

MILFORD SCHOOL DISTRICT
Milford, Delaware 19963

POLICY

3201

Financial Accountability

The Chief Financial Officer and Superintendent shall be responsible for the preparation of an annual revenue and expenditure budget to be submitted to the Board of Education for review and approval. The preliminary annual budget shall be approved by the Board of Education prior to July 1st of each fiscal year. Subsequent to the Department of Education certifying the district's September 30th unit count for that year, but no later than February 28th of that fiscal year, the Board of Education shall approve a revised revenue and expenditure budget. This revised budget shall serve as the final budget for that fiscal year unless unforeseen circumstances require an additional budget revision.

The annual revenue and expenditure budget shall be inclusive of all funds (federal, state and local). Funds shall be further subdivided to differentiate between restricted funding sources that can only be used for specifically defined purposes and those funding sources that may be used at the discretion of the Board of Education.

Each approved annual budget shall reflect a balanced budget meaning that budgeted revenues equal budgeted expenditures. If the budget is balanced through the use of prior year or carryover funding, such use of funds shall be clearly identified and explained in the narrative portion of the approved budget.

Monthly revenue and expenditure reports shall be prepared and submitted to the Board of Education for review and approval. All financial reports shall be a part of each month's official Board of Education minutes and shall be provided to any member of the public upon request.

All district audit reports shall be shared and reviewed with the Board of Education and shall be made available to any member of the public upon request.

The district shall maintain a local discretionary balance equal to at least five percent (5%) of total budgeted expenditures from all funding sources (excluding only debt service and major capital improvement expenditures). The local discretionary balance amount shall exclude any payroll obligations earned as of June 30th but not paid until July/August (i.e. 10-month deferred summer pay.) While not required, the district shall seek to attain a local discretionary balance of ten percent (10%) when economic conditions allow. Should the five percent (5%) local discretionary balance requirement not be met at the end of any given fiscal year, a detailed financial recovery plan shall be submitted by the Chief Financial Officer and Superintendent to the Board of Education.

In an effort to promote fiscal transparency and community involvement, the Milford School District shall establish a Citizen Budget Oversight Committee. This committee shall be developed and operated in accordance with all relevant provisions of the Delaware Code as well as all relevant Department of Education regulations. The committee shall be composed of the following members:

- District Superintendent
- One Board Member Representative
- District Chief Financial Officer
- One Elementary Building Principal Representative
- One Secondary Building Principal Representative
- One Milford Education Association Representative
- At least five (5) Citizens of the Milford School District

The five or more citizens of the Milford School District shall be selected in accordance with the following process:

- A public notice to seek volunteers shall be provided in the newspaper for two consecutive weeks

- A public notice to seek volunteers shall be posted on the district website and on all district building main entrance doors for at least fifteen (15) working days.

- Those requesting to serve as volunteers on the committee shall be required to submit a brief application which shall at a minimum include the following: 1) Reason for wanting to serve on the committee; 2) Relevant experience, knowledge and/or training that would qualify the volunteer for the committee; 3) References to attest to the volunteer's qualifications to serve on the committee.

- Depending on the number of volunteers requesting to serve, The Board may elect to either accept all interested volunteers, or the Board may review the submitted applications and score them based upon the three criteria listed previously. If the Board does not accept all volunteers, the applicants with the highest total score shall be approved to serve on the committee for the initial two-year term.

The purpose of the committee is to insure that a broad cross section of stakeholders have input into major budgetary issues faced by the district. The committee also insures that the district's finances are transparent to the public. The committee is advisory in nature and as such has no formal authority to take action. All recommendations will be provided to the Board of Education for the Board's consideration. Committee recommendations must be approved by a majority vote of the full committee membership in order to be forwarded to the Board for consideration. The committee chairperson shall be selected with a majority vote of the full committee membership. Member terms are for a period of two (2) years, unless a member elects

to terminate his or her position upon written notice to the Board. Meetings shall be held, at a minimum, on a quarterly basis. At the conclusion of the initial two-year term, the Board shall determine at that time the method for selecting new members and/or extending the terms of existing members. Citizen committee members shall be responsible for successfully completing any required training provided by the Department of Education. The Board shall have complete and sole discretion over committee membership and shall retain the right to revoke the membership of any committee member at any time.

ADOPTED: 8/17/70; 7/19/82; 9/20/82; 10/23/06; 11/23/09; 1/25/10

REVISED: 4/26/10