

TABLE OF CONTENTS

| | |
|---|----|
| FISCAL MANAGEMENT GOALS..... | 2 |
| BUDGET AUTHORITY AND SPENDING PLAN | 3 |
| BUDGET - APPORTIONMENT OF EXPENSES | 4 |
| PREPARATION OF BUDGET DOCUMENT | 5 |
| BUDGET PLANNING..... | 6 |
| PUBLIC REVIEW OF BUDGET | 7 |
| BUDGET ADOPTION PROCEDURES..... | 8 |
| BUDGET TRANSFER AUTHORITY..... | 9 |
| FUNDED CAPITAL COSTS AND INTEREST THEREON..... | 10 |
| FUNDING PROPOSALS AND APPLICATIONS..... | 11 |
| FEDERAL FUNDS | 12 |
| RENTALS OF PROPERTY | 13 |
| REGIONAL SIGNING AUTHORITY | 14 |
| REGIONAL SCHOOL DISTRICT BONDED EMPLOYEES AND OFFICERS..... | 15 |
| FISCAL ACCOUNTING AND REPORTING | 16 |
| FUNDS MANAGEMENT..... | 17 |
| STUDENT ACTIVITY ACCOOUNTS..... | 18 |
| PERIODIC FINANCIAL REPORTS | 21 |
| BUDGET AND EXPENSE | 22 |
| AUDIT REQUIREMENTS | 23 |
| PURCHASING..... | 24 |
| PURCHASING AUTHORITY..... | 25 |
| PURCHASING PROCEDURES | 26 |
| VENDOR RELATIONS..... | 27 |
| REGIONAL SCHOOL DISTRICT PAYMENT PROCEDURES..... | 28 |
| EXPENSE REIMBURSEMENTS..... | 29 |
| SALES AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES | 30 |
| MATERIALS FEES | 31 |
| STATEMENT OF INVESTMENT | 32 |
| EXCESS AND DEFICIENCY (E&D)..... | 33 |
| INTERNAL CONTROL STANDARDS AND RESPONSIBILITIES | 34 |
| CAPITALIZATION OF DISTRICT-OWNED PROPERTY..... | 35 |
| RECORDS RETENTION..... | 37 |

FISCAL MANAGEMENT GOALS

The School Committees realize that money and money management constitute the foundational support of the school program. To make that support decisive, the Committees intend:

1. To encourage long-range planning through budget procedures.
2. To search all practical sources of dollar income.
3. To guide the expenditure of funds so as to extract the greatest educational results.
4. To demand top-quality accounting and reporting procedures
5. To preserve the highest level of unit expenditure necessary to maintain high quality education within the ability of the communities to pay.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

BUDGET AUTHORITY AND SPENDING PLAN

Each School Committee is committed by law to approve the budget for the operation of the schools annually.

Each School Committee shall establish a system of fiscal control to govern the administration of the budget and the expenditure of funds.

The Superintendent shall set up and operate budget controls for all schools and departments. He/She shall administer the budget in conformity with legal requirements and the actions of the School Committees.

The Superintendent shall be responsible for the legality of all expenditures. He/She shall ascertain that all expenditures recommended for approval are legal expenditures.

LEGAL REFS.: M.G.L. 71:59, Superintendent of Schools; election and duties

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

BUDGET - APPORTIONMENT OF EXPENSES

The Regional School Committee shall annually determine the amounts necessary to be raised, after deducting the amount of aid such district is to receive pursuant to MGL 71 section 16 D, to maintain and operate the District school or schools during the next fiscal year, and amounts required for payment of debt and interest incurred by the District which will be due in the said year, and shall apportion the amount so determined among the several municipalities in accordance with the terms of the agreement.

The amounts so apportioned for each municipality shall be certified by the Regional School District treasurer to the treasurers of the several municipalities within thirty days from the date on which the annual budget is adopted by a two-thirds vote of the School Committee, but no later than April thirtieth.

The Regional School District treasurer shall include in the certification to each municipality a statement setting forth the amount which the District is to receive under said section 16 D for the ensuing fiscal year and the proportionate share of such aid for such municipality.

