

The Public School Budget Part II: Budget Management



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A Quick Review of Part I

Budget Schedule

- 12 month process

Basic Terms

- PLAN, Appropriation, Encumbrance, Expenditure and Revenue

3-Step Drive

- Step #1 = Estimate total revenue
- Step #2 = Estimate total appropriations
- Step #3 = Balance revenues and appropriations

The Board's Role

- Understand district operations
- Understand the budget process
- Establish clear and realistic goals
- Receive periodic updates
- Offer meaningful and constructive comments and questions
- Review and approve preliminary and final budgets

Budget Management

Budget Management

Ongoing Oversight

- Daily purchasing review
- Monthly line item budget transfers
- Monthly list of bills
- Monthly S1701 reporting
- Monthly cash flow analysis
- Monthly discussions with budget managers

Annual Reviews

- Annual audit

Ongoing Oversight

Purchasing Review

New Jersey Public Purchasing Law (N.J.S.A. 18A:18A-1 et seq.)

Local Public School Contracts Law (N.J.A.C. 5:34-1 et seq.)

- Purchase Orders
- Quotations
- Bids
- Requests for proposals and competitive contracting

The business office performs a DAILY and DETAILED review of all purchasing requests

The business office prepares a *Purchasing Manual* for use by all budget managers and their staff

Line Item Transfers

New Jersey Administrative Code (N.J.A.C. 6A:23A-2.11 & 13.3)

Authorization to transfer and monthly reporting

New Jersey Statutes (N.J.S.A. 18A:22-8.1)

- **Fact #1: the budget is a PLAN**
- **Fact #2: plans change**

List of Bills

New Jersey Statutes (N.J.S.A. 18A:19-1 et seq.)

- Expenditure of Funds
- Audit and Payment of Claims

List of Bills (cont.)

The Payment Cycle

Appropriation



Encumbrance



Expenditure



List of Bills



Board Agenda



Payment

List of Bills (cont.)

Lacey Township Board of Education Bills And Claims Report By Vendor Name for Batches 55,56 and Check Date is from 08/21/2020 to 09/21/2020

[List of Bills](#)

va_bill5.102317
09/16/2020

Vendor # / Name	PO #	Account # / Description	Inv #	Check Type *	Check Description or Multi Remit To Check Name	Check #	Check Amount
Pending Payments							
A TO Z AUTO SERVICE & REPAIR/ 953906							
	21-000908	11-000-270-615-01-0000- / BUS SUPPLIES		CP	INV# 1166		394.00
		11-000-270-615-01-0000- / BUS SUPPLIES		CF	INV# 1150		741.27
							<u>741.27</u>
					Total for A TO Z AUTO SERVICE & REPAIR/ 953906		\$1,135.27
ABRAMS, CINDY/ 954308							
	21-000925	11-190-100-320-08-0000- / CONTR PROF SERV-HS		CF	SUMMER SCHOOL REIMBURSEMENT		200.00
ACE OUTDOOR POWER EQUIPMENT/ 3550							
	21-000430	11-000-263-610-01-0000- / GROUNDS SUPPLIES		CP	INV# 225374		1,385.23
		11-000-263-610-01-0000- / GROUNDS SUPPLIES		CF	INV# 227437		527.96
	21-000737	11-000-263-610-01-0000- / GROUNDS SUPPLIES		CP	INV# 225733		559.98
		11-000-263-610-01-0000- / GROUNDS SUPPLIES		CF	INV# 227439		279.99
	21-000970	11-000-263-610-01-0000- / GROUNDS SUPPLIES		CF	INV# 227678		407.96
	21-001042	11-000-263-610-01-0000- / GROUNDS SUPPLIES		CF	INV# 227442		64.34
							<u>64.34</u>
					Total for ACE OUTDOOR POWER EQUIPMENT/ 3550		\$3,225.46
ADT COMMERCIAL LLC/ 269300							
	21-001022	11-000-261-420-01-0000- / REQ MAINT REP-DIS		CF	INV# 3652132		290.00
ADVANCED FURNACE & AIR DUCT CLEANING/ 951604							
	21-000428	61-910-310-420-01-0000- / CAFETERIA REP & MTCE		CP	INV# 70070382		1,243.00
		61-910-310-420-01-0000- / CAFETERIA REP & MTCE		CP	INV# 70070385		977.00
		61-910-310-420-01-0000- / CAFETERIA REP & MTCE		CP	INV# 70070386		784.00
		61-910-310-420-01-0000- / CAFETERIA REP & MTCE		CP	INV# 70070383		1,243.00
		61-910-310-420-01-0000- / CAFETERIA REP & MTCE		CF	INV# 70070384		784.00
	21-000502	11-000-261-420-01-0000- / REQ MAINT REP-DIS		CF	INV# 70070509		2,400.00
							<u>2,400.00</u>
					Total for ADVANCED FURNACE & AIR DUCT CLEANING/ 951604		\$7,431.00
ADVENTURES IN NEW DESIGN INC/ 211755							
	21-000914	11-000-291-290-01-2508- / EMPL BEN-CLOTH ALLOW		CF	INV# 6652		1,762.00
AGPARTS EDUCATION/ 953860							
	21-000422	11-190-100-610-09-2401- / INSTR SUPPLIES-DP		CP	INV# 1493282		359.80
	21-000425	11-190-100-610-09-2401- / INSTR SUPPLIES-DP		CP	INV# 1493380		274.75
							<u>274.75</u>
					Total for ASSETGENIE, INC./ 953860		\$634.55

