

B. Fiscal Management

1. Transfer of Budget Appropriations

BACKGROUND AND CONTEXT

The fiscal goal of the Narragansett School System is to ensure that expenditures and encumbrances of the district not exceed the approved budget for any given period. Budget transfers between cost centers accomplish this goal so that no cost center is reflecting overspending above 110%. A Transfer of Budget Appropriations Policy is necessary so that procedures may be established and enacted that require the approved budget and the revised budget of each cost center be constantly in balance.

POLICY AND PROCEDURE

Line item appropriations are the legal authorization provided by the School Committee to meet expenditures of the district's incurred obligations for one fiscal year up to the total amount of the appropriation. A transfer of appropriations is a reallocation of funds reflecting a change in the budget plan in order to reach fiscal goals and objectives.

The following procedures will be implemented as part of this policy:

1. A purchase order request that exceeds a line item appropriation must include a request to transfer funds from an account that has not exceeded its original appropriation. The responsible administrator with oversight control of the budget line item, from which funds are being transferred from, must ensure that sufficient funds shall remain in the budget line item to meet budget objectives.
2. A transfer of appropriations from one function, object, project, or budget location to another, within the same fund, is limited to \$5,000 for each transaction requested, without the approval of the School Committee.
3. A transfer of appropriations of more than \$5,000 cumulatively, from one function, object, project, or budget location to another, within the same fund or between funds, shall require the approval of the School Committee.
4. A transfer of appropriations that increases the total number of authorized positions shall require the approval of the School Committee.
5. Excluded from the Transfer of Appropriations Policy are:
 - a. Transfers of salary appropriations from one function to another due to staff transfers and fringe benefit costs
 - b. Special education tuitions that do not increase the overall total tuition amount
6. All requests for transfers of appropriations shall be reviewed by the Director of Finance and Administration and approved by the Superintendent.

II.B.1. Transfer of Budget Appropriations

7. The Request for Transfer of Appropriations Form (attached) must be used for all transfers. Since a transfer of appropriation represents a change in stated plans, the reasons for the transfer must be fully documented on the form.
8. The responsible administrator must sign the attached form and forward such to the Business Office. The Business Office shall verify the accuracy of the amounts and accounts prior to forwarding the request to the Director of Finance and Administration for approval and signature.
9. If the request requires School Committee action as outlined above, the Director of Finance and Administration shall forward the request to the Superintendent for approval, signature, and recommendation to the School Committee. A copy of the approved/disapproved request will be returned to the originator of the request for appropriate action.
10. All approved/disapproved requests will be maintained in the Transfer of Appropriations File by the Director of Finance and Administration for the current fiscal year between July 1 and June 30 of the subsequent year.

1st Reading: November 19, 2003

Adopted: December 17, 2003

Revised:

1st Reading: September 16, 2009

2nd Reading: October 21, 2009

Revised:

1st Reading: October 18, 2017

Narragansett School System

2nd Reading: November 15, 2017

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REQUEST TO TRANSFER FUNDS

Date: _____

Transfer from account # _____ Amount \$ _____

Transfer to account # _____ Amount \$ _____

Reason for transfer: _____

Purchase order # _____

All Transfers Must Be Signed By An Administrator

Administrator's Signature: _____

Director of Finance: _____

Superintendent: _____

Date Entered: _____