

West Virginia Survey Committee, West Virginia, 1922-1923.

WEST VIRGINIA

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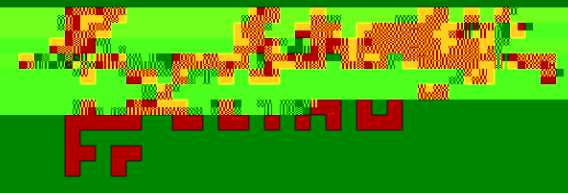
Survey of the State of West Virginia, 1922-1923. Prepared by the West Virginia Survey Committee. Charleston, W. Va.: State of West Virginia, 1923.

The West Virginia Survey Committee was organized in 1922 to conduct a comprehensive survey of the state. The survey was completed in 1923 and the results were published in this report. The survey was conducted by a committee of experts in various fields, including geology, history, and economics.

The survey was conducted in a systematic and thorough manner, and the results are of great value to the state. The report contains a wealth of information on the state's resources, history, and economy.

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WEST VIRGINIA

WELLESLEY PUBLIC SCHOOLS



Financial Operations Review December

Massachusetts Association of School Business Officials

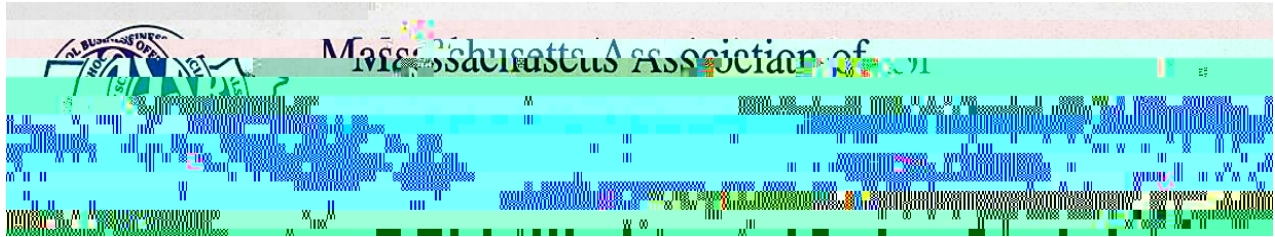
84 Brick Kiln Road

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Appendix A: Review Team Qualifications



Wellesley Public Schools
40 Kingsbury Street
Wellesley, MA 02481

Dear Dr. Bella Wong:

On behalf of the MASBO Review Team and the MASBO Board of Directors, I would like to thank you for affording us the opportunity to conduct a Financial Operations Review for the Wellesley School District. The Review Team recognizes that the two-day site visit was an imposition on you and your staff, and we are certainly appreciative of the hospitality, cordiality and cooperation that you afforded us during this time period.

During our initial meeting with you, we were able to establish the primary objectives of the review, which were:

- To review current business office practices for the purpose of determining their alignment with the statutory requirements of the Commonwealth that pertain to finance procedures;
- To assess the effectiveness of the district's processes associated with budget planning and development, financial reporting, payroll and accounts payable, and cash management and determine whether current staffing level is sufficient;
- To review the current procedure pertaining to the management of student activity accounts;
- To review the written agreement between the school system and the municipality regarding expenditures incurred by the municipality for educational purposes;
- To acknowledge strengths, identify weaknesses, and recommend improvements to the critical financial systems of the school district.

This entire process involved the completion of a Self-Assessment, and a copy of this document is enclosed as Appendix B.

The Review Team then, during its two day site visit, conducted interviews with individuals responsible for the following: facilities management, transportation, accounts payable, food services, payroll, special education services, high school principal regarding budgeting and the student activity account, the athletic director regarding the athletic revolving account and management of gate receipts, performing arts director, director of student services, director of curriculum and instruction, human resources director and two school committee members.

We also reviewed the management of education-related municipal expenditures, Title I services, budget planning and development processes; financial reporting and management processes; and procurement processes.

OVERALL EXISTING CONDITIONS

General Overview

Wellesley Massachusetts is located in eastern Massachusetts and is bordered on the

Administrative Assistant to the Superintendent
Administrative Assistant to the Assistant Superintendent
Administrative Assistant to the Director of Curriculum and Instruction
Personnel Office Assistant
Out of District Coordinator

The school district's Organizational Chart was not current at the time of the Financial Review.

