

SECTION D

Fiscal Management

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FISCAL MANAGEMENT GOALS

The Board recognizes that money and money management compose the foundational support of the whole school program. To make that support as effective as possible, the Board intends:

1. To encourage advance planning through the best possible budget procedures.
2. To explore all practical sources of revenue.
3. To guide the expenditure of funds so as to extract the greatest educational returns.
4. To expect top-quality accounting and reporting procedures.
5. To maintain a level of expenditure needed to provide a high quality education without imposing an excessive tax burden on the community.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

ANNUAL BUDGET

Under law, the district is required to adopt an annual budget setting forth revenues and expenditures. This annual school budget is the financial outline of the district's educational plan. It is also the legal basis for the establishment of tax levies to support public education within the district.

Public school budgeting is also regulated and controlled by legislation, state regulations and local Board requirements. The annual operating budget for the schools will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The school district budget will be prepared by the superintendent, with the assistance of the business manager, and presented to the Board for review. The superintendent will establish a time line for the preparation of the budget.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

FISCAL YEAR

The fiscal year for all school funds will be July 1 through June 30. Financial reports for all funds will be presented for Board approval at the July meeting.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

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BUDGET DEADLINES AND SCHEDULES

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and Board policy.

The following will serve as a guideline in the scheduling of the budget.

January		Budget preparation begins.
March		Annual audit is requested.
May		The proposed budget for the next fiscal year will be considered at the regular board meeting.
July 15		Deadline for publishing proposed budget and notice of hearing in the official newspaper.
July 31		Deadline for budget hearing.
September 30		Deadline for board approval of budget for the anticipated obligations of each fund (except Trust and Agency) for the fiscal year. By resolution the Board will adopt a levy in dollars or dollars per thousand of taxable valuation sufficient to meet the school budget for each fund.
September 30		Deadline for reporting to the county auditor the levy in dollars or dollars per thousand of taxable valuation adopted by the Board, on the forms prescribed by the county auditor.

In accordance with law, any changes in the proposed budget incorporated into the final budget, will be published in the minutes within thirty days after the final adoption of the budget.

(ADOPTION DATE: April 12, 1982)
 (REVISION DATE: January 22, 1996)
 (REVISION DATE: September 8, 1997)
 (REVISION DATE: April 13, 2004)
 (REVIEWED DATE: November 26, 2007)

BUDGET PLANNING

Budget planning for the district will be an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the school system. Budget planning will be a year-round process involving broad participation by administrators, supervisors, teachers, other personnel throughout the school system, citizens and citizen groups.

The superintendent, in cooperation with the business manager, will have overall responsibility for budget preparation, including the construction of and adherence to a budget calendar. Principals will develop and submit requests for their particular schools after seeking the advice and suggestions of staff members.

The budget request will reflect the principal's judgment as to the allocations for fairness and for their consistency with educational priorities of the school system.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEW DATE: November 26, 2007)

BUDGET ADOPTION PROCEDURES

Adoption of the budget is solely the responsibility of the Board. The Board will adopt the budget following the public hearing for the proposed budget. The proposed budget will be published in the official newspaper at the time notice of the budget hearing is given.

If, as a result of the public hearing, it should be determined that certain changes in the budget are necessary, these changes will be made before the budget is adopted.

Following the adoption of the budget by the Board, the tax levy in dollars will be reported to the county auditor on the appropriate forms.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEW DATE: November 26, 2007)

BUDGET IMPLEMENTATION

The district budget serves as the control to direct and limit expenditures. Overall responsibility for this control rests with the superintendent, who will establish the procedures for budget control and reporting throughout the district.

The superintendent is authorized to spend money called for in the budget classification without further approval of the Board. School Board approval must be secured to expend money in excess of major budget classifications.

(ADOPTION DATE: April 12, 1982)

(REVIEW DATE: April 13, 2004)

(REVIEW DATE: November 26, 2007)

BUDGET TRANSFER AUTHORITY

Transfer of surplus funds among the major classifications of the budget or within a major classification of the budget will be subject to Board approval.