In addition to amounts appropriated for long-term debt service, school lunches, adult education, student transportation, and tuition revenue, each municipality that belongs in the Regional School District shall annually appropriate for the support of the Regional School District, an amount equal to but, not less than the sum of the minimum required local contribution.

Notwithstanding the provisions of the Regional School District agreement, each member municipality shall increase its contribution to the Regional District each year by the amount indicated in that district's share of the municipalities' minimum regional contribution in that fiscal year. The District shall appropriate the sum of the minimum regional contributions of its member districts as well as all state school aid received on behalf of member municipalities. The District may choose to spend additional amounts; such decision shall be made and such amounts charged to members according to the District's required agreement.

Except as required by General Law, each school district may determine how to allocate funds appropriated for the support of public schools without regard to the categories employed in calculating the foundation budget.

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

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

PREPARATION OF BUDGET DOCUMENT

The School Committees shall receive from the Superintendent prior to December 31st of each year preliminary budgets which are an estimate of educational needs for the coming year. Each budget will receive the evaluation of the respective School Committee and the Superintendent. From such evaluations will emerge the final budgets, copies of which will be furnished to the appropriate officials.

LEGAL REFS.: M.G.L. 70:6 - Estimates submitted by school committees

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

BUDGET PLANNING

The major portion of income for the operation of the Schools is derived from local property taxes, and the School Committees will attempt to protect the valid interest of the taxpayers. However, the first priority in the development of an annual budget will be the educational welfare of the children in our schools.

Budget decisions reflect the attitude and philosophy of those charged with the responsibility for educational decision-making. Therefore, a sound budget development process must be established to ensure that the annual operating budget accurately reflects the Schools' goals and objectives.

In the budget planning process for the Schools, the School Committees strive to:

1. Engage in thorough advance planning, with staff and community involvement, in order to develop budgets and guide expenditures in a manner that will achieve the greatest educational returns and contributions to the educational program in relation to dollars expended.
2. Establish levels of funding that will provide high quality education for all our students.
3. Use the best available techniques for budget development and management.

The Superintendent will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

PUBLIC REVIEW OF BUDGET

Each School Committee shall hold at least one public hearing to the review of its total proposed budget before it certifies its budget and not less than seven days after publication of a notice thereof in a local newspaper. Further, the Committee will make available a synopsis of the budget proposals being considered at this time. The hearing shall be posted separately from any regular business meeting that may occur on the same date.

LEGAL REF.: M.G.L. 71:38N - school committees shall hold public meetings, etc.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

BUDGET ADOPTION PROCEDURES

Each local School Committee is empowered to adopt a budget by majority vote on the basis of which funds shall be raised for the operation of the schools in each town.

The annual Regional School District budget as adopted by two-thirds vote of the Regional School Committee shall require the approval of two-thirds of the local appropriating authorities of the member municipalities.

In the event the regional school budget is not approved by at least two-thirds of the member municipalities as required, the Regional School Committee shall have thirty days to reconsider or amend and then resubmit a budget on the basis of the issues raised.

LEGAL REF.: M.G.L. Ch. 71:16B

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

BUDGET TRANSFER AUTHORITY

In keeping with the need for periodic reconciliation of the school department's budget, the School Committees will consider requests for transfers of funds as they are recommended by the Superintendent. No funds may be transferred in a budget without a vote by the school committee.

The Committees wish 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.

For the Regional School District, 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 additional funds shall be returned to the member municipalities as outlined in M.G.L. Chapter 71, Section 16B1/2.

For the Dover and Sherborn school districts, funds unexpended at the end of the fiscal year will be returned to the appropriate town general fund.

LEGAL REF.: MGL 71:16B1/2

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

FUNDED CAPITAL COSTS AND INTEREST THEREON

Each installment of principal and interest upon bonds or other evidences of indebtedness issued before January 1, 1967, and representing the capital cost of the facilities of the Regional School District shall be apportioned to each Town on the basis of its use apportioned factor at November 1 of the year preceding the due date of such installment. Seventy-five percent of each installment of principal and interest upon bonds or other evidences of indebtedness issued after January 1, 1967, and representing the capital cost of the facilities of the Regional School District shall be apportioned to each Town on the basis of its use apportionment factor at November 1 of the year preceding the due date of such installments. Twenty-five percent of each installment of principal and interest upon bonds or other evidences of indebtedness issued after January 1, 1967, and representing the capital cost of the facilities of the Regional School District due in any calendar year shall be apportioned to each Town on the basis of its census apportionment factor for such calendar year. The Treasurer of each Town shall pay to the Treasurer of the District the amount of such Town's share of each installment of principal or interest fifteen days before its due date, provided that if the date of such installment shall precede the Annual Meeting of the Town and the Treasurer may not legally make such payment, payment shall be made immediately after such Annual Meeting.