In interviewing the Superintendent of Schools, School Business Administrator, other administrators and members of the district support staff the following existing conditions were noted:

Special Education

The Director of Student Services was appointed in July of 2009 and has worked in the school district for 2.25 years. The School Business Administrator and the Director of Student Services meet monthly to discuss the SPED budget and spending trends. The Director of Student Services Office includes the following:

Director of Student Services,
Administrative Assistant
Department Head for each level (PK-HS)
Secretary for each Department Head
Out of District Coordinator

There is evidence of cross training of personnel in the Student Services Office in the areas of IEP software and purchase order requisitions. The total percentage of Special Education students is 16.9%. The total number of out-of-district placements is as follows: 63 students were placed by the school district; 14 students were placed as a result of settlement agreements. The total number of students placed on an IEP within the district is 862. The district does not receive any Medicaid reimbursement.

A new program for students 18-22 years old will be proposed for next year by the School Administration as well as a new therapeutic program for middle school students. During the budget building process, the Director of Student Services attempts to focus on two budget strategies: 1) what does the Special Education program already know will be repetitive cost in the next fiscal year? And 2) what can the Special Education program reasonably expect as new costs that were not part of the current fiscal year?

Four students returned to the school district from outside programs during this fiscal year. The Out-of-District students and their programs are reviewed weekly by this program's Coordinator and the Director of Student Services. The Special Education budget is reviewed monthly with the School Business Administrator. The Wellesley School Department owns its own SPED vans.

Net School Spending Written Agreement

In discussion with the Superintendent and the School Business Administrator it is evident that there is an agreement for Net School Spending between the school district and the town, however, without signatures. The Financial Review Team was able to review the document, which, except for the lack of appropriate signatures, appears to be in compliance with the DESE requirement.

In the End-of-Year audit conducted by Powers and Sullivan dated February 16, 2011; finding #3 states "the agreement was in draft form at the time of the preparation of the EOYR". In reviewing the document submitted to the Financial Review Team there were no signatures from either the town or the school. The NSS agreement signature space indicated that the School Business Administrator was signing for the school department when in fact it is the Superintendent of Schools who is required to sign for the school department. The DESE requires as part of the Compliance Supplement (Schedule 1) which states: "11. For Municipal expenditures that result in services directly related to the School Committee:

- a.) *Obtain a copy of a written agreement between the School Committee and the Municipal officials documenting agreed upon methodologies to be used when allocating, distributing or assigning Municipal expenditures to the District.*
- b.) *Test the amounts reported using the documented methodology. These amounts should agree."*

Review of Job Descriptions

Our findings suggest that not all positions have current job descriptions. In interviewing staff several comments indicated that some job descriptions were out of date or did not reflect actual or current duties being performed. Not all employees are being evaluated annually. The districts' job descriptions for support staff are generally old and need refinement in order to match what the employee is doing on a daily basis. In the recently settled contract with School Department Secretaries, a job reclassification was added to the agreement whereby both the

union and

Payroll Accountant

Administrative Assistant to the Businessntant

Provide funds to maintain the facilities so that they are safe and supportive of learning, and work towards the Standards of *Building Maintenance and Care* voted by the School Committee in September 2005.

Provide adequate classroom supplies, equipment and professional development opportunities to support the educational program.

Specific external audits are not conducted by an outside auditor on an annual basis; audit requirements are handled through the single audit performed for the entire town on an annual basis

The Building Use/Cafeteria Revolving Accounts are used for equipment repairs. There is no formal process for auditing revolving accounts other than reviewing the purchase order request

Student Activity Accounts

School Committee has not voted to establish Student Activity Accounts or Agency Accounts for Student Activity checking accounts.

The MASBO questionnaire asks to identify maximum checking account balances for each grade level and asks for documentation of the School Committee vote establishing Student Activity Agency Accounts. In both cases the response was separate checking accounts are not established at this time making it difficult to follow how checks are drawn to pay Student Activity bills

There is no provision for internal audits by the school department.

Student Activity Account purchase orders are reviewed as they are submitted.

