

**MINUTES
DURHAM PUBLIC SCHOOLS
BOARD OF EDUCATION
NOVEMBER 25, 2013**

The Durham Public Schools Board of Education held a special meeting November 25, 2013, at 10:08 a.m. in the Fuller Administration Building, 511 Cleveland Street, Durham, North Carolina.

Board Members present:

Heidi Carter, Chair; Minnie Forte-Brown, Vice Chair; Natalie Beyer; Nancy Cox; Omega Curtis Parker; Pastor Fredrick Davis; and Leigh Bordley were present.

Administration present:

Dr. Eric J. Becoats, Superintendent; Dr. Stacey Wilson-Norman, Deputy Superintendent of Academic Services; Hugh Osteen, Deputy Superintendent of Operational Services, Chrissy Pearson, Chief Communications Officer; and Aaron Beaulieu, Chief Financial Officer.

Attorney present: Neal Ramee

Call to Order

Chair Carter called the meeting to order and presided over a moment of silence.

Agenda Review and Approval

By unanimous board consent, the agenda was approved as written.

General Public Comment - None

Financial Policies and Procedures

Chair Carter opened the meeting and shared the purpose of the meeting was the Board of Education expects we have a very strong fiscal management in this district and a culture of careful and prudent spending through every layer of the organization. With the recent release of public records, there are concerns about spending in the district, particularly around travel. These concerns have brought us here to review the policies and procedures.

Chair Carter introduced Aaron Beaulieu, Chief Financial Officer, who leads the Board through the recommendations set forth by the administration surrounding policies and procedures as it relates to financial district spending. The topics of the recommendations are as follows: credit card use, policy, travel polices, regulations and forms, training, and reports. Durham Public Schools works hard to be good stewards of tax payer dollars. Durham Public Schools administration's job is to continuously monitor and evaluate the controls and procedures in place to maintain a sound financial structure.

Credit Card Use

Durham Public Schools does not currently have a specific credit card policy. The recommendation of the administration is that the district can properly operate without the use of credit cards. Therefore, it would be best practice to cancel all credit cards at this time. If the need for a credit card for a specific reason should arise in the future, it would be the responsibility of the Board to adopt a policy for credit card use. The handout discusses controls to consider when adopting a credit card policy.

Policy

The two policies in the 7000 series of Finance and Fiscal Management were discussed. Mr. Beaulieu highlighted policy 7000 and policy 7630, both of which are cited below.

7000 – Use of Funds

The Durham Public Schools Board of Education, in recognition of its accountability to the people of Durham, hereby instructs all employees to use district funds and other assets in the most cost-effective manner possible, consistent with the primary mission of the Durham Public Schools.

7630 – Employee Travel Reimbursement

Durham Public Schools employees shall be reimbursed for transportation, subsistence, or registration expenses incurred while traveling on official business. Reimbursement must be authorized in advance by the Superintendent or designee. The amounts reimbursed shall follow guidelines established by the State Board of Education for its employees, except when amounts exceeding state guidelines are authorized by the Superintendent or his designee. All reimbursements are contingent upon funds available.

Both policies were deemed adequate by the administration.

Chair Carter stopped the presentation to make it very clear that while the district does not have a specific credit card policy; it does have tight financial policies and regulations in regards to spending and reimbursements.

Vice Chair Forte-Brown reemphasizes that Durham Public Schools is a good financial steward and has not operated without guidelines, however, procedures need to be tightened. She made it very clear that these strict financial policies and guidelines should be understood by all employees of Durham Public Schools.

Leigh Bordley agreed with Vice Chair Forte-Brown of the importance of having clear and understood policies and wondered what we might do to help our employees understand their own contracts and obligations.

Travel Policies, Regulations and Forms

Mr. Beaulieu addressed the administration's recommendation to change policy 7630 with regards to the amounts reimbursed shall follow guidelines established by "the State of North Carolina – Office of States Budget and Management" instead of by "the State Board of Education". He reviewed travel regulations for per diem, transportation and subsistence allowance. All employees should follow these amounts set forth unless approved by immediate supervisor. It is the employee's responsibility to be a good steward of all funds and the funds must apply to official Durham Public Schools business. The guidelines clearly define expectations and leave no room for misinterpretation.

Training

All Durham Public Schools employees will be trained and educated using the standard reporting tool as well as regulations and forms. Each employee will have to sign off indicating their understanding of these expectations. It is important that all existing and new employees receive documented training. The strength and backbone of the district is dependent upon the controls and procedures and the staff monitoring.

Reports

In addition to the existing financial reports provided to the Board of Education, the following reports will be added:

- Quarterly Review of Superintendent Budget
- Quarterly Review of Board of Education Budget
- Quarterly Review of Contracts between \$25,000 - \$90,000
- Quarterly Review of Out-of-State Travel

Mr. Beaulieu closed by stating it is the job of staff to continuously monitor and evaluate the controls and procedures in place to maintain a sound financial structure. Upon the completion of this process, the current procedures will be improved and enhanced. Policies and procedures were in place with regards to travel and reimbursements but no direct policy for credit card use was in place. In addition, now expectations are clearly defined. The district feels that it can operate without the use of credit cards at this time. The staff of Durham Public Schools takes the responsibility for managing public funds very seriously and hopes to build public confidence in its ability to manage those funds. Internal controls are the mechanisms by which shortfalls are addressed and it is our thinking that we have improved upon the current procedures and reduced the ability in the future for weaknesses in our controls.

The administration submits this information for discussion.

Chair Carter thanked Mr. Beaulieu and stated that the change to policy 7630 would be brought to a upcoming committee meeting as an action item.

Pastor Fredrick Davis asked for clarification regarding credit card use. Mr. Beaulieu stated until a credit card policy is implemented, there will be no credit cards used in Durham Public Schools. He clarifies that store cards not considered credit cards and will not be cancelled. There will be some cases where an employee will need to use their personal credit card until the paper work is processed.

Omega Curtis Parker stated that Board Members do not have access to a credit card; only the Board Liaison.

Chair Carter requested a set of guidelines be created to be used to approve Board travel. Natalie Beyer recommended this request be taken to the Administrative Services Committee. Leigh Bordley made a recommendation for there to be justification to attend a conference and the value it would have to our community.

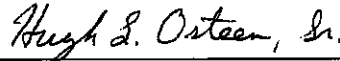
Natalie Beyer recommended the use of bus and train as forms of transportation to conferences in addition to airlines. She also recommended consulting with the attorney prior to setting Board travel guidelines. In addition, she suggested researching other school systems, Durham County policies and their Board travel policies.

Chair Carter closed the meeting by stating that Durham Public Schools will continue to operate fiscally conservative and will be educationally and socially liberal.

Having no further business, the meeting adjourned at approximately 11:00 a.m.



Heidi Carter, Chair
Durham Public Schools Board of Education



Hugh Osteen, Acting Superintendent
Durham Public Schools