

1 Related Entries: DAA-RA, DBA, DDA-RA

2 **Responsible Office: Chief Operating Officer**

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5 Fiscal Responsibility and Control

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8 A. PURPOSE

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10 To ensure that adequate fiscal responsibility and control  
11 are maintained for funds entrusted to ~~its use~~ **Montgomery**  
12 **County Public Schools**

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14 B. ISSUE

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16 **It is important to balance the need to ensure that adequate**  
17 **fiscal responsibility and control are maintained for funds**  
18 **entrusted to Montgomery County Public Schools with the need**  
19 **for effective and efficient operating procedures.**

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21 C. POSITION

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23 **1.** The annual budgetary appropriations (operating and  
24 capital) and special grants are the basis for the  
25 operation of the school system. ~~There is a need to~~  
26 ~~revised Board Resolution 608-70 on fiscal control as a~~  
27 ~~result of enactment during the 1972 session of the~~  
28 ~~Maryland General Assembly of Senate Bill 124 which~~

29 ~~provides that a new Section 5-105(d) be added to *The*~~  
30 ~~*Annotated Code of Maryland, Education.*~~

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32 ~~2. This change in the law provides that nonlocal funds~~  
33 ~~received by county Boards of Education subsequent to~~  
34 ~~the adoption of the annual budget by the local fiscal~~  
35 ~~authority may be expended by the county Board of~~  
36 ~~Education after notification to and approval by the~~  
37 ~~local fiscal authority as to the source, amount, and~~  
38 ~~manner in which the funds will be expended.~~

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40 **2. Financial control systems must conform to the laws and**  
41 **regulations of the state of Maryland and to applicable**  
42 **provisions of the charter and laws of Montgomery**  
43 **County.**

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45 **3. The superintendent is responsible for preventing the**  
46 **overencumbrance of the number of positions and the**  
47 **appropriation as contained in the budgets or supported**  
48 **programs. The superintendent is responsible for**  
49 **reporting regularly the financial position of the**  
50 **school system to the Board of Education.**

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52 **D. DESIRED OUTCOMES**

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54 **A process that ensures adequate fiscal responsibility and**  
55 **control, and is efficient and effective.**

57 E. IMPLEMENTATION STRATEGIES

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1. Nonlocal supplemental funds available subsequent to the adoption of the annual appropriation by the County Council may be expended after notification to and approval by the Board and the County Council as to the source, amounts, and manner in which the funds will be expended with notification to the County Executive.
2. ~~The operating~~ **Operating** budget transfers **of appropriation authority** between categories as contained in the annual appropriation require County Council approval and notification to the County Executive.
3. Operating budget transfers ~~within a category~~ that increase the overall number of authorized permanent positions or that transfer funds **within a category** in excess of ~~\$10,000~~ **\$100,000** shall be approved by the Board, and that transfers not in excess of ~~\$10,000~~ **\$100,000** may be approved by the superintendent.
4. **Monthly reports of transfers shall be submitted to the County Council as required by state law.**
5. All personnel employed on a permanent basis for full-time or part-time shall be recommended by the superintendent to the Board for approval; termination

85 of part-time or full-time permanent employees shall be  
86 recommended by the superintendent to the Board for  
87 approval; the superintendent shall have authority to  
88 employ or terminate, subject to approval of the Board  
89 at its next meeting at which a personnel report is  
90 considered; that an appeal from the Board's decision  
91 may be made to the State Board of Education.

- 92
- 93 6. Capital budget transfers between locally funded  
94 projects can only be made through the unliquidated  
95 surplus account and shall be approved by the Board and  
96 the County Council while transfers between state  
97 funded projects shall be approved by the Board, the  
98 County Council, and the State School Construction  
99 Interagency Committee with notification of the County  
100 Executive of all transfers irrespective of the source  
101 of funds.

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103 F. REVIEW AND REPORTING

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105 **This policy will be reviewed on an ongoing basis in**  
106 **accordance with the BOE policy review process.**

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109 Resolution No. 441-72, June 26, 1972