In accordance with law, funds may not be transferred from the capital outlay fund or the special education fund. The school district is restricted from transferring any funds exclusive of federal funds from the general fund to the capital outlay fund.

Contingency funds may be transferred to any budget category, except capital outlay, with Board approval.

All or any part of any school district fund may be loaned to any other district fund for a period not to exceed twenty-four months.

(Adoption date: April 12, 1982)
(Revision date: October 10, 1994)
(Revision date: March 12, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

TAXING AND BORROWING AUTHORITY/LIMITATIONS

TAXING

The district's taxing authority is established by state law. The district and state of South Dakota establishes levies in accordance with SDCL 10-12-42, which may change annually. The governing body of the school district may impose an excess tax levy with an affirmative two thirds vote of the governing body on or before August first of the year prior to the year taxes are payable. This decision can be referred to the people.

For capital outlay funds, the tax levy cannot exceed \$3 per thousand dollars of the taxable valuation of the district, and for special education funds, the tax levy cannot exceed \$1.40 per thousand dollars of taxable valuation.

BORROWING

By law, the Board is permitted to borrow money in anticipation of the collection of taxes for the purpose of securing funds for school operations for the payment of previous loans. The amount of money borrowed cannot exceed the sum of 95 percent of the amount of uncollected taxes levied for the current school fiscal year, plus other uncollected receivables (including state or federal money, not yet received, but owed to the district.)

(Adoption date: April 12, 1982)
(Revision date: January 22, 1996)
(Revision date: September 8, 1997)
(Revision date: March 12, 2001)
(Revision date: April 13, 2004)
(Review date: November 26, 2007)

FUNDING PROPOSALS AND APPLICATIONS

The superintendent will apprise the Board of district eligibility for federal, state and foundation grants. The Board will seek and use all funding that is consistent with the advancement of the educational program of the district and the policies of the Board.

The preparation of these proposals will be supervised by the superintendent and will be coordinated with the budgetary practices and capital improvement programs of the district.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEW DATE: November 26, 2007)

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FUNDING PROPOSALS AND APPLICATIONS

Grants may be initiated by citizens, teachers, individuals, or departments independently of the Administration Offices; all grants must be reviewed and approved, however, by the Superintendent's Office prior to submission to funding agencies. The Administration Office will provide assistance and, where necessary, write grants for any department in the school district.

The superintendent should sign all grant requests for the school district and the Board of Education.

Proposals for grant extensions or continuing grants should be reviewed by the appropriate Administrative Office and signed by the superintendent before submission to funding agencies.

Developers of grant requests should use the following guidelines:

1. Program purpose:
Specific benefits to be derived from the proposal by:
 - a. target population
 - b. school district
2. Needs:
Does the proposal address an unmet need of:
 - a. school district?
 - b. specific population in the school district?
3. General Approach:
How will proposed services to be derived from the proposal be delivered?
 - a. direct services to target population
 - b. research implications
 - c. links with identified goals of the Board of Education
4. Innovative nature:
 - a. links with existing programs
 - b. responds to identified problems
5. Anticipated outcomes:
The proposal should state in specific terms the expected outcome anticipated at the conclusion of the grant period.
6. Resources needed:
The proposal should contain a detailed budget of all financial resources needed to operate the proposed program. If funding is needed from more than one source, specific sources and amount of requested funding are to be detailed. If funding is to be provided from Board of Education funds, prior approval must be obtained from the Superintendent and the Board of Education.

7. Post Grant Funding:
Does the proposal require funding after termination of the requested grant? If so, where will the needed resources come from?

