

**Douglas County School District Re.1**

**BYLAWS  
OF  
FISCAL OVERSIGHT COMMITTEE**

ARTICLE I

**Name**

The name of the Douglas County School District Re.1's ("DCSD" or "District") fiscal oversight committee shall be the "Fiscal Oversight Committee," hereinafter referred to in these Bylaws as the "FOC".

ADOPTED BY BOE & FOC OCTOBER 21, 2014

REVISED: MAY 9, 2017

REVISED: SEPTEMBER 12, 2019

## ARTICLE II

### **Purpose of the Fiscal Oversight Committee**

The primary function of the FOC is to assist the Board of Education in fulfilling its fiscal oversight responsibilities with integrity and reliability. The FOC does not assume the ultimate fiscal responsibilities of the Board of Education (the “Board” or “BOE”). The Board and Superintendent retain the ultimate responsibility for the District’s financial condition and for decision-making in all matters of policy and operation. In all matters related to the District’s fiscal health, the FOC shall foster adherence to: (i) all applicable laws and recommended policies, procedures, and practices; and (ii) promoting attainment of best-in-class performance.

The scope of the FOC’s responsibilities includes information gathering, fact-finding, and making recommendations in the areas of:

- Budget (Operating and Capital);
- Accounting, Audit, and Financial Reporting (Internal and External);
- Banking (Commercial and Investment); and
- Other fiscal matters as assigned by the Board. For example, the activities of the FOC may also include an assessment of federal and state legislation, policies, and regulations in respect of the fiscal operations of the District.

At least annually, the FOC is to issue to the Board and Superintendent a report assessing work done since the date of the last report and a proposed work plan for the period ahead.

It is the express intent of the Board that the FOC facilitate communication between the District and all concerned parties. The work of the FOC shall be complementary to and not compromise or infringe upon the work of the Board’s *Long Range Planning Committee* or *District Advisory Committee*.

## ARTICLE III

### **Duties and Responsibilities**

In order to continuously improve upon the overall fiscal health of the District, the FOC in the performance of its duties and responsibilities shall develop a:

- 1) Cursory knowledge of the District's instructional programs and educational improvement processes to include current Student Learning Goals and District Improvement Plans for student learning;
- 2) Working knowledge of school finance in Colorado including the District's participation in the state's Interest Free Loan Program; and
- 3) Working knowledge of the District's current and projected operating and capital budgets.

Accordingly, the FOC shall develop recommendations to maintain and/or improve upon the District's current and long-term strategies and budget plans. The FOC shall also review and comment on:

- 4) the Accounting, Audit, and Financial Reporting functions within the District through an evaluation of the financial reports and other financial information used internally and provided by the District to any governmental body or the public. The FOC shall promote the highest standards of accounting, auditing, and financial reporting as represented by generally accepted accounting principles (GAAP), generally accepted auditing standards (GAAS), and *Government Auditing Standards* (GAS). Particular attention is to be given:
  - a) The annual Budget, as may be amended;
  - b) Quarterly financial reports focused upon revenues, expenses, and investment returns;
  - c) The comprehensive annual financial report and related documents, e.g. Management Letter, and
  - d) Offering documents executed in conjunction with any multi-year debt obligations of the District, including any ongoing disclosure requirements.

The FOC's duties and responsibilities also include:

- 5) A periodic review of the cash management practices of the District. Periodically, the FOC shall review and have a cursory knowledge of:
  - a) Commercial Banking
    - i) Day-to-day banking relations and practices; and
    - ii) Letters of Credit or other specialized banking products.
  - b) Investment Practices
    - i) Investment Policy; and
    - ii) Investment Returns.
  - c) Investment Banking
    - i) Debt Policy;
    - ii) Issuance of Authorized Debt or other borrowing strategies;
    - iii) Management of Outstanding Debt or other outstanding obligations;
    - iv) Continuing Disclosure Responsibilities; and
    - v) Rating Agency Relations.
- 6) Prior to the Board asking for voter support for a mill levy override(s) – for consideration by the Board and Superintendent – the FOC is to opine in writing upon the need for such

electoral question(s). The work of the FOC shall be to assess, but is not limited to the timing, amount, and purpose(s) of such override question(s).

