

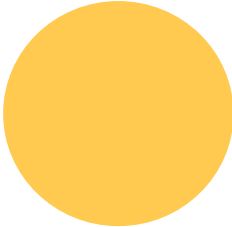


# Best Practices for Financial Oversight

CABE Webinar Series  
March 19, 2026

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# 2026 School Finance Webinar Series



Past presentations by CASBO are available online!

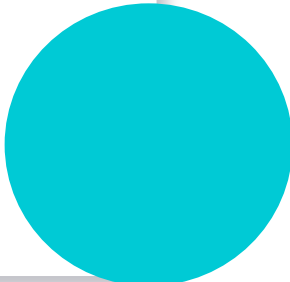
For the on-demand recording of the February 25, 2026 **Deep Dive into the Budget Adoption Process** webinar [click here](#).

- [Click here](#) for the presentation slides.

For the on-demand recording of the January 13, 2026 **Deep Dive into Budget Development** webinar [click here](#).

- [Click here](#) for the presentation slides.

Links were emailed in your March 11th CABA Newsletter!



# Uniform Accounting Standards

- The Governmental Accounting Standards Board (GASB), operating under the auspices of the Financial Accounting Foundation (FAF), is responsible for the establishment and revision of Generally Accepted Accounting Principles (GAAP) for local and state governments.



**GASB**  
**FAF**  
**GAAP**

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# Focus Points for Presentation

**01**

Procedures  
& Controls

**02**

Expenditures  
Oversight

**03**

Financial  
Reporting &  
Requirements

**04**

Board Policy  
&  
the Board's Role

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01

## Procedures & Controls

Set up procedure by which all fiscal activities in a district can be accumulated, categorized, reported, and controlled.

*~Thompson and Wood, 2001.  
Money and Schools*

# Consider Staffing

- What is the district size and financial complexity?
- What is the count of the staff (including administrative assistants for each department)?
- What are the staff's individual capabilities & expertise?
- Segregation of duties and responsibilities vs. Cross-training, back-ups, and redundancies?
- What opportunities or capabilities exist in your technology systems – HR tools, accounting systems, online banking platforms?
- How often does your financial staff meet and communicate?
- How often does your finance team have internal and external trainings?
- Does each financial position create formal procedures for their work? Business Procedures; Payroll Manual, Tax Guides, etc.



# Assess the Risk

- What are common financial concerns or fears from the staff, Administration, and the Board?
- Where are you likely to find poor financial controls? How severe is the risk in these areas?
- What current fiscal controls are already in place?
- How does your district conduct financial risk assessments?
- How does the district stay abreast of high risk issues that arise in other school districts, public education, municipal finance, or elsewhere?

## Risk assessment matrix

| Likelihood | Severity      |         |          |             |        |
|------------|---------------|---------|----------|-------------|--------|
|            | Negligible    | Minor   | Moderate | Significant | Severe |
|            | Very Likely   | Low Med | Medium   | Med Hi      | High   |
|            | Likely        | Low     | Low Med  | Medium      | Med Hi |
|            | Possible      | Low     | Low Med  | Medium      | Med Hi |
|            | Unlikely      | Low     | Low Med  | Medium      | Med Hi |
|            | Very Unlikely | Low     | Low      | Low Med     | Medium |

Risk Matrix Example

Likelihood X Severity = Risk Level

# Create the Fiscal Control

- What type of control is this – Preventive or Detective? Manual or Automated?
- Who will author/document, build, and implement the fiscal control?
- Who needs to be involved in the fiscal control?
- Who needs to be aware of the fiscal control?
- How will this fiscal control be monitored and enforced?
- How does this fiscal control affect other procedures and policies?
- Does this fiscal control align with federal, state, and auditing guidelines?
- Does this control address audit recommendations or findings?



# Communicate Fiscal Controls

- How do staff members learn of new fiscal controls?
- How are staff members trained on new controls?
- How do Board members learn of new fiscal controls? Do Board members know why a new control is being implemented?
- How does Administration ensure the Board and staff understand their roles?



# Monitor the Effectiveness of Fiscal Controls

- Has the fiscal risk been mitigated?
- Have fiscal issues been identified and prevented or detected through the new control?
- Has the fiscal control been tested by staff, auditors?
- Are there any new fiscal risks as a result?





