

The Policy Committee recommended language in blue at its public work sessions on 2/14/24 and 3/7/24.

File: DI #DIA

FISCAL ACCOUNTING AND REPORTING

I. Purpose

Policy DI establishes requirements for the Board of Education's accounting system and financial records.

II. Background

The Board of Education has responsibility for management of all funds appropriated for the education of students enrolled in Washington County Public Schools ("WCPS"). Sound fiscal management requires utilizing an accounting system rooted in generally accepted accounting principles that provides for administrative control, budget preparation, and accounting for stewardship and that financial records should be standardized to include specific information in accordance with the *Financial Reporting Manual for Maryland Public Schools*.

III. Policy Statement/Procedures

- A. The Board of Education's accounting system and financial records will be kept in accordance with the requirements of this policy. ~~The school system's accounting system will be~~ Superintendent or their designee will be responsible for properly accounting for all school system funds in conformance with the *Financial Reporting Manual for Maryland Public Schools* as published by the Maryland State Department of Education. ~~An adequate system of encumbrance accounting will be maintained. The superintendent is responsible for receiving and properly accounting for all school system funds.~~
- B. The Superintendent or their designee shall utilize an accounting system ~~must~~ that provides the following:
1. *Administrative Control*: The financial records must be adequate to give ~~management the~~ Board of Education and Superintendent the information needed to render decisions ~~about~~ such as the making or deferring of purchases, the expanding or curtailing of programs, and the controlling of expenses. Data shall be current and shall be maintained in such form that monthly summaries may be readily produced from the data.
 2. *Budget Preparation*: The financial records must provide sufficient historical spending information to serve as a guide to budget estimates for subsequent years. They must also provide the ability to compare actual expenditures to the amounts appropriated. Separate accounts must be maintained for each item or group of items for which separate budget estimates are required. ~~An adequate,~~ Current Statement of Net Assets and Statement of Activities shall be maintained.
 3. *Accounting for Stewardship*: The financial records of the school system must be ~~adequate to show that management has~~ maintained funds within the framework of law and in accordance with Board of Education policy.
- C. The ~~school system's~~ financial records maintained by the Superintendent or their designee will provide the following information:
1. *For each expense account in the school system's budget*: the appropriation, or budget amount, any revised budget amount, expenditures, encumbrances, and unencumbered balance.

2. *For each purchase order:* the name of vendor, description of the item or items to be purchased, the account number to be charged, and amount.
 3. *For each purchase:* the purchase order information above, plus the record of receipt and condition of goods, the invoice and the record of payment.
 4. *For each income account:* the budget estimate, the estimates as revised periodically, the receipts to date, and the anticipated balance yet to be received.
- D. The Superintendent is authorized to promulgate an administrative regulation to implement this policy.

Legal Reference: Annotated Code of Maryland, Education Article, Section 5-101(C)—2004

Policy adopted: June 24, 1984. Amended: October 24, 1989. Amended: November 7, 2002. Amended: November 18, 2008. Revised:
Board of Education of Washington County