

FRANKLIN CENTRAL SUPERVISORY UNION AND ITS MEMBER SCHOOL DISTRICTS

COMMON PROCEDURE FOR FISCAL MANAGEMENT AND GENERAL FINANCIAL ACCOUNTABILITY E1

Franklin Central Supervisory Union (FCSU) and its member school district will endeavor to manage its financial affairs in a fair and open manner using acceptable financial practices and providing appropriate accountability.

Administrative Responsibilities:

With the advice and consent of the Auditor of Accounts and the Vermont Secretary of Education, the Superintendent, through assignment to the Business Manager, shall establish and maintain an accrual system of accounting for the proper control and reporting of school district finances and for stating the financial condition of the FCSU and member school districts.

Guidelines:

1. The approved budget for the supervisory union and each district will be the spending plan for the year. The Superintendent/Business Manager is authorized to make commitments in accordance with the budget appropriations. For expenditures in excess of that amount, or expenditures not planned for in the budget, approval for purchases must be made by each Board for their appropriate organization.
2. The Superintendent/Business Manager shall have authority to transfer funds for planned expenses between two line items in the budget.
3. The Superintendent, through the efforts of the Business Manager, shall arrange an annual audit of accounts by a certified public accountant.
4. Employees handling large sums of money will be properly bonded. Whenever possible, dual control processes will be implemented to monitor the proper dispensation of funds.
5. **Capitalization of Assets:** Capital assets are property owned by the School District and may include: computers, software, peripherals, equipment (such as vehicles, machinery, copiers, and office equipment) and buildings and land (including infrastructure such as parking lots, rights of way, culverts). General capital assets should be capitalized and recorded when all of the following criteria are met: a.) the asset is tangible and complete b) the asset is used in the operation of the District's activities and c) the asset has a value of \$5,000 and useful life of one (1) or more years. All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest and issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs. Depreciation is calculated using the straight line depreciation method over the useful life of the assets as recommended by the Association of School Business Officials (ASBO).

6. Inventories of supplies, materials and instructional equipment will be maintained and reviewed on an annual basis by school district.
7. The bidding requirements of 16 V.S.A. §559 will be followed by the Board and its designees.
8. A system will be established for managing miscellaneous accounts such as fees, fines, penalties, book losses, breakage and sale of equipment and materials.
9. At the school level, the Principal will be responsible for overseeing all student accounts.

Legal Reference(s): 16 V.S.A. §563 (3) (Powers of school boards)
16 V.S.A. §559 (Public bidding)
24 V.S.A. §832 (Bonding requirements)
16 V.S.A. §1756 (Indemnity and insurance)
Vt. State Board of Education Manual of Rules & Practices
§3250

Cross Reference: Budgeting (E2)
Financial Reports and Statements (E3)

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