File: DB

ANNUAL BUDGET

The School Committees, with the Superintendent and Business Manager, will develop annual budgets for the operating and maintenance of each district, and such capital budgets as shall be necessary for the pursuit of the goals of each district and the educational programs proposed and approved by the School Committees.

Said budget shall conform to the guidelines as set forth by the Legislature in Chapter 71 of the Massachusetts General Laws and directives and regulations as set forth by the Massachusetts Department of Education, and shall be in compliance with the foundation budget. It is acknowledged that the foundation budget reflects the minimum recommended spending for a district, and excludes transportation costs, debt service costs, and costs associated with the acquisition of fixed assets. The aforementioned items must, therefore, be budgeted in addition to the foundation budget, and funds to support those expenditures must be raised from the member communities, after the use of any offsetting revenues received from the state.

A budget is a spending plan, which is developed well in advance of the fiscal year. Circumstances may occur which necessitate changing spending priorities and redirecting funds within the budget accordingly. Revisions to the budget may be made from time to time by the Committee, upon the recommendation of the Superintendent.

The annual budget for each school operated by a district shall be developed with input from the School Council, and shall reflect the priorities established in the Annual School Improvement Plan.

In developing a budget, care shall be taken to make the documents associated with the budget clear and understandable to Finance Committees of member communities and to the general public.

In accordance with state law, a public hearing shall be heard prior to the adoption of the Final Operating and Maintenance Budget by the District Committee. The Superintendent and members of the School Committee will make every effort to fully inform all member communities and their officials of the budget plans of the District.

LEGAL REFS.: M.G.L. 71:16B; 71:34; 71:37 and 71:38N; 71:59C

File: DBJ-HKP

ELEMENTARY SCHOOL DISTRICT BUDGET TRANSFER AUTHORITY

In keeping with the need for periodic reconciliation of the school department's budget, the School Committee will consider requests for transfers of funds as they are recommended by the Superintendent.

The Committee wishes to be kept abreast of the need for these adjustments so that it may act promptly and expedite financial record keeping for the school system.

All funds in the general account not expended by the close of the fiscal year will be returned to the town.

File: DBJ-SL

REGIONAL SCHOOL DISTRICT BUDGET TRANSFER AUTHORITY

In keeping with the need for periodic reconciliation of the school department's budget, the Regional School District Committee will consider requests for transfers of funds as they are recommended by the Superintendent.

The Committee wishes to be kept abreast of the need for these adjustments so that it may act promptly and expedite financial record keeping for the school system.

All funds in the general account not expended by the close of the fiscal year will be placed in an excess and deficiency fund not to exceed five percent of the operating budget. Any added funds shall be returned to the member municipalities as outlined in M.G.L. Chapter 71, Section 16B1/2.

LEGAL REF.: MGL 71:16B1/2

File: DF

REVENUES FROM NON-TAX SOURCES

Control Over Internal Funds

Some receipts and expenditures within the Silver Lake Regional School District are not included in the regular school budget. It shall be noted, however, that funds collected from whatever source are public moneys and their receipt and expenditure are under the control of the policies of the School Committee.

INVESTMENT POLICY

Policy Objectives and Application

The purpose of this investment policy is to set general guidelines for the investments of the Silver Lake Regional School District's available cash balances in a manner that ensures the following:

- The preservation of capital of the overall portfolio through prudent selection of investment instruments.

- Sufficient liquidity to meet all daily operating and debt service requirements of the District.

- Attaining a market average rate of return throughout budgetary and economic cycles,, at all times taking into account the legal requirements detailed below and the cash flow characteristics of the portfolio.

Statutory Authority

Massachusetts General Laws, Chapter 44, Section 55 sets forth the types of investments which are legal for use by municipalities, as follows:

- Certificates of Deposits of a maturity of no more than one year;
- Savings Accounts;
- U.S. Treasury Securities with a maturity of one year or less;
- Investment in a pooled fund operated under the authority of the State Treasurer (the Massachusetts Municipal Depository Trust, "MMDT")

Liability

Chapter 44, Section 55A provides that a municipal treasurer cannot be held personally liable for loss of money due to a bank failure, as along as that bank is Massachusetts chartered or a national bank doing business in Massachusetts. This effectively precludes the use of out of state banks for any investment purposes by the District.

