestra, grade 5
- All city chorus, band, orchestra
- Middle School Student Activities and Drama

- High School Drama

Parking at Newton South

Students may apply to park their car at Newton South school parking lots. Due to lack of available parking lots, parking is not available at Newton North except for a City of Newton on-street permit program administered by Newton Police.

Early Childhood Programs

The Newton Early Childhood Program and Newton South Preschool Program offer services to typically developing 3-5 year olds for a fee. Families have options for hours their children will attend and specific fees are associated with the schedule families select. Extended day coverage is available for a limited number of children at an additional cost.

Non-Resident Tuition

There are several out-of-district tuition programs in place within Newton Public Schools including: Student Exchange Visitor Program (F-1 Visa), Special Education Programs, and Regular Education non-resident enrollments. Tuition rates are established annually and cover the full unsubsidized cost of education.

Newton Community Education

Newton Community Education is a self-sustaining arm of the Newton Public Schools. Programming wraps around the school day and school year, with programs available in school facilities for community learning outside of regular school hours. NCE offers quality enrichment programs provided at a reasonable cost.

Rental of School Facilities

The School Committee allows the public to use school property provided such use does not interfere with school purposes, does not endanger the health, safety and welfare of the public, and does not exclude or discriminate against individuals or groups protected by state or federal law; and does not otherwise violate School Committee policies. Preference is given to organizations connected with the schools or composed of pupils and teachers, and community and municipal groups may also use the buildings. Charges vary depending on the group using the building. The School Committee Policy on Use of School Buildings can be found:

<https://www.newton.k12.ma.us/cms/lib/MA01907692/Centricity/Domain/115/RULES%20AND%20REGULATIONS%20OF>

There are three types of user categories for Use of School Buildings (USB) permits:

- A: School related events authorized by the principal, PTO meetings and events, Newton Schools Foundation meetings and events
- B. Newton community groups, youth groups, City of Newton departments, and Newton Public Schools After School (extended day) programs.

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C. Businesses, adult sports groups, non-Newton organizations, private schools and private functions.

Groups wishing to use a school building must set up an account on line, receive approval, and complete a reservation. Specific fees are charged depending on the permit and need for additional services such as technology, sound and lighting. <https://www.newton.k12.ma.us/Page/2723> The reservation, invoice and billing process is handled on line through SchoolDude. The Operations Administrative Assistant sends invoices to renters by email and renters mail their payments to her. She then creates a cash schedule noting the permit number, space rented, and charges and prepares the checks for deposit. The cash schedule is sent to the City Treasurer. Checks and deposit slips given to BFP administrative assistant who deposits the checks into the identified revolving account following the procedures described previously.

Food Service

The Newton Public Schools is committed to providing students with healthy, balanced, and delicious meals in partnership with a private vendor who is solicited through a public bid process and operates under contract with the district. Following USDA guidelines, students are offered a variety of healthy options, including locally grown and sourced fruits and vegetables. Lunch is provided at all elementary, middle and high schools. Breakfast is offered at 8 elementary schools and all secondary schools. Meals include a protein, a carbohydrate, fresh fruit and vegetable choices, as well as beverage options, including non-fat or low-fat milk. At the middle and high school levels, a la carte items such as snacks and beverages are available for purchase. All students are given a meal account. Students may pay with cash at the register or families may fund purchases through a MySchoolBucks account which they can replenish online. No student who wishes to purchase a meal may be denied.

Families may apply for Free and Reduced Lunch assistance through the federal government; eligibility is determined by family size and income. Online applications are available at <https://www.schoollunchapp.com/Terms.aspx?host=newtonps.schoollunchapp.com&apply=1>. In order to maintain compliance with the National School Lunch Program regulations, the business office must complete the following tasks through the DESE Security Portal:

- Annual District Application
- Monthly State Claims (Within 10 days of the end of the month)
- Quarterly Profit and Loss statement
- Annual Balance Sheet
- Accuclaim
- Verification Collection Report
- Monthly USDA Food Orders
- Direct Certification using Virtual Gateway (Minimum of 3 times per year, with IT assistance)

The Food Service Director employed by the vendor, Principal, Assistant Principal, and/or any staff member responsible for handling cash will assure that all receipts are deposited promptly at the

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bank and copies of all required forms are sent to the business office within twenty four to forty eight hours of receiving the funds. Deposits should be made the same day of receipt of funds. If this is not possible for any reason it must be done within 48 hours. No NPS or Food Service Management Company staff member shall take money home at any time. Money shall be secured in a locked safe, or safeguarded by other means within the department, at all times.

