

CAPITAN MUNICIPAL SCHOOL BOARD OF EDUCATION

<h2 style="margin: 0;">SECTION D FISCAL MANAGEMENT</h2>

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D.1 Fiscal Management Goals/Priority Objectives

The CMS Board of Education recognizes that money and its management constitute the foundation of the entire school program. To make that support as effective as possible, the Board intends to:

- Encourage short- and long-range planning through the best possible budgeting procedures.
- Explore all practical and legal sources of revenue.
- Guide the expenditure of funds to achieve the greatest educational returns.
- Require maximum efficiency in accounting and reporting procedures.
- Maintain, within budget limits, a level of per-student expenditure needed to provide high-quality education.
- Follow the Manual of Procedures for Public School Accounting and Budgeting.

Adopted: December 2009

D.2.0 Annual Budget

The annual operating budget for the District is a written plan for the allocation of financial resources predicated upon estimated revenues and expenditures. The District's Educational Plan for Student Success (EPSS) shall serve as the basis for developing the budget. The Superintendent shall establish a budget development process which ensures the involvement of all stakeholders; employees, students, parents, etc. Recommendations from stakeholders will be made to the Superintendent for review and adjustment with the Superintendent's recommendations submitted to the Board for review and final adoption. The Manual of Procedure for Public School Accounting and Budgeting will be followed in all instances.

Adopted: December 2009

D.2.1 Fiscal Year

The fiscal year for the Capitan Municipal Schools will be from July 1 to June 30.

Adopted: December 2009

D.2.2 Budget Planning and Preparation

The Superintendent will present the tentative District budget to the Board for final review prior to the submission deadline of the State Public Education Department, Public School Finance division. The Board will conduct at least one (1) preliminary review of the Superintendent's budget recommendations prior to the final review. Public comment and input will be allowed at all such preliminary meetings.

Approval of the proposed budget by the CMS Board of Education shall be in a public hearing. The notice of the public meeting shall be published in accordance the Open Meetings Act, Public School Code, and Board policy.

Certification of the proposed budget the Public Education Department shall be on or before July 1. The approved and certified budget then constitutes the operating budget.

The Superintendent shall allocate resources from the budget to the schools and work sites. The allocation process shall address the priorities identified in the CMS District EPSS action plan.

Adopted: December 2009

D.2.3 Budget Scheduling

The Business Office will prepare a schedule of budget timelines for presentation to the Superintendent. This schedule will cover all actions necessary to prepare the budget for the following year.

Items that may be included in the recommended budget schedule include:

- Date for receipt of budget requests from principals, coordinators, directors, and supervisors.
- Date for initial meeting with identified budget committee members.
- Date(s) for estimates on operational, special programs, and capital budgets.
- Date for notice of budget hearing.
- Date to submit reports or information to the Public Education Department.
- Date for budget hearing/review.

Adopted: December 2009

D.2.4 Budget Implementation

The Superintendent will be responsible for the monthly reconciliation of the budget. The Board will be provided regular reports concerning the status of the budget. These reports, if requested, may include:

- Monthly budget Reports
- Quarterly and End of the Year Budget Reports
- Yearly Transportation Reports
- Monthly and Yearly Cafeteria Reports
- Monthly and Yearly Activity Reports
- Monthly and Yearly Athletic Account Reports
- Additional reports as requested

Adopted: December 2009

D.2.5 Budget Transfers

Periodically throughout the year, the budget will be reconciled to the actual expenditures of the district.

The Board of Education shall approve line item transfers, and/or budget increases and decreases in cooperation with the Superintendent as needed for making necessary adjustments in the budget during the year.

The Board may authorize a transfer within the operational budget if the transfer is within the same budget function category. Approval of the State Public Education Department, Public School Finance Division is required for intra-function category budget transfers after the Board has approved such transfers. All transfers shall be made in compliance with State law and regulation.

Adopted: December 2009

D.3 Funding Proposals, Grants, and Special Projects

Grant proposals for external funds shall be submitted to the Business Office and Superintendent for fiscal evaluation and determination of availability and/or system of funding. The reviewed proposals will then be submitted to the Board for further evaluation and approval.