- Accurate Information
- Reliability & Repeatability
- Transparency & Public Trust
- Fraud Prevention
- Fraud Detection
- Assess Administration's Effectiveness, Efficiency, Compliance & Reporting
- Fiduciary Responsibility to Safeguard Local Taxpayer, State, and Federal Funds

# Standard Fiscal Controls

- Journal Entries
- Account Reconciliations
  - Bank Accounts
  - Ledger Accounts
  - Student Activities
  - Petty Cash
- Accounts Receivables
- Accounts Payable
- Finance Committees
- Positive Pay
- System Backup & Recovery
- Paper Filing, Record Retention
- YTD Budget Reports
- YTD AP Reports
- Grant Reporting
- Cafeteria Fund Reporting
- Encumbrance Reporting
- Budget Transfers & Overruns
- Purchase Requisitions
- Purchase Order Process
- Invoice Approvals
- Payments without POs
- Staff Reimbursements
- Purchase Approval Authority
- Segregation of Duties
- Two-Factor Authentication
- Dual-Authorizations
  - EFTs
  - ACHs
  - Wire Transfers
- Payroll Changes, Fictitious Emp.
- Direct Deposit / Payment Remittance Change Approvals
- Vendor Management
- RFP & Bidding Process
- Revenue & Funding Sources
- Misc. Deposits & Donations



02

## **Expenditures Oversight**

Financial Oversight is a Key Component  
for all School Districts.

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# Fiscal Oversight Importance

- Ensures accountability in school districts.
- Maintains budgetary and accounting controls for accurate financial reporting.



# Role of School Boards



- Responsible for reviewing fiscal activities, despite no required fiscal experience.
- Depend on the Superintendent and Business Manager for accurate budget and financial information.

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# School Administration Responsibilities

- Maintain budgetary and accounting controls for reliable financial information.
- Financial reporting varies by district based on Town Council and Board requirements.



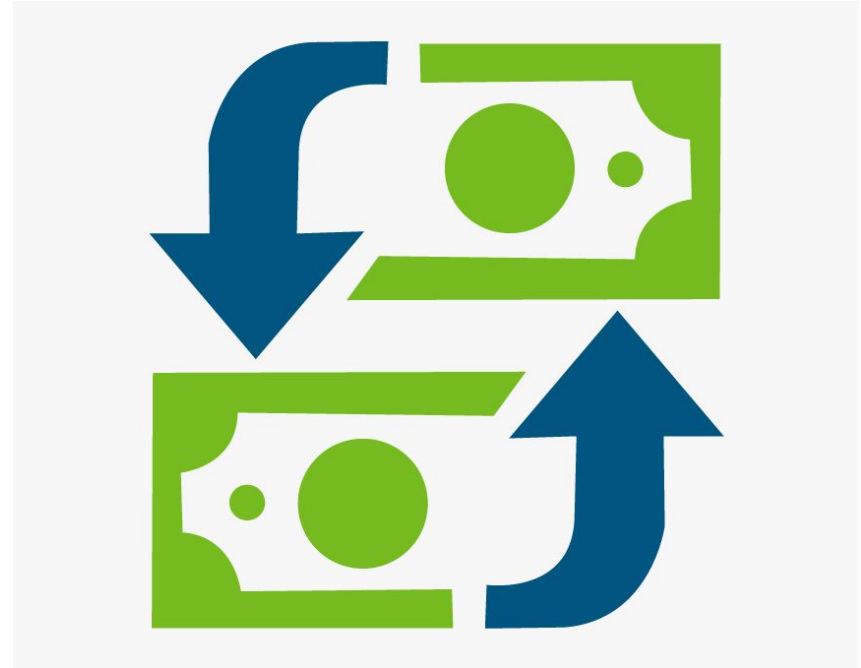
# Financial Reporting



- Town Council receives expenditure summaries.
- Education and Town staff reconcile expenditures monthly.
- Reports provided to the Board of Education and Town Board of Finance.

# Budget Oversight and Transfers

- Budget Committee reviews budget status regularly.
- Board of Education approves inter-program budget transfers for changes in funding needs.



# Annual Reporting and Audits



- School Boards must report annual financial summaries.
- Town responsible for hiring auditors and overseeing the annual audit for local BOEs
- Regional school districts will hire their auditors and oversee their annual audits



03

## **Financial Reporting & Requirements**

State of Connecticut and Federal reporting requirements to which all school districts must adhere

# Uniform Chart of Accounts

- **A standardized system of account codes used to categorize revenues and expenditures.**
  - In 2012, the Connecticut General Assembly required the CSDE to “develop and implement a uniform system of accounting for school revenues and expenditures.”
  - Additionally, the law mandated the “uniform system of accounting shall include a chart of accounts to be used at the school and district level” for reporting revenues and expenditures.