REF.: Agreement between the Towns of Dover and Sherborn with respect to the Formation of a Regional School District

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

FUNDING PROPOSALS AND APPLICATIONS

The School Committees will encourage the administration to seek and secure all possible sources of state, federal, and other special funds that will enhance the educational opportunities for the children in our schools.

The Superintendent will keep informed of all possible funds available to the Schools under the various state and federal programs, and in what manner these funds can best be used in the schools.

The Superintendent will be responsible for seeking out and coordinating the development of proposals for all specially funded projects and for submitting the proposals to each Committee for approval.

The Superintendent is authorized to sign all reports for these projects and will be responsible for the proper expenditure of funds received for such projects.

LEGAL REFS.: M.G.L. 44:53A
 P.L. 874 Impact Aid
 Board of Education 603 CMR 32:00; 34:00

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

FEDERAL FUNDS

The School Committees authorize the Superintendent to make application for federal assistance under the provisions of Public Laws, whenever the school district is eligible, provided the acceptance of the funds does not include conditions contrary to School Committee policy.

FIRST READING: May 25, 2010
SECOND READING: May 22, 2012
ADOPTED: May 22, 2012
SOURCE: Dover-Sherborn Regional Committee

RENTALS OF PROPERTY

All rentals of the property of the Dover-Sherborn Public Schools shall be approved by the Superintendent or his/her designee and shall conform to the existing approved policies and rental agreements. All rentals shall conform to the laws of the Commonwealth and serve to forward the educational opportunities of the students as well as for educational, recreational, civic and philanthropic community purposes.

LEGAL REF.: M.G.L. 71:71, Public use of school property

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

REGIONAL SIGNING AUTHORITY

For the Region, the Treasurer and the Assistant Treasurer are authorized to sign check withdrawals and to sign the appropriate bank forms for the Schools.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

REGIONAL SCHOOL DISTRICT BONDED EMPLOYEES AND OFFICERS

Each employee of the Regional Schools 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

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

FISCAL ACCOUNTING AND REPORTING

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

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

The School Committees 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 a Committee or the administration will be presented as found desirable.

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

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

FUNDS MANAGEMENT

The school committee is responsible for the control of all funds of the Dover Sherborn Regional School District, including student activity, internal funds and other types of funds deriving their source from other than local, state or federal taxation or grant bases.

The School Committee delegates control of all funds to the *Treasurer and/or Assistant Treasurer* of the Dover Sherborn Regional School District.

| | |
|-----------------|--|
| LEGAL REFS.: | Ann Laws of Massachusetts, Chapter 71, Section 37- Duties of school committee |
| FIRST READING: | May 25, 2010 |
| SECOND READING: | May 22, 2012 |
| ADOPTED: | May 22, 2012 |
| SOURCE: | Dover-Sherborn Regional Committee |

STUDENT ACTIVITY ACCOUNTS

In response to the state legislature's enactment of Chapter 66 of the Acts of 1996 Chapter 71 Sec. 47 regarding Student Activity Accounts, i.e. the checking accounts used by school principals/student activities teacher representatives for a variety of school expenditures, the following policy was originally adopted in principle by the Regional School Committee on January 26, 2004 and the following policy reaffirmed by School Committee on April 4, 2007:

Middle School

- School Committee approves an impress checking account with a \$3,000 balance for the middle school. This is the target level that the headmaster feels is necessary to conduct business. The Headmaster will maintain the account at the school and will be responsible for the monthly bank reconciliation.
- Treasurer will maintain a separate checking account for all middle school funds in excess of the \$3,000.
- Headmaster/student activities teacher representative may write checks (two signatures required on all checks over \$500) for student activities such as field trips, proms, school plays, class trips, yearbooks and other seasonal events. The headmaster will then turn in voucher request forms with attached receipts to the central office. The expenses will be reimbursed through the warrant process and checks will be deposited into the imprest account to keep the target balance on track.

