

FINANCIAL REPORTING AND OVERSIGHT

Fourth Draft October 14 2026

Policy Code DIC Fiscal Management

Policy status	Proposed fourth draft
Adopted	_____
Last revised	October 14, 2026
Next review	Annually during first year; at least every three years thereafter

Revision key: yellow highlighting shows added or revised language; strikethrough shows language proposed for deletion. Unmarked text is unchanged.

1. Purpose

~~**DELETE** The East Providence School Committee shall receive timely, accurate, complete, and understandable financial information so it can carry out its legal and fiduciary responsibilities, protect public funds, identify problems early, and maintain a school budget that does not result in debt.~~

ADD The East Providence School Committee shall receive timely, accurate, complete, and understandable financial information needed to carry out its legal budget and oversight duties, identify financial risks early, and maintain a school budget that does not result in debt.

~~**DELETE** This policy establishes minimum reporting, disclosure, reconciliation, certification, and corrective action requirements. It applies to every District fund, account, program, grant, activity, and financial arrangement, whether maintained by the School Department, held by the City on the District's behalf, or administered through another entity.~~

ADD This policy establishes minimum financial reporting and control requirements while preserving the Superintendent's responsibility for the day-to-day administration of the District. The Committee's role is to set policy, adopt and monitor the budget, approve budget changes and other matters assigned to it by law, and hold the Superintendent accountable for reliable financial management.

2. Roles and Governing Principles

~~**DELETE** Financial records and reports shall follow Rhode Island's Uniform Chart of Accounts (UCOA), the RIDE approved budget model, generally accepted accounting principles applicable to governmental entities, federal award requirements, and all other applicable laws and regulations.~~

ADD The Superintendent is the District's chief administrative agent and is responsible for implementing this policy, supervising financial operations, and ensuring that qualified staff maintain the District's financial records and internal controls. The School Business Administrator or Finance Director is responsible for preparing accurate and timely financial information under the Superintendent's direction.

~~**DELETE** No fund, bank account, grant, capital account, school activity account, revolving account, reserve, trust, liability, loan, repayment agreement, or other financial arrangement may be omitted from reports because it was not included in the original budget or is maintained outside the District's primary accounting system.~~

Proposed EPSD Financial Reporting and Oversight Policy - DESIMAS 4th Draft for School Committee Review

ADD The Committee and its individual members shall not direct staff, approve routine transactions, or manage daily financial operations except when a vote or approval is required by law, charter, contract, or another Committee policy. Questions and requests for information should ordinarily be directed through the Superintendent or the Superintendent's designee.

~~**DELETE** Reports shall distinguish audited amounts from unaudited amounts and actual results from estimates. Material estimates, assumptions, limitations, unreconciled balances, and corrections shall be clearly labeled.~~

ADD Financial records and reports shall follow Rhode Island's Uniform Chart of Accounts, the RIDE-approved budget model, generally accepted accounting principles applicable to governmental entities, federal award requirements, and all other applicable laws and regulations.

~~**DELETE** The Superintendent remains responsible for administration of the District and implementation of this policy. The School Committee retains its statutory authority over policy, the adopted budget, budget changes, contracts, and other matters assigned to it by law.~~

ADD Reports shall distinguish The Finance Director shall make every reasonable effort, using the information available and after reasonable review, to ensure that reports distinguish audited amounts from unaudited amounts and actual results from estimates. Material assumptions, limitations, unreconciled balances, corrections, and information not yet available shall be clearly identified.

3. Monthly Financial Report

~~**DELETE** The Superintendent, working with the School Business Administrator/Finance Director, shall submit a written financial report to the full School Committee each month. The report shall be included in the public agenda packet for a regular meeting and presented in open session, subject to lawful redaction. It shall be provided as soon as practicable after month end and ordinarily no later than the tenth business day after the accounting period is closed.~~

ADD The Superintendent, working with the School Business Administrator or Finance Director, shall provide a written financial report to the full Committee each month. The report shall be provided to all Committee members at least forty-eight hours before the regular School Committee meeting, which is ordinarily held on the first Tuesday of the month. It shall also be included in the public agenda packet and presented in open session, subject to lawful redaction.

~~**DELETE** The first report of a fiscal year may combine July and August when necessary for year-end close. Any delay shall be explained in writing, with a firm delivery date. A delayed close does not excuse immediate notice of a known financial risk.~~

ADD The first report of a fiscal year may combine July and August when necessary for year-end close. The reports for November and December may be combined when necessary. Any delay shall be explained in writing and shall include an expected delivery date. A delayed close does not excuse immediate notice of a known financial risk under Section 8.

