

SECTION D**FISCAL MANAGEMENT**

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**FISCAL MANAGEMENT GOALS/
PRIORITY OBJECTIVES**

Central Consolidated Schools shall strive to maintain a transparent, sound and responsible financial plan that advances student achievement, supports family and community engagement and promotes a safe school environment.

Adopted: October 18, 2016

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, citizens, community organizations, etc. Such representation, at least in part, should be selected from that body of stakeholders that developed the EPSS recommendations. 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 Procedures for Public School Accounting and Budgeting will be followed in all instances.

Fiscal Year

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

Adopted: October 18, 2016

LEGAL REF.: 22-5-4 NMSA
22-8-9 NMSA

BUDGET PLANNING, PREPARATION, AND SCHEDULES

Deadline and Schedule Requirements

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 (PED). 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 taken at all such preliminary meetings. The proposed budget shall be submitted by April 15 or later as approved by the Secretary of PED. Approval of the proposed budget by the Local Board shall be in a public hearing noticed in accord with the Open Meeting Act and held prior to June 20. Certification of the proposed budget by the PED shall be on or before July 1. The approved and certified budget then constitutes the operating budget. On or before July 31, the District shall determine actual cash balances in all funds and report them on the most current form prescribed by the PED, making such adjustments in the budget as required to limit expenditure of the June credits in the operational subfund. The Superintendent shall develop a process for allocating resources from the budget to the schools and work sites. The allocation process shall address the priorities identified in the District's Educational Plan for Student Success (EPSS) action plans.

Adopted: October 18, 2016

LEGAL REF.: 22-8-6 NMSA
6.20.2.9 NMAC

**BUDGET PLANNING, PREPARATION,
AND SCHEDULES**

The business office will prepare a schedule of budget deadlines for presentation to the Superintendent each year. This schedule will cover all actions necessary to prepare the budget for the following school year.

The following items may be included in the recommended budget schedule:

- Specific date for receipt of unit budgets from administrators.
- Date for initial meeting with appropriate staff members on the budget.
- Dates for the eightieth (80th) day and one hundred twentieth (120th) day enrollment.
- Date(s) for estimates on the maintenance and operations and capital budgets.
- Date for completion of salary consideration(s).
- Date for publication of proposed budget.
- Date for notice of budget hearing to be published.
- Date(s) to submit reports or information to the state school offices.
- Date for budget hearing on following year's budget.

BUDGET IMPLEMENTATION

The Superintendent will be responsible for the monthly reconciliation of the budget. The Board will be provided with monthly reports concerning the status of the budget and a mid-year report projecting budget revenues and expenditures for the remainder of the year.

Adopted: October 18, 2016

LEGAL REF.: 22-8-12 NMSA

6.20.2.10 NMAC

BUDGET TRANSFERS

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

Budget Line Item Transfers

The Board may authorize a transfer within the operational budget if the transfer is within the same budget series. Approval of the State Public Education Department, Public School Finance Division, is required for between-series budget transfers after the Board has approved such transfers. All transfers shall be made in compliance with State law and New Mexico Public Education Department, School Budget & Finance Analysis Bureau procedures.

Budget Increases/Decreases

A budget increase may be required upon receipt of additional revenue related to a special project or program. A budget decrease may be required if anticipated revenue is not realized. Both increases and/or decreases require local school Board of Education and New Mexico Public Education Department, School Budget & Finance Analysis Bureau approval prior to incorporation into the District's budget.

Adopted: October 18, 2016

LEGAL REF.: 6.20.2.10 NMAC

**FUNDING PROPOSALS, GRANTS,
AND SPECIAL PROJECTS**

Grants accepted by the Board are subject to accounting rules and regulations as set forth by the School Budget Planning Unit of the New Mexico Public Education Department.

Grant proposals for external funds shall be submitted to the District Business Office for fiscal evaluation and determination of availability and/or system of funding. Generally, grant awards will not be accepted under either of the following two conditions:

- When the grant award is insufficient to pay the actual total cost of the service or program being created, including capital outlay needs, or
- When, at the grant termination, the District would be obligated to continue the grant-created service or program with District funds.

When an exception to these conditions is contemplated, the Superintendent shall provide the Board with full notice in advance of proceeding to secure the grant award.

The Board reserves the right to reject funds associated with any grant that has been approved.

Adopted: October 18, 2016

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:

Investment Objectives:

- Safety of Principal – 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 designated financial officer, shall make periodic reports to the Board addressing the overall performance of the District's investment portfolio, any compliance problems with current policy and should detail investments by type, issuer, interest rate, maturity and collateral.

Adopted: October 18, 2016 LEGAL

REF.: 22-8-40 NMSA

GATE RECEIPTS AND ADMISSIONS

Admission receipts from school events shall be adequately controlled. The Superintendent 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 accounting purposes.

Adopted: October 18, 2016

BANKING SERVICES

The Board, by majority vote, shall designate one (1) or more banks as depository for the safeguarding of school auxiliary and revolving funds.

Each designated depository shall furnish proper security for such 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 auxiliary accounts.

