

## POLICY REFERENCE MANUAL

### Section 700

**All Section 700 Policies approved 2/11/15**

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## FISCAL MANAGEMENT GOALS AND OBJECTIVES

The school board recognizes that money and money management comprise 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 and legal sources of financial income.
3. To guide the expenditure of funds so as to achieve the greatest educational returns.
4. To require maximum efficiency in accounting and reporting procedures.
5. To maintain a level of per pupil expenditure needed to provide high quality education.

As trustee of community, state, and federal funds allocated for use in local education, the school board has the responsibility to protect the funds and use them wisely.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## FISCAL YEAR

The fiscal year is defined as beginning annually on September 1 and ending on August 31 inclusive.

Annual financial records shall refer to records based on the fiscal year.

Legal Reference:               Neb. Statute 79-1091

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## BUDGET PLANNING, PREPARATION AND SCHEDULES

Prior to certification of the budget, the board will review the projected revenues and expenditures for the school district and make adjustments where necessary to carry out the education program within the revenues projected.

A budget for the school district shall be prepared annually for the board's review. The budget shall include the following:

- the amount of revenues from sources other than taxation;
- the amount of revenues to be raised by taxation;
- an itemization of the amount to be spent in each fund; and,
- a comparison of the amount spent and revenue received in each fund for like purposes in the immediately preceding fiscal year.

It shall be the responsibility of the superintendent to prepare the budget for review by the board and place it on file with the district prior to publication of the budget hearing notice.

The board shall adopt and certify a budget for the operation of the school district to the county clerk by September 20. It shall be the responsibility of the superintendent to file the adopted and certified budget with the county clerk and other proper authorities.

The board may amend the budget for the fiscal year in the event of unforeseen circumstances to correct a clerical, mathematical or accounting error. The board shall follow the procedures for public review and adoption of an amended or corrected budget as outlined by statute.

The board will review the financial condition of the district monthly, and shall require a monthly reconciliation statement. This statement will show the amount expended during the month, total (to date) for the fiscal year, receipts and remaining balances in each fund. This statement will be used as a guide for projected purchasing and as a guide for budget transfers.

During the budget year, the superintendent may transfer any unencumbered balance or portion thereof from the expenditure authorization of one (1) account to another, subject to limitations provided by state laws and approval by the Board.

Legal Reference:     Neb. Statute 13-501 et seq.  
                              79-1083 et seq.

Cross Reference:    204.03 Public Hearings  
                          704    Accounting System  
                          705    Revenue  
                          706    Expenditures

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## BUDGET ADOPTION PROCESS

Members of the school district community shall have an opportunity to review and comment on the proposed budget at a public hearing before the adoption of the proposed budget by the board. The public shall be apprised of the proposed budget for the school district by its publication in the newspaper of record at least 5 days prior to the hearing.

The hearing notice shall contain the following information:

the certified taxable valuation under section 13-509 for the prior year, the certified taxable valuation under section 13-509 for the current year, and the percentage increase or decrease in such valuations from the prior year to the current year; the dollar amount of the prior year's tax request and the property tax rate that was necessary to fund that tax request; the property tax rate that would be necessary to fund last year's tax request if applied to the current year's valuation; the proposed dollar amount of the tax request for the current year and the property tax rate that will be necessary to fund that tax request; the percentage increase or decrease in the property tax rate from the prior year to the current year; and the percentage increase or decrease in the total operating budget from the prior year to the current year.

The board's budget resolution setting its property tax request shall include the following information:

1. The name of the district;
2. The amount of the property tax request;
3. The following statements:
  - i. The total assessed value of property differs from last year's total assessed value by \_\_\_\_ percent;
  - ii. The tax rate which would levy the same amount of property taxes as last year, when multiplied by the new total assessed value of property, would be \$ \_\_\_\_ per \$100 of assessed value;
  - iii. The district proposes to adopt a property tax request that will cause its tax rate to be \$ \_\_\_\_ per \$100 of assessed value; and
  - iv. Based on the proposed property tax request and changes in other revenue, the total operating budget of the district will exceed last year's by \_\_\_\_ percent; and
4. The record vote of the board in passing such resolution or ordinance.

After the public hearing on the budget and any modifications of the budget deemed necessary as a result of that hearing, the board will approve the proper resolutions to adopt and appropriate the budget.