- 7) Prior to the Board asking for voter support for the authorization to incur a multi-year debt obligation(s) – for consideration by the Board and Superintendent – the FOC is to opine in writing upon the need for such electoral question(s). The work of the FOC shall be to assess, but is not limited to the timing, amount, and purpose(s) of such bond question(s).
- 8) In respect to those ballot questions favorably voted upon by the constituents of the District, the FOC shall periodically review the compliance of the District in its on-going operations with both the letter and spirit of the question(s) as approved.
- 9) Other fiscal duties and responsibilities as requested by the Board.
- 10) At least every other year, the FOC shall review and suggest as warranted modifications to these Bylaws.

In the performance of its duties and responsibilities, the FOC may participate in evaluating, and recommending the selection of professional services secured through formal solicitation processes. Possible examples could include solicitations for commercial banking services, the services of an independent, external auditor or the District’s lobbyist.

In all matters, the FOC is to benchmark the fulfillment of its duties and responsibilities utilizing the Colorado Department of Education’s Financial Policies and Procedures Handbook, as may be amended, (C.R.S. 22-44-204(3)), and the Government Finance Officers Association’s collection of Best Practices and Advisories.

In consideration of the duties and responsibilities as outlined above, select Best Practices and Advisories have been attached as respective Appendices.

## ARTICLE IV

### **Membership**

- A. **Establishment and Composition:** Subject to approval by the Board, the FOC shall have a minimum of nine and no more than fifteen voting community members, with one non-voting member being current members of the BOE; the non-voting member may be scheduled to attend a minimum of three (3) FOC meetings throughout the fiscal year. It is the desire of the Board that the FOC use their best efforts to ensure that the respective Board districts within Douglas County are represented in the membership of the FOC.
- B. **Qualifications and Limitations:** The non-Board members of the FOC shall be impartial observers of the District's finances. Any community member considered for the FOC shall be independent from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the committee. The Board shall ensure the FOC possesses recognized expertise and experience necessary to competently fulfill the duties and responsibilities outlined above. Membership preference is granted to Douglas County residents.
- C. **Term of Members:** Commencing on July 1<sup>st</sup>, 2014 as to the community members there are to be three one-year terms, four two-year terms and four three-year terms. Thereafter, the term of office for each member shall be for a period of three years. Members appointed to the committee shall be eligible for reappointment for additional three year terms.
- D. **Resignation:** Any FOC member may resign by giving written notice to the FOC Chairperson or Vice Chairperson, who will then submit the notice of resignation to the Board. The resignation of any FOC member shall take effect upon receipt of said notice's stated termination date.
- E. **Vacancies:** Any vacancy, regardless of cause, shall be filled by the Board acting upon a nomination coming from the remaining FOC membership that assures that the desired composition as outlined in Sections A and B above, is honored. If the vacancy is being filled for a term unfilled, that person appointed shall serve for the duration of the un-expired term of the member whose resignation created the vacancy.
- F. **Removal from Committee:** Members of the FOC serve at the pleasure of the Board. A FOC member may be removed by the Board at any time and at the Board's sole discretion. The Board shall also consider a recommendation from the FOC to remove any FOC member (i) who fails to attend three consecutive, scheduled FOC meetings and who fails to provide the Officers of the FOC prior notification or (ii) who is in violation of the FOC's Code of Ethics and Conduct.
- G. **Compensation:** FOC committee members shall serve on a voluntary basis without any compensation. As approved by the Board, the FOC may have a budget to cover all reasonable, incidental costs incurred in the performance of the FOC's duties and responsibilities.

ARTICLE V

**Appointments and Selections**

- A. Date for Appointing or Designating Members: The Board shall appoint or designate members to any open positions on July 1 of each year and to any vacant positions as necessary.
  
- B. Nominations: After the initial appointments by the Board, the FOC shall manage the nomination process. Any person may nominate him or herself and/or nominate another person to fill an open community member position on the FOC. Requests for nominations shall be published on the District's website and nominations shall be submitted in writing to the Chairperson of the FOC. The FOC shall review nominations, conduct any interviews it deems necessary or appropriate, select a candidate or candidates, and forward to the Board its recommendation for appointment to any open or vacant position.

## ARTICLE VI

### **Officers and District Administrative Staff**

The FOC committee shall elect from its membership a chairperson, vice- chairperson, and such other officers as may be determined to be necessary or appropriate. District professional administrative or technical staff assigned to the FOC shall be limited to District's Chief Financial Officer (CFO) and such other staff that the Superintendent or CFO deems appropriate for the FOC to successfully perform its duties and responsibilities. The voting status of District staff is to be governed in a manner consistent with the Colorado Department of Education's Financial Policies and Procedures Manual and the GFOA's Recommended Practices and Advisories.

#### A. Officers of the FOC

- a. Chairperson: Is a position elected by the FOC membership for a period of a year. The Chairperson shall preside over all FOC meetings and events. The Chairperson will be responsible for setting the FOC's agenda. Other Officers of the FOC and the non-voting BOE member may participate in and assist the Chairperson in the agenda setting process. The Chairperson is required to provide the agenda to FOC members at least five business days prior to any meeting or event. In all regards, the Chairperson is required to assure that the FOC complies with these Bylaws.
- b. Vice-Chairperson: Is a position elected by the FOC membership for a period of a year. Is to assume the duties of the chairperson when the chairperson is unavailable to perform the duties of the Chairperson and otherwise assist the Chairperson to assure the FOC complies with these Bylaws.
- c. Recorder: Is a position elected by the FOC membership for a period of a year or may be filled on a meeting-by-meeting, volunteer (rotating) basis from within the FOC membership. The recorder ensures the timely distribution of meeting agendas, minutes, and the warehousing by the District of files containing all FOC business and otherwise assists the Chairperson and Vice-Chairperson to comply with the FOC's Bylaws.

#### B. District Administrative Staff

- a. The District Administrative Staff, as defined above, are employees of the School District and shall assist the officers of the FOC in performing their duties and responsibilities. At least two members of the District Administrative Staff are expected to attend all scheduled meetings. District staff is to supply the FOC with information in as accurate, complete, and timely manner as is possible.

## ARTICLE VII

### Meetings

- A. Regular Meetings: Regular meetings of the FOC shall be held no fewer than nine times per year.
- a. A meeting schedule for the next twelve months is expected to be established during the last annual meeting of the FOC.
  - b. Given it is the express intent of the Board to facilitate communication between the District and all concerned, it is expected all meetings of the FOC be public.
  - c. Subcommittees with no less than three members may be established to meet outside of the FOC regular meeting times; e.g. break-out study sessions; endeavors requisite to secure professional services; or otherwise fulfill the duties and responsibilities of the FOC. Subcommittee membership may include FOC members, but may also be expanded to include community volunteers. Monthly updates from these subcommittees are to be included on each month's agenda.
  - d. BOE members of the FOC are scheduled to attend quarterly FOC meetings to correspond with the Draft Comprehensive Annual Financial Report in October/November timeframe, the Revised Budget in December/January timeframe, Budget Development update in March/April timeframe and Proposed Budget in May/June timeframe.
- B. Special Meetings: Special meetings may be called by any officer of the FOC, with a minimum of seven business day's advance notice given to all FOC members.
- C. Notice of Meetings: Unless otherwise specifically provided, regular, and special meetings shall be preceded by written notice, posted at the School District offices at least three business days in advance. The notice shall include the meeting time, location, a description of any matters for which member action may be requested and a description of the purpose or purposes for which the meeting is called.
- D. Agenda and Minutes
- a. Proposed agenda items are to be submitted to the Chairperson at least ten working days before the meeting. The FOC may modify the agenda during the meeting, elect to address the topic in the future or decide not to address the topic at any meeting.
  - b. Meeting minutes shall be produced and distributed to members before the next scheduled meeting. Minutes shall be publicly available following each meeting.
- E. Attendance
- a. Members: Members shall contact the Chairperson or Vice-Chairperson if unable to attend a meeting. Members who fail to attend three consecutive meetings are subject to removal in accordance with Article IV, Section F.
  - b. Scheduled Visitors: Speakers may be scheduled to address the FOC on any topic of considerable District and community interest, subject to approval of the topic by the Chairperson. The Chairperson shall schedule and determine the duration of each presentation.
  - c. Unscheduled Visitors: Any unscheduled visitor may address the FOC on any matter related to the District during open forum for up to three minutes. The FOC

reserves the right to limit the number of persons who address the committee and/or divide the available time among those desiring to speak.

- F. Compliance with Colorado's Open Meetings Law: All meetings shall be open to the public with meeting time and location posted in compliance with Colorado's open meetings law, C.R.S. §§ 24-6-401 *et seq.* Additionally, minutes of any meeting shall be open to public inspection in accordance with Colorado's open meetings law, C.R.S. §§24-6-401 *et seq.*
- G. Quorum: At any meeting, a quorum shall consist of a majority of the voting members with a minimum of three voting members in attendance.
- H. Voting at Meetings: At all meetings, each voting community member shall have one vote. If a voting community member is believed to be conflicted or is unable to be impartial as it relates to a particular vote, then said member should recuse him/her self from any vote where they may be a conflict of interest or the inability to be impartial.
- I. Participation by Electronic Means: Any member may participate in a meeting by means of telephone conference or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting.

## ARTICLE VIII

### **Decision-Making Process**

Decision-making within the purpose and scope of the FOC (except for election of officers, removal of officers and removal of members) should be done using a consensus model. If consensus cannot be reached, decisions may be put to a vote of the voting members. Decisions by consensus or vote require a quorum of the FOC. To the extent decisions cannot be reached by consensus, the Chairperson or the FOC by majority vote may elect to proceed under the procedural rules set forth in the most recent edition of *Robert's Rules of Order*.

ARTICLE IX

**Amendments**

- A. Articles Not Subject to Amendment: Articles I through IX of these Bylaws may not be amended, repealed or altered except by action of the FOC and without the advance, written approval of the Board.
- B. Additional Articles: Additional articles may be added to these Bylaws, subject to the following procedures and limitations:
  - a. Proposed amendments must not conflict with these Bylaws and must comply with all guidelines established by the District and applicable law.
  - b. Subject to the above, an amendment, repeal or alteration of the Bylaws may be proposed at any regular meeting or special meeting of the FOC.
  - c. Members shall be provided with notice at least one meeting in advance prior to any meeting the FOC plans to discuss and approve any proposed amendment, repeal or alteration unless unusual circumstances exist and the FOC must temporarily approve an amendment, repeal or alteration to meet emergency conditions. If such unusual circumstances occur, final ratification of any amendment, repeal or alteration shall occur at the next meeting.
  - d. To be effective, proposed amendments must first be endorsed by a two-thirds majority vote of the voting membership of the FOC before being taken before the Board.

**CERTIFICATION OF BYLAWS**

I HEREBY CERTIFY that the foregoing are the Bylaws that were revised by the FOC on the \_\_\_\_\_ day of \_\_\_\_\_, 2012. The BOE approved these revisions on \_\_\_\_\_ approval by the Board.

