

ARLEE PUBLIC SCHOOLS
7000 SERIES
FINANCIAL MANAGEMENT

TABLE OF CONTENTS

7000	Goals
7008	Nonresident Tuition
7110	Budget and Program Planning
7121	Budget Adjustments
7210	Revenues
7231	Federal Impact Funds
7251	Disposal of School District Property Without a Vote
7260	Endowments, Gifts, and Investments
7310	Budget Implementation and Execution
7320	Purchasing
7322	Procurement of Supplies, Materials and Services Using Federal Funds
7326	Documentation and Approval of Claims
7329	Petty Cash Funds
7330	Payroll Procedures/Schedules
7330F	Payroll Election Form
7332	Advertising in Schools/Revenue Enhancement
7335	Personal Reimbursements
7336	Travel Allowances and Expenses
7405	Procurement Cards
7410	Fund Accounting System
7420	Activities Pass
7425	Extra- and Co-Curricular Funds
7430	Financial Reporting and Audits
7500	Property Records
7510	Capitalization Policy for Fixed Assets
7515	GASB 54
7520	Independent Investment Accounts
7525	Lease – Purchase Agreement
7530	Procurement of Supplies or Services
7540	Housing

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7000

4
5 Goals

6
7 Because educational programs are dependent on adequate funding and the proper management of
8 those funds, District goals can best be attained through efficient fiscal management. As trustee
9 of local, state, and federal funds allocated for use in public education, the Board shall fulfill its
10 responsibility to see that funds are used to achieve the intended purposes.

11
12 Because of resource limitations, fiscal concerns often overshadow the educational program.
13 Recognizing this, the District must take specific action to ensure that education remains primary.
14 This concept shall be incorporated into Board operations and into all aspects of District
15 management and operation.

16
17 The Board seeks to achieve the following goals in the District's fiscal management:

- 18
19 1. Engage in advance planning, with staff and community involvement, to develop budgets
20 which will achieve the greatest educational returns in relation to dollars expended.
21
22 2. Establish levels of funding which shall provide superior education for District students.
23
24 3. Provide timely and appropriate information to staff who have fiscal responsibilities.
25
26 4. Establish efficient procedures in all areas of fiscal management.
27
28
29

30 Legal Reference: Title 20, Chapter 9, MCA Finance

31
32 Policy History:

33 Adopted on: 3/10/09

34 Reviewed on: 7/29/19

35 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7008

4
5 Tuition

6
7 Whenever a nonresident student is to be enrolled in the District, either by choice or by
8 placement, an attendance agreement must be filed with the Board. Terms of the agreement must
9 include tuition rate, the party responsible for paying tuition and the schedule of payment,
10 transportation charges, if any, and the party responsible for paying transportation costs.

11
12 Tuition rates shall be determined annually, consistent with Montana law and approved by the
13 Board.

14
15
16
17 Cross Reference: 3141 Discretionary Nonresident Student Attendance Policy

18
19 Legal Reference: § 20-5-314, MCA Reciprocal attendance agreement with adjoining
20 state or province
21 § 20-5-320, MCA Attendance with discretionary approval
22 § 20-5-321, MCA Attendance with mandatory approval – tuition and
23 transportation
24 § 20-5-322, MCA Residency determination – notification – appeal for
25 attendance agreement
26 § 20-5-323, MCA Tuition and transportation rates
27 10.10.301, ARM Calculating Tuition Rates
28

29 Policy History:

30 Adopted on: 3/10/09

31 Reviewed on: 7/29/19

32 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7110

4
5 Budget and Program Planning

6
7 The annual budget is evidence of the Board's commitment to the objectives of the instruction
8 programs. The budget supports immediate and long-range goals and established priorities within
9 all areas – instructional, noninstructional, and administrative programs.

10
11 Before presentation of a proposed budget for adoption, the Superintendent and business manager
12 will prepare, for the Board's consideration, recommendations (with supporting documentation)
13 designed to meet the needs of students, within the limits of anticipated revenues.