SCHOOL ACTIVITY ACCOUNT DEPOSITING INSTRUCTIONS-MIDDLE SCHOOL

1. Turnovers – All money must be reported to the treasurer/assistant treasurer. On each turnover, the amount of cash and checks must be separately subtotaled. All loose coins must be rolled or in coin envelopes if there is not enough to roll.
2. Deposit Tickets – District deposit tickets will be issued to the school, and the school must fill out the deposit ticket appropriately and endorse each check for deposit. Schools cannot use any other deposit ticket, or the revenue will not be properly credited by the bank.

Central office personnel will make the actual deposit. School personnel are not to make any deposits to the bank account for any reason.

3. Banking Supplies – The school will be responsible for its own checkbook and deposit tickets and must keep careful custody of these items. Loss or damage/destruction of these items should be reported to the treasurer/assistant treasurer immediately.
4. Check Preparation – All checks should be made payable to the Dover-Sherborn Regional School District. Checks made payable directly to the School can be accepted, but may cause delay in processing so please instruct students/parents to use correct payee name. Please also inform all

makers of checks that there is a state mandated \$25.00 charge for all checks returned to the District by the bank, and this cannot be waived by the school. If a check does bounce, the Administrative Office will prepare a turnover reversing the revenue from the school's revenue account. We will then send a letter to the maker of the check informing them of the \$25.00 charge and requesting a replacement check for the bounced check. A copy of the letter and the turnover reversing the credit will be sent to the school. When the maker of the check replaces the bounced check and pays the turnover fee the revenue will be re-credited to the school.

5. Restricted Activities – The school may not make any deposits into their own checking account except for the periodic reimbursement to the \$3,000, nor can they deposit any future funds into any previously existing student activity bank account.

High School

1. School Committee has approved administration of the existing Student Activity checking account by the headmaster. Funds in excess of \$50,000 will be maintained in a separate account under the control of the treasurer/assistant treasurer.

Headmaster/student activities teacher representative may write checks (two signatures required on all checks over \$500 for student activities such as field trips, proms, school plays, class trips, yearbooks and other seasonal events).

2. The Assistant Treasurer will be responsible for the bank account reconciliation monthly and will submit the reconciled bank statement and cancelled checks along with all subsidiary ledger detail to the Treasurer monthly for review.
3. The account balances will be recorded in total, in the District's general books and adjusted monthly based on the reconciliations.
4. At fiscal year end the headmaster will provide a summary of all receipts and disbursements for the entire fiscal year; balances should agree with the bank reconciliation and detail subsidiary ledger for all individual student activity account.
5. All deposits will be prepared by the Headmaster/Student activities teacher representative and be deposited timely. All undeposited funds must be kept in the locked safe.
6. Banking Supplies – The School will be responsible for its own checkbook and deposit tickets and must keep careful custody of these items. Loss or damage/destruction of these items should be reported to the treasurer immediately.
7. Check Preparation – All checks should be made payable to the Dover-Sherborn Regional School District. Checks made payable directly to the school can be accepted, but may cause delay in processing so please instruct students/parents to use correct payee name. Please also inform all makers of checks that there is a state mandated \$25.00 charge for all checks returned to the District by the bank, and this cannot be waived by the school. If a check does bounce, the central

office will prepare a turnover reversing the revenue from the school's revenue account. We will then send a letter to the maker of the check informing them of the \$25 charge and requesting a replacement check for the bounced check. A copy of the letter and the turnover reversing the credit will be sent to the school. When the maker of the check replaces the bounced check and pays the turnover fee the revenue is re-credited to the school.