Investment Goals

The District's investment activities will be managed by the Treasurer pursuant to the following goals:

- Maintain all collected cash balances invested at current money market rates as represented by the MMDT rate ("collected cash balance" is defined by banking regulations to represent funds available upon clearance of deposited checks)

- Maintain a return on all available cash at least equivalent to the return available if all funds were managed through the State Treasurer's pooled investment program

- Carry out cash management and investment activities pursuant to the following objectives (in order of priority):

SAFETY - Preservation of principal is the foremost goal of the District's investment policy. All investments should be undertaken in a manner which seeks to ensure the preservation of capital in the overall portfolio.

LIQUIDITY - The District's investment portfolio will remain sufficiently liquid (within budget) to enable the District to meet all operating requirements which can be reasonably anticipated.

YIELD - The attainment of a market rate of interest consistent with the requirements of safety and liquidity, and consistent with cash flow characteristics and legal constraints.

In order to satisfy and achieve these objectives, the Treasurer shall:

- Continue to analyze the cash flow of all funds on a regular basis to ensure maximum cash availability.

- Organize and maintain banking relationships designed to ensure investment of all funds available in disbursement accounts.

- Continue to invest the maximum amount of the District's available cash on a continuous basis taking advantage of disbursement float whenever possible.

- Utilize the State Treasurer's pooled investment fund or other appropriate vehicles to maintain necessary liquidity and/or to concentrate funds for subsequent investments in other instruments.

- Utilize certificates of deposits from institutions meeting such standards and conditions of safety as the District Treasurer may establish, subject to the RISK LIMITATION provisions set forth below.

- Utilize original issue and secondary market U.S. Treasury securities for maturity periods of up to one year which, in the Treasurer's judgment, will provide a favorable rate differential when compared to current and projected MMDT or shorter term CD rates for that portion of the cash portfolio which may be invested for relatively longer periods of time.

- Utilize Repurchase Agreements only on a limited basis and then expressly with major Massachusetts financial institutions when no other favorable action is possible and then only for a duration of no more than three days.

- Be extremely cautious before entering into any "compensating balance" arrangement or agreement, and then only after all terms and conditions thereon are well understood and considered favorable to the District.

- Utilize wire transfer procedures whenever the interest benefit exceeds the associated transaction costs.

- Subscribe to and utilize a reputable bank rating service judging the relative risk and performance ratings of the available banks.

RISK LIMITS

The following risk limits shall be utilized:

- Up to 100% of available cash may be invested in the State Treasurer's pooled fund (MMDT) and/or U.S. Treasury securities.

- Investment in a single financial institution (other than MMDT) may not exceed 25% of the District's available cash balance at any time.

- Investment in a single financial institution may not exceed 10% of the institution's capital and surplus position as of the most recent quarterly data available to the Treasurer.

Risk Limits Note:

Currently, Massachusetts is one of only four states which has no legal requirement for collateralizing public deposits. Legalization is currently pending to require colateralization. Until adoption of such legislation, the Treasurer will provide as much security as possible for the District's bank investments through the prudent selection process described above.

Legal Ref: M.G.L. Ch. Sec.

DELEGATION OF AUTHORITY

In accordance with the Treasurer's written Duties and Responsibilities, investment of the District's funds shall be the responsibility of the Treasurer, with direction from, and while maintaining accountability to, the School Committee. The Treasurer shall make all decisions regarding the day to day management of the investment program; however, deviations from this policy will require prior approval from the School Committee. The role of the School Committee shall primarily be the adoption and bi-annual review of this policy as described in POLICY MAINTENANCE below.

