

Promising District Practices Guide

Purpose, Intended Use, and Content

Purpose of the Guide

The purpose is to guide districts in identifying research-based best practices needed to maintain strong district systems. The entire Guide will consist of six sections: Leadership and Governance; Curriculum and Instruction; Assessment and Program Evaluation; Human Resources and Professional Development; Student Support and Access; and, Financial and Asset Management.

Intended Use

Districts can use the Guide to determine next best steps following a district’s own self-assessment, or a district’s identification of a need, or a district review. Therefore, the Promising District Practices Guide should describe the actions that a district should take to ensure that its district systems meet the Department’s Standards used by review teams from the Center for District and School Accountability to conduct district reviews.

Content

The current draft Guide is based on The Council of Chief State School Officers’ research-based Decision Support Architecture Consortium Phase II: Processes, Sub-processes, Promising Practices, and Evidence (October 2008). Further development of the self-assessment will be based on research conducted by the Regional Education Laboratory of Northeast and the Islands to align with Massachusetts District Standards and Indicators, INSTLL Inc., and stakeholder feedback.

**Financial and Asset Management Standard:**

The district engages in a participative, well-documented, and transparent budget process that uses student achievement as a factor in the overall budget. The district acquires and uses financial, physical, and competitive capital resources to provide for and sustain the advancement of achievement for all students enrolled in the district. The district regularly assesses the effectiveness and efficiency of its financial and capital assets and has the ability to meet reasonable changes and unanticipated events.

Indicators:

1. Comprehensive and Transparent Budget Process: The district’s budget is developed through an open, participatory process, and the resulting document is clear, comprehensive, complete, current, and understandable. The budget provides accurate information on all fund sources, as well as budgetary history and trends. The district and community have appropriate written agreements and memoranda related to 603 CMR 10.0 that detail the manner for calculating and the amounts to be used in calculating indirect charges levied on the school district budget by the community. Regular, timely, accurate, and complete financial reports are made to the school committee, appropriate administrators and staff, and the public. Required local, state, and federal financial reports and statements are accurate and filed on time.

2. Adequate Budget: The community annually provides sufficient financial resources to ensure educationally sound programs and quality facilities, with a sufficient district revenue levy and level of local spending for education. The combination of Chapter 70 Aid and local revenues, considering justified indirect charges, meets or exceeds Net School Spending (NSS) requirements of the education reform formula. The district's budget and supplemental funding are adequate to provide for effective instructional practices and adequate operational resources.

3. Financial Tracking, Forecasting, Controls, and Audits: District administrators are able to regularly and accurately track spending and other financial transactions. The district uses forecast mechanisms and control procedures to ensure that spending is within budget limits. It uses efficient accounting technology to facilitate tracking, forecasting, and control procedures, and to integrate the district-level financial information of each school and program. All procurement, tracking, and monitoring systems and external audits are accurate, current, and timely. The district has a system in place to ensure that state procurement laws are followed, that staff are qualified to manage their fiscal responsibilities, and that all assets and expenditures are monitored and tracked to attain the most efficient and effective utilization. The district competitively procures independent financial auditing services at least every five years, shares the results of these audits, and consistently implements their recommendations.

4. Cost-Effective Resource Management: As part of its budget development, the district implements a review process to determine the cost-effectiveness of its programs, initiatives, and activities. This process is based, in part, on student performance data and needs. District and school plans are coordinated to provide integrated use of internal and external resources (human, financial, community and other) to achieve each school’s mission. At Levels 4 and 5, the district provides the school with a weighted per-pupil budget for staffing and instructional resources, and gives the principal the authority and assistance needed to make appropriate decisions about its expenditure consistent with the turnaround plan. The district has a system in place to pursue, acquire, monitor, and coordinate all local, state, federal, and private competitive grants. The district implements an effective system to monitor special revenue funds, revolving accounts, and the fees related to them to ensure that they are managed efficiently and used effectively for the purposes intended and to advance the district’s improvement plan. The district actively seeks ways to leverage resources and expand capacity through collaboration with such external partners as educational collaboratives and institutions of higher education.