The superintendent will ensure all necessary documentation is submitted to the county auditor as required by statute.

Legal Reference: Neb. Statute 13-506

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## MANAGEMENT OF CAPITAL RESERVES

Capital reserve funds are to be managed in the best interests of the district. All capital reserve accounts shall be initiated by a resolution of the board. The superintendent will report to the board on a regular basis regarding rates of return and make recommendations as needed to best utilize the district's reserves. The sum of all reserves including contingency funds, depreciation funds and cash reserves may not exceed the percentage of the general fund budget as shown below:

<u>Average district daily membership</u>	<u>Allowable reserve percentage</u>
0 - 471	45
471.01 - 3,044	35
3,044.01 - 10,000	25
10,000.01 and over	20

Legal Reference: Neb. Statute 79-1027

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## DEPOSITS AND TRANSFERS

The board shall designate by resolution the name and location of the Nebraska located financial depository institution or institutions to serve as the official school district depository or depositories.

It shall be the responsibility of the board secretary to include the resolution in the minutes of the meeting.

When the necessity for a fund has ceased to exist, the balance may be transferred to another fund or account by board resolution. School district monies received without a designated purpose may be transferred in this manner. School district monies received for a specific purpose or upon vote of the people may only be transferred by board resolution when the purpose for which the monies were received has been completed.

It shall be the responsibility of the superintendent to make recommendations to the board regarding transfers and to provide the information justifying the transfer.

Cross Reference:     203.01 Board Organizational Meeting  
                             203.05 Treasurer  
                             705.01 Local, State, Federal or Miscellaneous Revenue

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## FINANCIAL RECORDS

The board shall receive monthly financial statements showing the financial condition of the school district as of the last day of the preceding month. Such statement will reflect the cash position of the respective accounts. Other financial records as may be determined necessary by either the board or the administration shall be presented periodically.

Financial records of the school district shall be maintained in accordance with generally accepted accounting principles (GAAP) as required or modified by law. School district monies shall be received and expended from the appropriate fund and/or account. The board, by board resolution, shall establish the following funds as needed:

- General Fund
- Depreciation Fund
- Employee Benefit Fund
- Contingency Fund
- Activities Fund
- Student Fee Fund
- School Lunch Fund
- Bond Fund
- Special Building Fund
- Qualified Capital Purchase Undertaking Fund
- Cooperative Fund

The resolution establishing such funds shall state the type of fund, name of the fund and purpose of the fund.

## Governmental Accounting Standards Board (GASB) #54 Requirements

At the end of the fiscal year, the School District will report the following:

- A. Restricted Fund Balances for amounts that have applicable legal restrictions. As per Nebraska State Statute, the fund balances of the Depreciation Fund, Employee Benefit Fund, Student Fee Fund and the Special Building Fund are restricted by purpose and will be reported as Restricted Fund Balances.
  1. Fund Balance: The difference between assets and liabilities in governmental funds (i.e. general fund special revenue funds, capital project funds, debt service funds).
  2. Restricted Fund Balance: Includes the portion of the fund balance that reflects constraints on spending because of legal restrictions stipulated by outside parties, constitutional provisions, and enabling legislation including any legal restrictions based on state statutes or grant requirements placed on the use for specific purposed

- B. Lunch Fund Balance as Committed Fund Balance. The Lunch Fund Balance is constrained by the creation of the fund, and also constrained by purpose through approving a yearly budget for the Lunch Fund.
1. Committed Fund Balance: Includes the portion of the fund balance that reflects constraints that the School District imposed upon itself by a formal action of the School Board. This constraint must be imposed prior to year end but the amount can be determined at a later date.
- C. Any fund balance whose intent has been designated by the Superintendent as Assigned Fund Balance.
1. Assigned Fund Balance: The portion of the fund balance that reflects funds intended to be used by the School District for specific purposes. The authority to assign fund balance is delegated to the Superintendent.
- D. Any General Fund Balance that has not been assigned to other fund balance classifications as Unassigned Fund Balance.
1. Unassigned Fund Balance: The residual classification for the School District's General Fund and includes all remaining amounts not contained in the other classifications and, therefore, is not subject to any constraints. Unassigned amounts are available for any purpose.