Grants accepted by the Superintendent are subject to accounting rules and regulation as set forth by the School Budget Planning Unit of the New Mexico Public Education Department. Notification of Grant awards should be immediately forwarded to the business office for processing prior to expenditure of funds.

Adopted: December 2009

D.4 Revenues from Investments

The Superintendent is responsible for the effective investment of District funds. Such investments shall comply with all regulatory agency standards.

Funds eligible for investment but not required for current operations, should be invested considering the following objectives:

- Safety of Principle – Every District investment will be made with safety as the primary concern. Each investment transaction shall ensure that the loss of capital, whether from credit or market risk, is avoided.
- Liquidity – The maturity and marketability of district investments will be considered so that the District's anticipated cash flow needs are met.
- Rate of Return – The highest return on District investments will be sought, consistent with the preservation of principal and prudent investment principles.
- Public Trust – the Board and District officials will avoid investment transactions or practices which in appearance or fact might impair public confidence. The Superintendent or Business Manager shall make periodic reports to the Board addressing

the overall performance of the District's investments portfolio, and compliance problems with current policy and should detail investments by type, issuer, interest rate, maturity, and collateral.

Adopted: December 2009

D.5.0 Banking Services

The Board, by majority vote, shall designate one (1) or more banks as depository for the safeguarding of school funds. The Business Manager shall maintain as many different checking accounts as necessary to provide efficient and accurate administration of the budget.

Each designated depository shall furnish proper security for deposits in the amount designated by the Board and in accordance with law.

Each designated depository shall be advised not to cash checks payable to the District but to deposit checks only to the District accounts.

Adopted: December 2009

D.5.1 Authorized Signatures

Authorized signatures for all checking accounts shall be approved by the Board.

All checks, except in the case of an emergency authorized by the business office, will be generated electronically. The signatures of the officials approved by the Board appear on each check. These signatures may be affixed electronically through the use of signature plates. The business office is responsible for the security of all signature plates. The business office shall be responsible for the justification and origination of all checks issued by the Capitan Municipal Schools.

Adopted: December 2009

D.6 Bonded Employees and Officers

Board members and those employees responsible for the safeguarding and handling of money and securities shall be bonded in accord with applicable laws and regulations. The cost of bonding shall be paid by the District.

Adopted: December 2009

D.7.0 Fiscal Accounting and Reporting

The Board is responsible for the control of all funds of the District including funds collected at individual schools. The Superintendent shall be responsible for the development and

maintenance of all procedures necessary to ensure adequate fiscal control. The Superintendent and business staff shall establish and maintain a complete auditable financial system which meets all statutory and regulatory requirements and guidelines of the State of New Mexico. (The Manual of Procedure for Public School Accounting and Budgeting). Such system shall be defined in administrative procedure.

Adopted: December 2009

D.7.1 Accounting System

The District shall establish and maintain a general ledger in accordance with generally accepted accounting practices. The general ledger will be comprised of individual funds and account groups using the State Public Education Department (PED) uniform chart of accounts.

Adopted: December 2009

D.7.2 Financial Reports and Statements

The Board shall submit periodic financial reports to the New Mexico PED using the PED approved format. Reporting shall be either monthly or quarterly at the discretion of the PED. The Capitan Municipal Schools District shall be notified of its required reporting frequency in writing by the PED. Required reporting frequency may be changed by the PED at any time during the year. Reports are due at the PED the last working day of the month following the end of the required reporting period, unless extended to a later date by the Secretary of Public Education.

The Superintendent shall also ensure that a report of expenditures of public funds and student activity funds is provided to the Board on a monthly basis.

Adopted: December 2009

D.7.3 Inventories

The District will maintain a complete and accurate inventory of all district owned property. The District will prepare an annual inventory of all District property prior to the annual audit of the District's business operations. The Superintendent shall develop administrative procedures governing the conduct of all such inventories.

The business office has responsibility to assist the Superintendent in developing procedures for maintaining district inventories. A copy of the complete inventory shall be on file in the business office. A detailed listing of land, buildings, and equipment must be established as prescribed by the Governmental Accounting Standards Board (GASB). Assets, including lands and buildings, and improvements to land and/or existing buildings, having a total acquisition cost of five thousand dollars (\$5000) or more will be included in the general fixed assets.