5. Capital Planning and Facility Maintenance: The district has a formal preventive maintenance program to maximize and prolong the effective use of the district’s capital and major facility assets, as well as to ensure that educational and program facilities are clean, safe, secure, well-lit, well-maintained, and conducive to student learning. The district has a long-term capital plan that clearly and accurately reflects future capital development and improvement needs, including the need for educational and program facilities of adequate size. The plan is reviewed and revised as needed with input from all appropriate stakeholders.

**Financial and Asset Management 1: Comprehensive and Transparent Budget Process**

The district has effective processes in place to:

**FAM.1. 1 Develop a budget through an open, participatory process that meets all statutory requirements**

Promising practice: Budget calendar is developed and distributed publicly

• Distributed at the start of the school year

• Distributed to all school and municipal officials

• Posted on school’s website

Promising practice: All stakeholders are included in the budget process

• School-site councils

• School committee

• Appropriate municipal officials

• School administration at all levels

Promising practice: Ensure that all statutory requirements are met

• Budget should be both program-based (regular, special education, alternative education, vocational education) and site-based

• Public hearing must be held at least fourteen (14) days prior to the adoption of the budget

• Budget process meets local and state mandatory deadlines

• District and community have appropriate written agreements in place detailing manner for calculating indirect charges levied on the school district budget by the community

**FAM.1.2 Develop a budget that is clear, comprehensive, complete, current, and understandable**

Promising practice: An evaluation of progress and effectiveness is conducted prior to budget development including:

• State and Federal initiatives and mandates

• District’s long range plan and other district initiatives

• School improvement plans

• School committee and administrative programmatic goals and objectives

Promising practice: Plans, goals, objectives and budget parameters are developed / discussed with Administrators

• Develop a revenue budget based on state Chapter 70, local property tax allocation projections, and special revenue fund balances

• Develop initial projection of expenses

• Develop budget parameters using initial revenue and expense projections

• Budget parameters include tying budget requests to goals and objectives

• Communicate parameters and timelines to responsible administrators

Promising practice: Budgets are based on data collected from cost centers

• Enrollment projections

• Class-size projections

• New initiatives and programs

• Performance data / benchmarking

• Programmatic needs

• Facility and capital needs

• Staffing needs

Promising practice: Budget requests are reviewed and thoroughly vetted

• Aligned with district goals and objectives

• Aligned with building goals and objectives

• Aligned with state and federal mandates

• Aligned with state curriculum frameworks

• Consistent with parameters established

• Consistent with available resources

Promising practice: Budget document should include narratives

• Executive summary

• Cost center summaries

• Linkage of funding requests to goals and objectives

• Accomplishments from prior years are highlighted

• Progress toward achievement of district and building goals and objectives

• Linkage of funding requests to goals, performance measures and benchmarks

• Discusses relevant trends in data

Promising practice: A clear, understandable, complete, and comprehensive budget document is developed

• Summary information is presented first followed by more detailed information (pyramid approach)

• Charts and graphs are included

• Includes three years of actual revenue and expenditure history, current year budget, and proposed budget

• Includes staffing for past three years, current year, and proposed budget year

• Includes enrollment history and projections for a minimum ten year span

• A table of contents is included

• School committee members and administrators are listed

• Continuous page numbers throughout

• A glossary is included

• Includes goals and objectives

• Includes Mission and vision statement

• In addition to general fund, grants, revolving and capital funds are shown

• Capital improvement plan, technology plan, fee schedules, debt service schedules (if applicable) are included

Promising Practice: Budget should be effectively marketed

• Copies distributed to all school administrators and school committee members

• Copies distributed to all bargaining unit presidents

• Copies distributed to key community officials (town manager, finance directors, Board of Selectman, finance committees)

• Budget published on district and municipal websites

• Budget available at local library and all school buildings

• Press releases are issued regarding availability of the budget

• Budget presentations are made to school councils, PTO’s, school staff, finance committees, etc.

