

# **The Public School Budget**

## **Part II: Budget Management**



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**Lacey Township School District**

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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 77,78 and Check Date is from 07/01/2019 to 07/15/2019

[List of Bills](#)

va\_bill5.102317  
07/09/2019

Vendor # / Name	PO #	Account # / Description	Inv #	Check Type *	Check Description or Multi Remit To Check Name	Check #	Check Amount
<b>Pending Payments</b>							
<b>ALLIANCE COMMERCIAL PEST CONTROL, INC./ 953423</b>							
	20-000154	11-000-261-420-01-0000-/ REQ MAINT REP-DIS		CP	INV# 412063		298.35
	20-000177	11-000-261-420-01-0000-/ REQ MAINT REP-DIS		CP	INV# 412718		70.00
					<b>Total for ALLIANCE COMMERCIAL PEST CONTROL, INC./ 953423</b>		<b>\$368.35</b>
<b>ASBO INTERNATIONAL/ 20800</b>							
	20-000080	11-000-251-890-13-0000-/ BUS ADM MISC		CF	MEM ID# 817384 - P. DEGEORGE		230.00
<b>ASCD/ 22050</b>							
	20-000140	11-000-291-290-01-2507-/ EMPL BEN-ADMIN DUES		CF	ID# 000024281520 - G. BRANDIS		49.00
<b>BARLOW BUICK GMC/ 952711</b>							
	20-000232	11-000-270-615-01-0000-/ BUS SUPPLIES		CP	INV# 160052		207.47
		11-000-270-615-01-0000-/ BUS SUPPLIES		CP	INV# 160050		7.45
		11-000-270-615-01-0000-/ BUS SUPPLIES		CP	INV# 160049		15.27
		11-000-270-615-01-0000-/ BUS SUPPLIES		CP	INV# 160051		102.78
		11-000-270-615-01-0000-/ BUS SUPPLIES		CP	INV# 160053		608.79
		11-000-270-615-01-0000-/ BUS SUPPLIES		CF	INV# 191779		422.52
					<b>Total for BARLOW BUICK GMC/ 952711</b>		<b>\$1,364.28</b>
<b>BIALUK, CATHY/ 950935</b>							
	20-000233	11-000-270-890-01-0000-/ TRANSP SERV MISC EXP		CF	FINGERPRINT REIMBURSEMENT		29.75
<b>BOLLINGER SPECIALTY GROUP/ 38600</b>							
	20-000246	11-000-230-590-01-0000-/ MISC PURCH SERVICES		CF	INV# 042500		164,981.00
<b>BOND, JOSEPH/ 951809</b>							
	20-000326	11-000-221-610-11-0000-/ GENERAL SUPPLIES-SPS		CF	PETTY CASH START UP		100.00
<b>BRANDIS, GREGORY/ 949936</b>							
	20-000274	11-000-240-610-08-0000-/ SCH OFFICE SUPPLIES-HS		CF	PETTY CASH START UP		100.00
<b>BREWER, JEFFREY/ 504950</b>							
	20-000271	11-000-240-610-06-0000-/ SCH OFFICE SUPPLIES-LH		CF	PETTY CASH START UP		100.00
<b>CLARK, VANESSA/ 950450</b>							
	20-000276	11-000-230-610-12-0000-/ GENERAL SUPP-SUPT		CF	PETTY CASH START UP		125.00
	20-000065	11-190-100-890-10-0000-/ MISC EXPENSES-AS		CF	NJHS RENEWAL REIMBURSEMENT		385.00

\* CF -- Computer Full CP - Computer Partial HF - Hand Check Full HP - Hand Check Partial

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# 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.)

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REPORT OF THE SECRETARY  
 TO THE BOARD OF EDUCATION  
 Lacey Township Board of Education  
 General Fund - Fund 10  
 Interim Balance Sheet  
 For 1 Month Period Ending 07/31/2019

[S1701 Reporting](#)

ASSETS AND RESOURCES

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

101	Cash in bank		\$8,902,159.89
102-107	Cash and cash equivalents		\$1,150.00
121	Tax levy receivable		\$44,295,842.00
	Accounts receivable:		
132	Interfund	\$276,437.77	
141	Intergovernmental - State	\$20,880,981.40	
143	Intergovernmental - Other	\$12,586.60	
153,154	Other (net of est uncollectible of \$ _____)	\$600.00	\$21,170,605.77

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

301	Estimated Revenues	\$69,700,720.00	
302	Less Revenues	(\$68,698,176.13)	
			\$1,002,543.87

Total assets and resources

\$75,372,301.53



# 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!

