POLICY BOARD OF EDUCATION OF MONTGOMERY COUNTY

Related Entries: DAA-RA, DBA, DDA-RA
Responsible Division~~Office~~: Division of Financial Management~~Chief Operating Officer~~

Fiscal Responsibility and Control

A. PURPOSE

To establish processes to safeguard the financial resources entrusted to the Montgomery County Board of Education on behalf of the ~~ensure that adequate fiscal responsibility and control are maintained for funds entrusted to~~ Montgomery County Public Schools (MCPS), in compliance with Maryland law and the Montgomery County Charter

B. ISSUE

Funds appropriated by the Montgomery County government and the state of Maryland are entrusted to the Montgomery County Board of Education for the operation of MCPS.

In order to promote the highest public confidence in the appropriate use of resources and in compliance with Maryland law and the Montgomery County Charter, the Board shall exercise oversight in adherence to established financial procedures

C. POSITION

1. The annual budgetary appropriations (operating and capital) and special grants are the basis for the operation of the school system.

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

D. DESIRED OUTCOMES

The Board shall responsibly exercise oversight of the financial resources entrusted to them for the operation of MCPS. Financial control processes shall be robust, proactive, efficient, and effective, and implemented with the utmost integrity and professionalism. ~~It is important to balance the need to ensure that adequate fiscal responsibility and control are maintained for funds entrusted to Montgomery County Public Schools with the need for effective and efficient operating procedures.~~ ¶

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~~A process that ensures adequate fiscal responsibility and control, and is efficient and effective.~~¶

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E. IMPLEMENTATION STRATEGIES

The superintendent of schools shall establish implementing regulations, procedures and guidance necessary to provide accountability for the responsible and efficient use of public funds, in adherence to federal, state, and county requirements. The superintendent of schools shall monitor and manage funds allocated to the Board through the annual and supplemental appropriation processes as follows:

1. ~~The superintendent is responsible for p~~Prevent~~ing~~ the overencumbrance of the number of positions and the appropriation as contained in the budgets or supported programs.

2. Establish robust fiscal control systems for the effective management of the Board-adopted budget.

3. Evaluate internal controls on a regular basis to assess potential deficiencies or redundancy.

4. Develop and regularly review a financial procedures manual to set forth expected standards of training and conduct to promote ethical financial behavior among staff

5. Report to the Board monthly regarding the status of the operating budget, and to the fullest extent possible, provide analytical commentary about such items as levels of revenue and expenditures and trends which may lead to substantial over-expenditures if not corrected.

6. ~~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.~~¶

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~~7. Operating budget transfers of appropriation authority between categories as contained in the annual appropriation require County Council approval and notification to the County Executive.~~¶

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~~8. Operating budget transfers that increase the overall number of authorized permanent positions or that transfer funds within a category in excess of $100,000 shall be approved by the Board, and that transfers not in excess of $100,000 may be approved by the superintendent.~~¶

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~~9. Monthly reports of transfers shall be submitted to the Board of Education. Monthly reports of transfers will be submitted to the County Council as required by state law. Reports will be made available upon request.~~¶

~~10. 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 of part-time or full-time permanent employees shall be recommended by the superintendent to the Board for approval; the superintendent shall have authority to employ or terminate, subject to approval of the Board at its next meeting at which a personnel report is considered; that an appeal from the Board's decision may be made to the State Board of Education.~~¶

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~~11. Capital budget transfers between locally funded projects can only be made through the unliquidated surplus account and shall be approved by the Board and the County Council while transfers between state funded projects shall be approved by the Board, the County Council, and the State School Construction Interagency Committee with notification of the County Executive of all transfers irrespective of the source of funds.~~¶

F. REVIEW AND REPORTING

The superintendent is responsible for reporting regularly the financial position of the school system to the Board of Education.

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

Policy History: Resolution No. 441-72, June 26, 1972; Amended by Resolution No. 542-02, December 10, 2002; amended by Resolution No. .