

Goals

Since educational programs are dependent on adequate funding and the proper management of those funds, district goals can best be attained through efficient fiscal management. As trustee of local, state and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

The Board seeks to achieve the following goals:

1. Manage finances in such a way as to achieve the greatest educational returns in relation to dollars expended.
2. Establish efficient processes and procedures in all areas of fiscal management.
3. Provide timely and appropriate information and training to staff having fiscal responsibilities.
4. Follow Generally Accepted Accounting Principles (GAAP).

Fiscal Year & Year-End Close Out

The fiscal year for the Supervisory Union and its member districts is defined as beginning on the first day of July and ending on the 30th day the following June. The year-end closing should be on a full accrual basis according to Generally Accepted Accounting Principles (GAAP).

Fiscal Accounting and Reporting

The Supervisory Union recognizes its responsibilities to ensure accurate and prudent management of the financial affairs of the member districts. This includes accounting for the receipt and expenditure of federal, state, and local tax dollars, as well as revenues from other sources.

The Supervisory Union will employ a double entry accrual accounting system and will conform to Generally Accepted Accounting Principles (GAAP). Separate records will be maintained for each school district on a basis consistent with the accounting system requirements of the Department of Education Handbook II.

The accounting system will satisfy the following purposes:

1. Administrative Control: The financial records must be adequate to guide the making or deferring of purchases, the expanding or curtailing of programs, and the controlling of expenses. Current data should be immediately available and in such form that periodic summaries may be readily made from the data.
2. Budget Preparation: The financial records must be adequate to serve as a guide to budget estimates of subsequent years and to hold expenditures to the amounts appropriated.
3. Accounting for Stewardship: The financial records of the district must be adequate to show that those in charge have handled funds within the framework of law and in accordance with state guidelines.

The financial records will provide the following information:

1. For each account in the district's budget: the appropriation, appropriation transfers, adjusted appropriation, expenditures, encumbrances, and unencumbered balance.
2. For each purchase order: the name of the vendor, description of the item involved, and the amounts.
3. For each purchase: the purchase order information above, plus the record of receipt and condition of goods, the invoice, and the record of payment.
4. For each income account: the budget reviews, any revenues, the receipts to date, and the balance anticipated.

Financial reports will be provided to each school district board on a monthly basis. Financial reports will be submitted to federal and state agencies as required by applicable state/federal statute/regulation.

Audits

The Supervisory Union will arrange for an annual audit by a certified public accountant for every district. The audit will encompass all financial records, statements, and accounts of the Supervisory Union and member districts. Such audit shall include:

1. The financial statement of the school district;
2. Trust accounts where the school district or any school officer is trustee or where the school district is sole beneficiary;
3. Accounts related to school district indebtedness; and
4. Accounts of any special funds in the care of any school district.

The auditing firm will be selected after a review of qualifications and fees and will be engaged under contract.

Each district's Annual Report will include a notice that the audit has been performed.

The Superintendent charges the Business Manager to:

1. Ensure all accounts associated with a school are audited annually;
2. Review all audit records and recommendations; and
3. Report receipt of the audit report(s) and recommendations(s) to the respective board(s).

Reimbursement

1. Tuition/Conference/Travel

Reimbursement for employee tuition, conference, and/or travel expenses will be consistent with terms negotiated in the applicable bargaining unit agreements or, for non-bargaining unit employees, the language in the TRSU Employee handbook.

2. Non-Travel Reimbursements:

To reduce the financial burden on employees and the possibility of fraud, we strongly discourage non-travel personal expenditures which must subsequently be reimbursed. While most purchases of goods or services can be made within established purchasing procedures, there may be an occasional need for an employee to make a purchase for the benefit of the district from personal funds. In that event, an employee will be reimbursed for a personal purchase under the following criteria:

- It is clearly demonstrated that the purchase is of benefit to the district.
- The purchase was made with the prior approval of an authorized administrator;
- The item purchased was not available from resources within the district; and
- The claim for personal reimbursement is properly accounted for and documented with an invoice/receipt.
- The district business office will be responsible for the development of forms to be used in processing claims for personal reimbursements

Petty Cash Funds

1. The use of petty cash funds shall be authorized for specific purposes only. Transactions may include individual purchases of supplies and materials under the amount of Fifty Dollars (\$50) such as postage, delivery charges, and freight. Individual personal reimbursements which exceed Fifty Dollars (\$50) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand.
2. Expenditures against these funds must be itemized and documented with receipts and will be charged to the applicable budget code. After a budget item is exhausted, no expenditures against the item may be made from petty cash.
3. The security of, and accounting for, petty cash accounts shall be the responsibility of the fund manager to whom the account is assigned.

