

**Board Policy**

The Board of Trustees has the legal responsibility for all aspects of operation within the District. The quantity and quality of educational programs are directly dependent upon the funding provided and the effective, efficient management of those funds.

Financial management policies and procedures are established to guarantee maximum utility from each dollar and to ensure the ethical, accountable and effective management of resources entrusted to the District.

**A. Annual Budget**

The annual school budget is the financial outline for the District's educational program. In Idaho, public school budgeting is controlled by statute and state regulations. A balanced budget is required for every fund the school district uses in its yearly operation.

**B. Fiscal Year**

The fiscal year is defined as beginning on the first day of July and ending on the thirtieth day of June. The fiscal year identification is determined by the year associated with the thirtieth of June, e.g., July 1, 2007 through June 30, 2008 is Fiscal Year (FY) 08.

**C. Budget Preparation and Planning**

1. Budget planning is a critical element in meeting the Board's goals for student achievement. Planning will ensure that the budget:
  - expresses effectively and implements all programs and activities of the school system.
  - supports district goals for student learning.
  - reflects current district priorities and necessary evaluation of existing programs.
  - considers current and future funding sources.
2. Budget preparation and control shall be through the business office of the district. Leadership and the solicitation of budget input will be arranged and sought as needed by the Superintendent and designees, who will be responsible for preparing and presenting the annual budget to the Board for adoption.

**D. Unappropriated Fund Balance and Contingency**

## FINANCIAL MANAGEMENT

1. It is the intent of the Board to maintain an unappropriated general fund balance of at least 5% of expenditures. This percentage will vary depending upon unexpected changes in revenue and expense. The purposes of the fund balance are to allow the District to absorb any unpredicted revenue shortfall, to maintain cash flow, and to minimize the borrowing needs of the District. All appreciable variances in revenue will be reported to the Board. Any appreciable variances in expense will be the result of Board approval.
2. The approved annual budget will also include a general fund contingency of at least \$50,000. This contingency is a budget item only; in order to make any expenditure from the contingency, a transfer is to be made to the appropriate expenditure account. Transfers from the contingency funds may be made only by resolution of the Board of Trustees.

## E. Budget Adoption and Amendment

1. The District will hold at least two budget hearings each fiscal year. The annual budget hearing is to be held in June, no later than 28 days prior to the annual meeting of the Board of Trustees (the July regular meeting). An amended budget hearing will be held each year at the March regular board meeting. Should the business office require a change in the amended budget hearing schedule, Board approval will be needed to make the change.
2. Posting and publishing requirements of the annual budget hearing and any hearing to amend said budget will be adhered to according to Idaho Code 33-801. After Board approval, budget adoption documents will be filed with the State Department of Education. Summary documents will be posted at the district office for public review.

## F. Investment of School Funds

1. The Board of Trustees authorizes the business office to invest such school district moneys as are determined not immediately needed for operation of the school district. Investments may be made only in those institutions or entities approved by and in a method conforming to Idaho Code 67-1210. The method of investment of school funds will ensure safety of principal, liquidity sufficient to meet all operating requirements of the district, and yield.
2. Interest from the sale of bonds will be used for the purposes for which the bonds were issued. Interest received from Food Services checking and savings accounts will be credited to the Food Services fund. Any interest accruing from investments of any other funds shall be credited to the general fund of the District.

G. Sources of Funding

Idaho statutes provide a number of avenues whereby funds are made available to the school districts. State appropriations, federal programs, local annual tax levies, special assessments, and the like will be reviewed annually in balancing the annual budget. The district will apply for available grants consistent with the educational goals of the district. Philanthropic donations will be accepted only when consistent with district goals.

H. Borrowing Authority

Should it become necessary for the district to borrow money for emergency purposes, (such as meeting a monthly payroll), prior School Board approval will be required before loans are sought.

I. Budget Implementation

1. The District budget serves as the control to direct and limit expenditures. Overall responsibility for this control is vested with the Business Office, which will establish the procedures for budget control and reporting throughout the district.
2. The superintendent and his staff are authorized to make commitments in accordance with the approved budget, Board policy and administrative plans approved by the Board. Total amounts which may be expended during the fiscal year for the operation of the school system are set forth in the budget. Any variations outside the limits of program budgets must be approved by the business office, in the case of minor variations, and the superintendent and school board for major changes.