Legal Reference: NDE Rule 2

Cross Reference: 705 Revenue  
706 Expenditures

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## INVENTORIES

The district will maintain a complete property inventory which lists all district-owned property such as land, buildings, improvements to property other than buildings (i.e., parking lots, athletic fields, playgrounds, etc.) and equipment. The inventory shall also include all district supplies with a value greater than \$50. The district's inventory will be updated annually to include property newly purchased or disposed.

Current records shall be maintained for the receipt, distribution/disposal and inventory of commodity foods as required by federal law.

The Board may authorize the employment of an appraisal company to assist with the inventory procedure.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## AUDITS

An auditing firm shall be retained at the close of each fiscal year for the purpose of auditing and making necessary reports to the board and the Nebraska Department of Education (NDE). The superintendent shall arrange with the firm for an audit examination of all financial, transportation, food service and attendance records of the district, in accordance with state law. Confidential and privileged communications between the district and its auditor, including all auditor work products, are hereby closed to the extent permitted by statute.

The audit examination shall be made in accordance with generally accepted auditing standards, to include such reviews and tests of the accounting system, books and records, and other underlying data as are necessary to come to an informed opinion as to the financial affairs of the district. The audit report shall include the requirements as enumerated in statute.

Each member of the board shall receive a copy of the audit report, and copies shall be furnished to the Commissioner of Education and the Auditor of Public Accounts no later than November 5. A copy of the auditor's letter to management, resulting from the audit, and the district's responses to that letter shall be filed with the Commissioner of Education no later than January 31. The superintendent/auditor shall be responsible for filing copies of the audit with the proper authorities.

Legal Reference:     Neb. Statute 79-1089  
                             NDE Rule 1

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## **NOTICE**

### **PREVENTION OF IMPROPER USE OF TAXPAYER FUNDS**

This notice is posted in compliance with the Every Student Succeeds Act:

To report fraud, waste, abuse, misuse or mismanagement of taxpayer funds,  
please contact the Office of Inspector General of the Department of  
Education.

Phone: 1-800-MIS-USED

## SETTLEMENT OF CLAIMS

The district shall maintain a public record of all settled claims. The record of claims settled in the amount of at least fifty thousand dollars, or one percent of the total annual district budget, whichever is less, shall include a written executed settlement agreement. The agreement shall contain a brief description of the claim, the party or parties released under the settlement, and the amount of any financial compensation paid by or to the district on its behalf.

Specific portions of the claim may be withheld from the public record only as provided by state statute. Upon settlement, the agreement shall be included as a board agenda item at the next regularly scheduled board meeting. This policy does not require the board or district employees to comment on the settlement agreement.

This policy does not apply to claims made in connection with insured or self-insured health insurance contracts or property loss due to natural occurrence.

Legal Reference:               Neb. Statute 84-712  
                                      LB742

Cross Reference:             706 Expenditures

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## Local

Whenever it becomes necessary, in the judgment of the Board, to increase the tax rate beyond the authorized level (the amount last approved by the voters of the district or as subsequently revised according to law), the Board shall determine the rate of taxation necessary to be levied in excess of the existing rate and submit the proposition to the voters of the district.

## State

## Federal

Legal reference: Neb. statute 79-1084  
77-3444

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## USAGE FEES, ADMISSIONS AND ROYALTIES

The board may permit the use of district facilities for civic and recreational purposes. A schedule of fees to be charged nonschool related groups for the use of school facilities for various events may be established and periodically reviewed by the board. This revenue shall be used for the purpose of furthering the educational opportunity of the district's students. All such transactions will be carried out in accordance with state law.

Although the board will avoid lease arrangements that involve it in property management activities, temporary use of surplus real property by another public agency, private individual, or other legal entity may be authorized by the board.

Such use will be for a fixed term and subject to regulations and written agreement designed to protect the school district from any expense, loss, or liability arising out of such use. These lease arrangements will be based on a sealed bid for no more than a three-year period, with the district retaining the right to redeem the property for school purposes, if necessary.

When an application for use of a particular school facility has been approved, responsibility for maintaining records and for collecting and remitting and/or disbursing fees will rest with the principal of the specific school involved. The principal will collect all fees from the user at the time the approved application is filed, and will make necessary arrangements for custodial services required.

Rental fees and any fees collected for use of school facilities will be deposited in the district's general fund unless otherwise specified by the board.

