

FISCAL ACCOUNTING AND REPORTING

The North Merrick Board of Education of Education insists on clear, complete, and detailed accounting of all financial transactions for which the North Merrick Board of Education is held accountable.

Accounting and Reporting Systems

The system of accounts will conform to the Uniform System of Accounts for School Districts, as defined by the State Comptroller's Office. In addition, accounting and reporting will adhere to generally accepted governmental accounting standards. The accounting system will yield information necessary for the North Merrick Board of Education to make policy decisions and perform its oversight function.

The North Merrick Board of Education directs the Assistant Superintendent for Business & Operations to keep informed of changes in state and/or Government Accounting Standards Board (GASB) accounting requirements and implement changes, as appropriate. The North Merrick Board of Education expects that the Assistant Superintendent will communicate new standards and/or requirements to the North Merrick Board of Education, as necessary, so that the North Merrick Board of Education can carry out its responsibilities.

The North Merrick Board of Education recognizes that the maintenance of fund balance is essential to the preservation of the financial integrity of the school district. The North Merrick Board of Education will maintain a fund balance in accordance with law. Pursuant to GASB 54, said fund balance will be reported in the following classification, where applicable:

1. Nonspendable – amounts that cannot be spent because they are in a nonspendable form (e.g. inventory) or legally or contractually required to be maintained intact.
2. Restricted – amounts limited by external parties or legislation (e.g. reserve, grants or donations)
3. Committed – amounts that are intended for a particular purpose.
4. Unassigned – amounts available for consumption or restricted in any manner

Proposed expenditures will be budgeted under and the actual expenditures will be charged to categories that most accurately describe the purpose for which monies are to be spent.

The North Merrick Board of Education directs the Treasurer to keep it informed of the financial status of the district through monthly cash reconciliation, budget status reports and annual fiscal reports, including periodic projections of the end of year fund balance. The Treasurer should highlight any

Page 2 of 2

deviation in actual fiscal conditions from planned fiscal conditions. The Assistant Superintendent for Business & Operations will prepare and submit, through the Superintendent, to the North Merrick Board of Education and the Commissioner of Education, such reports as are prescribed by law. These shall be filed with appropriate governmental bodies as required under law or regulation. The district will cooperate with governmental agencies and research organizations as required by law for data concerning the fiscal operations of the district.

As required by law, the school district shall obtain an annual audit of its records by an independent certified public accountant or an independent public accountant. The report of such annual audit shall be presented to the North Merrick Board of Education by such accountant. The auditor's report shall be adopted by resolution and a copy shall be filed with the Commissioner of Education.

The Superintendent and Assistant Superintendent for Business shall, within 90 days of the receipt of such report or letter, prepare a corrective action plan in response to any findings contained in the annual external audit report or management letter, or any final audit report issued by the state comptroller. This corrective action plan shall be presented to the North Merrick Board of Education for review. To the extent practicable, implementation of such corrective action plan shall begin no later than the end of the next fiscal year.

The district shall use a competitive request for proposals (RFP) process when contracting for such annual audit. In addition, pursuant to law, no audit engagement shall be for a term longer than five consecutive years; provided, however, that the district, in its discretion, may permit an independent certified public accountant or an independent public accountant engaged under an existing contract for such services to submit a proposal in response to an RFP or to be awarded a contract to provide such services under a RFP process.

The Superintendent shall also ensure that the provisions contained in the General Municipal Law in regard to audit reports are followed.

Cross-ref: 6600, Fiscal Accounting and Reporting
 6690, Audit Committees

Ref: Education Law 2116-a(3) and (b)

Adopted: September 13, 2011