**Financial and Asset Management 2: Adequate Budget**

The district has effective processes in place to:

**FAM 2.1 Provide sufficient financial resources to ensure educationally sound programs and quality facilities, with a sufficient district revenue levy and level of local spending for education**

Promising Practice: District officials employ a data driven decision making model to evaluate district education programs

• MCAS scores and other assessment data are used to evaluate the district’s educational programs and alignment with the MA curriculum frameworks

• The district reviews its own trend data to ensure Adequate Yearly Progress.

• Communicate funding requirements associated with curriculum and instructional improvements necessary to comply with AYP and curriculum framework alignment

• The district and each site/cost center conduct an analysis to determine what strategies, programs and activities will best achieve desired results.

• Communicate technology standards and the resources needed to ensure staff are able to effectively utilize and integrate technology into their teaching practices

• Appropriate programs are in place in or out of district for all students that deliver the services outlined in their IEPs

• Appropriate programs are in place for ELL students and for students requiring 504 plans or home/hospital tutoring.

• Staff development provided re: 21st century skills/curriculum integration

• Needs of all sites and cost centers are reflected in funding request

• The district allocates resources according to highest priority

• Capital and facility assessment conducted annually and needs/deficiencies reported

• The report includes cost estimates, funding options, and the impact on educational programs

Promising practice: The district ensures adequate funding to hire and retain qualified staff

• The district compares compensation and benefit packages to those of comparable districts to ensure that it is competitive

• The district provides sufficient funding to ensure all staff have access to high-quality professional development

• The district provides sufficient funding to ensure that all new hires receive adequate induction and mentoring

• The district ensures that all employees are properly licensed

Promising Practice: The district compares resources and outcomes to districts with similar size and socio-economic status

• The district uses the comparable districts provided by DESE

• The district compares its class sizes and student/teacher ratio to its comparable districts

• The district compares its spending by category and per pupil with its comparable districts

• The district compares its MCAS scores, staff qualifications, graduation rates and other pertinent data with its comparable districts

Promising Practice: District administration understands municipal finance regulations and funding mechanisms available to support education

• Municipal budget process and timeline

• Prop 2 ½ and calculation of tax levy

• Overrides – (One-time vs. multi-year, with-in and outside of Prop 2 ½)

• Warrant articles

• Understand properties associated with special funds and responsibly leverage the use of all funds available to meet the funding needs of the district

• Fosters a collaborative relationship with municipal officials to ensure appropriate funding alternatives/options are employed to meet educational needs

**FAM 2.2 Ensure the combination of Chapter 70 Aid and local revenues, considering justified indirect charges, meets or exceeds Net School Spending (NSS) requirements of the education reform formula**

Promising Practice: District administration understands education reform funding components

• Assure the municipal allocation meets the annual net school spending requirement by monitoring and reviewing notifications regarding those requirements regularly

• Spending level requirements for staff development and extraordinary maintenance are provided for in the district budgetary request

Promising Practice: A written agreement is in place between the municipality and the district for indirect charges

• The agreement is executed by both the municipality and the school district

• The agreement is clear as to what charges are included and how they are calculated

• The charges can be easily calculated by both parties

• The agreement is reviewed annually by both parties

• Disputes that cannot be settled locally are referred to DESE for adjudication

Financial and Asset Management 3: Financial Tracking, Forecasting, Controls, and Audits

The district has effective processes in place to:

**FAM 3.1 Effectively analyze and track district expenditures**

Promising Practice: District administrators are able to regularly and accurately track spending and other financial transactions

• Every school/department can access financial accounting system to monitor real time expenditure reports

• All Administrators are trained to access budget and expenditure data for their school/department

• All Administrators have sufficient knowledge to understand chart of accounts, budget data, and expenditure data

• All Administrators understand line item transfer procedures and how transfers are tracked and reported on financial reports

Promising Practice: All administrators have access to real-time financial data

• Requisitions or purchase order systems are integrated and linked directly to the general ledger with amounts subtracted from available budgets upon entry and approval

• Every school/department is technologically linked/networked to the district’s general ledger

• School Business Administrator can access all expenditure data in real-time

**FAM 3.2 Regularly monitor and report on actual and projected expenditures**

Promising practice: The district uses forecasting tools to regularly project expenditures and ensure that spending is within budget limits

• A projection of remaining salaries and expenditures is done at least quarterly and compared to budgeted amounts

• The School Business Administrator advises the Superintendent and School Committee when he/she believes expenditures are exceeding appropriations

• A procedure is in place for department administrators to alert the Superintendent and School Business Official of decisions, actions, or conditions that could impact the budget negatively or positively (e.g., unanticipated out-of-district placements, unanticipated building repairs, etc.)

