

REVOLVING FUNDS

The School Committee may approve the establishment of “revolving fund accounts” in conformance with the provisions of Massachusetts General Laws, Chapter 71, Section 47, and as otherwise permitted by the General Laws of the Commonwealth of Massachusetts, as amended.

All expense from all revolving funds will use the warrant process (hence, school committee review and authorization).

Revolving Fund accounts shall be under the control of the School Committee, which delegates the power to the Superintendent and/or School Business administrator, to authorize expenditures from them without further appropriation by the City.

All monies collected by the schools from fees, fines, admissions, and other non-tax sources shall be submitted to the Business Office, deposited with the Treasurer of the City, and credited to the specific, appropriate revolving fund, if applicable.

The School Committee is committed to year-to-year financial stability. This policy explains the Committee’s specific school revolving funds where balances can carry over into next year. The following guidelines estimate a threshold of carryover balance related to need for program continuation and budget planning in the subsequent fiscal year.

See also Exhibit A: Department of Revenue Guidelines for Revolving Funds.

REVOLVING ACCOUNT	SOURCES OF FUNDS	SCHOOL COMMITTEE RECOMMENDED BALANCE	USE OF FUNDS ABOVE THRESHOLD, if any
		(*to be used for program purposes of the fund, which will vary from fund to fund)	(purposes of the fund, which will vary from fund to fund)
Activity Accounts (Students)	Receipts from fund-raising activities of students and gifts for specific student activities	Elem: \$ 5,000 Middle: \$10,000 High: \$25,000	
Adult Education Revolving	Receipts from adult education programs; programs have to be coordinated and run before supporting fees are received	Full amount of balance, up to \$20,000	Adult Education needs or return to city
After School Programs	Fees from children participating in before and after school	One full year of operational costs for each of the three programs the	After and before school program needs.

Revolving, currently: *Four Corners *Federal Street *Academy of Early Learning	programs; it takes several months for fees to be assessed and paid during which time staff must be paid and supplies have to be available	district runs, has run, and may again run. \$35,000 each or \$105,000 total.	
Athletic Revolving	Fees from ticket sales at sports events.	\$20,000	High School Athletics program
Extraordinary Special Education Student Individual Program Relief (Circuit Breaker)	Reimbursement funding from the state based on extraordinary expense of students; application is on a student by student cost analysis; placements can be assigned to a district at any time; highest extraordinary cost to date is \$400,000+ for one student. These funds can only roll over for one year and MUST be used within 24 months of the July 1 st in which funds are received. From year to year the state can (and has) change its formula for and amount of relief by several hundred thousand.	Equivalent of 12 months of receipts, typically no more than \$600,000.	Special Education Programs
Facility Use Fee Revolving	Fees from use of facilities; used to cover cost of non-school district use	\$10,000	Repair, replace, other facility needs
Food Service Revolving:	This program is 100% covered by revenue from government aid and lunch payment receipts	\$750,000	Update, repair, replace food services equipment, furniture, vehicles or other allowable food service program expenses
Preschool Tuition Revolving	This program uses tuition receipts toward specific staff positions; tuition payments are not received every day	\$150,000	Preschool program

School Choice Revolving	Can be used for staff, materials, and nearly all general fund costs. No restrictions on length of time held or type of use for students. Funds from students choicing in to attend GPS complicated by ever-changing enrollment. Funds are calculated by the state several times/year and a monthly payment amount continues for four months until next calculation. Exact, total annual amount is unclear during the year.	One year's receipts or \$600,000	Any allowable expense. A significant amount may go for technology, attorney fees that exceed budget
Special Education Revolving (non-resident tuition)	Special Education programs.	\$250,000	Special Education programs
Summer School	Summer school programs	\$4,000	Summer school needs

As part of the budget process, the sitting School Committee will be advised of the number of Revolving Fund Accounts in place and will receive a copy of this policy and a Revolving Fund Budget Report with two years of receipts and current balances for each fund. In addition to being reminded of each Revolving Fund's allowable use and restrictions, the Committee may hear any requests from the Superintendent related to the addition, deletion, modification, or use of Revolving Funds.

Subcommittee Discussion: December 2016, June 2017. Subcom Review 5.4.2017; 5.22.2017; 6.7.2017 (full meeting); 7.6.2017; 10.5.2017. First Reading: 6.14.2017; 2nd Reading 10.11.2017; 3rd Reading/Vote 11.8.2017

Legal Reference: Chapter 71, Section 47

The School Committee shall vote to set the maximum balance that may be on deposit in such Student Activity Checking Account.” Note: The Senior Class must act on its ending balance, if any, through gifting the money to another class or school purpose, or setting up a private class organization and account and transferring the balance to a private account.