8. Evaluation:
Does the proposal provide for evaluation?

(ADOPTION DATE: December 1, 1983)

(REVIEW DATE: April 13, 2004)

(REVISION DATE: January 15, 2008)

REVENUES FROM TAX SOURCES

In an attempt to provide the best education possible within the financial resources available, the Board will:

1. Request adequate *local* funds for the operation of the school district. The amount of the financial support requested will yield sufficient revenue for the total expenses of the school district.
2. Accept all available *state* funds to which the district is entitled by law or through state regulations.
3. Accept all *federal* funds that are available providing there is a specific need for them and matching funds that are required are available.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: January 22, 1996)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

REVENUES FROM INVESTMENTS

School district funds not in use will be invested in savings accounts, time deposits or in bonds or securities issued and guaranteed by the United States government. Interest earned on such investments will be credited to the respective fund or to the general fund.

In accordance with law, money in any bond redemption fund may be invested in any of the above-mentioned securities, provided the bonds become due and payable before payment date of the bonds.

The Board will approve the investment of all funds, and this approval will be filed and recorded by the business manager.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

REVENUES FROM SCHOOL-OWNED REAL ESTATE

In accordance with state law, the Board may approve the leasing of any of its real estate. Property leased will not interfere with the purposes of the school district. Revenues received from the leasing of such property will be directed into the school district general fund.

(Adoption date: April 12, 1982)
(Revision date: May 14, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

GRANTS FROM PRIVATE SOURCES

Grant proposals for external funds from private sources shall be submitted to the Board of Education for evaluation and approval.

In the event an opportunity arises to submit a grant proposal and there is insufficient time to place it before the Board, the superintendent is authorized to use his/her judgment in approving it for submission.

As soon as practical thereafter, the superintendent shall review the grant proposal with the Board. The Board reserves the right to reject funds associated with any grant which has been approved.

(Adoption date: December 1, 1983)
(Review date: February 12, 2001)
(Review date: April 13, 2004)
(Revision date: January 15, 2008)

DEPOSITORY OF FUNDS

As provided by law, the Board will designate a bank depository or depositories for the funds of the school district. It will be the responsibility of the business manager to deposit the money belonging to the school district in the designated bank depository or depositories.

The county auditor and county treasurer will be notified by the business manager as to the designated depositories. The county treasurer will be responsible for transferring all money received during the prior month on behalf of the school district to the depository by the twentieth of the month.

(Adoption date: April 12, 1982)
(Review date: February 28, 2001)
(Revision date: April 13, 2004)
(Review date: November 26, 2007)

AUTHORIZED SIGNATURES

The business manager will draw and sign all checks or warrants for the payment of verified vouchers approved for payment by the Board. Every check or warrant will be countersigned by the president or vice-president of the Board. The check or warrant will specify the person, firm or corporation to whom paid.

No check or warrant will be drawn by the business manager except for the indebtedness incurred prior to its issue and upon the presentation of an itemized invoice, duly verified. The invoice and verification will be retained by the business manager and placed on file in his office. Signature stamps should be stored in separate locations.

(Adoption date: April 12, 1982)
(Revision date: November 13, 1985)
(Review date: February 12, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

BONDED EMPLOYEES AND OFFICERS

School district business managers must be bonded for a minimum of \$300,000. School personnel authorized to be in charge of trust and agency funds must also be bonded. When several school district personnel need to be bonded, the board will approve a blanket bond minimum of \$300,000.

(ADOPTION DATE: January 22, 1996)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

FISCAL ACCOUNTING AND REPORTING

The business manager will be designated by the board to be responsible for receiving and properly accounting for all funds of the district.

The Uniform Financial Accounting system for South Dakota School Districts will be used to record receipts and disbursements of the district.

The business manager will report all financial information to the state as required. The board will receive monthly financial reports from the business manager that will include a statement of operating receipts and expenditures, and balance on hand in the various funds, a budget position report, and any other financial information that should be brought to the board's attention.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: January 22, 1996)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

TYPES OF FUNDS

School district funds are all moneys received by the school district or schools within the district or as a result of an activity carried on by the district.

All school district funds will be dispensed among the following funds: the general fund, capital outlay fund, special education fund, pension fund, capital projects fund, enterprise fund, trust and agency fund, or bond redemption fund.