Promising practice: The school business administrator develops comprehensive, transparent reports regularly

• Report includes a projection of remaining salaries and expenditures, approved budget and adjusted budget, current (year to date) expenditures and encumbrances

• Report includes a discussion and/or footnotes explaining significant variances

• A “model” templates can be downloaded from the “members only” section of MASBO website

• Comprehensive financial reports are prepared within 60 days of the close of the fiscal year by the accountant).

• Financial reports comply with GAAP and GASB (34, 45, 54)

Promising practice: The school business administrator distributes regular financial reports to all stakeholders

• Cost centers have real time, electronic access to general ledger and internal financial reports

• School committee receives reports at least quarterly

• Copies of reports are distributed to municipal departments and officials

• Reports are made available to the public at large

**FAM 3.3 Maintain proper internal controls**

Promising practice: District ensures a control environment

• A system of approvals for completion of purchase orders is in place beginning with the school principal or department supervisor and ending with the school business administrator and/or superintendent. Final PO approvals are communicated back to the PO originator.

• All financial processes are integrated in one financial system

• District management demonstrates integrity and ethical values, a commitment to competence, and an appropriate management tone

• Risk assessments are routinely done to ensure risks are properly managed and addressed

• Control activities are in place including regular performance reviews, segregation of duties and physical should this be fiscal? controls

• Proper procedures are in place for controlling access and permissions to financial information

• Regular and routine monitoring of internal control processes takes place including internal audits and process reviews

• Policies and procedures are in place to discourage dishonesty and theft and to encourage reporting of behaviors of concern

• Procedures and security measures are in place to reduce theft

Promising practice: The district has a system in place to ensure compliance with state procurement laws

• School business administrator or designee in the finance office should be MCPPO certified

• Documentation of quotes, state contract numbers, or collaborative bid references should be incorporated on purchase orders and contracts to the maximum extent practicable

• Procurement documentation should be maintained on-file for the required six year term

Promising practice: The district has a system in place to ensure proper checks and balances

• Expense warrants and invoices should be reviewed by the School Business Official prior to submission of payment to the town or district accountant

• An accounts payable procedures manual should be developed for the district and disseminated to every individual involved in the purchasing process (download sample from MASBO website)

• Documentation confirming receipt of goods and/or services should be required and reviewed as part of the invoice approval process

• Business and finance personnel are cross trained to provide backup in the event of co-worker’s extended absence

**FAM 3.4 Meet all statutory reporting requirements**

Promising practice: Policies, procedures and systems are in place to allow for compliance with statutory reporting requirements

• School business official is properly trained on DESE End of Year Reporting This function is performed by the accountant not the SBA in some regional schools so I think this should be broadened “appropriate school representatives” maybe.

• District’s fund structure is consistent with DESE reporting requirements and allows for ease of End of Year reporting to the extent possible.

• End-of-year reports, Excess and Deficiency certifications (regional schools), Official Statements (if applicable, regional schools) are submitted within the required timelines

• School district representative should attend the annual End of Year Report meeting conducted by DESE

• Anticipated delays in submission of the end of year reports should be reported with a request for extension as required

• A school district representative should participate in any DESE/MASBO/DOR sponsored teleconferences and/or webinars addressing grant fund reporting (ARRA, Entitlement, etc)

**FAM 3.5 Implement an effective and compliant auditing program**

Promising practice: The district maintains effective relationship with external auditors

• The district competitively procures independent financial auditing services at least every five years

• The district regularly consults with auditors to review and give guidance on management practices and issues of concern to the district

• The district view auditors as a partner in the financial management and control function

Promising practice: Auditing results are used to improve management practices and ensure transparency