4. Required Contents of the Monthly Report

~~**DELETE** At a minimum, each monthly report shall include the following information for the current fiscal year:~~

ADD The monthly report shall be concise and focused on information needed for oversight and decisions. At a minimum, it shall include:

~~**DELETE** Executive summary. The current financial position, projected year-end result, material changes since the prior report, decisions requested from the Committee, and the five most significant financial risks or uncertainties.~~

ADD a. An executive summary stating the current financial position, projected year-end result,

material changes since the prior report, decisions requested from the Committee, and significant financial risks or uncertainties;

DELETE All-funds summary. For every governmental, proprietary, fiduciary, special-purpose, grant, capital, food service, school activity, revolving, gift, reserve, and other fund or account: beginning balance; adopted and revised budget; year-to-date actual revenue and expenditures; encumbrances and other commitments; available balance; projected year-end result; and variance from budget. The summary shall include funds or accounts maintained by the City for District purposes.

ADD b. A general fund budget-to-actual statement showing the adopted and revised budget, year-to-date revenue and expenditures, encumbrances, available balance, projected year-end result, and material variances. Major special revenue, grant, food service, capital, school activity, and other funds shall be reported separately when material to the District's overall financial position or when action is needed;

DELETE Budget-to-actual detail. Current year and prior year comparison of revenues and expenditures, organized consistently with UCOA and the approved budget. Reports shall show, at a useful level of detail, fund, program, function, object, and location, with a more detailed general ledger schedule available to Committee members upon request.

ADD c. Revenue by major source, including the City appropriation, state aid, federal aid, tuition, Medicaid, grants, reimbursements, and other local revenue, with an explanation of material delays, reductions, denials, or collection risks;

DELETE Revenue status. Budgeted, received, receivable, deferred, and projected revenue by major source, including City appropriation, state aid, federal aid, tuition, Medicaid, food service, grants, reimbursements, interest, gifts, and other local revenue. Significant delays, denials, reductions, or collection risks shall be explained.

ADD d. Expenditures by major function and object, with separate attention to salaries, benefits, special education, transportation, utilities, tuition, contracted services, and other areas that are materially over or under budget;

DELETE Payroll and position control. Budget, actual, encumbered, and projected payroll and benefit costs; authorized and filled positions; vacancies; new positions; stipends; overtime; substitute costs; settlements; retroactive payments; and any payroll correction or unreconciled payroll period that could materially affect the budget.

ADD e. A full-year forecast using documented and reasonable assumptions, including such as known vacancies, payroll and benefit obligations, open purchase orders, contracts, grants, settlements, and other material obligations whether or not yet posted to the general ledger;

DELETE Encumbrances, obligations, and liabilities. Open purchase orders, contracts, leases, subscriptions, legal and consulting commitments, construction commitments, claims, settlements, accounts payable, accrued payroll and benefits, compensated absences when material, and any other known or reasonably expected obligation, including obligations not yet entered in the accounting system.

ADD f. A summary of material A summary of any material budget transfers, amendments, journal-entry corrections, capital commitments, grant risks, audit matters, and internal-control concerns since the prior report;

DELETE Grants and restricted funds. For each material federal, state, private, or other restricted award: award amount and period; budget; expenditures; encumbrances; remaining balance; reimbursement status; match or maintenance-of-effort requirement; carryover; closeout date; questioned or potentially unallowable cost; and risk of lapse, repayment, or loss of funding.

ADD g. The status of bank reconciliations and the reconciliation of material subsidiary records to the general ledger, including the last completed period and any material overdue or unresolved item; and.

~~**DELETE** Cash, investments, and bank accounts. A complete list of District-related bank and investment accounts, including school activity accounts, with book balance, bank balance, date last reconciled, reconciling items, and the person or office responsible. Public reports may mask account numbers and security-sensitive details.~~

~~**DELETE** h. Corrective actions for each material unfavorable variance or control issue, including the action, responsible administrator, expected completion date, and status.~~

~~**DELETE** Budget amendments and transfers. Every transfer, amendment, journal entry, reclassification, or other material budget change made since the prior report, showing the amount, accounts affected, reason, authority, and date. Changes requiring Committee action shall be presented for approval before implementation unless emergency authority exists by law.~~

~~Debt and financial arrangements. All outstanding loans, advances, lines of credit, lease-purchase agreements, interfund borrowings, repayment agreements, deficit-financing arrangements, and amounts due to or from the City or another entity. The report shall show the original amount, legal authorization, purpose, interest and fees, repayment terms, payment history, current balance, maturity, funding source, security or pledge, covenant status, and any default or compliance concern.~~