14
15 Program planning and budget development will provide for staff participation and the sharing of
16 information with patrons before any action by the Board.

17
18
19
20 Policy History:

21 Adopted on:

22 Reviewed on: 7/29/19

23 Revised on: 3/10/09

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7121

4
5 Budget Adjustments

6
7 When any budgeted fund line item is in excess of the amount required, the Board may transfer
8 any of the excess appropriation to another line item(s) within the same fund.
9

10 The Board authorizes the administration to transfer line items within the same budgeted fund to
11 adjust line item overdrafts or to meet special line item needs. Line item budget transfers to adjust
12 line item overdrafts are at the discretion of the administrators.
13

14 Total budget expenditures for each fund as adopted in the final budget shall constitute the
15 appropriations of the District for the ensuing fiscal year. The Board will be limited in the
16 incurring of expenditures to the total of such appropriations.
17

18 With timely notice of a public meeting, trustees, by majority vote of those present, may declare
19 by resolution that a budget amendment (in addition to the final budget) is necessary. Budget
20 amendments are authorized for specified reasons by § 20-9-161, MCA. The resolution will state
21 the facts of the budget amendment, the estimated amount of funds needed, and the time and place
22 the Board will meet for the purpose of considering and adopting a budget amendment.
23

24 The meeting to adopt a budget amendment will be open and will provide opportunity for any
25 taxpayer to appear and be heard. Budget procedures will be consistent with statutory
26 requirements. When applicable, the District will apply for state financial aid to supplement the
27 amount to be collected from local taxes.
28

29 Legal Reference:	§ 20-9-133, MCA	Adoption and expenditure limitations of final
		budget
	§ 20-9-161, MCA	Definition of budget amendment for budgeting
		purposes
	§ 20-9-162, MCA	Authorization for budget amendment adoption
	§ 20-9-163, MCA	Resolution for budget amendment – petition to
		superintendent of public instruction
	§ 20-9-164, MCA	Notice of budget amendment resolution
	§ 20-9-165, MCA	Budget amendment limitation, preparation, and
		adoption procedures
	§ 20-9-166, MCA	State financial aid for budget amendments
	§ 20-9-208, MCA	Transfers among appropriation items of fund –
		transfers from fund to fund

42
43 Policy History:

44 Adopted on: 3/10/09

45 Reviewed on: 7/29/19

46 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7210

4
5 Revenues

6
7 The District will seek and utilize all available sources of revenue for financing its educational
8 programs, including revenues from non-tax, local, state, and federal sources. The District will
9 properly credit all revenues received to appropriate funds and accounts as specified by federal
10 and state statutes and accounting and reporting regulations for Montana school districts.

11
12 The District will collect and deposit all direct receipts of revenues as necessary but at least once
13 monthly. The District will make an effort to collect all revenues due from all sources, including
14 but not limited to rental fees, bus fees, fines, tuition fees, other fees and charges. Uncollectible
15 checks may be turned over to the county attorney for collection.

16
17
18
19 Legal Reference: Title 20, Chapter 9, MCA Finance
20 Title 10, Chapter 10, ARM Special Accounting Practices

21
22 Policy History:

23 Adopted on:

24 Reviewed on: 7/29/19

25 Revised on: 3/10/09

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7231

page 1 of 5

4
5 Federal Impact Funds

6
7 **STATEMENT OF PURPOSE**

8 The following Policies and Procedures are developed and enacted
9 for the express purpose of assuring that:

- 10 1. Indian children claimed under Section 8003a participate on an equal basis in the school
11 program with all children served by the Arlee Schools.
12
13 2. Applications, evaluations and program plans are adequately disseminated to the
14 Confederated Salish and Kootenai Tribes and parents of Indian children claimed under
15 section 8003a; and
16
17 3. The Confederated Salish and Kootenai Tribes, parents of Indian children claimed under
18 section 8003a, and parents of other children served by the Arlee Schools are:
19
20 A. Afforded an opportunity to present their views with respect to the application,
21 including the opportunity to make recommendations concerning the needs of their
22 children and the ways by which they can assist their children in realizing the
23 benefits to be derived from the educational programs assisted under P.L. 1003-
24 382: Title VII, Impact Aid;
25
26 B. Actively consulted and involved in the cooperative planning and development of
27 programs funded by the Arlee School District assisted under P.L. 103-182, Title
28 VII, Impact Aid, although the Board has the ultimate authority to define and
29 approve the educational program of the District; and
30
31 C. Afford a general opportunity to present their overall views on the educational
32 program, including the operation of such programs, including the degree of Indian
33 parent participation allowed; and
34
35 D. Assured that there will be no survey targeting Native American students without
36 prior knowledge of the Indian Education Committee and approval by the Board of
37 Trustees of the Arlee School District.
38

39 The Arlee School will implement Article X, section 1(2) of the Montana
40 Constitution, which states, "The state recognizes the distinct and unique cultural
41 heritage of the American Indians and is committed in its educational goals to the
42 preservation of their cultural integrity." The legislative intent for this
43 implementation is contained in the Montana Code Annotated, 20-1-501.
44

- 45 1. Arlee School District will, by June 1, assess each of its programs,
46 classrooms, teams, clubs, etc., and record at a minimum the total number

of students participating and the number of Indian students participating. This report shall be disseminated to the Confederated Salish and Kootenai Tribes and to the Indian parents.

Where the Indian student participation is significantly lower than the overall number of Indian students in school, the Arlee IEC, the Confederated Salish and Kootenai Tribal Education Department and Indian parents shall work together with the Arlee School District to determine why the situation exists and determine what steps should be taken to insure all Indian students are able and encouraged to participate on an equal basis. The Board of Trustees ultimately has the authority to determine this assurance.

2. The Confederated Salish and Kootenai Tribes, or their designee, and parents of Indian children served in the Arlee School District, shall be provided with the opportunity to comment on the participation of Indian children on an equal basis in the school program with all other children educated by the Arlee Schools.

Not later than June 1 of each year, the Arlee School District shall hold a public meeting for the express purpose of reviewing the educational and other programs sponsored by the Arlee School District and permit the Confederated Salish and Kootenai Tribes and parents of Indian children the opportunity to:

- A. Comment on the participation of Indian children on an equal basis in the school program with all other children educated by the Arlee School District;
- B. Receive and review data presented by the Arlee School District on numbers of Indian students participating in each program offered by the school and thereby assess the extent to which Indian children do participate on an equal basis.
- C. Make recommendations on how the Arlee School District might modify its education program to allow Indian children to participate on an equal basis;
- D. Receive a report from the school on any evaluation of education programs offered by Arlee School District;
- E. Provide meaningful input into the planning and development of any education programs that the school is considering for implementation or elimination;
- F. Make recommendations concerning the needs of their children;
- G. Mutually discuss with school personnel ways by which the Confederated Salish and Kootenai Tribes and parents can assist their children in realizing the benefits to be derived from all

- programs offered by the Arlee School District;
- H. Present their overall views on the education program in the Arlee Schools, including the operation of the school, the overall effectiveness of the school or its individual programs, and the degree of parental participation allowed, per the Arlee School Board.
3. The Arlee School District will disseminate to officials of the Arlee IEC, the Confederated Salish and Kootenai Tribes and to parents of Indian children the following information not later than the date of the public meeting referred to above:
- A. Evaluations of any education programs completed since the last such presentation;
- B. Any written information relating to school district plans for the implementation or elimination of educational programs.
4. Dissemination of any materials relevant to matters of concern expressed in these policies shall be delivered to the appropriate tribal official's representative and all parents either by mail or direct handout and shall be disseminated not less than thirty (30) days prior to the date of a meeting where formal action is expected to be made on any such issue. Specifically, materials disseminated shall include:
- A. The proposed Title VII, Impact Aid application when requested by a parent, and
- B. Any plans for education programs to be initiated or eliminated.
5. The Arlee School District shall hold a public meeting not less than thirty (30) days prior to the deadline established by the Department of Education for the purpose of:
- A. Reviewing and approving the Title VII, Impact Aid application;
- B. Resolving any issues remaining from the previous fall meeting;
- C. Discuss recommended modifications to school educational programs to allow Indian students to participate on an equal basis if it is determined that they are not;
- D. Continue opportunity to provide meaningful input on any relevant issue;

