

POLICY REFERENCE MANUAL

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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: June 9, 2003

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

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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 auditor by September 20. It shall be the responsibility of the board secretary to file the adopted and certified budget with the county auditor and other proper authorities.

The board may amend the budget for the fiscal year in the event of unforeseen circumstances or 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 the superintendent to prepare 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

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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.

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

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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 superintendent shall specifically report to the board at any time the reserves have fallen below the annual budget. 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: June 9, 2003

DEPOSITS AND TRANSFERS

Each year at its annual meeting, the board shall designate name(s) 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 designation 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: June 9, 2003

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.

Legal Reference: NDE Rule 2

Cross Reference: 705 Revenue
706 Expenditures

Approved: June 9, 2003

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 with a value greater than \$1,000. The inventory shall also include all district supplies with a value greater than \$500. The district's inventory will be perpetual 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.

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 shall be responsible for filing copies of the audit with the proper authorities.

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

Approved: June 9, 2003

LOCAL, STATE, FEDERAL, OR MISCELLANEOUS REVENUE

Local

The Board of Education, through the adoption of the annual budget, shall prepare an estimate of the amount of money to be raised by taxation for the ensuing school year, the rate required to produce the amount, and the rate necessary to sustain the district meeting principal and interest payments on the bonded indebtedness and providing the funds to meet other legitimate district purposes.

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

The Board of Education will accept all available state funds to which the district is entitled by law or through regulations of the State Board of Education and/or Nebraska Department of Education. State funds, both categorical and general, are based upon objective formula. The superintendent shall be responsible for ensuring that the district files the required reports and forms to secure the amount of state funds to which it is entitled.

Federal

Applications shall be made for federal funds when available, provided that none of the conditions of acceptance is in conflict with state law, the policies, rules and procedures of the Board of Education and the objectives of the district. The school district shall comply with all federal requirements governing these moneys, and shall account for each federal project separately and expend said funds as authorized by the approved project application only.

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.

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

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FREE ADMISSION PASSES

The following persons will be issued free guest passes for all school activities, including athletic events:

1. All district employees and current board members;
2. Volunteers (doctors, fire department, police department);
3. Unpaid officials who perform frequently at athletic events (scorekeepers, public address personnel, photographers);

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

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

Legal Reference: Neb. Statute 79-518

Approved: June 9, 2003

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 the board has approved it, a board member or the superintendent may accept the gift on behalf of the school 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: 403.4 Gifts to Employees
 509.1 Class or Student Group Gifts

Approved: June 9, 2003

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 superintendent shall have the authority to authorize purchases without competitive bids for goods and services costing under \$10,000. For goods and services costing more than \$10,000 and less than \$40,000, the superintendent shall receive quotes of the goods and services to be purchased. Competitive sealed bids are required for purchases, other than emergency purchases, for goods and services that cost \$40,000 or more, including construction contracts and school buses.

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.

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PETTY CASH

Petty cash funds may be established annually in the amount of \$100 for each school building and for the central administrative office. Such funds will be used for the payment of properly itemized bills of nominal amounts and under conditions calling for immediate payment. Allowances, responsibility, security and accounting of petty cash funds will be in accordance with Board policy and requirements of law.

The handling and processing costs of a single purchase order for nominal purchases are very expensive. To facilitate small expenditures, a petty cash revolving fund will be established for each building and the district administration office.

Administrative regulations will be developed establishing the amount of petty cash to be allowed, the maximum dollar amount for a single purchase, and the accounting system to be used for record keeping.

Petty cash will not be used to thwart or circumvent established purchasing procedures. It is a convenient accommodation to facilitate immediate acquisition of low-cost goods and services in an efficient manner.

Staff members designated by the Principal may purchase items costing less than \$25 from a petty cash fund. The principal will submit a request for establishing such a fund, not to exceed \$100, to the superintendent. Money expended from the fund will be replaced as needed.

Records will be kept of all expenditures from the petty cash fund and receipts will be furnished to account for all money expended. Expenses will be assigned to the proper budget account.

Petty cash funds are not to be used for the following purposes:

- travel;
- salaries and casual labor;
- school supplies in excess of \$25;
- items costing more than \$25;
- telephone; and
- loans to staff.

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.

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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 \$40,000 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.

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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 compensation of any kind from any vendor for the sale of supplies or services.

Approved: June 9, 2003

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: June 9, 2003

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 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.

PAYROLL PROCEDURES

The payroll period for the school district shall be monthly. Employees shall be paid on the 15th 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: June 9, 2003

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 annually.

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: June 9, 2003

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 central 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 and reimbursement for educational meetings transportation and lodging costs.

The mileage rate, unless in a collective bargaining agreement or individual employment contract, for travel by private vehicle will be the standard mileage rate as established by the IRS

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

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.

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 central office.

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: June 9, 2003

DISPOSITION OF SCHOOL PROPERTY

The board may, at any time, declare district real estate and improvements as surplus and authorize its disposal when such property is no longer useful to the district, unsuitable for use, too costly to repair or obsolete.

If reasonable attempts to dispose of surplus properties fail to produce a monetary return to the district, the board may dispose of them in another manner.

The superintendent may dispose of all obsolete, surplus, unwanted and/or excessively damaged equipment and supplies owned by the district in accordance with the following procedures:

1. The superintendent at prices estimated to be the market values of the items may sell items estimated by the superintendent to have a value of less than \$500. All sales by the superintendent will be recorded by item, price and buyer;
2. Property or materials estimated by the superintendent to be greater than \$500; may be declared surplus and may be sold by the superintendent through a bidding procedure. 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.

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