(Conn. Acts 12-116, Section 15a)

# Uniform Chart of Accounts

- Ensures comparability between school districts' financial data in order to promote transparency and accountability.
  - Links the operations of departments, agencies, and offices
  - Each account string displays the account **Fund Source** (general fund, grant, capital projects); the **Function** (instruction, special education, transportation, equipment, etc.); **Object** (certified salaries, benefits, professional services, tuition, etc.); **Location** (each school); and **Program** (art, math, athletics, etc.)

# Uniform Chart of Accounts

| Expenditure    | Account String             |
|----------------|----------------------------|
| \$2,669,698.71 | 100.1000.1110.39.0.26.0000 |

100 – General Fund

1000 – Instruction

1110 – Certified Staff

39 – Ridgefield High School

26 – Science

# Education Financial System

- **A financial reporting system used by school districts, including local and regional boards of education, charter schools and regional educational service centers.**
  - The EFS provides a standardized set of processes to capture, manage, audit and report financial and statistical information.
  - Calculates per-pupil expenditures by school and district.
  - Supports Federal level reporting (ESSA).
  - Reporting for 2017-18 and later.

# Every Student Succeeds Act (ESSA)

- **ESSA expands requirements for state and school district report cards to include fiscal reporting, such as the per-pupil expenditures of federal, state, and local funds — including actual personnel expenditures and actual non-personnel expenditures, disaggregated by source.**
  - Signed into law in 2015, amending Elementary and Secondary Education Act of 1965, and replacing No Child Left Behind Act of 2002.
  - Required states to develop a statewide procedure for reporting school and district level per pupil expenditures.

# Every Student Succeeds Act (ESSA)

- **Requires the use of current expenditures for:**
  - Administration, instruction, instructional support, student support services, transportation, operations, fixed charges, preschool, food services, and student activities
  - Student enrollment counts as of October 1, consistent with the student membership data collected annually by the National Center for Education Statistics (NCES)
  - The inclusion of all funds disaggregated by federal, state, and local sources
  - Separate reporting of the current school district per-pupil expenditures not allocated to public schools in the state

# Grants Management System (eGMS)

- **eGMS is an application designed for school district users to apply for funding opportunities, manage grants, and award grant recipients. Districts can administer, track account for and report on all grant-related activities.**
  - CSDE rolled this out in spring of 2016
  - Year-end expenditure reports are required at the conclusion of each fiscal year
  - Grant information from eGMS populates into the EFS report
    - Both Federal and State grants are included in the eGMS

# Common Grant Funds for School Districts

## Federal:

- Title Grants (I, II III, IV & REAP)
- IDEA 611
- IDEA 619
- Perkins

## State:

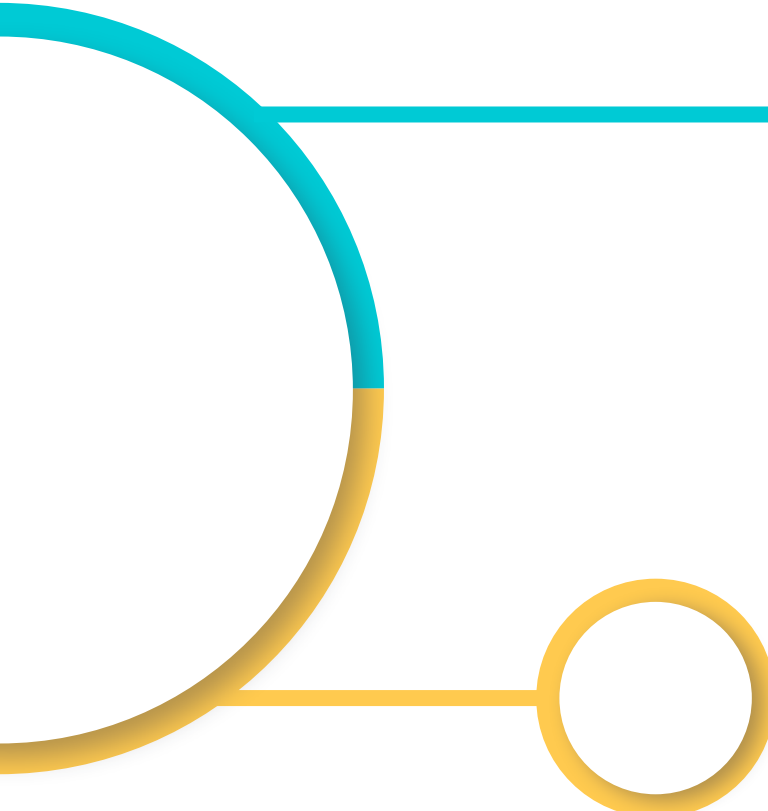
- Education Cost Share (ECS)
- Excess Cost Reimbursement (ECR) for Special Education
- Agriscience & Technology Education (ASTE)
- Adult Education
- Alliance & Priority District Funding

