

## BOARD FINANCIAL & AUDIT OVERSIGHT RESPONSIBILITIES



NMSBA 2019 FALL  
REGIONAL MEETINGS

Presented by  
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## Board Responsibilities

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### 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

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### Statutory Responsibilities

22-5-4 NMSA

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

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### Statutory Responsibilities

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

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### 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**

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## ■ Financial Overview

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## Sources of Revenue

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## 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 9

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## The School Budget

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## 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

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## 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

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## 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?

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## 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

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## 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)

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## District Audit & Accounting Procedures

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## 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

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## 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.

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## 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

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## 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?

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

*Thank You!*



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## Contact Information

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