A stewardship list shall also be maintained for musical instruments, tools, and cameras, with a cost of five hundred (\$500) or more and computers (CPU unit and monitors only) and vehicles regardless of cost, but less than the capital asset threshold. The list must include each item's description, location, and month and year of acquisition.

A physical inventory of District property on the capital assets listing and stewardship listing shall be conducted every year.

Facility administrators shall implement the procedures, providing reports as requested on the contents of their buildings.

Facility administrators shall require any employee who removes an item from one building for use in another to have a written request for such removal signed by the business office.

Each administrator, coordinator, or supervisor shall assist in completing an annual inventory of all capital furniture and equipment, library media, and textbooks at his/her respective location.

Adopted: December 2009

D.7.4 Audits

The CMS Board of Education directs the Superintendent to implement procedures that assure District compliance with all state and federal requirements for financial monitoring and audits. Contingent upon prescribed qualifying criteria, such requirements may include, but are not limited to, entering into contract with an auditor approved by the State Auditor on a fiscal year basis and being audited based upon the federal Single Audit Act Amendments of 1996.

The procurement of the necessary services shall be consistent with the District's policy on bidding and purchasing procedures.

A final report of each separate fiscal management review shall be presented to the Board for examination and discussion. After a report has been presented to the Board, it will become a matter of public record, and its distribution will not be limited.

Copies of a final report shall be filed with appropriate state and other authorities.

Adopted: December 2009

D.7.5 Financial Monitoring

Each program or unit operating in the District shall prepare and maintain such financial records as directed by the Superintendent. The documents shall be accurate and of essential sufficiency to enable the District to comply with all requirements for financial monitoring and audits, both internal and external.

Adopted: December 2009

D.8.0 Purchasing

All purchases from District funds shall be carried out in a manner most beneficial to the District and in accordance with applicable laws and regulation. The District business office shall manage the central purchasing function pursuant to law, and develop administrative procedures consistent with law and regulation. The procedures shall indicate requirements relative to bids, proposals, and small purchases as they apply to the procurement of all materials, equipment and services.

All procurements, other than emergency, that entail bids/proposals/written quotes (purchases over \$5000.00) shall require Board review and approval prior to the award. Subsequent contract award amendments, which exceed ten percent (10%) of the original contract award, shall also be submitted to the Board for review and approval. Should school personnel not be able to obtain 3 BOP/Quotes within a 10 day period of making such request, documentation of efforts to get such documentation shall be made and purchase decision will be determined from the BOP/Quotes received.

Change orders on constructions contracts do not require prior approval of the Board if the dollar amount does not exceed the provision for contingencies with the basic contract, or the contract as amended and approved by the Board. Change orders will, however, be reported to the Board at the next scheduled meeting.

Adopted: December 2009; Revised February 2012

D.8.1 Bidding/Purchasing Procedures

The purchase of tangible goods, services, and construction shall be conducted in adherence to the stipulations of the New Mexico Procurement Code, 13-1-28 through 13-1-199, NMSA 1978 and the purposes stated therein. The Manual of Procedures (PSAB) Supplement 13 will be followed.

The District Superintendent and Business Manager are responsible for ensuring fair and equal treatment of all persons involved in procurement, for maximizing the purchasing value of the District's funds, and for providing safeguards for maintaining a procurement system of quality and integrity.

All contracts and solicitations shall contain reference to the criminal laws prohibiting bribes, gratuities, and kickbacks.

Adopted: December 2009

D.8.2 Sales Calls and Demonstrations

Sales representatives for school services, supplies, or other materials are not permitted to call on teachers or other school staff members except with prior authorization from the Superintendent.

When appropriate, the Principal may give permission to sales representatives of educational products to see members of the school staff at times that will not interfere with the educational program.

Adopted: December 2009

D.9.0 Payment Procedures

In order to receive appropriate discounts and maintain good vendor relations, the Board directs the prompt payment of salaries and bills, but only after due care has been taken to assure that such amounts represent proper obligations of the District for services and/or materials received.

The Superintendent will implement procedures for the review of purchase invoices to determine that items or services are among those budgeted, itemized goods or services have been satisfactorily supplied, funds are available to cover payment, and invoices are in order and for the contracted amount.