* CF -- Computer Full CP - Computer Partial HF - Hand Check Full HP - Hand Check Partial
Run on 09/18/2020 at 09:33:50 AM

S1701 Reporting

New Jersey Public Law of 2004 (Chapter 73, July 1, 2004)

- Report of the Board Secretary
- Report of the Treasurer of School Monies
- Reconciliation of the Report of the Board Secretary and the Report of the Treasurer of School Monies

S1701 Reporting (cont.)

9/10 8:01am

REPORT OF THE SECRETARY
 TO THE BOARD OF EDUCATION
 Lacey Township Board of Education
 General Fund - Fund 10
 Interim Balance Sheet
 For 2 Month Period Ending 08/31/2020

[S1701 Reporting](#)

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ASSETS AND RESOURCES

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--- A S S E T S ---

101	Cash in bank		\$0,668,769.26
102-107	Cash and cash equivalents		\$1,250.00
116	Capital reserve Account		\$3,179,555.00
117	Maint. Reserve Account		\$351,773.00
121	Tax levy receivable		\$41,393,819.00
	Accounts receivable:		
132	Interfund	\$596.84	
141	Intergovernmental - State	\$19,366,788.01	
153,154	Other (net of est uncollectible of \$ _____)	\$22,265.59	\$19,389,650.44
	Other Current Assets		\$13,607.24

--- R E S O U R C E S ---

301	Estimated Revenues	\$70,066,056.00	
302	Less Revenues	(\$69,351,135.05)	
			\$714,920.95

Total assets and resources \$73,713,344.89

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Cash Flow Analysis

Reasons to analyze cash flow:

- Liquidity = ability to transfer non-cash assets to cash
- Solvency = ability to pay bills as they become due
- Flexibility = ability to react to opportunity and adversity

Discussions

Goals for discussions with budget managers:

- Determine status toward achieving original spending plan
- Discuss necessary revisions to original spending plan

Annual Reviews

Annual Audit

New Jersey Statutes (N.J.S.A. 18A:23-1 et seq.)

Generally Accepted Auditing Standards

Government Auditing Standards

U.S. Office of Management and Budget (Circular A-133)

- Performed by a licensed public school accountant
- Regulated by standard audit program
- Comprehensive Annual Financial Report (CAFR)

The Board's Role

- Hire and rely on the finance experts:
 - Business office staff
 - Independent auditor
- Understand the various means used by central administration to manage the district budget
- Review and approve monthly financial reporting
- Review and approve the annual audit
- Remain informed on any budgetary issues through periodic updates from district administration

Thank you!