Student Activity Accounts are audited with the single audit performed for the entire town.

Cash Management

The Business Office does not have a documented procedure for the cash collection. The following procedure was verbally explained to us. Transmittal forms have been distributed to all individuals responsible for collecting fees. Deposit procedures require that all cash be submitted to the business office on a daily basis and checks be submitted weekly.

Several programs in the district deal with the cash management process. The Performing Arts Department, the Athletic Department and Student Activities all handle money in some fashion. Monies for The Performing Arts Programs (checks only) are deposited into a revolving account which has been established for each teacher having a program. Checks are put into the high school safe and can stay there up to three weeks before being deposited.

The Performing Arts Program uses an online ticket purchase vendor called Ticket Stage. Reports from Ticket Stage are sent directing to the Business Office for oversight and

reconciliation. Custodial services for an event are paid for out of the revolving account. There are usually 45 balcony seats which are held out and are available for cash sales. The tickets sold have no sequential numbering system for ticket accountability. Money received is deposited into The Performing Arts revolving account.

The Athletic Revolving Account takes in user fees and deposits the money into the Athletic Revolving Account for athletic related expenses. A concern of the revolving account managers was the inconsistent timeliness of receiving account reports. There was a sense that having access to MUNIS would make the management of the revolving accounts easier and timelier.

The High School Athletic Department does not have a written cash management policy. The football field is unusual in that it is not located on the high school property. The ticket seller's cash box usually starts with cash between \$250.00 and \$400.00 depending on the anticipated crowd. The money for the cash boxes is drawn on account from the Business Office. Ticket sellers and takers are usually coaches from other sports or school secretaries. There are no ticket booths and tickets are sold at tables which have been set up for that purpose. The cost of a police detail is \$200.00, however, if the game does not warrant a police detail an overseer

The originator of the requisition can be a teacher, secretary, department head, or principal

The program leader or principal is authorized to sign the requisition

After the assistant business administrator approves the requisition to be entered into MUNIS and prints the hard copy of the purchase order- then it becomes a “purchase order”

Within 5 days of approval to pay, the invoice is processed in the business office and the Edit List is checked by another business office staff member, then signed and approved

\$341,065.00 offset from collected transportation user fees; this requires budget appropriation of \$650,365.00 to make up the difference.

The user fee for transportation is \$512 per student with a maximum family cap of \$1112.00. Invoicing for user fees is done by the Transportation Department. The transportation department maintains the Special Education vans, the food service delivery truck and the maintenance vehicles. The Transportation Director's Office is located in the Business Office area. In addition to the transportation of students the Transportation Department responsibilities include:

- Delivery of elementary school lunches

- Delivery of all Production Center materials

- Delivery of all inter- town mail

- Delivery of all School Committee and Advisory Committee meeting information

- District wide parking lots: to include striping, signage, assigning spots etc.

become a focal point of both the town and school district. Chartwells introduced a new Point of Sale (POS) school lunch software program entitled Nutri Kids.

Nutri Kids is capable of tracking lunch payments and meals purchased by students. The software program has a cash counter which tracks cash in and out of the POS system. Nutri Kids replaced the previous school lunch software entitled "ODIN". The Business Office handles all lunch money deposits. Chartwells collects only cash; most parents utilize the "online" option for payment for their child's lunch. The "online" option allows parents to pay in advance for meals and when the account reaches a designated balance an email is sent out to the parent alerting them to the remaining amount.

maintenance schedules for buildings and equipment. A new high school is being planned, which will provide 280,000 square feet.

The Facilities Department consists of: the Facilities Director, an Administrative Assistant, 4 maintenance workers (plumber, HVAC, electrician and a general maintenance worker). The Director of Facilities suggested that the requisition process tends to be paper bound.

The Rental Revolving Account is not under the control of the Director of Facilities. The Facilities Department does have access to open purchase orders but the number of open purchase orders is limited. There is no policy which limits the dollar amount that a purchase order can be limited to.

Facility Rentals

The rental of buildings is overseen by the Business Office Administrative Assistant. The School Committee sets the building use rate schedule and the rental of buildings is maintained on a File Maker Pro software system. Almost every night the gyms are scheduled for use. The weekend rate is \$20.00 per hour plus custodial time. The rental form is found on line and priority is given to in town and non-

The School Committee does vote System Goals, Budget Guidelines and Capital Goals at the beginning of the Budget Process.