Student Activity Accounts

1. Gifts, contributions or funds collected in connection with summer program activities, school athletic events, band or athletic booster clubs, civic organizations, parent-teacher organizations, commercial agencies, and all other similar monies, properties, or benefits shall be included in internal funds of the school.
2. A quarterly report of cash receipts and disbursements to the activity fund should be prepared and reviewed by the activity fund supervisor and submitted to the treasurer of the school district. Column headings should include the following:
 - a. Beginning cash balance (which should agree with the ending cash balance on the prior month's report);
 - b. Cash receipts;
 - c. Cash disbursements;
 - d. Ending cash balance;
 - e. Unpaid purchase orders; and
 - f. Unencumbered cash
3. The Business Office will periodically perform internal audits of the reports and supporting records. The ending balances of all student activity accounts will be included in the audited financial statements.

Capitalization of Assets **2 CFR 200.1**

In order to provide for the proper control and conservation of Two Rivers Supervisory Union property, Ludlow Mount Holly Unified Union School District property, and Green Mountain Unified School District property, as well as proper accounting for financial reporting purposes, the Superintendent or designee shall maintain a schedule of capitalized assets reported in conjunction with Two Rivers Supervisory Union annual audit.

Implementation:

Capitalization of assets, inclusive of computing devices, equipment, general purpose equipment, information technology systems, special purpose equipment and supplies, occurs when all of the following criteria are met:

1. The asset is tangible and complete. Construction in progress is capitalized but not depreciated until construction is completed;
2. The asset is used in the operation of the district’s activities;
3. The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - \$5000 individual component value and one year of useful life
 - All buildings and land must be reported regardless of value and useful life at the date of acquisition.

Assets acquired through donation will be recorded at their estimated fair market value on the date of donation and capitalized according to the criteria above.

Annual depreciation will be charged in equal amounts over the estimated useful lives of all capital assets. The assets’ estimated useful life will be assigned by management in accordance with Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) rulings.

Property Records

The Business Manager and/or fund manager shall be responsible for the inventory of all fixed assets of the supervisory union or its member district schools. There shall be a complete inventory of all land, buildings, and physical property under the control of the district. such records shall be updated annually. Property records shall show the make, source, date of purchase, model, serial number, Location and other identifying data.

School Properties Disposal

The Two River Supervisory Union recognized that in the ongoing operation of the school system, there may be school property(not including real estate) that is no longer useful to the supervisory Union or its member district schools, and in interest of efficiency and operation such property should be properly disposed of. Subject to statutory limitations,

administration is authorized to proceed in a proper and orderly manner in disposing of school property that is no longer useful to the Supervisory Union or its Member district schools. Disposal shall include the acts or processes of selling, donation, trading, transferring control to another, discarding, and destroying.

Prevention of Conflict of Interest in Procurement 2 CFR 200.318

It is the policy of the Two Rivers Supervisory Union Board that all purchasing and contracting comply with state and federal laws.

No employee, officer, or agent of the Two Rivers Supervisory Union may participate in the selection, award, or administration of a purchase or contract if that person has a real, or apparent conflict of interest. Any employee, officer or agent with a real, or apparent conflict of interest shall notify the superintendent of the conflict and not participate in the selection, award or administration of the purchase or contract at issue. The superintendent or designee will develop written procedures to implement this policy.

A conflict of Interest arises if an employee, officer, agent, immediate family member, partner, or an organization which employs or is about to employ any of the parties indicated herein, has a direct or indirect financial or other interest in, or a tangible personal benefit from a vendor considered for a purchase or contract.

An employee will not solicit or accept any favor, gratuity, or anything of monetary value from such vendors which exceeds a \$ 25.00 value.

In the event of a violation of this policy, the district or supervisory union may take disciplinary action against the employee, officer or agent according to procedures in the Two River Supervisory Union personnel manual and/or collective bargaining agreement.

District/Board:	Replaces Policy	Review Only	First Read	Date Warned	Date Adopted
Two Rivers Supervisory Union			11/01/2021		02/03/2022
Green Mountain Unified School District			11/10/2021		02/09/2022
Ludlow-Mount Holly Unified Union School District			11/18/2021		02/17/2022