Adopted: December 2009

D.9.1 Purchase Orders

All purchases shall require a purchase order signed by the Superintendent or his/her designee prior to any purchase being made.

Purchase Orders with invoices attached must be checked and approved by the Business Manager before a check is written.

Adopted: December 2009

D.10.0 Payroll Procedures/Schedules

No individual shall be placed on the payroll or receive salary adjustments without prior written authorization of the Superintendent.

Wage/Salary checks will be issued according to state and federal regulations and in compliance with state and federal accounting procedures. All employees will be informed of any changes that become necessary due to regulation changes. All payroll checks are direct deposited to employee accounts.

An employee who quits the service of the Capitan Municipal Schools shall be paid all wages due on the regular payday for the pay period during which termination occurs.

Adopted: December 2009; Revised May 2010

D.10.1 Salary Deductions

The Superintendent shall establish procedures that conform to all requirements of the law and all policies of the Capitan Municipal Schools and that ensure that employees receive paychecks not later than the stated payroll dates.

As payroll deduction services for non-District purposes does incur a cost to the District and can create additional work for staff, such requests must be scrutinized. Prior to any agency, commercial venture, or non-profit organization or other entity requesting new payroll deduction services, the following procedure must be followed:

- Approval from the Superintendent must be secured before signing up employee for a program requiring payroll deduction.
- Adequate notice and sufficient time for implementation will be provided to a group or business. A contractual agreement for such services will be honored.
- The Capitan Municipal Schools reserves the right to require an evaluation of any existing group or business that currently is involved in District payroll deductions when employee participation drops significantly.
- Nothing in this policy will prevent the Board, at its discretion, from adding or deleting a group or business from receiving payroll deduction services that the Board determines to be of paramount importance to the employees or District.

D.10.1-A Involuntary Deductions (Public Record)

Federal and New Mexico income taxes, Social Security, and employee contributions to the educational retirement system will be deducted as mandated by state and federal statutes. All other deductions must be authorized by the CMS Board of Education and the employee unless ordered by a court of competent jurisdiction.

D.10.1-B Voluntary Deductions (Not Public Record)

The CMS Board of Education authorized the following deductions:

- Health Insurance Premium
- Dental Insurance Premium
- Vision Insurance Premium
- Tax Sheltered Annuities
- Disability
- Cancer Policies
- Credit Unions
- Flexible Spending

Adopted: December 2009; Revised July 2013

D.11 Expense Reimbursement

School Board members and employees who incur expenses in carrying out their authorized duties shall be reimbursed by the District upon submission of allowable supporting receipts, provided that prior authorization has been granted.

Reimbursement amounts shall not exceed the maximums established pursuant to NMSA 10-8-1 through 10-8-8.

Adopted: December 2009

D.12 Cash in Buildings

Monies collected by school employees shall be handled in accordance with prudent business procedures. All monies collected shall be receipted, accounted for, and directed without delay to the business office within twenty-four (24) hours, and within seventy-two (72) hours in the case of inclement weather.

In no case shall money be left overnight in school buildings, except in safes provided for securing valuables and property.

Adopted: December 2009

D.13.0 Gate Receipts

Admission receipts from school events shall be adequately controlled. The Superintendent in conjunction with the Athletic/Activity Director is responsible for the proper collection, supervision, disbursement, and/or remittance of these fees.

Admission to school events for which an admission is charged ordinarily will be by purchased ticket or special pass only. Adequate records will be maintained for the accounting purposes.

Adopted: December 2009

D.13.1 Admission to Home Sports Events

Free admission does not apply to special New Mexico Activity Association (NMAA) sponsored events including play-off games and tournaments.

Passes for free admission to home games are provided to all staff and spouses, Board members and spouses, individuals who volunteer to assist at events, and citizens of the community age 60 or older who request passes.

Season Passes may also be purchased from the Capitan High School main office.

Adopted: December 2009

D.14 School Property Disposition

If any item listed on the District property inventory becomes unnecessary, unsuitable, or inconvenient for District use, the Superintendent may recommend to the Board that such item(s) be deleted from the inventory, declared surplus, and sold. The disposal of such items must be accomplished in accordance with state law and regulation. The business office shall establish administrative procedures governing the disposal of District property.

Adopted: December 2009