School Facilities may NOT be used for funerals...though may be used for other related activities by patrons with approval of administration.

Cross Reference:      710      Disposition of School Property  
                         1006.01 Community Use of School District Buildings,  
                                           Sites and Equipment

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## FREE ADMISSIONS PASSES

The following persons will be issued free guest passes for all school activities, including athletic events that are not Conference or State sponsored.

1. All full time district employees and spouses and current board members and spouses;
2. Resident senior citizens (65 years of age or older);
3. Volunteers (doctors, fire department, police department);
4. Unpaid officials who perform frequently at athletic events (scorekeepers, public address personnel, photographers);
5. Other city officials.

In addition, ALL Conference and Nebraska Schools Activities Association (NSAA) passes will be honored.

Children under age six, accompanied by an adult, may be admitted free.

Any employee who has completed 20 years of service to the district will be recognized with a life-time pass to all school activities. A life-time pass will also be given to school board members who have served at least two terms in office. The Board may also grant a life-time pass to any person who has made a significant contribution to the school district.

It is the practice of the school district to grant residents 65 years of age and older a life-time pass to events that are not conference or state sponsored, upon request at the administration office.

Legal Reference:                      Neb. Statute 79-518

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## GIFTS, GRANTS AND BEQUESTS

The board believes gifts, grants, and bequests to the school district may be accepted when they will further the interests of the school district. The board shall have sole authority to determine whether the gift furthers the interests of the school district.

Gifts, grants, and bequests shall be approved by the board. Once it has been approved by the board, a board member or the superintendent may accept the gift on behalf of the school district.

Due to the investment of time and resources needed for the application process, the superintendent must provide approval prior to submitting application for any grants. The superintendent will consider whether the requirements and goals of the grant are in keeping with the educational plans and goals of the district, and whether acceptance of the grants will cause undue burdens on the district.

Gifts, grants, and bequests once accepted on behalf of the school district shall become the property of the school district. Gifts, grants, and bequests shall be administered in accordance with terms, if any, agreed to by the board.

Cross Reference:     403.04 Gifts to Employees  
                             509.01 Class or Student Group Gifts

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## PURCHASING PROCEDURES

The Board recognizes the importance of a sound fiscal management program and expects the district to maintain an efficient and consistent procedure in purchasing materials and services for the school district.

All purchasing for the district will adhere to an approved purchase process that clearly establishes the contractual arrangement between the supplier and the school district.

Requests for equipment, materials, books, supplies, reimbursement claims and subsidiary accounts shall be made through the principal to the superintendent. No payment of a bill will be made without proper purchase documentation. The board may enter into multi-year contracts for periods not to exceed seven years, for the provision of utility services, refuse disposal, transportation services, maintenance services, financial services, insurance, security services, and instructional materials, supplies, and equipment.

The superintendent shall have the authority to authorize purchases costing under \$\_\_\_\_\_ without prior board approval. When it is reasonable and practical to do so, the superintendent will request competitive bids for goods and services to ensure the best use of the district's financial resources. Competitive sealed bids are required in many instances for construction, remodeling or repair of school-owned buildings or site improvements that cost \$40,000 or more.

When obtaining competitive bids, the purchase will be made from the lowest responsible bidder based upon total cost considerations including, but not limited to, the cost of the goods and services being purchased, availability of service and/or repair, delivery date, the targeted small business procurement goal and other factors deemed relevant by the board.

The district will follow NDE guidelines and applicable state statutes for any purchases made through the Nebraska Department of Administrative Services.

Legal Reference:     Neb. Statute 73-106  
                              Neb. Statute 79-515  
                              Neb. Statute 79-10,104

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## PETTY CASH

A petty cash voucher is required for each disbursement from a petty cash fund including refunds. Each voucher should have documentation attached in the form of receipts and invoices.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## BIDDING PROCEDURES

The purchasing procedure of the school district shall not only ensure the best possible price for goods and services, but shall also operate efficiently and economically. The construction of facilities which may exceed an expenditure of \$100,000, and an amount as periodically adjusted by state statute, shall be advertised and submitted for bid in the manner required by law. This limit does not apply to the acquisition of existing buildings, purchase of new sites or site expansions by the district. Other purchases or contractual services may be advertised and submitted for bid as directed by the Board or when, in the opinion of the superintendent, the welfare of the district will be served. All bids must be submitted in sealed envelopes, addressed to the Board and plainly marked with the name of the bid and the time of the bid opening. Bids shall be opened and examined publicly.