The School Committee feels the time frame between the Superintendent's Budget and the School Committee's Budget is too tight a time frame.

The School Committee reviews the GAP list and remains in the decision making process as the budget develops.

Additional Observations

On several occasions throughout the interview process, staff indicated that interaction with the business office was difficult.

The Assistant Business Administrator has oversight of the Revolving Accounts.

BUDGET DOCUMENT REVIEW

All of the budget or budget-related documents that were located on the Wellesley Public Schools website were reviewed. The Fiscal 2011 budget was, however, the only complete budget document that was located on the website. Nevertheless, this document was reviewed from the perspective of national standards that were established approximately fifteen years ago by the Association of School Business Officials (ASBO) International. The following is a summary of this analysis.

Comments on the Current Budget Document

From the perspective of comprehensiveness, the budget provides a great deal of detailed information, and obviously, reflects the extensive time and effort expended by the Superintendent, Business Administrator, Principals and other cost center managers. There are abundant graphs and tables, which provide information in a very effective manner concerning most district revenues and expenditures. For example, revolving accounts, and performing arts, athletics, and transportation user fees are summarized along with the operating budget. There are also several comparisons of the FY 10 budget and the FY 11 budget, which are especially meaningful.

From a clarity perspective, overall pagination is effective. A great deal of narrative explanation that is enhanced by the employment of tables and graphs is also certainly a positive aspect of this document. Additional graphs can be obtained on the MASBO website. These graphs can be downloaded and populated with the district's relevant account totals and used in the district's budget document.

However, employing a "portrait" format instead of the "landscape" format would make the document easier to read and follow.

Suggestions for Improving the Budget Document.

Although many areas of the budget document are very effective, implementation of the following suggestions, in our opinion, would significantly enhance its effectiveness as the primary fiscal plan for the region.

Effective budget documents address three conceptual standards: clarity, completeness; comprehensiveness. The budget documents is lacking in the following areas:

document with ties to specific budget areas. This can be a powerful tool in the development and marketing of a school district budget.

The budget document contains historical information on enrollment, staffing trends, MCAS scores, numbers of students qualifying for free and reduced lunch and any other data that will inform the reader and explain where the district has been and where it is going.

Final Comments

It is clear that a tremendous amount of work has gone into the production of the budget and that it is very comprehensive. Incorporating the suggestions noted above will make this a truly outstanding budget document.

Addendum B in this report contains an abbreviated Budget Development Guide, which outlines the concepts that need to be incorporated in school district budgets. This should be helpful to you in your efforts to increase the effectiveness of the Wellesley Public Schools budget document. The MASBO website also contains sample budgets that utilize the concepts articulated in the Budget Development Guide. These sample budgets are capable of being downloaded and used as a template by the district.

Recommendations: Financial Processes, Reporting and Management

Decentralization of MUNIS financial software

MUNI was purchased in 2003 to handle the district's financial software. It is integrated with the Town's financial software. Between the Town and the School departments, only 45 licenses were purchased. Although the Business Office staff remember that there was some discussion in 2003 of decentralizing MUNIS to the schools and other administrators, this was never implemented. As a result, only the Business Office has access to MUNIS. Since the Director of Facilities' office is adjacent to the Business Office, this office also has MUNIS access.

We strongly recommend that an effort be made to decentralize MUNIS to all buildings, so that principals, other administrators and their secretaries have access to their own accounts through MUNIS. This should be done even if it means purchasing additional site licenses.

At present, all requisitions are hand typed at the building level and a hard copy is sent to the Business Office. The hardcopy requisition is then checked by the Assistant Business Administrator for review of account balances. If approved for good funds, the requisition is then entered into MUNIS by an accounting clerk. Problems with this process are:

it is a duplication of time and effort by having the requisition typed at the building level and then entered into MUNIS at the Business Office;

unless they are keeping their own separate records, the building administrators do not know if their account balances will be sufficient to cover the requisitions being typed, thus requiring the Assistant Business Administrator to do so;

it places an unnecessary burden upon the Business Office staff and creates delays.