Adopted: October 18, 2016 LEGAL

REF.: 22-8-40 NMSA

AUTHORIZED SIGNATURES

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

All checks, except in case of 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. The business office shall be responsible for the justification and origination of all District issued checks.

Adopted: October 18, 2016

LEGAL REF.: 6.20.2.12 NMAC

PURCHASE CARDS / TELEPHONES

Purchase Cards

The Board recognizes the need for use of District purchase cards. District purchase cards will be issued from the Central Business office to selected administrative departments, schools and staff as designated by the Superintendent.

- Purchase cards may be issued on a yearly basis to department purchasing card managers.
- Each purchasing card manager at the department/school sites will sign out each card upon issuance and sign it back when requested.
- A log will be kept on all purchasing card activity at all locations.

District vehicle fuel cards may be made available to school employees with approved travel.

- District vehicle fuel cards will be issued from the Central Business office on a yearly basis and/or trip request basis.
- Each purchasing card manager or employee on travel at the department/school sites will sign out each card upon issuance and sign it back in when requested.
- Each traveler will be required to provide an approved travel authorization or trip ticket.
- A log will be kept of all fuel cards at each department or administration.

Telephone use verification and payment

Each month the School District receives telephone bills from various telephone and long distance service companies.

The District has elected to provide specified necessary school employees and board members with a cell telephone when it is deemed in the best interest for the employee or board member to be available by cell telephone.

**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: October 18, 2016

LEGAL REF.: 22-5-7 NMSA

FISCAL ACCOUNTING AND REPORTING

The Board is responsible for the control of all funds (general funds, special revenue, capital projects, debt services, and agency 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 Procedures for Public School Accounting and Budgeting). Such system shall be defined in administrative procedure and presented to the Board for review.

Adopted: October 18, 2016

LEGAL REF.: 6.20.2.12 NMAC
6.20.2.13 NMAC

ACCOUNTING SYSTEM

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

Adopted: October 18, 2016

LEGAL REF.: 6.20.2.13 NMAC

CROSS REF.: DIC - Financial Reports and Statements

FINANCIAL REPORTS AND STATEMENTS

The Board shall submit periodic financial reports to the State Public Education Department (PED) using the PED approved format. Reporting shall be either monthly or quarterly at the discretion of the PED. The School 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 by 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 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: October 18, 2016

LEGAL REF.: 6.20.2.10 NMAC

FINANCE POLICIES

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.

Adopted: October 18, 2016

LEGAL REF: 6.20.2.22 NMAC

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 (\$5,000) or more will be tagged, marked, and capitalized and included in the general fixed-assets listing unless the Board adopts a lower threshold. Depreciation schedules shall be created for all capital assets items and maintained in accord with GASB requirements.

A stewardship list shall also be maintained for all equipment, including vehicles, with a cost of one thousand dollars (\$1,000) or more but less than the capital asset threshold. The list must identify each item's description, identification (tag) number, location, and the month and year of acquisition.

For insurance and other purposes, an inventory listing of items with an acquisition cost of less than one thousand dollars (\$1,000) may be maintained.

A comprehensive physical inventory of District property on the capital assets listing shall be conducted at least every two (2) years, and items on the stewardship listing shall be conducted every three (3) years.

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 school for use in another to have a written request for such removal signed by the business office.

Each administrative unit shall assist in completing an annual inventory of all capital furniture and equipment, library media, and textbooks at its location.

Supply records shall be kept, which will show:

- The name of the individual receiving the supplies.
- The date received.

- The disposition of the supplies.

An inventory shall be maintained for all supplies warehoused by the District.

AUDITS / FINANCIAL MONITORING

The Board 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: October 18, 2016

LEGAL REF.: 6.20.2.13 NMAC
6.21.2.8 NMAC

AUDITS/FINANCIAL MONITORING

Each program, instructional unit, and department shall prepare and maintain such financial records as are 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.

In addition to special reviews that may be conducted as necessary, the District will comply with the following minimum requirements to demonstrate proper management of and accountability for its fiscal resources:

- Whenever the District's expenditure of federal financial assistance is seven hundred and fifty thousand dollars (\$750,000) or more during a fiscal year, the District shall contract with an approved independent auditor to conduct an annual financial audit. The audit shall be performed in accordance with generally accepted auditing standards in compliance with the requirements of the federal Single Audit Act Amendments of 1996 and any implementing regulations of the Office of Management and Budget (OMB).

The Superintendent shall be promptly informed of any material deficiency that is discovered during a monitoring or auditing process.

CONTRACTS FOR PURCHASES AND SERVICES

All purchases from District funds shall be carried out in manner most beneficial to the District and in accordance with applicable laws and regulations. The Superintendent shall designate a Purchasing Agent for the District who shall manage a central purchasing function pursuant to law, and promulgate District 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 district purchases and expenditures which equal or exceed sixty thousand dollars (\$60,000), or that are projected to equal or exceed sixty thousand dollars (\$60,000) by the end of their completion, shall be taken to the Board of Education by the appropriate Central Consolidated Schools department for approval. All proposed projects, for which district purchases and expenditures will equal or exceed sixty thousand dollars (\$60,000), implemented by Central Consolidated Schools shall be reviewed and approved by the Board of Education. District purchases and expenditures included in a project approved by the Board of Education which equal or exceed sixty thousand dollars (\$60,000) shall not require separate and/or additional Board of Education approval other than the initial approval done at the time the entirety of the project was approved.