J. Authority to Pay

All claims for payment from school district funds will be processed by the District business office. Each month's list of expenditures will be reviewed by the Board Treasurer for submission to the School Board for approval to pay. The Board grants authority to the Superintendent and Business Office to pay claims accruing against the District during periods between Board meetings if payment is in the best interest of the financial well being of the District, for example, to avoid penalties and interest. All invoices, statement, vouchers and payroll reports are available to board trustees at the business office for review.

K. Purchasing

1. The Board acknowledges the necessity of purchasing supplies, equipment and services to implement the stated goals of the District. Acquisitions will be centralized and supervised in the Business Office.
2. All purchases should be made with a purchase order signed by program supervisors or building principals, and initialed by the District business manager. Plant Facility and Transportation purchases of less than \$350 do not require a purchase order. Occasionally, where the cost of issuing a purchase order is greater than the value of the items purchased, approval by program supervisors or building principals alone is required.
3. For those purchases or services that require purchase by a credit card, approval must be granted by the District business manager. Application for a credit card by any division or individual within the school district must have prior approval by the school district business office. Any circumstances other than those stated previously must have District business office approval.

L. Bids and Quotes

1. The District shall comply with Idaho State Public Works and Procurement Laws for Public Works Construction and Procurement of Goods and Services as follows:
  - a. Public Works Construction Bidding
    - 1) Less than \$25,000 – no bidding requirements.
    - 2) \$25,000 to \$100,000 – semi-formal bidding: issue written requests for bids describing the work to at least 3 licensed contractors. Allow 3 days for written response; objections 1 day prior to bid opening. Accept low bid or reject all bids. Keep records for 6 months.
    - 3) \$100,000 and above – Formal bidding according to Idaho Code 67-2805(3).
    - 4) The District is exempt from the above rules if the project is less than \$10,000 or if no responsive statement of interest was received from a licensed contractor for a project of less than \$50,000, or for any construction, alteration or repair due to an emergency pursuant to the provision of Chapter 10, Title 46 of Idaho Code.
  - b. Public Procurement of Goods and Services Bidding
    - 1) Less than \$25,000 – no bidding requirements.
    - 2) \$25,000 to \$50,000 – semi-formal bidding: Issue written request for bids describing goods or services desired to at least 3 vendors. Allow 3 days

for written response, unless an emergency exists, 1 day for objections.

Accept low bid or reject all bids. Keep records for 6 months.

- 3) \$50,000 and above – formal bidding in accordance with Idaho Code 67-2806(2).
  - 4) The District may reject all bids if it is able to purchase more economically on the open market.
2. Any bid may be withdrawn prior to the scheduled time for bid opening. Bids received after the time and date specified shall not be considered. The Board reserves the right to waive any informality in any bid, or to reject and/or accept any part of any bid. The Board reserves the right to reject any and all bids and to accept the bid or quotation which appears to be in the best interest of the District. In instances where school officials hold that the selection of the lowest bid is not to the best advantage of the district, the reasons and explanation will be filed in writing with the Board of Trustees.
  3. Procurement laws as stated above do not apply to professional services, such as legal, architectural, insurance or accounting.

#### M. Payroll

1. All district personnel are paid over a period of twelve months except for those individuals who report hours on a labor report. Payment is made on the 20<sup>th</sup> of the month except in cases where the 20<sup>th</sup> falls on a weekend. Payment is then made the preceding Friday. December paychecks are distributed a few days earlier than the 20<sup>th</sup> as a courtesy to employees at that season of the year.
2. Timesheets and labor reports signed by program supervisors or building principals are considered legal vouchers for payment and are delivered to the district office by the 5<sup>th</sup> of the month for payment that month.
3. Payroll deductions may be made for employees only to district approved vendors and institutions.

#### N. Travel Reimbursements

All travel reimbursements must be pre-approved by the program supervisor or building principal and reviewed and initialed by the superintendent or designee. If an employee was required to use his own credit card for district-approved travel, the business office will reimburse him immediately. In all other cases, reimbursement will be made in the next regular accounts payable check run.

Policy Number 806.10

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