To know the status of their accounts, building administrators have to depend upon printouts that are sent out periodically from the Business Office. Even if the printouts are sent out on a regular basis, building administrators do not have real-time access to their account balances. Also, some building administrators say that the printouts are not sent out on a regular basis due to workload issues at the Business Office. If MUNIS was decentralized, then building administrators would have real time access to their account balances. This would also relieve the Business Office staff of one additional duty.

The school committee shall vote to set the maximum balance that may be on deposit in such Student Activity Checking Account. . . . To the extent that the funds are available in such Student Activity Agency Account, funds up to the maximum balance set by the school committee shall be transferred from the Student Activity Agency Account through the warrant process to initially fund such Student Activity Checking Account.

Periodically, to the extent that funds are available in such Student Activity

Any movement of funds, for replenishing checking account balances, must be processed through the utilization of the warrant process.

It is also important that the guidelines be followed pertaining to ‘past’ class accounts at the high school. These should be liquidated following the graduation of each class in accordance with student activity regulations and an established written policy approved by the School Committee, with control of remaining funds turned over to the Class Treasurer and Class President.

These checking accounts should be monitored by the Central Office and audited on an annual basis. The larger accounts should have an outside audit conducted on an annual basis. The principals and all persons who handle money should be bonded, as per another requirement of MGL Ch71, S47:

“The principal designated to operate and control such Student Activity Checking Account shall give bond to the municipality or district in such amount as the treasurer shall determine to secure the principal’s faithful performance of his (*sic*) duties in connection with such account.”

The re-establishment of the building-based checking accounts, under the auspices of the State law and MASBO Guidelines would increase the efficacies with which these accounts are handled without compromising accounting control. At the moment, all purchases for student activities must come through the Business Office via the purchase order process. This is cumbersome, reduces flexibility for principals and club advisors and causes delays. It also adds to the duties of an overburdened Business Office staff.

Athletics

We have several recommendations regarding the handling of gate receipts by the Athletic

cash for off-site ice hockey games on a Saturday should not be taken to the Athletic Director's home for the weekend; if access to the office in the High School is not possible after school hours, then an alternative method for safeguarding receipts should be explored such as leaving it at a safe in the Town Police Station or via a drop box at a local bank.

a small safe should be purchased for the Athletic Director's office and then bolted to the floor, which can then be used for holding overnight cash;

the Athletic Director should receive a receipt from the Business Office when he turns over the gate receipts to them on Mondays;

all transfer of cash gate receipts and the reconciliation sheets should be made in secure money bags.

Additionally, we recommend that the Athletic Director have access to MUNIS to keep track of accounts within the School Budget and also the Athletic Revolving Account.

Director of Facilities

We have several recommendations regarding the Director of Facilities:

the scheduling of building rental permits should be initially handled by the Director of Facilities Office and not by the Business Office Administrative Assistant; the Director of Facilities has a closer understanding of the use of the buildings and the capability of the custodial staff to handle rentals; the Business Office Administrative Assistant should still retain responsibility for the billing and collection of fees from the rental groups;

the Director of Facilities should have access on his MUNIS permissions to see the building rental revolving account, to allow his input into how those funds might be spent; as noted in the Existing Conditions section of this report, since the Business Office currently has a very crowded work area, alternative or additional work spaces should be sought for the purpose of insuring an environment conducive to minimal interruptions and maximum productivity.

contract cleaning should be investigated as a possible budget savings at the larger schools, the High School and the Junior High School; it would still require at least two or more school district custodians at each school to supervise the work of the contractors and to secure the building; while likely producing significant budget savings, the

districts and municipalities can benefit from large rebates that are based on high volume purchases which are anticipated to exceed \$190,000,000 this year.