Sources for school district funds include: income from school property, school district borrowing through bonds or promissory notes, taxes, funds received from federal, state or other political subdivisions, funds received from individuals or organizations through paid admission, payments for materials, services, gifts or trusts, funds received from fines and penalties, and any other funds received by the school district or schools from any other source.

(Adoption date: April 12, 1982)
(Revision date: December 15, 2000)
(Review date: February 12, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

FINANCIAL REPORTS AND STATEMENTS

It will be the responsibility of the business manager to prepare monthly financial reports for the board's review. Reports will include budget, trust or agency funds, and special accounts.

At the close of the fiscal year, the business manager will report to the county auditor the total indebtedness of the district, the purpose for which issued, the liabilities, assets, resources and expenditures, and the total receipts and disbursements.

(ADOPTION DATE: April 12, 1982)
(REVISION DATE: January 22, 1996)
(REVISION DATE: April 13, 2004)
(REVIEWED DATE: November 26, 2007)

INVENTORIES

The school district shall annually cause an inventory of personal property to be made and placed on file with the business manager by July 10. Personal property with an original value greater than \$1,000 shall be included in the inventory.

General fixed assets are divided into five main classes: land, buildings, improvements other than buildings, equipment and construction work in progress. Fixed assets may be marked by a permanent method of identification. Periodic inventories should be taken by personnel designated by the superintendent. Generally accepted accounting principles require that each school adopt a dollar value indicating which fixed assets should be capitalized.

Capitalization thresholds of capital assets are as follows:

Land	All
Buildings	10,000.00
Building Improvements	10,000.00
Improvements other than Buildings	10,000.00
Machinery and Equipment	5,000.00
Computers	All
Food Service Equipment	5,000.00

(ADOPTION DATE: May 23, 1988)

(REVISION DATE: September 8, 1997)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

AUDITS

For any necessary reason, an audit of the books of any school district may be called at any time by the Board or the electors of the district by petition signed by 20 percent of the resident taxpayers of the district as shown by the assessment roles of the preceding year, or the Auditor General.

Trust and agency funds of the school district must be internally audited annually by a person selected by the Board.

(Adoption date: April 12, 1982)

(Review date: February 12, 2001)

(Revision date: April 13, 2004)

(Reviewed date: November 26, 2007)

PURCHASING

The function of purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended. The Board will abide by the letter and the spirit of all laws and regulations relating to purchases by the school district and the control of its finances and property. All contracts must be approved by the Board in order to be binding on the school district.

Within the framework of applicable laws and regulations, purchases and use of materials and manpower will be made in accordance with good business practices with the primary purpose of serving the instructional program.

The Business Manager will serve as the purchasing agent and will develop and administer the purchasing program for the schools within the legal requirements and the adopted school budget.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the superintendent, with such exceptions as may be made by the latter for emergency purchases and those made with petty cash funds.

(Adoption date: April 12, 1982)
(Revision date: February 12, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

PETTY CASH ACCOUNTS

In accordance with law, the Board may establish petty cash accounts for the schools in the district, not to exceed the amount of \$100 in each account. This account may be used to facilitate refunds and minor purchases of the school district.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After a budget item is exhausted, no expenditures against the item may be made from petty cash.

The Board will authorize the principal in each school to be accountable for the petty cash account. Disbursements from the account will not require Board approval or the signature of the Board president or the business manager.

(Adoption date April 12, 1982)
(Review date: February 12, 2001)
(Revision date April 13, 2004)
(Reviewed date: November 26, 2007)

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INCIDENTAL ACCOUNTS

In accordance with law, the Board may establish an incidental account (i.e. advanced payments) in an amount determined by the Board by setting aside on imprested basis money from the general fund. This fund may be used for advanced payment or for claims requiring immediate payment, not to exceed the amount established by the board.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After the budget item is exhausted, no expenditures against the item may be made from the incidental account. The business manager is accountable for the incidental account.

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All expenditures from this account shall be listed with other bills in the regular school board proceedings.