8. Class accounts of graduated seniors will remain active one year after graduation to allow for outstanding bills to be received and paid. After this waiting period the remaining monies will revert to the incoming senior class. Any student activity/organization inactive for a period of three (3) or more year, and for which there has been no receipts or disbursements recorded on their behalf, shall require the following actions to be closed:
 - written notification by the advisor or student officer/treasurer to the principal or other authorized administrator that the particular activity/organization will cease to be a viable account;
 - all assets of the particular activity/organization will be determined and stated in writing;
 - disposition of assets of the inactive activity/organization will be determined by the District School Committee with the primary goal being to benefit the student body.

Interest Earned

The interest earned on each regional student activity agency account shall be turned over to the general fund to cover the administrative costs associated with managing the student activity programs, reimbursements may be made from the interest earned to cover costs for additional checks and other bank fees associated with maintenance of the checking account.

FIRST READING: May 25, 2010
SECOND READING: May 22, 2012
ADOPTED: May 22, 2012
SOURCE: Dover-Sherborn Regional Committee

PERIODIC FINANCIAL REPORTS

The Superintendent shall be responsible for maintaining the books and records of the Schools in auditable form. He/She shall prepare or cause to be prepared all fiscal reports, keep necessary records to control adequately the financial transactions of the Schools, and prepare financial statements.

Financial statements will be prepared under the direction of the Superintendent and submitted to the School Committees.

The Superintendent shall file all fiscal reports with the town, state or federal agencies, as required.

LEGAL REF.: M.G.L. 72:3, Annual transmission of school returns, etc.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

BUDGET AND EXPENSE

The Superintendent will submit to the School Committees a monthly report of encumbrances, balances and financial condition. Except, however, the reports for the months of July and August may be combined as one; also, the June report and the so-called final report for the year-end may be one and the same.

LEGAL REF.: M.G.L. 71:59, Superintendent of schools; election and duties.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

AUDIT REQUIREMENTS

The school accounts of the towns of Dover and Sherborn are included in the periodic audits of all town department accounts.

An audit of the school district's accounts shall be conducted annually by an independent auditor.

Upon completion of each audit, a report there on shall be presented to the school committee. A copy of the report shall be distributed to the Department of Education – Audit Services- Bureau of Accounts: Federal Bureau of Census: and the Town Accountants of Dover and Sherborn.

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

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

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.

The Superintendent 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 budgets.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the Superintendent, 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

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

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
CROSS REF.: DJE, Bidding Requirements
FIRST READING: May 25, 2010
SECOND READING: May 22, 2012
ADOPTED: May 22, 2012
SOURCE: MASC

PURCHASING PROCEDURES

A complete central record system shall be maintained by the controller for the purpose of combining orders, avoiding duplication of purchases, taking full advantage of lowered price for bulk purchasing, following up on orders delivery of which is unduly delayed, and reconciling deliveries to orders before payment is made. This delivery control will be applied to purchases, regardless of point of delivery.

The School Committees of Dover, Sherborn, and the Dover-Sherborn Regional School District intend to enter into joint purchasing agreements whenever and wherever such purchases serve the best financial interest of the taxpayers of Dover and Sherborn.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

VENDOR RELATIONS

Representatives of firms doing or hoping to do business with the Schools will be acknowledged and interviews granted or not, depending on the circumstances. Personnel charged with the purchasing function will not be required to put their time at the indiscriminate use of sales personnel, who will limit their visits to staff members designated by school officials.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

REGIONAL SCHOOL DISTRICT PAYMENT PROCEDURES

All claims for payment from the School District's funds will be processed in accordance with procedures developed by the Superintendent. Payment will be authorized against invoices properly supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the School Committee.

As an operating procedure, the Committee will receive monthly lists of bills for payment from school department funds. The lists will be certified as correct and approved for payment by the School Committee. Actual invoices, statements, and vouchers will be available for inspection by the School Committee.

The Superintendent will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

LEGAL REFS.: M.G.L. 41:41; 41:52 41:56

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: MASC

EXPENSE REIMBURSEMENTS

Personnel and school department officials who incur expenses in carrying out their authorized duties will be reimbursed by the Schools 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 established by IRS guidelines. Reimbursement shall be for mileage above the employee's usual commute.