~~Capital projects. Approved budget and funding source, contracts and change orders, expenditures, encumbrances, reimbursements, retainage, forecast at completion, schedule status, and projected overrun or funding gap for each active material capital project.~~

~~Reconciliation and close status. The status and last completed period for the general ledger, payroll, accounts payable, accounts receivable, revenue, grants, capital projects, journal entries, cash, bank accounts, fixed assets, and school activity accounts. Every overdue or unreconciled item shall identify the amount or estimated exposure, responsible person, corrective step, and completion date.~~

~~Compliance, audit, and internal control matters. Late, rejected, corrected, or potentially inaccurate filings; audit findings; management letter comments; UCOA exceptions; questioned costs; control deficiencies; suspected fraud or misuse reported through appropriate channels; and the status of every corrective action. Confidential investigative details may be reported separately as permitted by law.~~

~~Contracts and consultants. Year-to-date spending, current-month invoices, remaining authorized amount, funding source, deliverables completed, and work remaining for material professional service and consulting agreements, including any work performed before formal approval.~~

~~Forecast and corrective actions. A full-year forecast using documented assumptions, a variance explanation for each material change, and a corrective action schedule listing the issue, amount, action, responsible owner, due date, and completion evidence.~~

5. Materiality and Additional Information

~~**DELETE** The Superintendent shall recommend practical materiality thresholds for Committee approval. A threshold shall not be used to hide a recurring issue, related transactions, a legal violation, a control failure, a conflict of interest, or an item that could reasonably affect a Committee decision. Similar or related transactions shall be considered together.~~

ADD The Superintendent shall recommend practical materiality thresholds for Committee approval and periodic review. Thresholds may use both dollar amounts and percentages and may differ by fund or type of issue. A threshold shall not be used to withhold a recurring problem, related

transactions, a legal violation, a control failure, a conflict of interest, or information that could reasonably affect a Committee decision.

~~**DELETE** The Committee may request additional detail, source records, account-level reports, forecasts, or explanations reasonably necessary to perform its oversight duties. Records shall be provided promptly, subject to legal confidentiality, privilege, cybersecurity, and student or employee privacy requirements.~~

ADD The Committee may request additional information reasonably necessary to perform its oversight duties. Requests should be reasonably focused and, when practical, should use reports already available from the District's financial system. If a request would require substantial staff time, new programming, or additional cost, the Superintendent shall explain the burden and may recommend a less burdensome way to provide the needed information.

6. Accounts Payable and Reconciliations

The administration shall review and process accounts payable at least weekly when practical so that vendor payments, outstanding obligations, and expenditures are recorded on a timely basis. All payments shall follow established purchasing, authorization, segregation-of-duties, and documentation requirements.

~~The accounts payable subledger shall be reconciled to the general ledger at least weekly when transactions are processed.~~ Bank accounts and other material balance-sheet accounts shall be reconciled monthly within a reasonable time after the records needed to complete the reconciliation are available. Unusual, stale, unsupported, or material reconciling items shall be investigated and resolved promptly.

A summary of ~~weekly accounts-payable activity shall be made available~~ shall be made available upon request within five business days to the Committee Chair and Vice Chair for oversight review. This review does not authorize an individual Committee member to direct, delay, approve, or reject a routine payment unless that authority is separately required by law, charter, contract, or another Committee policy. Any payment requiring Committee approval shall be placed on an agenda for action.

7. Certification and Reliability

~~**DELETE** Each monthly report shall be signed or electronically certified by the Superintendent and the School Business Administrator/Finance Director. The certification shall state, to the best of their knowledge after reasonable review, that:~~

ADD Each monthly report shall be signed or electronically certified prior to presentation to the School Committee by the Superintendent and the School Business Administrator or Finance Director. To the best of their knowledge after reasonable review, the certification shall state that the report agrees with the accounting records, includes all material known obligations and financial risks, identifies material unreconciled or incomplete information, and uses reasonable assumptions for the year-end forecast.