• The district shares the results of all audits with all required stakeholders

• The district consistently and effectively responds to and/or implements auditor recommendations

Promising practice: Statutory/mandatory auditing requirements are met

• Annual audits are performed for all federal grants exceeding $500,000 in compliance with OMB Circular A-133

• Annual compliance audits of End of Year report are conducted as required by DESE

• Any EOY audit exceptions should be corrected immediately and resulting amendments to the EOY filed as required

**Financial and Asset Management 4: Cost-Effective Resource Management**

The district has effective processes in place to:

**FAM.4. 1 Ensure proper management of resources**

Promising practice: The district has effective purchasing practices and procedures in place

• Purchasing policies and procedures are clearly articulated and documented

• The majority of purchases are made using an electronic requisition or purchase order system

• Quotes and other supporting documentation are scanned and attached to requisitions and/or purchase orders electronically

• Requisitions or purchase orders reference bids, state contracts, or collaborative bid information

• The accountant, bookkeeper, or other business office personal, ensure that the proper account code is charged for all procurements, that there is an appropriation or funds available (if special revenue fund), that the requisition complies with procurement laws. And that all transactions are properly authorized by the appropriate cost center administrator prior to conversion and execution of a PO. (MGL 44, Section 31, 30B, 149, 30 Section 39M, 7)

• The number of days for approval of requisitions / purchase orders is minimal

Promising practice: The district has effective accounts payable practices and procedures in place

• Accounts payable policies and procedures are clearly articulated and documented

• Invoices, quotes, and other supporting documentation are scanned and attached to transactions electronically

• No payment is made unless goods and services are properly authorized and received or render (MGL Chaper 44, section 55 and 56)

• The number of days to process invoices for payment is minimal (30 days or less?)

• All invoices paid reference the original purchase order

Promising practice: The district has effective accounts receivable practices and procedures in place

• Accounts receivable policies and procedures are clearly articulated and documented

• Proper segregation of duties is in place to ensure that the person handling cash and deposits is not the same person who is recording the transactions in the general ledger.

• Receipts are regularly deposited into the proper account using AD 9 & 10 forms

• The number of days for cash receipts to be deposited is minimal, preferably within 48 hours of receipt

• Receipts are entered individually as much as possible to allow for better tracking

• Receipts are posted month

• Monthly reconciliations are performed – bank statements to cashbook and cashbook to general ledger

Promising practice: The district has effective payroll practices and procedures in place

• Payroll policies and procedures are clearly articulated and documented

• The district documents payroll transactions using appropriate forms (time cards, change in status, new hire, termination, LOA, etc.) to ensure transactions are properly authorized and documented prior to execution

• Reporting of payroll information is timely and accurate

• Payroll errors are minimal

• A history of all salary schedules is maintained, preferably electronically

• A random audit of a sampling of employees is performed each pay period

• Weekly coordination with HR on employee changes occurs

• Payroll changes from period-to-period are researched and explained

• Reconciliation of payroll to salary appropriations occur regularly

• Reconciliation of liability accounts occur monthly

Promising practice: Ensure district staff are knowledgeable, competent and sufficiently trained in the financial functions they perform

• School business officials are properly licensed and maintain any other necessary or recommended certifications

• Staff attend state and national business conferences

• Multiple employees are able to function in different areas

• Ongoing training is provided to staff

• Communication between staff members is frequent and evident

• Regular staff meetings occur with regular discussion of activities and problems

• Problem solving comes from all levels of the finance office team

• Workflow procedures are clearly defined and employees are held accountable for implementation

Promising practice: A comprehensive inventory of school district assets is completed and continuously updated according to GASB 34 regulations

• Fixed Asset policies and procedures are clearly articulated and documented

• Fixed Asset inventory is on-line and updated systematically, including moves, additions, and deletions

• The Fixed Asset inventory is tied to the balance sheet account on the financial statements for the municipality

• Schools indicate awareness of inventory process and can show evidence of periodic updates