The Board reserves the right to reject any or all bids or any part of any bid and accept that bid which appears to be in the best interest of the school district. The Board reserves the right to waive any informalities in any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered.

Legal Reference:     Neb. Statute 73-106  
                             Neb. Statute 79-10,104

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised 9-9-15

## VENDOR RELATIONS

The district welcomes business and bids from all eligible vendors. Preferential treatment will not be extended to any vendor. Orders will be placed on the basis of quality, price and delivery, with past services being a factor if other considerations are equal.

Salesmen or agents may not solicit staff members during hours when students are present. *[Building principals; \_\_\_\_\_]* may allow sales representatives or agents of educational products to contact staff members at times that will not interfere with the educational program.

No district employee will receive direct compensation of any kind from any vendor in return for the sale of supplies or services. This does not exclude minor gratuities commonly provided by a business to all of its customers.

Cross Reference: 403.04 Gifts to Employees

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## PURCHASING ON BEHALF OF EMPLOYEES

Generally, the school district shall not purchase items on behalf of employees. The school district may in special circumstances do so. It shall be within the discretion of the board to determine when such circumstances exist.

No purchase shall be made unless the employee has paid the school district prior to the order being placed and the employee has agreed to be responsible for any taxes or other expenses due.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## PAYMENT FOR GOODS AND SERVICES

The board will give final approval to all payments of bills. Payment of bills shall be submitted by the superintendent for the board's approval only after verification of delivery and satisfaction by the department or staff receiving the item(s). No payment for goods or services shall be made unless both an itemized invoice showing the name of the person or firm to whom payment is due is presented, and a receiving document bearing the signature of an authorized school employee is on file. Furthermore, the invoice must have been issued in response to an approved purchase order. The superintendent or his designee shall audit all claims, and shall submit the same to the Board of Education for approval and authorization for payment.

School district moneys shall be disbursed only upon final board approval of the monthly list of bills. Each district check shall show the legal identification of the district by name and address, and the depository or investment account upon which the check is drawn. It shall also specify the amount to be paid and to whom payment is made, from what funds, for what purpose, the date of payment and the number of the check.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## PAYROLL PROCEDURES

The payroll period for the school district shall be monthly. Employees shall be paid prior to the 15<sup>th</sup> day of each month. If this day is a holiday, recess, or weekend, the payroll shall be paid on the last working day prior to the holiday, recess or weekend.

It shall be the responsibility of the superintendent to issue payroll to employees in compliance with this policy.

The requirements stated in the Negotiated Contract between employees in a certified collective bargaining unit and the board regarding payroll periods of such employees shall be followed.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## SALARY DEDUCTIONS

Ease of administration shall be the primary consideration for payroll deductions, other than those required by law. Payroll deductions shall be made for federal income tax withholdings, state income tax withholdings, social security, and the School Retirement Fund.

Employees may elect to have payments withheld for professional dues, district-related and mutually agreed upon group insurance coverage, and/or tax sheltered annuity programs. Requests for these deductions shall be made in writing to the superintendent. Requests for purchase or change of tax-sheltered annuities may be made Monthly.

It shall be the responsibility of the superintendent to determine which additional payroll deductions will be allowed.

The requirements stated in the Negotiated Contract between employees in a certified collective bargaining unit and the board regarding payroll deductions of such employees shall be followed.

Legal Reference:      Neb. Statute 79-901 et seq.

Cross Reference:      407.06 Certificated Employee Tax Shelter Programs  
                             413.05 Support Staff Tax Shelter Programs

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## EXPENSE AUTHORIZATION AND REIMBURSEMENT

District employees who incur expenses in carrying out their authorized duties will be reimbursed upon submission of a properly completed and approved voucher and receipts as required by the business office.

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

Expenses for travel will be reimbursed when the travel has the advance authorization of the superintendent. The superintendent may grant authorization without prior board action when the travel expense has been anticipated and incorporated into the operational budget of the program involved. The board will later ratify such approval.

Persons who travel at district expense will exercise the same economy as a prudent person traveling on personal business and will differentiate between business expenditures and those for personal convenience.