~~**DELETE** the report includes all District funds, accounts, material obligations, and known financial arrangements;~~

ADD If either official cannot make the certification, the report shall identify the limitation, affected amount or accounts when known, corrective steps, responsible administrator, and expected correction date. ~~A disclaimer shall not replace disclosure or corrective action.~~

~~the information agrees with the accounting records or any difference is identified and explained;~~

~~all material known risks, deficits, revenue shortfalls, unreconciled items, and reporting problems have been disclosed;~~

~~the forecast uses reasonable, documented assumptions; and~~

~~the District is complying with the adopted budget, UCOA, grant requirements, and applicable law, except for each disclosed exception.~~

~~If either official cannot make the certification, the report shall identify the specific limitation, affected amount or accounts, steps being taken, responsible person, and expected correction date. A disclaimer shall not replace disclosure or corrective action.~~

8. Immediate Notice of Financial Risk

DELETE The Superintendent shall notify the School Committee Chair and all Committee members in writing as soon as practicable, and no later than two business days after discovery, of any material actual or potential:

ADD The Superintendent shall notify all Committee members in writing as soon as practicable after discovery of a material actual or potential budget over-expenditure, over-obligation, revenue deficiency, cash shortage, deficit, unrecorded liability, unauthorized financial arrangement, material filing problem, grant repayment risk, suspected misuse of funds, or significant internal-control failure.

DELETE budget over-expenditure, over-obligation, revenue deficiency, cash shortage, deficit, or inability to pay an obligation when due;

ADD This local notice is in addition to any notice required by law, contract, grant condition, or regulatory direction. When R.I. Gen. Laws § 16-2-9(f) applies, the Committee and District shall meet the five-working-day written notice and corrective-action requirements and obtain all required approvals.

~~unrecorded liability, unauthorized account, unauthorized transfer, borrowing, repayment agreement, or other financial arrangement;~~

~~late or inaccurate state, federal, tax, retirement, grant, audit, or financial filing;~~

~~loss, theft, fraud indicator, misuse of funds, cybersecurity incident affecting financial systems, or significant internal-control failure;~~

~~grant repayment, questioned cost, loss of funding, audit qualification, or failure to meet a legal or contractual financial requirement.~~

~~This local notice is in addition to any shorter or separate notice required by law, contract, grant condition, or regulatory direction. When R.I. Gen. Laws § 16-2-9(f) applies, the School Committee and District shall meet the five-working-day written notice and corrective-action requirements and obtain all required approvals.~~

9. Borrowing and Other Financial Arrangements

DELETE No District employee or official may create, accept, renew, materially modify, or conceal a loan, advance, line of credit, lease-purchase, interfund borrowing, repayment agreement, deficit-financing arrangement, pledge, guarantee, or similar obligation unless it is supported by clear legal authority and all required approvals.

ADD No District employee or official may create, renew, materially modify, or conceal a loan, advance, line of credit, lease-purchase, interfund borrowing, repayment agreement, deficit-financing arrangement, pledge, guarantee, or similar obligation without clear legal authority and all required approvals.

~~**DELETE** Before the District enters such an arrangement, the Superintendent shall provide the Committee with the proposed agreement and a written analysis of the purpose, necessity, amount, term, interest and fees, repayment source, total cost, budget effect, alternatives, legal authority, procurement requirements, risks, and required approvals. The Committee shall vote in open session when Committee approval is required or permitted by law. Nothing in this policy gives the Committee or District borrowing authority that it does not otherwise possess under state law or the City Charter.~~

ADD Before the District enters such an arrangement, the Superintendent shall provide the Committee with the proposed agreement and a written summary of its purpose, amount, term, total cost, repayment source, budget effect, legal authority, risks, and required approvals. Nothing in this policy gives the Committee or District borrowing authority it does not otherwise possess.

10. Quarterly and Annual Review

~~**DELETE** Within thirty days after the close of the first and second quarters of the State fiscal year, the Committee shall review the year-end forecast and adopt any budget changes necessary to operate without incurring debt, as required by R.I. Gen. Laws § 16-2-9. The Superintendent shall place the review and any recommended action on the agenda in time for the Committee to meet the statutory deadline.~~

ADD Within thirty days after the close of the first and second quarters of the State fiscal year, the Committee shall review the year-end forecast and adopt any budget changes necessary to operate without incurring debt, as required by R.I. Gen. Laws § 16-2-9.

The Superintendent shall ensure timely completion and filing of annual financial statements, the independent audit, the federal single audit when applicable, UCOA agreed-upon procedures, and other required reports. The final audit, management letter, UCOA report, and schedule of findings shall be provided to the Committee promptly after issuance and presented publicly when practicable.

For each material finding, deficiency, late filing, questioned cost, or recommendation, the Superintendent shall provide a corrective-action plan identifying the action, responsible administrator, due date, and status. Open items shall be reported until resolved.