E. Discuss recommendations for modifications of these Indian Policies and Procedures based on input.

6. The Arlee School District may hold a public meeting at any time during the year when events suggest the need for significant changes which will affect the delivery of educational services to Indian children.
7. When the Arlee School District holds a preliminary budget meeting, the general public, including Indian parents and Confederated Salish and Kootenai Tribes, may provide input into the planning of all expenditures of the school district. This meeting may be noticed in local newspapers.
8. Any public meetings called by the School District for the purposes set forth in these Policies and Procedures shall be publicly noticed at least forty-eight (48) hours in advance in the same manner as all other official meetings of the School Board. Students will deliver notification to parent(s).
9. A public meeting may be called by the Confederated Salish and Kootenai Tribes or by at least four parents of Indian children for any purpose addressed in the Indian Policies and Procedures. Written notice will be given to the District Superintendent or any member of the Board of Trustees at least forty-eight, (48) hours in advance of a regularly scheduled board meeting, to be placed on the agenda of such meeting.
10. All meetings called for any purpose addressed by the Indian Policies and Procedures must meet the requirements of the "Open Meeting" statutes of the State of Montana. (See statute 20-3-322, MCA)
11. The officials or representatives designated by the Confederated Salish and Kootenai Tribes and/or parents of Indian children may file or register a complaint or grievance with the Arlee Schools regarding any matter addressed in the Indian Policies and Procedures. The following procedure shall govern such complaint:
 - Level 1: Level 1 is informal and may be written or verbally expressed to any school administrator. The objective is to quickly and informally resolve the matter of concern with person(s) involved.
 - Level 2: If the grievance is not resolved at Level 1, then the grieving person may formalize the complaint in writing and submit it to the Superintendent of Schools. The grievance shall state 1) the specific nature of the grievance; 2) the specific resolution requested; and 3) must be

signed by the grieving person.

Level 3: If the grievance is not resolved at Level 2, either party may refer it to Level 3 by presenting a written appeal to the Chairperson of the Board of Trustees. Upon receipt of the appeal, the Chairperson shall place the matter on the agenda of the next legal, regular meeting of the Trustees or at any special meeting prior to the next regular meeting.

The Board of Trustees shall attempt to resolve the grievance. A written report regarding the decision and/or action of the District shall be sent to all concerned parties within thirty (30) days after the Trustee meeting in which it was reviewed. The Board may request an extension of time in thirty (30) day increments within which to resolve the issue, with a maximum of no more than ninety (90) days.

Level 4: If the grievance is not resolved at Level 3, the grieving person may refer it to the Tribes for consideration of Level 4 action. Level 4 refers the grievance to the Secretary of the Department of Education. Complaint procedures are found in P.L. 103-382, Impact Aid, Title VII.

The grievance needs to be referred to the Executive Secretary of the Tribes, as only the Tribes or the official designated tribal official(s) can file the grievance with Secretary of Education under Impact Aid, Title VII. If the Board does not or cannot satisfactorily resolve the grievance, the grieving person may advance the grievance to Level 4.

12. Inasmuch as state law prohibits the Board of Trustees from delegating legal responsibility, the Trustees retain final authority for the established policies, procedures, and school programs affected by this act.