The P Card program also has the potential for saving school districts money by making purchases more efficient. The Traditional Purchase Order Process can be Inefficient in the following ways:

- labor intensive
- large amounts of paperwork
- many people and steps involved
- same process regardless of transaction value
- expensive – high average transaction cost
- not cost effective for small dollar value purchases
- time consuming
- too often creates significant shipping and handling charges
- usually results in a small payment check being written

P-Cards, on the other hand, provide many advantages and benefits over Cash, Check,

Purchase Order and Credit Card Purchasing:

- no revolving line of credit
- no annual fees
- control over what is purchased
- control over where purchases can be made
- limit the dollar value of each purchase
- individual card limits/parameters can be established
- prevents budget overspending
- requires no special software

by

ADDENDUM A PAYROLL PROJECTIONS/BEST PRACTICE PROCEDURES

The following is a formula that will allow you to accurately project salary accounts, compare budget to actual expenditures and Monitor positions usage (FTE):

$$\begin{aligned} & \text{Total Amount Expended to Date} \\ & \quad + \\ & \text{Total Payroll Amount for your current Payroll} \\ & \quad \text{+/- Non-Recurring Charges or Adjustments} \\ & \quad = \text{Net Payroll for "Run-out"} \\ & \quad \quad \quad \times \\ & \quad \quad \quad \text{Number of pays remaining} \end{aligned}$$

Adjustments that must be factored in so that remaining pays can be estimated accurately:

$$\begin{aligned} & \text{Step / Increments Due} \\ & \text{Cost of Living Adjustments Due} \\ & \text{Degree Change Adjustments} \\ & \text{End of Year Payments (Stipends, Sick Leave Buy Backs, etc.)} \\ & \quad \text{+/- Adjustments for Vacancies / Leaves / Position Growth} \\ & \quad \text{- Expected Funding Offsets & Reimbursements} \end{aligned}$$

The following are recommendations for accurately monitoring payroll on a continual basis:

- Maintain Salary Book (history of salary agreements)
- Randomly audit a sampling of employee pays each period
- Explain payroll changes period-to-period
- Maintain a payroll procedures manual.
- Weekly coordination with HR on employee changes (no-pays, new hires, retirements, etc.)

ADDENDUM B
BUDGET DEVELOPMENT GUIDE

The Budget as a Policy Document (PD)

FP9. The document shall explain the basis of budgeting for all funds, whether cash, modified accrual, or some other statutory basis.

The Budget as an Operations Guide (OG)

OG1. ***Mandatory:*** The document shall describe activities, services or functions carried out by organizational units.

OG2. The document should provide objective measures of progress toward accomplishing the government's mission as well as goals and objectives for specific units and programs.

OG3. ***Mandatory:***

CD9. The document should be produced and formatted in such a way as to enhance its understanding by the average reader. It should be attractive, consistent, and oriented to the reader's needs.

ADDENDUM C

Authority to Make Internal Budget Adjustments

by Glenn S. Koocher, M.P.A. and
Stephen J. Finnegan, J.D.

An area of increasing controversy and some contention among municipal officials is the authority of the school committee over the budget for the local or regional school district. Prior to the passage of Proposition 21/2, school committees enjoyed fiscal autonomy, whereby the legislative bodies of the cities and towns were required to

It is no surprise that when municipal budgets are tight special interests lobby with added vigor

more authority by voting to allocate actual budget items to each school, requiring a formal committee vote to transfer from one school to another.”

School committees that want to scrutinize the annual operating budget more closely might have many “cost centers” identified in their promulgated budget; others that want to allow the superintendent more discretion could have fewer such accounts.

Editor’s Note: This article represents the opinions and conclusions of the authors and not those of the Department of Revenue.

Glenn Koocher, M.P.A., is Executive Director of the Massachusetts Association of School Committees. Stephen J. Finnegan, J.D., is General Counsel to MASAC.

7. All assumptions upon which projections are based should be thoroughly documented in the report.

Other Guidelines and Recommendations

1. The level of detail of the report is dictated by the accepted practices of the district as well as any approved school committee policies.
2. The report should be easy to read and the data easily interpreted by non-financial constituents.
3. It is recommended that the report be made available electronically via the district's website.
4. Expenditure forecasts should be based on reliable historical data or known or accurately predictable variables. For example, forecast of energy expenditures should be based on historical monthly consumption multiplied by established contract prices.
5. A minimum of 3-5 years of historical data is recommended as the basis of any projections.
6. All figures in the financial report should be thoroughly checked by at least one additional person and reconciled to reports generated from the district's financial system.

Appendix A
Review Team Qualifications

Appendix B
Self Assessment