The board authorizes the superintendent to establish regulations controlling vehicle allowance payments to employees for use of private vehicles in transaction of school district business at the state rate and reimbursement for educational meetings transportation and lodging costs.

Reimbursement for out-of-state travel by private vehicle will be made on the basis of air fare or mileage rate, whichever is lower.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## INSURANCE PROGRAM

The district administrators will work with providers of the district's health insurance program to obtain accurate and detailed information describing employee insurance benefits and the procedures governing those benefits. This may include the scheduling of an annual review by representatives of the insurance provider to explain changes to the benefits program.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_



## CASH IN SCHOOL BUILDINGS

The amount of cash that may be kept in the school building for the purpose of making change shall be sufficient for that day's operations.

A minimal amount of cash shall be kept in the central administration office at the close of the day. Excess cash shall be deposited in the authorized depository of the school district. Funds raised by students shall be kept in the main office until completion of the project or regular deposits can be made.

It shall be the responsibility of the superintendent to determine the amount of cash necessary for each day's operations and to comply with this policy.

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## LEASE, SALE OR DISPOSAL OF SCHOOL DISTRICT PROPERTY

Decisions regarding the lease, sale, or disposal of school district property shall be made by a two-thirds vote of the board in consultation with the Superintendent. In making its decision the board will consider the needs of the education program and the efficient use of public funds.

Disposition of district property may occur by any method chosen by the board such as auction, private or public sale, trade, or bid process with care to provide financial accountability for the district's resources. Such dispositions shall be publicized by newspaper advertisement, website or newsletter announcement, posting on bulletin boards or other means of notifying district residents. Real estate shall be sold by a formal bid process.

If public sales fail to produce any interested buyers or bidders, remaining unsold materials may then, at the superintendent's discretion, be disposed of as scrap or junk or be donated to appropriate charitable or educational agencies. Discarded items shall not be claimed by employees except by prior approval of the administration.

If needed, one or more qualified individuals may be employed to prepare an appraisal of the property.

In the case of the razing of a school district facility the board will advertise and take bids for the purpose of awarding the contract for the project.

The superintendent shall be responsible for coordinating the action necessary for the board to accomplish the lease, sale, or disposal of school district property. It shall also be the responsibility of the superintendent to make a recommendation to the board regarding the use of school district real property not being utilized for the education program.

Cross Reference:     705     Revenue  
                             706.01 Bidding Procedures

Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_

## FISCAL MANAGEMENT INTERNAL CONTROLS

The District will develop the necessary procedures to comply with the following fiscal management internal controls relating to oversight of all federal and state grant programs.

Equipment Management Requirements: The District will manage equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until the District disposes of that equipment, to meet the following requirements of 2 CFR 200.313 and 2 CFR 200.33:

- 1) Maintain property records procedure and policies (include description, serial number or other identification number, source of funding, acquisition date, etc.);
- 2) Develop and maintain a physical inventory procedure to occur a minimum of every 2 years;
- 3) A Control System procedure to ensure adequate safeguards are in place;
- 4) Develop and implement adequate maintenance procedures for such equipment;
- 5) Develop and implement sales procedures for such equipment; and
- 6) Develop and implement disposition procedures for such equipment.

Procurement: The District will use its own documented procurement procedures which reflect applicable State, local, and tribal laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified below from 2 CFR 200.320;

- 1) A procedure for micro-purchases (Under 10,000);
- 2) A procedure for small purchases (10,000 to 250,000);
- 3) A procedure for sealed bids (using Lowest Bidder for over 250,000);
- 4) A procedure for competitive proposals (including showing why not sealed bids were not used for over 250,000); and
- 5) A procedure for noncompetitive bids (when sole sourced, must prove only source).

Record Retention: Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a sub-recipient in accordance with 2 CFR 200.333. Other records will be retained for a period of time as required by law.

Suspension and Debarment: The District may not subcontract with or award subgrants in any Federal assistance program to any person or company who is debarred or suspended and is required to check for excluded parties at the System for Award Management, SAM (formerly the Excluded Parties List System, EPLS) website before any procurement



Approved \_\_\_\_\_ Reviewed \_\_\_\_\_ Revised \_\_\_\_\_  
transaction in accordance with 2 CFR 200.213 and Policy 706.07 Suspension and  
Debarment.