Policy History:

Adopted on: 11/17/87, 12/9/87, 1/14/88

Reviewed on: 3/10/09, 7/29/19

Revised on: 4/6/88, 11/16/95, 11/23/98, 10/2/00, 12/14/00, and 12/18/00, 1/11/01, 3/3/03, 12/8/04

Chairman, Arlee School District Board of Trustees

Date

Chairperson, Arlee Indian Education Committee

Date

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31

7251

The Board is authorized to dispose of a site, building, or any other real or personal property of the District, that is or is about to become abandoned, obsolete, undesirable, or unsuitable for school purposes.

Should any taxpayer properly protest the resolution during the fourteen (14) days after the date of publication, the trustees shall submit testimony to the court with jurisdiction.

Once the resolution is effective, or if appealed the decision has been upheld by the court, the trustees shall sell or dispose of the real or personal property in a reasonable manner determined to be in the best interests of the District. Proceeds from the sale of fixed assets can be deposited to the general, debt service, building, or any other appropriate fund.

Policy History:

Adopted on: 3/10/09

Reviewed on: 7/29/19

Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7260

4
5 Endowments, Gifts, and Investments

6
7 The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions
8 imposed by the donor. Neither the Board nor the Superintendent will approve any gifts that are
9 inappropriate. Except where otherwise specified by the donor, the Board may deposit the gift,
10 legacy, devise, or proceeds in any budgeted or nonbudgeted fund and may thereafter transfer any
11 portion of the gift, legacy, devise, or proceeds to any other fund at the Board's discretion. The
12 Board may transfer any previously donated funds deposited into an endowment fund along with
13 any accumulated interest to any other budgeted or nonbudgeted fund and may spend such funds
14 at the discretion of the Board unless restricted by the donor. In the event the donor has specified
15 or imposed any conditions for the gift, legacy, or devise, the Board shall deposit the gift, legacy,
16 devise, or proceeds into an endowment fund.

17
18 The Board authorizes the Superintendent to establish procedures for determining the suitability
19 or appropriateness of all gifts received and accepted by the District.
20

21 **Educational foundations which seek to promote, enhance, and enable educational**
22 **opportunities and school improvement activities in the District may solicit and receive tax-**
23 **deductible funds from donors. Educational foundations may be sanctioned by the Board**
24 **but not managed or directed by it. The Board may appoint nonvoting advisors to the**
25 **foundation board, if the bylaws of the foundation permit that action.**
26

27 The Board directs that all school funds be invested in a prudent manner so as to achieve
28 maximum economic benefit to the District. Funds not needed for current obligations may be
29 invested in investment options as set out in Montana statutes, whenever it is deemed
30 advantageous for the District to do so.
31
32
33

34 Legal Reference:	§ 20-6-601, MCA	Power to accept gifts
	§ 20-7-803, MCA	Authority to accept gifts
	§ 20-9-212, MCA	Duties of county treasurer
	§ 20-9-213(4), MCA	Duties of trustees
	§ 20-9-604, MCA	Gifts, legacies, devises, and administration of 39 endowment fund

40

41 Policy History:

42 Adopted on: 12/13/01

43 Reviewed on: 3/10/09, 7/29/19

44 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7310

4
5 Budget Implementation and Execution

6
7 Once adopted by the Board, the operating budget shall be administered by the Superintendent's
8 designees. All actions of the Superintendent/designees in executing programs and/or activities
9 delineated in that budget are authorized according to these provisions:

- 10
11 1. Expenditure of funds for employment and assignment of staff shall meet legal
12 requirements of the state of Montana and adopted Board policies.
13
14 2. Funds held for contingencies may not be expended without Board approval.
15
16 3. A listing of warrants describing goods and/or services for which payment has been made
17 must be presented for Board ratification each month.
18
19 4. Purchases will be made according to the legal requirements of the state of Montana and
20 adopted Board policy.
21
22
23

