

BUSINESS 3160

Transfer of Funds Between Categories and End of the Year Closeout

In accordance with Conn. Gen. Statute Subsection 10-222, the Board of Education prepares an itemized estimate of its budget each year for submission to the fiscal authority for review and appropriation. Line item categories in such budget estimate include, but are not limited to, the following:

Salaries

Employee Benefits

Supplies

Professional fees

Other

Contracted Services

Other Purchased Services

Property/Equipment

Line items in the budget may be allocated more specifically by the Superintendent or his/her designee in the development, administration and monitoring of the budget.

The Superintendent and/or his/her designee shall be responsible for administering and monitoring the budget through the course of the year. The Superintendent or his/her designee shall maintain a system of appropriate expenditures and encumbrance accounting that is organized to conform with the requirements for State and Federal Accounting Reports. A quarterly budget report shall be prepared in the same summary format as the annual budget. The report will include line item summaries, appropriated budget amounts, adjusted appropriate, expenditures to date (to include encumbered and expended amounts), differences between the expenditures to date and the adjusted appropriation, and general comments.

In accordance with Conn. Gen. Statute Subsection 10-222, as amended by Public Act 98-141, the Superintendent and/or his/her designee are authorized to transfer amounts within line item categories (as set forth in Paragraph One above). All other transfers, except as defined below, will be presented at regularly scheduled board meetings for action by the Board of Education as part of its Consent Calendar. Transfers included as part of the Consent Calendar shall include transfers between line item categories as described in Paragraph One above.

In order to expedite the transfer of funds for urgent, emergency or immediate situations, the Superintendent and/or his/her designee are authorized to make such transfers. The amount of such transfers made by the Superintendent (designee) shall not exceed (.13%) of the annual budget. Transfers made in such instances shall be included under old business at the next regularly scheduled meeting of the Board of Education, for immediate Board action. Transfers subsequently ratified by the Board at any such meeting shall not be counted in the .13% limitation on the authority of the Superintendent to make transfers.

The Board of Education shall not expend more than the total amount of the education appropriation including the amount of money received from other sources for school purposes. If any occasion arises whereby additional funds are needed by the Board of Education, the Chairperson of the Board shall notify the Town Board of Directors and submit a request for such necessary additional funds. No additional funds shall be expended until such supplemental appropriation is granted and no supplemental expenditures shall be made in excess of those so authorized.

Adopted: October 14, 1998

Revised: June 23, 2003

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Administrative Guidelines

The following guidelines apply to the transfer of funds between categories and the exercise of discretion during and at the close of the school year. Generally accepted accounting principals recommend the use of the accrual basis of accounting to determine revenues and expenses. Revenues are to be recorded when they are earned and become measurable, and expenses are to be recorded when the liability for them is incurred, if measurable. This will serve as the guiding principle in determining expenses.

Expenditure of Appropriation and Budget Transfers

When the Manchester Board of Directors makes its appropriation to the Board of Education, the Board may expend those funds at its discretion. In exercising that discretion, the Board may, under the provisions of Board Policy #3160, transfer funds from one line item to another, provided the expenditure does not exceed the amount of the appropriation and other funds received for school purposes.

Audit - General Practice Guidelines

1. Dues, fees, subscriptions and software licensing fees may be paid in advance, but only one renewal per fiscal year is appropriate.
2. Regarding utilities where the month end close-out varies from building-to-building, twelve months of billing for each building is appropriate and thus will reflect appropriate annual expense levels.
3. It will be the practice to reduce debt as quickly as possible. In the case of lease purchase agreements, the Board may elect to pay in advance or closeout lease agreements early as long as there are no prepayment penalties.
4. Where appropriate, any end of year funds will be directed to projects on the Board's maintenance priority list or a project, goods or services specifically designated by the Manchester Board of Education.
5. When negotiations cross fiscal years, the estimated salaries and benefits will be encumbered. When contracts are settled, the estimated expense will be requested for re-appropriation from the Board of Directors.
6. The Business Office is encouraged to use state and cooperative bids and to purchase in quantities where discounts for goods or services can be obtained.
7. Once the budget is closed, the Year End expenditures will be reported to the Board of Education and accounts reconciled and coordinated with the Town.

Legal reference: CGS 10-222

CGS 10-51c

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