11. Public Transparency and Records

~~**DELETE** Monthly and annual reports shall be posted with the meeting materials and on the District website in a searchable, downloadable format, consistent with R.I. Gen. Laws § 16-2-9.4 and other applicable law. Revised budgets shall be posted within the time required by law.~~

~~**DELETE** Monthly and annual reports shall be posted with meeting materials and on the District website in a searchable and downloadable format as required by law. Revised budgets shall be posted within the time required by law.~~

~~**DELETE** Reports shall not include student records, protected employee information, complete bank account numbers, passwords, security details, privileged legal advice, or other information made confidential by law. Redactions shall be narrow and shall not be used to withhold totals, account existence, financial terms, public obligations, or other information that may lawfully be disclosed. When needed, a confidential supplemental report may be provided under applicable law.~~

~~**DELETE** Reports shall protect student records, employee information protected by law, complete bank account numbers, passwords, security details, privileged legal advice, and other confidential information. Financial records and supporting documents shall be retained in accordance with state and federal law, grant terms, records retention schedules, and any litigation or audit hold.~~

12. Responsibility and Noncompliance

~~**DELETE** The Superintendent is responsible for implementing this policy and establishing written procedures, calendars, assigned duties, internal controls, and backup coverage needed for timely reporting. Consultants may assist, but District management retains responsibility for the accuracy, completeness, approval, and custody of financial records.~~

ADD The Superintendent is responsible for written procedures, reporting calendars, assigned duties, internal controls, and backup coverage needed to implement this policy. Consultants may assist, but District management remains responsible for the accuracy, completeness, approval, and custody of financial records.

~~**DELETE** A missed report, omitted account, unsupported certification, failure to disclose a material risk, or failure to complete corrective action shall be reported to the Committee with an explanation and recovery date. The Committee may direct additional review, independent verification, corrective action, or referral to the appropriate authority, consistent with law and collective bargaining obligations.~~

ADD A missed report, material omission, unsupported certification, failure to disclose a material risk, or failure to complete corrective action shall be reported to the Committee with an explanation, interim safeguards, and expected correction date. The Committee may direct additional review, independent verification, corrective action, or referral to an appropriate authority, consistent with law and collective bargaining obligations.

13. Review of Policy

~~**DELETE** The Policy Subcommittee and Superintendent shall review this policy at least annually during the first year after adoption and at least every three years thereafter. The policy shall be revised sooner when law, RIDE guidance, audit standards, accounting requirements, systems, or District operations materially change.~~

ADD The Policy Subcommittee and Superintendent shall review this policy annually during the first year after adoption and at least every three years thereafter. It shall be reviewed sooner when law, RIDE guidance, audit standards, accounting requirements, financial systems, or District operations materially change.

Legal and Administrative References

~~**DELETE** R.I. Gen. Laws § 16-2-9 — General powers and duties of school committees; budget changes; debt free budget; deficit notice and corrective action.~~

ADD R.I. Gen. Laws § 16-2-9 — School Committee powers and duties; budget changes; debt-free budget; deficit notice and corrective action.

R.I. Gen. Laws § 16-2-9.4 — School district accounting compliance; UCOA; approved budget model; public posting; deficit monitoring.

R.I. Gen. Laws § 16-2-11 — Superintendent duties; budget preparation; purchasing; records; regular reports on the District's financial condition.

R.I. Gen. Laws § 16-7-37 — Reports from communities to the Commissioner of Elementary and Secondary Education.

R.I. Gen. Laws §§ 45-10-4 and 45-10-5 — Municipal post-audit and filing requirements.

RIDE Uniform Chart of Accounts Accounting Manual and current UCOA reporting guidance.

~~**DELETE** Rhode Island Office of the Auditor General, current School UCOA Agreed-Upon Procedures and audit guidance.~~

ADD Rhode Island Office of the Auditor General school-district audit and UCOA agreed-upon-procedures guidance.

2 C.F.R. §§ 200.302, 200.303, and 200.334 — Federal financial management, internal controls, and record retention.

Applicable City of East Providence Charter provisions, ordinances, purchasing requirements, records-retention schedules, grant terms, and School Committee policies.

~~**DELETE** Policy note: This draft should be reviewed by School Committee counsel, the Superintendent, the School Business Administrator/Finance Director, the City Finance Director, and the District's independent auditor before adoption, particularly the sections addressing City-held funds, borrowing authority, reporting deadlines, and materiality thresholds.~~

ADD Policy note: This third draft should be reviewed by School Committee counsel, the Superintendent, the School Business Administrator or Finance Director before adoption, particularly the provisions concerning weekly accounts payable, City-held funds, reporting deadlines, and materiality thresholds.