24 Legal Reference: § 20-3-332, MCA Personal immunity and liability of trustees
25 § 20-9-213, MCA Duties of trustees
26

27 Policy History:

28 Adopted on: 3/10/09

29 Reviewed on: 7/29/19

30 Revised on:

4
5 Purchasing

6
7 Authorization and Control

8
9 The Superintendent is authorized to direct expenditures and purchases within limits of the
10 detailed annual budget for the school year. The Board must approve purchase of capital outlay
11 items, when the aggregate total of a requisition exceeds Ten Thousand Dollars (\$10,000), except
12 the Superintendent shall have the authority to make capital outlay purchases without advance
13 approval when necessary to protect the interests of the District or the health and safety of staff or
14 students. The Superintendent will establish requisition and purchase order procedures to control
15 and maintain proper accounting of expenditure of funds. Staff who obligate the District without
16 proper authorization may be held personally responsible for payment of such obligations.

17
18 Bids and Contracts

19
20 Whenever any building furnishing, repairing, or other work for the benefit of the District or
21 purchasing of supplies for the District is necessary, the work done or the purchase made must be
22 by contract if the sum exceeds Eighty Thousand Dollars (\$80,000). The District will call for
23 formal bids by issuing public notice as specified in statute. Specifications will be prepared and
24 made available to all vendors interested in submitting a bid. The contract shall be awarded to the
25 lowest responsible bidder, except that the trustees may reject any or all bids. The Board, in
26 making a determination as to which vendor is the lowest responsible bidder, will take into
27 consideration not only the amount of each bid, but will also consider the skill, ability, and
28 integrity of a vendor to do faithful, conscientious work and to promptly fulfill the contract
29 according to its letter and spirit. Bidding requirements do not apply to a registered professional
30 engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist,
31 or other medical, dental, or health care provider; an attorney; a consulting actuary; a private
32 investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title
33 37, Chapter 50.

34
35 Advertisement for bid must be made once each week for two (2) consecutive weeks, and a
36 second (2nd) publication must be made not less than five (5) nor more than twelve (12) days
37 before consideration of bids.

38
39 The Superintendent will establish bidding and contract-awarding procedures. Bid procedures
40 will be waived only as specified in statute, such as §§ 18-2-501, 502 and 503, MCA. Any
41 contract required to be let for bid shall contain language to the following effect:

42
43 *In making a determination as to which vendor is the lowest responsible bidder, if*
44 *any, the District will take into consideration not only the pecuniary ability of a*
45 *vendor to perform the contract, but will also consider the skill, ability, and*
46 *integrity of a vendor to do faithful, conscientious work and promptly fulfill the*

contract according to its letter and spirit. References must be provided and will be contacted. The District further reserves the right to contact others with whom a vendor has conducted business, in addition to those listed as references, in determining whether a vendor is the lowest responsible bidder. Additional information and/or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.

Cooperative Purchasing

The District may enter into cooperative purchasing contracts with one or more districts for procurement of supplies or services. A district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of 20-9-204(3), MCA if the cooperative purchasing group has a publicly available master list of items available with pricing included and provides an opportunity at least twice yearly for any vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard, for inclusion of the vendor's supplies and services on the cooperative purchasing group's master list.

Legal Reference:	§§ 18-1-101, et seq., MCA	Preferences and General Matters
	§§ 18-1-201, et seq., MCA	Bid Security
	§ 20-9-204, MCA	Conflicts of interests, letting contracts, and calling for bids
	<i>Debcon v. City of Glasgow</i> , 305 Mont. 391 (2001)	

Policy History:

Adopted on: 12/13/01

Reviewed on: 7/29/19

Revised on: 5/9/02, 6/12/07, 3/10/09, 7/12/11, 06/11/13

5 Procurement of Supplies, Materials, Equipment and Services Using Federal Funds

6
7 Procurement of all supplies, materials, equipment, and services paid for from federal funds or
8 District matching funds shall be made in accordance with all applicable federal, state, and local
9 statutes and/or regulations, the terms and conditions of the federal grant, Board policy, and
10 administrative procedures. Procurement of any supplies, materials, equipment or services not
11 using federal funds shall be subject to Board Policy 7010 and state law.
12