(Adoption date: May 23, 1988)
(Revision date: February 12, 2001)
(Revision date: April 13, 2004)
(Reviewed date: November 26, 2007)

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BIDDING REQUIREMENTS

In accordance with state bidding laws, contracts must be let for all purchases except in the following cases:

1. For textbooks and text-related workbooks.
2. For an emergency maintenance need that would necessitate the closing of school while it would otherwise be in session or which will endanger the usefulness of remaining school property.

Even in an emergency situation, as far as practicable, the Board will secure at least two competitive quotations and retain them in its files. A meeting will be held finding such an emergency and the minutes reflecting this. At the next meeting of the Board, the minutes will contain a statement of the quotations received, identifying the bidder and the amount of the bid.

3. When purchasing facilities, equipment and supplies from another school district including public auction.
4. Upon the purchase of copyrighted materials that are copyrighted by only one company.
5. For the purchase of utilities (electric power, light, water or gas).
6. For the purchase of perishable food, raw materials used in the construction or manufacture of products for resale, and contracts for asbestos removal in emergency situations.
7. For the purchase of contracts for services provided by individuals or firms for consultants, audits, legal services, architectural services, engineering services, insurance and transportation for students.
8. For the purchase of communication technologies, computer, peripheral equipment and related connectivity.

Bids for materials, supplies or equipment involving a purchase price of \$25,000 or more will be advertised and printed in the official newspaper of the district for at least ten days prior to the opening of bids. The advertisement will state the time and place the bids will be opened and passed upon by the Board. In the notice, the Board will reserve the right to reject any and all bids.

Bids are required on all construction for public improvements (including repairs and alterations) of \$50,000 or more. When the contract is for the construction of a public improvement, the advertisement must state where the plans and specifications may be examined. In specifying or purchasing goods, merchandise, supplies or equipment, the Board will not specify any trademark or copyrighted brand on any product or any patented product, apparatus, device or equipment where proper competition will be prevented unless bidders also are asked for bids or offers upon other articles of like nature, utility and merit, and naming the make or brand to indicate the type or quality specified.

The sealed bids will be publicly opened and read at the time and place stated in the advertisement. Any bid may be withdrawn or modified before the time of opening as specified in the advertisement. Unless all bids presented are rejected, the lowest responsible bid, in all cases must be accepted.

If after advertising for bids no bids are received, the Board may negotiate a contract for the purchase of the materials, supplies or equipment at the most advantageous price. However, such materials, supplies or equipment will meet the specifications of the original advertisement for bids.

When supplies or equipment, or construction or remodeling services are to be purchased, the Board may require a reasonable deposit or bid bond by the bidders and reserves the right to reject any and all bids. The deposit or bonds must be returned to unsuccessful bidders immediately. No more than 30 days will elapse between opening of bids and acceptance of the lowest responsible bidder or rejection of all bids.

When supplies and equipment are received, they will be opened and inspected by the purchasing agent and compared with the written order to see that they were received as ordered and in acceptable condition for payment. If someone other than the purchasing agent receives such supplies or equipment for the school district, this person will be required to sign the voucher for payment to the effect that they were received as ordered. The purchasing agent of the school district will review all vouchers before the Board authorizes payment.

(Adoption date: May 23, 1988)

(Revision date: October 28, 1991)

(Revision date: September 8, 1997)

(Revision date: February 28, 2001)

(Revision date: July 16, 2001)

(Revision date: April 13, 2004)

(Revision date: January 15, 2008)

LOCAL PURCHASING

In accordance with state law, the Board will give preference to products found, produced or manufactured within the State of South Dakota when purchasing materials, products and supplies for the school district.

Contracts may be awarded to out-of-state bidders if the service or products required cannot be provided by an in-state bidder. A resident bidder shall be given preference on a contract against the bid of any bidder from any other state that has bidder preference law. The preference given shall be equal to the preference of the other state. In bids for milk or milk products, the resident bidder shall receive the local bid contract if his bid is equal to or within five percent or less of any other bidder.