# Minimum Budget Requirement (MBR)

- **Minimum Budget Requirement (MBR)**
  - All Connecticut towns have a MBR that — with some exceptions — they must adhere to in providing funding to their local school districts. ***According to the MBR, a town may not budget less for education than it did in the previous fiscal year, unless it can demonstrate specific achievements or changes within the town's local school district.***
  - The penalty for violating MBR is a loss of your Education Cost Sharing Grant equaling two-times the MBR violation amount (e.g. if you're \$100,000 below MBR, you lose \$200,000 in State ECS funding)

# Maintenance of Effort (MOE)

- Maintenance of Effort (MOE)
  - ***Obligates any local education agency (LEA) receiving IDEA Part B funds to budget and spend at least the same amount of local or State and local funds for the education of children with disabilities on a year-to-year basis.***
  - The LEA must demonstrate MOE for special education from year to year in two areas: MOE eligibility and MOE compliance standards.
  - If MOE is not met, the LEA is ineligible for the IDEA Part B award.



# 04

## **Board Policy and the Board's Role**

*In general, all school boards have three major responsibilities: developing the annual budget to run the school system; setting school policies; and hiring and evaluating the superintendent.*

*~Andrew Bauld, US News & World Report*

# CGA, Chapter 170- Boards of Education

- A)
- Each local or regional board of education shall maintain good public elementary and secondary schools, implement the educational interests of the state, as defined in section 10-4a, and provide such other educational activities as in its judgment will best serve the interests of the school district.
    - Provide an equal opportunity to receive a suitable program of educational experiences;
    - Finance at a reasonable level at least equal to the minimum budget requirement pursuant to the provisions of section 10-262j an educational program designed to achieve this end;
    - Each school district shall provide educational opportunities for its students to interact with students and teachers from other racial, ethnic, and economic backgrounds;
    - Implement the mandates in the general statutes pertaining to education within the jurisdiction of the State Board of Education.
    - Provide adequate instructional books, supplies, materials, equipment, staffing, facilities and technology;
    - Provide equitable allocation of resources among its schools;
    - Ensure proper maintenance of facilities;
    - Ensure a safe school setting.

# CGA, Chapter 170- Boards of Education

B)

- The board of education of each local or regional school district shall, with the participation of parents, students, school administrators, teachers, citizens, local elected officials and any other individuals or groups such board shall deem appropriate, prepare a statement of educational goals for such local or regional school district.

# CGA, Chapter 170- Boards of Education

C)

- Annually, each local and regional board of education shall submit to the Commissioner of Education a strategic school profile report for each school and school or program of alternative education, as defined in section 10-74j, under its jurisdiction and for the school district as a whole.

So .... How do you do these things?



# Advocate for the School Budget

- One of the MOST important things you can do in your role as a member of the Board of Education is to advocate for the school budget!
  - There may be a line item or two that you feel differently about than your administrative team, but it's crucial that the Board be united and collectively support the district budget.
  - Remind your community to get out and vote! Attend PTA meetings and ask parents and families to support the school district budget!



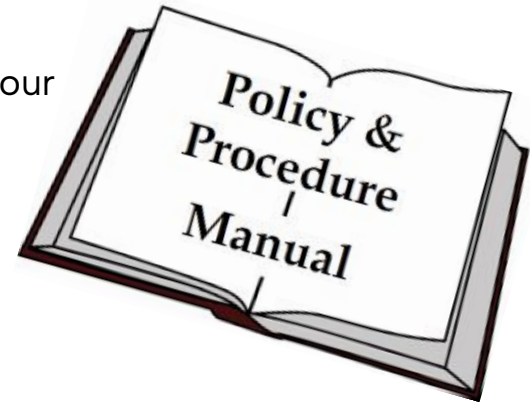
# Hire a Talented Superintendent



- Talented Superintendents are not easy to find. CT has a limited pool of candidates, and if you find a talented Superintendent that is the right fit for your community, be sure to support their work.
  - Give thoughtful feedback.
  - Allow them space to do the work – they are the District CEO and will support the District's day-to-day operational needs.
  - Offer support in the community – Advocate for what your school district needs!

# Update & Enforce Board Policy

- For all requests and considerations, look to the Board Policy.
  - Your Policy Manual will govern most items that come your way. When in doubt, search your policy manual!
  - Attend events through CAFE, CAPSS, CEA, and other public school educational groups.
  - Share your District's accomplishments and challenges with your local legislators – work together to enact change.





**Questions?**