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|-----------------|--------------------|
| LEGAL REFS.: | M.G.L. 40:5; 44:58 |
| FIRST READING: | May 25, 2010 |
| SECOND READING: | May 22, 2012 |
| ADOPTED: | May 22, 2012 |
| SOURCE: | MASC |

SALES AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

The Superintendent shall be authorized by the School Committees to provide for the disposal of obsolete equipment, books and supplies in the best interest of the Schools. The Superintendent shall determine when equipment, books and supplies are obsolete.

LEGAL REF.: M.G.L. 71:37, Duties of school committee
M.G.L. 71:49, Purchase of textbooks by students

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

MATERIALS FEES

The Committees believe that a student should be able to receive the basic, formal education without spending any of his/her own funds. However, the committees believe that students should be responsible for the cost of replacing any material, or property, which is lost or damaged through negligence.

The school committees favor charging student fines for failing to return library/media materials when specified and may place a hold on a student's ability to attend graduation if he/she fails to pay said fines.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: Dover-Sherborn Regional Committee

STATEMENT OF INVESTMENT
Safety – Liquidity – Yield

Purpose

To provide guidelines for the short-term (up to one year) investments of liquidity cash and excess that will maximize return at minimum risk.

Investment Objectives & Goals

The assets are liquidity and working funds for present and future needs of the Dover Sherborn Regional School District. It is essential that assets be invested in a high quality portfolio, which:

- I. Preserve principal, all funds must be collateralized.
- II. Meets liquidity needs.
- III. Delivers good yield in relationship to market.
- IV. Avoids inappropriate concentration.
- V. Provides fiduciary control of all investments and cash by the appointed custodian (Treasurer) of the governmental entity.

All investments must be represented by the Massachusetts List of Legal Investments pursuant to Mass General Law Chapter 167, Section 15A.

Types of Investments

All investments will be in accordance with Massachusetts General Laws, Chapter 44, Section 55 which sets forth the types of investments which are legal for governmental entities:

- a. Obligations issued or guaranteed by the United States Government; Federal Agencies including Federal Farm Credit Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.
- b. Repurchase agreements which are collateralized fully by the United States Government or Federal Agency obligations, which collateral delivered to the custodian (Treasurer).
- c. Money Market funds.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

EXCESS AND DEFICIENCY (E&D)

PURPOSE:

To define the Dover Sherborn Regional School District's position on maintaining an E&D surplus amount in an acceptable range.

DEFINITION:

E&D is the amount of funds that a school district has available for use as a revenue source for its next proposed budget in accordance with MGL Ch. 71 §16 B ½, not to exceed 5% of its operating and budgeted capital costs for the succeeding year. Any amount in excess shall be returned to the member Towns.

POLICY:

At the end of the fiscal year the accountant will close the books and calculate a preliminary E&D as follows:

BEGIN: Undesignated Fund Balance

MINUS: Accounts receivable/prepaid

MINUS: Debit balances in other funds

MINUS: Amounts appropriated from E&D to reduce assessments

EQUALS: E&D

Once a calculation is made and certified, the Regional School Committee will assess the E&D balance and by vote determine what, if any funds will be used to reduce the subsequent year assessments. In order to provide some reasonable safeguard against unforeseen operating expenditures, the committee will seek to maintain E&D on a 3% to 4% range. This will also demonstrate to S&P and Moodys a consistency and balance sheet continuity in E&D when the District's official statement is updated each year relating to the debt issue.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

INTERNAL CONTROL STANDARDS AND RESPONSIBILITIES

PURPOSE

To establish responsibility for maintaining adequate accounting records and a proper system of internal accounting control.

POLICY

Record Keeping and Internal Accounting Control Standards

Record Keeping

The business manager and assistant treasurer will be responsible for:

- Maintaining the books, records, and accounts in reasonable detail.
- Assuring that said records accurately and fairly reflect the transactions concerning all assets of the District.

Internal Accounting Control

The business manager and treasurer will also be responsible for the proper functioning of existing internal accounting control systems. This involves providing reasonable assurance that:

- Transactions are properly authorized.
- Transactions are recorded as necessary to permit preparation of financial statements in conformity with governmental and generally accepted accounting principles, and to maintain accountability for assets.
- Access to assets is permitted only with management's general or specific authorization.
- The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Realizing that financial staff is limited, not allowing for the proper segregation of duties that good internal controls would dictate, the business manager will be expected to fully exercise his/her review responsibilities over financial transactions.