(ADOPTION DATE: May 23, 1988)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

PURCHASING PROCEDURES

All materials to be ordered by the school district staff, whether for local or out-of-town orders, must be requisitioned through the superintendent's office for processing by the business office. The business office will maintain a central record system for the purpose of combining orders, avoiding duplications of purchases, taking full advantage of lowered prices for bulk purchasing, to follow up on delayed orders of delivery and to reconcile deliveries of orders before payment is made. This delivery control will be applied to all purchases, regardless of point of delivery.

Principals and department heads will examine carefully all requisitions submitted by teachers, custodians and other employees for supplies, equipment and services. They will be responsible for verifying that items requested are needed before signing the requisition and sending it to the superintendent.

All orders must include the name and address of the supplier as well as the purchase price. If the exact price is unavailable, an estimate of the cost should be given.

If any person orders materials other than through the superintendent's office he/she will be responsible for the payment.

(ADOPTION DATE: April 12, 1982)

(REVIEWED DATE: April 13, 2004)

(REVISION DATE: January 15, 2008)

VENDOR RELATIONS

Representatives of entities doing business with the school district or desiring to do business with the district will have a hearing relative to their products the first time they call. Subsequent visits will be acknowledged and interviews may be granted. Personnel charged with the purchasing function will not be required to put their time at the indiscriminate use of sales personnel. Representatives of sales entities will limit their visits to purchasing personnel, administrative personnel or their designee.

Solicitations

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The schools will not solicit nor accept funds or material from vendors for personal use.

(ADOPTION DATE: April 12, 1982)
(REVISION DATE: December 9, 1996)
(REVIEWED DATE: April 13, 2004)
(REVIEWED DATE: November 26, 2007)

PAYMENT PROCEDURES

All claims for payment from district funds will be processed by the business manager. Payment will be authorized against invoices properly supported by approved purchase orders, against properly submitted vouchers, or accordance with salaries and salary schedules set by the Board. Payment requests are due by 4 p.m. on the Wednesday preceding the first regular Board Meeting of each month.

List of accounts payable, including payroll lists, will be certified by the superintendent and approved by the Board. Each registered warrant will be signed (manually or electronically) by the Board president and the business manager will sign the endorsement statement. Actual invoices, statements and vouchers will be available for Board inspection.

The business manager will assume responsibility for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

The school principals will be responsible for observing budget allocations in their respective schools. Each will also serve as custodian of the activity accounts in his respective school and will be responsible for their proper handling and expenditures.

(ADOPTION DATE: April 12, 1982)
(REVISION DATE: April 13, 2004)
(REVIEWED DATE: November 26, 2007)

PAYDAY SCHEDULES

The School Board has established that all employees will be paid for their services on the twenty-fifth day of each month or the first workday prior if the twenty-fifth falls on a weekend or holiday.

Employees will normally be paid on a 12-month schedule unless a 10-month schedule or a change from existing procedures is requested by the employee in writing by September 1st.

(ADOPTION DATE: April 12, 1982)
(REVISION DATE: December 9, 1996)
(REVIEWED DATE: April 13, 2004)
(REVIEWED DATE: November 26, 2007)

SALARY DEDUCTIONS

Deductions will be made from the paychecks of all employees for federal income tax, retirement in keeping with state requirements, and OASI (Social Security).

In addition, the Board authorizes other deductions from employee salaries, provided the employee has filed the proper permission or payroll withholding.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVISION DATE: January 15, 2008)

EXPENSE REIMBURSEMENTS

Personnel and officials who incur expenses in carrying out their authorized duties will be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the business manager. Reimbursement will be in accordance with Board approved travel allowance, which will comply with the limits established by the State Board of Finance.

Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

When official travel by personally owned vehicles have been authorized, mileage payment will be made at the rate currently approved by the Board, and in accordance with the State Board of Finance.

(ADOPTION DATE: April 12, 1982)

(REVISION DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

EXPENSE REIMBURSEMENTS

School district employees and members of the Board will be reimbursed for certain out-of-pocket costs incurred while traveling out of the district for school related activities.