13 The Superintendent shall maintain a procurement and contract administration system in
14 accordance with the requirements for the administration and management of Federal grants and
15 Federally-funded programs. The District shall maintain a contract administration system that
16 requires contractors to perform in accordance with the terms, conditions, and specifications of
17 their contracts or purchase orders. Except as otherwise noted, procurement transactions shall
18 conform to the provisions of the District's general purchasing policy.
19

20 The District shall take affirmative steps to assure that minority businesses, women's business
21 enterprises, and labor surplus area firms are used when possible.
22

23 All District employees, officers, and agents who have purchasing authority shall abide by the
24 standards of conduct covering conflicts of interest and governing the actions of its employees,
25 officers, and agents engaged in the selection, award, and administration of contracts.

26 The District will avoid acquisition of unnecessary or duplicative items and shall give
27 consideration to mechanisms to obtain a more economical purchase (i.e., consolidating or
28 breaking out procurements where permitted under state law). Where appropriate, the District
29 shall conduct an analysis of lease versus purchase alternatives and any other appropriate options
30 to determine the most economical approach.
31

32 To foster greater economy and efficiency, the District may engage in cooperative purchasing
33 where appropriate for procurement or use of common or shared goods and services.
34

35 **Competition**

36
37 All procurement transactions paid for from federal funds or District matching funds shall be
38 conducted in a manner that encourages full and open competition and that is in good
39 administrative practice and sound business judgment. To promote these purposes, the District
40 shall exclude any contractor that has developed or drafted specifications, requirements,
41 statements of work, or invitations for bids or requests for proposals from competition for such
42 procurements.
43

44 Further, the District does not use statutorily or administratively imposed state, local, or tribal
45 geographical preferences in the evaluation of bids or proposals under this policy, unless (1) an
46 applicable federal statute expressly mandates or encourages a geographic preference; or (2) the

1 District is contracting for architectural and engineering services, in which case geographic
2 location may be a selection criterion provided its application leaves an appropriate number of
3 qualified firms, given the nature and size of the project, to compete for the contract.

4
5 To the extent that the District uses a pre-qualified list of persons, firms, or products to acquire
6 goods and services that are subject to this policy, the pre-qualified list shall include a sufficient
7 number of qualified sources as to ensure maximum open and free competition. The District
8 allows vendors to apply for consideration to be placed on the list at any time and they must re-
9 qualify every twenty-four (24) months in accordance with administrative procedures established
10 by the Superintendent.

11 12 **Solicitation Language**

13
14 The District shall require that all solicitations made pursuant to this policy incorporate a clear
15 and accurate description of the technical requirements for the material, product, or service to be
16 procured. Such description shall not, in competitive procurements, contain features which unduly
17 restrict competition. The description may include a statement of the qualitative nature of the
18 material, product, or service to be procured and, when necessary, shall set forth those minimum
19 essential characteristics and standards to which it shall conform if it is to satisfy its intended use.
20 Detailed product specifications will be avoided if at all possible.

21
22 When it is impractical or uneconomical to make a clear and accurate description of the technical
23 requirements, a "brand name or equivalent" description may be used as a means to define the
24 performance or other salient requirements of procurement. The specific features of the named
25 brand which shall be met by offers shall be clearly stated; and identify all requirements which the
26 offerors shall fulfill and all other factors to be used in evaluating bids or proposals.
27 The Board shall not approve any expenditure for an unauthorized purchase or contract.

28 29 **Procurement Methods**

30
31 The District shall utilize the following methods of procurement:

32 33 *Micro-Purchases*

34 Purchases of supplies, materials, services, or equipment using federal funds less than
35 \$10,000 shall be "Micro-Purchases." The District is not required to use a formal bidding
36 process for Micro-Purchases, but it shall ensure that purchases are reasonable and equitably
37 distributed among all qualified sources. The District shall maintain all procurement
38 documentation to ensure the cost is less than \$10,000 for a Micro-Purchase.

