

Purpose

To identify fiscal accounting and reporting procedures

Definitions

N/A

Policy Statement

Fiscal accounting and reporting will be 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 assigned responsibility for receiving and properly accounting for all school system funds.

The following purposes must be satisfied by the accounting system:

1. *Administrative Control*: The financial records must be adequate to guide the making or deferring of purchases, the expanding or curtailing of programs, and the controlling of expenses. Current data shall be immediately available and in such form that monthly summaries may be readily made from the data.
2. *Budget Preparation*: The financial records must be adequate to serve as a guide to budget estimates for subsequent years, and to limit expenditures to the amounts appropriated. Accounts are to be kept for each item for which separate budget estimates must be made. An adequate 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 policy.

The school system's financial records will provide the following information:

1. *For each 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 involved, 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 balance anticipated.

Legal Reference			
Policy History	Adopted	Reviewed	Revised Sept. 13, 2005, 1 st Reading Oct. 11, 2005, 2 nd Reading