



The Commonwealth of Massachusetts  
Office of the Inspector General

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Ms. Alice Livdahl  
Chair  
Wachusett Regional School Committee  
1745 Main Street  
Jefferson, MA 01522

Dear Ms. Livdahl:

Thank you for forwarding to the Office of the Inspector General draft copies of new personnel management policies recently prepared by the school committee. We would like to assist the school committee by providing the following comments on the draft policies.

Policy DP5263.1 – Bonus Pay Prohibited

While this policy effectively addresses bonus payments, it does not consider the potential abuse of pay increases. For example, a superintendent could approve mid-contract or multiple salary increases for staff that could be viewed as bonuses even though they are added to an employee's base salary.

In addition to addressing pay increases, the committee should have a role in reviewing employee contracts prepared by the superintendent, and may want to consider setting pay scales and job qualifications for certain administrative positions to avoid overly generous pay increases resulting from promotions or title changes. The committee may wish to address this in this policy or elsewhere.

Policy DP5264.1 – Payment or Reimbursement for Meals

This policy requires greater clarification. Specifically, the policy should define "district business." The definition of district business should include clarification of which types of district business entitle an employee to a meal reimbursement as well as which types of district business *do not* entitle an employee to a meal reimbursement. For example, is an employee traveling to meetings within the district entitled to a meal reimbursement if he/she has a lunch break between meetings?

Additionally, the school district should clarify what constitutes pre-approval or review of these expenses. During the timeframe reviewed by this office for our March 2005 report, it appears that school district employees had blanket approval for many expenses including working meals within the school district. This policy should identify how the future approval process will differ from the former approval process.

The committee should consider adding a meal reimbursement rate by either setting a rate or by referencing a benchmark (i.e., the state employee reimbursement rate or the federal per diem rate set by the U.S. General Services Administration). This will ensure that all meal reimbursement amounts are reasonable, defined and consistent.

The current policy has a list of items which are not covered for reimbursement. However, it should be noted in what way the policy does not apply to these activities. For example, is reimbursement without approval permitted for non-alcoholic beverages, or is reimbursement for non-alcoholic beverages never permitted?

#### Policy DP5273.1 – Alternatives to Travel and Travel Expense Reduction

The committee should consider addressing the procurement of hotel, airfare, rental cars, etc. These items could be procured by district procurement staff to avoid the need to reimburse individual employees and to help ensure consistency and lower prices for travel arrangements over time.

#### Policy DP5273.2 – Reimbursement Mileage, Parking, Tolls

Again, we suggest that district business be defined. Additionally, discretionary travel by employees outside the district should be addressed. For example, is travel to a professional meeting or conference that is not official district business or specifically permitted by the employee's contract permissible for reimbursement?

The committee should also consider adding a mileage reimbursement rate by setting a rate or by referencing a benchmark (i.e., the state employee reimbursement rate or the rate used by the Internal Revenue Service).

#### Policy DP5273.3 – Employee Travel for Workshops, Conferences, Visitations

This policy should specifically address all modes of travel including car, air, train, bus, etc. as well as all travel expense categories such as conference fees, mileage, meals, hotels, and car rentals.

The school committee should also consider defining which types of workshops, conferences, and/or visitations are valid for reimbursement. For example, are any conferences of interest to the employee covered or must the conference be directly

related to the employee's professional function with the school district?

This policy should include expense limits and/or per-diem rates for travel expenses. For example, if meals are pre-approved for attendance at a workshop, how much can the employee spend? Limits should be placed on expenditures as we suggested for Policy DP5264.1 – *Payment or Reimbursement for Meals*.

Policy DP5290.1 – Superintendent and Executive Staff Vacation Policy

This policy needs further clarification. It is unclear what the time-limit is for the allowable carry-over of vacation time. The school committee may also want to address compensation for unused vacation time at the end of each year that results from an allowable carry-over from a prior year.

Additional Comments

Our March 2005 report identified contractual payments made to the former superintendent for items such as life insurance. The superintendent never purchased this insurance. The committee should develop a policy or mechanism by which contractual payments made to central office staff for specific purposes can be verified. For example, in the case of insurance payments the district should be billed directly by an insurance provider or the employee should submit for reimbursement of payments and provide the necessary proof of purchase.

Thank you for your cooperation. If you have any questions or concerns please do not hesitate to contact me.

Sincerely,

Neil Cohen  
Deputy Inspector General