Financial Management: The District must develop and maintain financial management systems to account for federal funds, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. Such records must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award in accordance with 2 CFR 200.302. See also §200.450 Lobbying.

The financial management system of each non-Federal entity must provide for the following;

- 1) A procedures for Identification of all Federal awards received and expended and the Federal programs under which they were received;
- 2) A procedure for accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with reporting requirements
- 3) A procedure to maintain records that identify adequately the source and application of funds for federally-funded activities.
- 4) A procedure for maintaining effective control over, and accountability for, all funds, property, and other assets.
- 5) A procedure for comparing District expenditures with budget amounts for each federal award.
- 6) A procedure to ensure payments of federal funds are made in accordance with 2 CFR 200.305.
- 7) A procedure for determining the allowability of costs in accordance with 2 CFR 200.305 Subpart E-Cost Principals and the term and conditions of the Federal award.

Program Income: The District will follow the guidance of the Federal awarding agency in how it uses, applies and accounts for all income received under those programs as listed below in accordance with 2 CFR 200.307;

- 1) *Deduction.* Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs
- 2) *Addition.* With prior approval of the Federal awarding agency program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award.
- 3) *Cost sharing or matching.* With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching



requirement of the Federal award. The amount of the Federal award remains the same.

Cost Sharing or Matching: For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the District's cost sharing or matching when such contributions meet all of the following criteria in accordance with 2 CFR 200.306 and a procedure must ensure these criteria are covered:

- (1) Are verifiable from the District's records;
- (2) Are not included as contributions for any other Federal award;
- (3) Are necessary and reasonable for accomplishment of project or program objectives;
- (4) Are allowable under 2 CFR 200.305 Subpart E—Cost Principles;
- (5) Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
- (6) Are provided for in the approved budget when required by the Federal awarding agency; and
- (7) Conform to other provisions of the law, as applicable in the terms and conditions of the federal award.

Unexpected or Extraordinary Circumstances: For all Federal awards, If the District does not currently have in place a policy that addresses extraordinary circumstances such as those caused by COVID-19, the District may later amend or create a policy in order to put emergency contingencies in place for Federal and non-Federal similarly situated employees in accordance with 2 CFR 200 et seq. If the conditions exist for charges to be made to the Federal grant, charges may also be made to any non-Federal sources that are used by the District in order to meet a matching requirement. The District may develop a procedure to ensure that federal expenditures during the unexpected or extraordinary circumstance are allowable.

Compensation for personal services: (a) *General.* Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages, salaries, and fringe benefits in accordance with 2 CFR 200.430 and .431. Costs of compensation are allowable to the extent that they satisfy the following requirements;

- (1) Is reasonable for the services rendered and conforms to the established written policy and procedures of the District consistently applied to both Federal and non-Federal activities;



Compensation and fringe benefits: (a) Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits in accordance with 2 CFR 200.431 include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Except as provided elsewhere in these principles, the costs of fringe benefits are allowable provided that the benefits are reasonable and are required by law, District employee agreement, or an established policy of the District.

(b) *Leave.* The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- (1) They are provided under established written leave policies;

Standards for Documentation of Personnel Expenses: (1) Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed in accordance with 2 CFR 200.430. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the District;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities;
- (iv) Encompass both federally assisted and all other activities compensated by the District on an integrated basis, but may include the use of subsidiary records as defined in the District's written policy;
- (v) Comply with the established accounting policies and practices of the District; and
- (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.
- (vii) Budget estimates do not qualify as support for charges to Federal awards, but may be used for interim accounting purposes, provided that:
  - (A) The system for establishing the estimates produces reasonable approximations of the activity actually performed;

- (B) Significant changes in the corresponding work activity (as defined by the District's written policies) are identified and entered into the records in a timely manner. Short term (such as one or two months) fluctuation between workload categories need not be considered as long as the distribution of salaries and wages is reasonable over the longer term; and
- (C) The District's system of internal controls includes processes to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustment must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

(2) In accordance with Department of Labor regulations implementing the Fair Labor Standards Act (FLSA) (29 CFR part 516), charges for the salaries and wages of nonexempt employees, in addition to the supporting documentation described in this section, must also be supported by records indicating the total number of hours worked each day.