• Annual inventory of textbooks and reconciliation to inventory

Promising practice: On-line vendor purchasing is utilized whenever possible

• Bid specifications are available on-line

• Vendors are able to respond to bids on-line

• Tools are in place to allow for on-line bid tabulations to be made automatically

Promising practice: The process for distributing materials to classrooms is simplified and timely

• Materials ordered for classrooms are tracked and arrive in a timely manner for use in the classroom

• The process for ordering materials for the classroom is clearly delineated in teacher/school handbook

**FAM 4.2 Ensure a commitment to fiscal responsibility and sustainability at all levels**

Promising practice: The district’s purchasing policies and procedures ensure cost-effectiveness

• The district makes effective use of national or state contracts and procurements for goods and services as appropriate

• The district takes advantage of regional purchasing collaboratives or similar initiatives when appropriate

• The district uses competitive bidding or similar practices when national, state, or regional opportunities are not cost-effective

Promising practice: The district utilizes resources in a cost-effective manner

• District staff are encouraged / incentivized to improve operational efficiency whenever possible

• District staff are encouraged / incentivized to minimize wasting of resources wherever possible

• Reuse and recycling activities are encouraged and widely evident within the district

**FAM 4.3 Effectively Pursue, acquire, and manage external financial resources**

Promising practice: The district has a system in place to obtain and manage local, state, and federal grants

• The district develops comprehensive and accurate grant applications in response to grant opportunities

• The responsibility for grant procurement is clearly assigned to one or a team of district administrators

• The district supports the grant administrator(s) in researching, writing, and monitoring grants

• Grant applications should be thoroughly reviewed by the school business official and the Superintendent prior to submission; it is advisable to use a grant application checklist

• School Committee reviews and approves any grant application that has any district financial implications

• The district ensures that all employees involved in grant writing and administration have the proper training

• The district follows all guidelines for the use of state and federal grants

• The district uses proper fiscal controls and fund accounting procedures to ensure proper disbursement of, and accounting for, grant funds received

• Grant spending is monitored on a monthly basis and grant expenditures are evaluated to ensure consistency with application narratives and compliance with statutory requirements

• Grant amendments are submitted prior to transfer of funds and in a complete and timely fashion

• Employees paid from federal grants certify their employment every six months

• Grant funds are requested in a timely manner and in accordance with state and federal requirements

• Grants are properly reported on the End of Year Report

• All financial reports are accurate and filed in a timely fashion

• Audits of grant programs are conducted on a regular basis and in compliance with state and/or federal requirements

• The school business official is knowledgeable about all aspects of state and federal grant reporting and recordkeeping

• Districts maintain for purposes of audit or review, records, books, reports, and any other data pertaining to grant award for a period of seven (7) years

• Indirect cost rates are appropriately used and documented and indirect costs are accurately calculated

• If indirect costs are recovered, they are returned to the general fund of the city or town in accordance with MGL Chapter 44, Section 53. In the case of a regional school, indirect costs shall be returned to the regional school general fund.

Promising practice: The district effectively utilizes and monitors tuition and fee revenue received

• Special revenue and revolving funds are audited internally on a regular basis throughout the year and every other year by external auditor

• Financial reports concerning the utilization of special revenue funds and revolving accounts are submitted to the superintendent, school committee, and municipal departments responsible for oversight of the budget on a quarterly basis

• The school department has policies and procedures in place to ensure that special revenue funds are managed properly

• The district has policies and procedures in place to ensure that revenues are utilized for the purposes intended and to advance the district’s mission, vision and goals

• The district has policies and procedures in place to ensure that no student is denied access to educational or extracurricular opportunities due to inability to pay fees or tuitions

• The school district’s annual operating budget contains anticipated revenue and expenditures from all special revenue and revolving accounts

• All special revenue and revolving funds are managed in compliance with relevant state statutory requirements

Promising practice: The district actively collaborates with external partners to advance the mission of the district

• The district maintains strong relationships with educational collaboratives, institutions of higher education, and local education foundations

• The district actively considers cooperative / collaborative initiatives with other districts as appropriate

• The district actively works with area districts in developing ideas for collaboration or sharing of resources

• The district actively considers regional implementation of programs or projects that benefit all programmatically and financially