The deposit record from the bank will be used to report collection of all receipts. The Food Service Management Company staff members will identify the school and the source of funds and report:

- Cash receipts
- Total check receipts
- Total of all receipts.

Daily, a business office employee will review the online bank statements and generate a *Schedule Of Payments To The City Treasurer* report. At this time deposits will also be batched in the accounting system. The City Treasurer will enter the receipts to the appropriate budget subsidiary account in the accounting software to assure that receipts are posted promptly to reflect correct and updated balances in the subsidiary account. The business office will verify that the receipt has been posted into the correct account by the City Treasurer's office.

The business office will file the forms received to maintain a record of each deposit.

If there is any discrepancy, the Business Office will contact the Food Service Director immediately via phone or email. The Business Office will maintain a log of deposit discrepancies.

At the end of each year working cash is collected and returned to the City Treasurer. The following school year the School Department receives working cash from the City Treasurer for the use by the Food Service Management Company. The following is the schedule of working cash:

Newton North-	\$1,200
Newton South-	\$ 700
Bigelow-	\$ 300
Brown-	\$ 450
Day-	\$ 450
Oak Hill-	\$ 425
Ed Center-	\$ 65
Total	\$3,590

Food Service Cashier Guidelines

1. Cashiers are to count and sign for their banks at the beginning of their shift in the presence of management
2. Cashiers are to initial the cashier log and set up the register before beginning a shift.

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3. Cashiers are to ensure that a beginning register reading was done by management, if one is available.
4. Cashiers are to ensure that the correct date and time is set on the register.
5. Cashiers are to ensure that a proper internet connection is established prior to ringing sales.
6. Cashiers are required to ring in all sales immediately with no delay.
7. Cashiers are not to leave the registers unattended with the key in. When unattended, cash registers are to be locked and all keys removed.
8. Only one person is to work from a cash drawer during a shift
9. Cashiers are responsible for knowing the correct prices of all menu items
10. Cashiers are responsible for clearly identifying a reimbursable meal
11. Cashiers and management are to count closing cash in each other's presence and co-sign daily receipts.
12. Cashiers are subject to unannounced audits at any time by management
13. There is to be no commingling of personal funds and school funds at any time
14. No personal items are to be kept at the register station including but not limited to wallets, purses, handbags, backpacks, coats, or cell phones.

Athletics

At all four middle schools, 7th and 8th grade students may participate in a variety of interscholastic sports. Fees for middle school sports are published each year. Both high schools offer a wealth of junior varsity and varsity sports during the fall, winter and spring. Athletics fee directly offset the costs of coaches, officials, transportation, practice/game venue rental costs, instructional supplies and equipment.

Procedures for Handling Athletics Receipts

1. Receipt of checks and cash payments delivered in person or by mail is assigned to an employee with responsibilities independent of access to files or documents pertaining to accounts receivable or cash accounts.
2. Each receipt is documented in a deposit form that assigns the receipt to a specific revenue account. A copy of the payment is made and used as backup for bank deposits. Bank deposits are made as needed by identified program staff person.
3. To the extent feasible, the following duties are segregated in each location where cash is received: opening mail, collecting funds, preparing funds for deposit, making deposits, preparing the accounting record.
4. In the case of collecting or preparing funds for deposit, two staff should be present to verify funds.
5. Only active employees of the school department whose job descriptions entail cash receipts and students involved in approved student activities may receive funds for deposit
6. Employees without job description designation, volunteers and other non-school personnel may not handle or receive school funds.
7. Checks and money orders are to be made payable to Newton Public Schools, or to a specific school program, and not to a specific employee.

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8. Checks must be written in the correct amounts, have an original signature, include the payee's name and address, and be correctly dated.
9. Cash and other receivables should be turned over upon receipt to the designated school employee or school bursar for processing.
10. If immediate turnover is not possible, funds should be safeguarded in a safe or locked cash box and turned over on the next business day.
11. Under no circumstances should cash or other receivable be stored in a classroom, a desk drawer, or other unsecured location.
12. Similarly, funds should not be brought home, be left in a vehicle, be given to a third party for safekeeping, or be deposited into an employee's personal bank account.
13. All funds must be deposited, within five business days.
14. School staff may not retain undeposited funds as petty cash balances or to make change.
15. Each student activity or fee based program is assigned a unique budget code.
16. Payments made by check are recorded on a receipt log listing check date, number, source and amount.
17. Cash payments are logged and recorded at the same time.
18. Designated district and school personnel make bank deposits as designated by the City Treasury.