Only expenses essential to the purpose of the trip will be reimbursed. Expenditures for telephone calls home, entertainment and similar expenses are personal in nature and are not reimbursable.

Receipts will be required for all expenses over \$10.00, other than meals. This includes receipts for airline tickets, motel bills, taxi or other airport transportation and all other expenditures except meals.

The maximum in-state travel allowance for meals and lodging is as follows:

		<u>Leave by</u>	<u>Return by</u>
Breakfast	\$5.00	5:31 AM	7:59 AM
Lunch	\$9.00	11:31 AM	12:59 PM
Dinner	\$12.00	5:31 PM	7:59 AM
Lodging	Actual		

The maximum out-of-state travel allowance for meals and lodging is as follows:

Breakfast	\$8.00
Lunch	\$11.00
Dinner	\$17.00
Lodging	Actual

Mileage allowance when traveling by private automobile will be \$.40 per mile. Exceptions to the \$.40 mileage allowance are Board of Education members and mileage in lieu of bus transportation. Mileage for those exceptions is the state rate of \$.37 per mile.

Airplane allowance will be Actual.

(ADOPTED: October 10, 1994)
(REVISED: October 25, 1999)
(REVISED: April 13, 2004)
(REVISED: November 9, 2004)
(REVISED: September 11, 2006)
(REVISED: January 15, 2008)

CASH IN SCHOOL BUILDINGS

Money collected by school district employees and by student treasurers' will be handled with good and prudent business procedures both to demonstrate the ability of school system employees to operate in that fashion, and to teach such procedures to the students.

All money collected will be receipted, accounted for and deposited properly.

The amount of money retained overnight in schools will be limited to that need for day-to-day operation. All depositories used by the school district will provide for making bank deposits after regular banking hours in order to avoid leaving large sums of money in the building overnight.

Cafeteria receipts, other than moneys needed for daily operations, will be deposited daily.

(ADOPTION DATE: April 12, 1982)

(REVIEWED DATE: April 13, 2004)

(REVIEWED DATE: November 26, 2007)

SCHOOL PROPERTIES DISPOSAL PROCEDURE

The Board may sell property of the school district that it considers no longer necessary, useful or suitable for school purposes. All property sold must be appraised by three real property owners of the school district. The governing board may employ a person or persons licensed by the state to do fee appraisals in lieu of property owners.

Property appraised for less than \$500 may be sold without advertising for bids. Property, including property created as a result of an education program, appraised for more than \$500 will be advertised for sale in the official newspaper for two consecutive weeks, the first publication may not be less than 10 days before the sale. The notice of sale will describe the property to be sold and the time when bids will be opened by the Board. Sealed bids will be filed with the business manager and opened at the Board meeting as specified in the notice.

The Board will sell the property to the highest bidder. However, the Board may reject any or all bids.

In lieu of the acceptance of bids, school property may be sold at public auction. The auction will be advertised by posting notices and newspaper advertising as described above. Property sold at public auction need not be appraised but the Board should establish a minimum price.

Any school district library may discard over-duplicated, outdated, inappropriate, or worn library materials in accordance with state laws. Such discarded materials may be given to other librarians or to nonprofit agencies, destroyed, offered for public sale or traded to a vendor for future library purchasing credits.

By law, the district may also exchange or transfer property to city, town or county within or partly within its boundaries. The terms and conditions of this exchange or transfer will be determined by the Board and the governing board of the respective jurisdiction.

(ADOPTION DATE: April 12, 1982)
(REVISION DATE: October 28, 1991)
(REVISION DATE: September 8, 1997)
(REVISION DATE: April 13, 2004)
(REVIEWED DATE: November 26, 2007)

FRAUD POLICY

The Board expects all Board members, district employees, and other parties that maintain a relationship with the school district and where there is direct school district oversight over the financial matters of that entity, to act with integrity, due diligence, and in accordance with law in their duties involving the district's resources. The board is entrusted with public funds, and no one with the district shall do anything to erode that trust.