Some examples of good accounting records regarding payments are the following:

- All payments and receipts should be properly recorded on the District's books of accounts.
- All contracts, purchase orders, invoices or related documents should accurately reflect the goods and services received and the terms.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

CAPITALIZATION OF DISTRICT-OWNED PROPERTY

DEFINITIONS

The term “Property” means land, buildings, machinery, equipment, furniture and fixtures, property rights acquired under lease, and improvements to land, buildings and leaseholds.

The term “Capitalizable Cost” means the cost of acquiring an asset and preparing it for use. Such cost consists of the base cost (purchase price), other acquisition costs (i.e. freight, preparation, and installation), and applicable overhead.

The term “Complement of Low Cost Items” refers to a group of low-cost property items acquired for the initial outfitting of property or an addition to such outfitting. While individual items in the group meet the estimated useful life established as a criterion for capitalization, they do not individually meet the minimum amount established as a criterion for capitalization, although in the aggregate, they represent an amount of at least \$5,000. Example: small items of furniture and fixtures to outfit a classroom.

POLICY

Criteria for Capitalization

New or used property (including purchased property and District-constructed property) which meets the following criteria will be capitalized and depreciated on a straight line basis:

- Have an estimated useful life of at least three (3) years.
- Have an individual base cost of at least \$5,000 (excludes freight, taxes, preparation).

| | | Governmental Activities |
|---|--------------------------------------|------------------------------------|
| • | <u>Description</u> | <u>Estimated Lives</u> |
| | Building and improvements | 40 |
| | Machinery, equipment and furnishings | 5-10 |
| | Debt issue costs | 20 |

Expenditures for property items which do not meet the criteria for capitalization listed above will be expensed. Expenditures for a complement of low cost items which meet the criteria for capitalization listed above will be capitalized.

Property rights acquired under lease will be capitalized when they are in substance installments purchases of property, i.e. when the lease is non-cancelable or cancelable only under a remote contingency, and one of the two following conditions occur:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option.

Amount to be Capitalized

Amount capitalized for property items purchased by the Company will consist of the following:

- The base cost of the item adjusted for any applicable premiums paid or discounts received.
- Freight
- Installation costs

Normal repair and maintenance and will be expensed.

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE:

RECORDS RETENTION

POLICY

The Schools policy is to provide a guide for records retention. The following checklists are not intended to be all encompassing but are intended to delineate the time period for maintaining original records. Local and other statutes requiring retention beyond policy guidelines should be complied with as necessary.

Clarification of specific items should be directed to the business manager.

Record Retention Recommendations

Business documents are an important history of your businesses' transactions with customers, vendors, creditors and employees. These records should be maintained and available to resolve questions that may arise in the future.

Your business records should be easily accessible to authorized personnel in your business. Your business records should be maintained in accordance with the below recommended periods. Certain circumstances involving pending or potential litigation may require an extension of time for record retention. Your legal counsel should be consulted prior to discarding documents that may be subject to an extended retention period.

Special retention requirements may apply to documents or information maintained on computer systems. The Internal Revenue Service has special computer retrieval requirements when business records are maintained on a computerized system. You should consult with your tax adviser regarding any applicable IRS requirements.

| Type of Record | Retention Period | Type of Record | Retention Period |
|------------------------------------|------------------|------------------------------------|------------------|
| Accident reports & claims | 7 years | Accounts payable ledgers | 7 years |
| Accounts receivable ledger | 7 years | Audit reports | Permanent |
| Bank reconciliations | 1 year | Bank statements | 7 years |
| Canceled checks-important | Permanent | Canceled checks-other | 7 years |
| Capital stock and bond records | Permanent | Cash books | Permanent |
| Charts of accounts | Permanent | Contracts & leases - expired | 7 years |
| Contracts & leases in effect | Permanent | Correspondence-Customers & vendors | 1 year |
| Correspondence-general | 3 years | Correspondence legal | Permanent |
| Deeds, mortgages and bills of sale | Permanent | Depreciation schedules | Permanent |

FIRST READING: May 25, 2010

SECOND READING: May 22, 2012

ADOPTED: May 22, 2012

SOURCE: