



# MEMORANDUM

New Fairfield Public Schools

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TO: Board of Education  
CC: Dr. Patricia Cosentino, Superintendent of Schools  
FROM: Dr. Richard J. Sanzo, Director of Business and Operations  
DATE: June 15, 2022  
RE: End of Year Closeout and Related Budget Transfers

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## **Background:**

In May 2020 and August 2021, the Board of Education authorized the Director of Business and Operations to make transfers that were necessary to respond to needs related to the COVID-19 pandemic in FY20 and FY21, respectively. During the current fiscal year, the Board of Education has approved transfers on a quarterly basis, largely due to the need to meet unanticipated special education costs.

As discussed throughout the past several months, current year-end projections continue to indicate a deficit position of approximately \$340,000 for the Board of Education operating budget. In order to mitigate this deficit as required under Connecticut State law, the district will be required to access the Excess Cost Grant, draw-down the non-lapsing account for unanticipated special education costs, and/or use the FY23 IDEA grant ahead of the planned schedule. While the fiscal year ends on June 30, 2022, the budget deficit will not be finalized until August 2022 when final payrolls are processed and vendor payments are made against open purchase orders.

While the Board of Education may not end the fiscal year in a deficit position, it is not required that all lines in the BOE budget close the fiscal year with a positive or zero balance. However, district auditors have recommended that the Board of Education authorize transfers such that no object total (i.e. payroll, benefits, professional services, property services, purchase services, supplies, equipment, or dues & fees) is in deficit.

To aid the district in meeting all obligations at the end of FY22 and to comply with auditor recommendations, I am requesting that the BOE reauthorize the Director of Business and Operations to make any necessary line item transfers to close FY22. Additionally, I am requesting that the Board of Education provide direction by authorizing the Director of Business and Operations to mitigate any deficit in the Board of Education budget by accessing funds, in priority order, as discussed in the Business Operations subcommittee.

## **Actions Requested:**

- 1) That the Board of Education make a motion to authorize the Director of Business and Operations to make all necessary line item transfers to the FY22 education budget to ensure that no object is negative and that a report of such transfers made under this authority be presented to the Board of Education Business Operations / Resource Management Subcommittee in August 2022.
- 2) That the Board of Education make a motion to authorize the Director of Business and Operations to mitigate any final budget deficit in the FY22 Board of Education budget by, first, requesting additional excess cost grant funds be credited to the Board of Education budget by the town treasurer, second, utilizing up to \$125,000 from the non-lapsing account for unanticipated special education expenses, and, third, applying appropriate special education expenditures to the FY23 IDEA grant.