Change orders on construction contracts do not require prior approval of the Board if the dollar amount does not exceed the provision for contingencies within 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.

Contracts Involving Public Officers or Employees

A district shall not enter into a contract with a public officer or employee, a family member or business in which the officer, employee or family member has a substantial interest (greater than 20 %) unless the public officer or employee has disclosed any interest through public notice and unless the contract is awarded pursuant to a competitive process.

A district shall not enter a contract with or take any action favorably affecting any person or business that is:

- represented in a contract of over one thousand dollars (\$1,000) by a former public officer or employee (within one year) if the contract is a direct result of an official act of that officer or employee, or
- that is assisted in the transaction by a former public officer or employee as a direct result of an official act of that official or employee resulting in the agency's making the contract or taking the action.

A former public officer or employee of the district shall not represent a person for pay before the district.

Adopted: October 18, 2016

LEGAL REF.: 10-16-1 et seq. NMSA

13-1-28 NMSA

6.20.2.17 NMAC

CROSS REF.: BCB - Board Member Conflict of Interest

DJ - Contracts for Purchases and Services

DJE - Bidding Purchasing Procedures

GBEAA - Staff Conflict of Interest

GBP - Prohibited Personnel Practices

BIDDING / PURCHASING PROCEDURES

Refer to Policy DJE.

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 has a Central Purchasing Office 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.

Adopted: October 18, 2016

LEGAL REF.: 10-16-13 NMSA
13-1-28 NMSA
22-5-10 NMSA

EXHIBIT**EXHIBIT****BIDDING / PURCHASING PROCEDURES****(Note)**

No bid or proposal shall be accepted from a person who directly participated in the preparation or specifications, qualifications or evaluation criteria on which the specific competitive bid or proposal was based.

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

LEGAL REF.: 10-16-7 NMSA
10-16-13 NMSA
13-1-191 NMSA

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.

Adopted: October 18, 2016

REGULATION**REGULATION****SALES CALLS AND DEMONSTRATIONS**

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.

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 amounts.

Adopted: October 18, 2016

PAYROLL PROCEDURES / SCHEDULES

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

Salary checks will be issued semi-monthly during the term of contract or agreement with the District in twenty four (24) equal installments. During summer breaks, paychecks will be mailed to the address authorized, designated to be picked up or direct deposited.

An employee who quits the service of the District shall be paid all wages due on the regular payday for the pay period during which termination occurs. Such wages may be paid by mail if requested.

Adopted: October 18, 2016

LEGAL REF.: 50-4-2 NMSA
6.20.2.18 NMAC

CROSS REF.: GCQF - Discipline, Suspension, and Dismissal of
Professional Staff Members
GDQD - Discipline, Suspension, and Dismissal of
Support Staff Members

SALARY DEDUCTIONS

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

Involuntary Deductions (Public Record)

Federal and New Mexico income taxes, Social Security (OASI/FICA), 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 Board and the employee unless ordered by a court of competent jurisdiction.

Voluntary Deductions and Redirections (Not Public Record)

The following deductions and redirections have been authorized by the Board:

- Insurance premiums for staff members or dependents who are being covered under Board-approved Section 125 cafeteria programs.
- Direct deposits of net payroll with financial institutions.
- Tax-sheltered annuities for companies approved by the District.
- Credit union deposits.
- Professional dues.

Adopted: October 18, 2016

REGULATION**REGULATION****SALARY DEDUCTIONS**

Inasmuch as payroll deduction services for non-District purposes does incur a cost to the District and oftentimes creates 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 employees 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 District 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.

**EXPENSE AUTHORIZATION /
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 10-8-1 through 10-8-8.

Adopted: October 18, 2016 LEGAL

REF.: 10-8-1 NMSA *et seq.*
6.20.2.19 NMAC

CROSS REF.: EEB - Business and Personnel Transportation Services

CASH IN SCHOOL BUILDINGS

All cash collected in schools shall be receipted, accounted for and placed in a secure location prior to deposit. All activity funds and cash in schools shall be subject to the twenty-four (24) hour deposit rule except in the case of rural areas where courier pickup will be scheduled at least twice per week. All activity funds shall be subject to at least an annual audit for compliance with state statute and regulation.

Adopted: October 18, 2016

SCHOOL PROPERTIES DISPOSITION

If any item listed on the District property inventory becomes unnecessary, unsuitable or inconvenient for School 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: October 18, 2016

LEGAL REF.: 13-6-1 NMSA *et seq.* (1978)
22-15-10 NMSA (1978)

CROSS REF.: IJJ - Textbook/Supplementary Materials Selection and
Adoption