Regarding the day to day management of the District's funds, only the Treasurer and Assistant Treasurer, as per present and past policy, are authorized to transfer or otherwise handle said funds. Specifically, in the temporary absence of the Treasurer, the Assistant Treasurer is authorized to process intra-bank transfers of funds, as necessary, in order to coordinate daily disbursement requirements effectively. Conversely, only the Treasurer is authorized to process inter-bank transfers of the District's funds.

STATUTORY REFERENCES

The Treasurer shall at all times be cognizant of and comply with provisions of the following section of the Massachusetts General Laws:
Chapter 44, Section 55: Deposition of Public Funds
Chapter 44, Section 53F: Compensatory Balances
Chapter 44, Section 55B: Requirement To Invest

File: DH-HKP

ELEMENTARY SCHOOL BONDED EMPLOYEES AND OFFICERS

Each employee of the school system who is assigned the responsibility of receiving and dispensing school funds will be bonded individually or covered by a blanket bond. The town will pay the cost of the bond.

LEGAL REFS.: M.G.L. 40:5

File: DH-SL

REGIONAL SCHOOL DISTRICT BONDED EMPLOYEES AND OFFICERS

Each employee of the school system or School Committee member 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 District.

LEGAL REFS.: M.G.L. 40:5 71:16A

File: DI

FISCAL ACCOUNTING AND REPORTING

The Superintendent will be ultimately responsible for receiving and properly accounting for all funds of the school system.

The accounting system used will conform with state requirements and with good accounting practices, providing for the appropriate separation of accounts, funds, and special monies.

The School Committee will receive periodic financial statements from the Superintendent showing the financial condition of the school department. Such other financial statements as may be determined necessary by either the Committee or the administration will be presented as found desirable.

LEGAL REF.: Board of Education 603 CMR 10:00

File: DIE

REGIONAL SCHOOL DISTRICT AUDITS

An audit of the school department's accounts may be conducted annually.

Upon the completion of each audit, a report shall be made to the Chairperson of the School Committee, and a copy sent to the Chairperson of the Selectmen.

The Committee will consider recommendations made by the auditor for maintaining an efficient system for recording and safeguarding the school department's assets.

LEGAL REF.: M.G.L. 71:16E

File: DJ

PURCHASING

The School Committee declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.

The acquisition of materials, equipment and services will be centralized in the Superintendent’s office of the school system.

The Director of Business Services will serve as purchasing agent. He/she will develop and administer the purchasing program for the schools in keeping with legal requirements and with the adopted school budget.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the Director of Business Services or his/her designee, with such exceptions as may be made by the latter for emergency purchases.

LEGAL REFS.: M.G.L. 7:22A; 7:22B; 30B; 71:49A

File: DJA

PURCHASING AUTHORITY

Authority for the purchase of materials, equipment, supplies, and services is extended to the Superintendent through the detailed listing of such items compiled as part of the budget-making process.

The purchase of items and services on such lists requires no further Committee approval except when by law or Committee policy the purchases or services must be put to bid.

LEGAL REF.: M.G.L. 30B

File: DJG

VENDOR RELATIONS

Representatives of firms doing or hoping to do business with the school system will be acknowledged and interviews may be granted, depending on the circumstances.

File: DKC

EXPENSE REIMBURSEMENTS

School Department Employees

Personnel and school department officials who incur expenses in carrying out their authorized duties will be reimbursed by the school department upon submission of a properly completed and approved voucher and any supporting receipts required by the Superintendent.

When official travel by a personally owned vehicle is authorized, mileage payment will generally be made at the rate currently approved by the Committee. However, a monthly travel stipend, in an amount established by the Committee, will be paid to those individuals authorized by the Committee who travel regularly on official school business.

School Committee

School Committee members may be reimbursed for usual and customary out-of-pocket expenses incurred while on School Committee business. Payment shall be made only upon submission of appropriate receipts or vouchers within thirty (30) days on a form provided by the Administration. School Committee members will not be reimbursed for expenses, travel or registration fees for conferences or meetings without prior approval of the School Committee.

LEGAL REFS.: M.G.L. 40:5; 44:58