Fraud, financial improprieties, or irregularities include but are not limited to:

- A. Forgery or unauthorized alteration of any document or account belonging to the district.
- B. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- C. Misappropriation of funds, securities, supplies, or other assets.
- D. Impropriety in handling money or reporting financial transactions.
- E. Profiteering because of insider information of district information or activities.
- F. Disclosure of confidential and/or proprietary information to outside parties.
- G. Acceptance or seeking of anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.
- H. Destruction, removal, or inappropriate use of district records, furniture, fixtures, or equipment.
- I. Failure to provide financial records to authorized state or local entities.
- J. Failure to cooperate fully with any financial auditors, investigators or law enforcement.
- K. Other dishonest or fraudulent act involving district monies or resources.

District Officials' Responsibilities:

- A. The Business Manager or designee shall be responsible to develop and implement internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the district, subject to review and approval by the Board.
- B. The Business Manager shall be responsible for maintaining a sound system of internal controls designed to identify potential risks, evaluate the nature and extent of those risks, and manage them effectively.
- C. District administrators are responsible to be alert to any indication of fraud, financial impropriety, or irregularity within their area of responsibility.
- D. The Superintendent shall recommend to the Board for its approval completion of a forensic audit when it is deemed necessary and beneficial to the district.
- E. The Superintendent shall ensure the appropriate authorities are notified, pursuant to state law, when cases of fraud, embezzlement or theft have been identified.

Reporting

An employee who suspects fraud, impropriety, or irregularity shall immediately report his/her suspicions to the Superintendent.

If the report involves the Superintendent, the employee shall report his/her suspicions to the Board President.

Employees who bring forth a legitimate concern or suspicion about a potential impropriety shall not be retaliated against. Those who do retaliate against such an employee shall be subject to disciplinary action.

Investigation

The Superintendent shall have primary responsibility for conducting necessary investigations of reported fraudulent activity.

Based on his/her judgment, the Superintendent shall coordinate investigative efforts with the district solicitor, district auditor, insurance agent, internal departments, external agencies, and law enforcement officials.

If the Superintendent is involved in the complaint, the Board President is authorized to initiate investigation of the complaint and coordinate the investigative efforts with individuals and agencies he/she deems appropriate.

Records shall be maintained for use in an investigation.

Individuals found to have altered or destroyed records shall be subject to disciplinary action.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent shall present a report to the Board and appropriate personnel.

The Board shall determine the final disposition of the matter, if a criminal complaint will be filed, and if the matter will be referred to the appropriate law enforcement and/or regulatory agency for independent investigation.

Confidentiality

The Superintendent shall investigate reports or fraudulent activity in a manner that protects the confidentiality of the individuals and facts.

All employees involved in the investigation are required to maintain confidentiality regarding all information about the matter during the investigation.

Results of an investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know, until the results are made public.

Prevention

In order to prevent fraud, the Board directs that a system of internal controls be followed that included but are not limited to the following:

- A. Segregation of Duties: Where possible, more than one (1) person will be involved in pieces of financial transactions. No one (1) person shall be responsible for an entire financial transaction.
- B. Payments: Payments shall be made only by checks. No cash transactions shall be permitted. Check signers shall be approved annually by the Board and will consist of persons not involved in the transaction. All major account checks shall have at least two (2) signatures. (This includes all accounts except Trust & Agency and Wage Deduction accounts). When electronic signatures are used, a person other than the one responsible for the transaction shall enter security login information.
- C. Bank Reconciliations: When possible, bank statements and cancelled checks shall be reconciled by individuals who are not authorized to sign checks, nor involved in check processing. Otherwise, all bank reconciliations shall be prepared by one Business Office Employee and checked/verified by another Business Office employee.
- D. Access to Checks: Physical and electronic access to school district checks and accounts shall be limited to those employees with designated business functions.
- E. Capital Assets: The business office shall maintain updated lists of district capital assets.
- F. Training: Administration shall be responsible for ensuring that employees under their supervision receive training regarding fraud prevention.

(ADOPTION DATE: May 27, 2008)