**Public Schools**

- School board members are elected to serve as stewards of these funds and are accountable for their wise use.
- Boards must ensure funds are spent efficiently and equitably to deliver the education program in school districts.
- Must have a good working knowledge of school finance.

**Statutory Responsibilities**

22-5-4 NMSA

- Develop educational policies for the district.
- Employ a superintendent and set the salary.
- Review and approve district budget.
- Acquire, lease and dispose of property.
- Have capacity to sue and be sued.
- Acquire property by eminent domain.

**Statutory Responsibilities**

- Issue general obligation bonds/mil levies.
- Provide for the repair and maintenance of district property.
- Subpoena witnesses and documents.
- Except for salaries, contract for expenditures via procurement code.
- Adopt rules pertaining to board operations, powers and duties.

**Regulatory Responsibilities**

6.29.1.9 NMAC

- Ensure district funds are managed and disbursed appropriately.
- Approve the annual district budget.
- Be responsible for oversight of revenue and expenditures within the district.
Financial Overview

Sources of Revenue

- The Board should be familiar with the various sources of revenue that make up the district budget
- The Board should understand the proper use of funds from each source
- The Board should understand declining/increasing funding trends

School Budget

- Be familiar with the Board’s vision, goals, objectives and priorities
- Consider the budget as an informal contract between the Board and the administration
- Establish procedures for setting the budget – Who does what and when?
- Recognize the process involves Board, administration, staff and community

School Budget

- Approve a budget calendar which should include:
  - Precise dates when budget planning and preparation activities occur
  - Functions – Exactly what should happen on the dates specified
  - Persons responsible – Identifies the staff member that is responsible
School Budget
- Budget for contingencies – Plan for the unexpected.
- Ask the tough questions
  - How does the budget reflect board/legislative priorities?
  - Does the budget meet the needs of each school?
  - How much is budgeted per student?

Finance Subcommittee
- Work with Board Finance Subcommittee mandated by state statute 22-8-12.3A
- At least two board members serve on the subcommittee
- Provides recommendations regarding:
  - Financial Planning
  - Financial Statements
  - Revenue and Expenditure Projections
  - Budget Preparation and Oversight
  - Procurement
  - Other Financial Matters

Budget Oversight
- Review financial reports monthly
- The Board should understand the district's ongoing financial status
- Understand unusual budget variances
- Understand Budget Adjustment Request (BARS)

District Audit & Accounting Procedures

Audit Committee
- Audit Committee is mandated by statute 22-8-12.3D
- Membership consists of two board members, one parent volunteer, one volunteer with accounting or financial experience
- Superintendent and School Business officer serve as ex-officio members

Audit Committee Duties
- Evaluate RFP and recommend selection of auditor
- Attend entrance & exit conferences
- Meet with auditor monthly during audit
- Provide audit status reports to Board
- Assist auditor in securing documents and answering questions
- Track audit recommendations and make appropriate policy changes.
Accounting Procedures

- Internal Control Structure
  - Assure the Board that adequate records and controls are maintained for all funds
  - Your accounting records should reflect what is actually happening

Questions Boards Should Ask

- Does the district have an adequate system of internal accounting controls?
- Is money allocated for a specific purpose spent for that purpose?

Keep in mind.... Sound finances are key to sound academics!

Thank You!

Contact Information

Stan Rounds
Executive Director
NNCEL
574-915-7868
stan@nncel.org

Tony Dean
Executive Director
NNASBO
505-923-3280
tony@nnasbo.org