\_\_\_\_\_ Recorder

## APPENDICES

## Appendix 1: Budgeting for Results and Outcomes

**Background.** The National Advisory Council on State and Local Budgeting (NACSLB) has identified four essential principles of effective budgeting. The specific principles include: (1) set broad goals to guide decisions, (2) develop strategies and financial policies, (3) design a budget supportive of strategies and goals and (4) focus on the necessity of continually evaluating a government's success at achieving the goals that it has set for itself (i.e., performance). The Government Finance Officers Association (GFOA) has officially adopted the recommendations of the NACSLB. GFOA also has issued separate recommended practices on strategic planning and performance measurement. All of these documents underscore GFOA's longstanding support of strategic planning and performance measurement as part of the budget process. Consistent with the NACSLB principles, a growing number of governments use the budgeting for results and outcomes approach. Rather than starting with the prior period's budgeted programs and activities, they begin with available revenues, continue with a consideration of desired results and strategies, and then conclude by deciding what activities and programs can best achieve desired results. This approach is a marked departure from the incrementalism often characteristic of budgeting. Budgeting for results and outcomes links strategic planning, long-range financial planning, performance measures, budgeting, and evaluation. It also links resources to objectives at the beginning of the budgetary process, so that the primary focus is on outcomes rather than organizational structure.

**Recommendation.** The Government Finance Officers Association (GFOA) recommends that governments consider budgeting for results and outcomes as a practical way to achieve the NACSLB objective of integrating performance into the budgetary process. GFOA believes that the following steps should help a government in making this successful transition:

- (1) *Determine how much money is available.* The budget should be built on expected revenues. This would include base revenues, any new revenue sources, and the potential use of fund balance.
- (2) *Prioritize results.* The results or outcomes that matter most to citizens should be defined. Elected leaders should determine what programs are most important to their constituents.
- (3) *Allocate resources among high priority results.* The allocations should be made in a fair and objective manner.
- (4) *Conduct analysis to determine what strategies, programs, and activities will best achieve desired results.*
- (5) *Budget available dollars to the most significant programs and activities.* The objective is to maximize the benefit of the available resources.
- (6) *Set measures of annual progress, monitor, and close the feedback loop.* These measures should spell out the expected results and outcomes and how they will be measured.
- (7) *Check what actually happened.* This involves using performance measures to compare actual versus budgeted results.
- (8) *Communicate performance results.* Internal and external stakeholders should be informed of the results in an understandable format.

Budget professionals may play a number of roles in budgeting for results and outcomes, including the following:

- Facilitating government-wide results and analytic support.
- Providing "reality checks" on budget allocations and expected revenues in the light of adopted financial policies.

- Advising on allocations for administrative support functions, which provide necessary organizational infrastructure for achieving community goals, but do not typically emerge as high priorities on their own.
- Analyzing work product to evaluate the process of budgeting for results and outcome.
- Serving as an advocate for outcomes and the process in general rather than for any particular department. Budgeting for results and outcomes is not just a one-year exercise, but also a multi-year effort that should improve the budget process.

## References

- GFOA Recommended Practice: *Recommended Budget Practices of the National Advisory Council on State and Local Budgeting (NACSLB) (1998)*.  
<http://www.gfoa.org/services/rp/budget/budget-recommended-nacslb.pdf>
- GFOA Recommended Practice: *Performance Management: Using Performance Measurement for Decision Making (2002) - Updated Performance Measures (1994)*.  
<http://www.gfoa.org/services/rp/budget/budget-performance-management.pdf>
- GFOA Recommended Practice: *Adoption of Financial Policies (2001)*.  
<http://www.gfoa.org/services/rp/documents/AdoptionofFinancialPolicies.doc>
- GFOA Recommended Practice: *Establishment of Strategic Plans (2005)*.  
<http://www.gfoa.org/services/rp/documents/StrategicPlanningRPOrlando.pdf>
- GFOA Recommended Practice: *Managed Competition as a Service Delivery Option (2006)*.  
<http://www.gfoa.org/services/rp/documents/ManagedCompetitionRP1.pdf>

Approved by the GFOA's Executive Board, March 2, 2007