39 40 *Small Purchases*

41 Purchases of supplies, materials, services, or equipment using federal funds between
42 \$10,000 and \$80,000 shall be considered "Small Purchases." The District is not required to
43 use a formal bidding process for Small Purchases, but it shall use a competitive process to
44 ensure fairness. For any Small Purchase, the District shall obtain at least two or more price
45 quotes. The District shall maintain all procurement documentation to ensure the cost is less
46 than \$80,000 but more than \$10,000 for a Small Purchase.

1
2 *Sealed Bids*

3 Sealed bids shall be used when the procurement lends itself to a firm fixed price contract
4 and the selection of the successful bidder can be made principally on the basis of price.
5 Sealed, competitive bids shall be obtained when the purchase of, and contract for supplies,
6 materials, or equipment (including construction projects) which exceeds \$80,000 and
7 would utilize federal funds or District matching funds.

- 8 1. Bids shall be solicited in accordance with the provisions of state law and
9 board policy. Bids shall be solicited from an adequate number of qualified
10 suppliers, providing sufficient response time prior to the date set for the
11 opening of bids. The invitation to bid shall be publicly advertised.
12 2. The invitation for bids will include product/contract specifications and
13 pertinent attachments and shall define the items and/or services required in
14 order for the bidder to properly respond.
15 3. All bids will be opened at the time and place prescribed in the invitation for
16 bids; bids will be opened publicly.
17 4. A firm fixed price contract award will be made in writing to the lowest
18 responsive and responsible bidder.
19 5. The Board reserves the right to reject any or all bids for sound documented
20 reason.
21

22 *Competitive Proposals*

23 Procurement by competitive proposal, normally conducted with more than one source
24 submitting an offer, is generally used when conditions are not appropriate for the use of
25 sealed bids.
26

27 If this method is used, the following requirements apply:

- 28 1. Requests for proposals shall be publicized and identify all evaluation factors and
29 their relative importance. Any response to the publicized requests for proposals
30 shall be considered to the maximum extent practical.
31 2. Proposals shall be solicited from an adequate number of sources.
32 3. The District shall use its written method for conducting technical evaluations of
33 the proposals received and for selecting recipients.
34 4. Contracts shall be awarded to the responsible firm whose proposal is most
35 advantageous to the program, with price and other factors considered. Price may
36 not be considered where procuring architectural/engineering services;
37 compensation is subject to negotiation of a fair and reasonable fee after selection.
38

39 *Noncompetitive Proposals*

40 The District may only solicit a proposal from a sole source when one or more of the following
41 circumstances apply:

- 42 1. The item is available only from a single source;
43 2. The public exigency or emergency for the requirement will not permit a delay
44 resulting from competitive solicitation;
45 3. The federal awarding agency or pass-through entity expressly authorizes
46 noncompetitive proposals in response to a written request from the District; or

- 1 4. After solicitation of a number of sources, competition is determined to be
2 inadequate.

3
4 **Contract/Price Analysis**

5
6 The District shall perform a cost or price analysis in connection with every procurement action in
7 excess of \$80,000, including contract modifications. A cost analysis generally means evaluating
8 the separate cost elements that make up the total price, while a price analysis means evaluating
9 the total price, without looking at the individual cost elements.

10 The method and degree of analysis is dependent on the facts surrounding the particular
11 procurement situation; however, the District shall come to an independent estimate prior to
12 receiving bids or proposals.

13
14 **Time and Materials Contracts**

15
16 The District uses a time and materials type contract only (1) after a determination that no other
17 contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at
18 its own risk. A time and materials type contract is a contract whose cost to the District is the sum
19 of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect
20 wages, general and administrative expenses, and profit.

21
22 **Suspension and Debarment**

23
24 The District will award contracts only to responsible contractors possessing the ability to
25 perform successfully under the terms and conditions of the proposed procurement. All
26 purchasing decisions shall be made in the best interests of the District and shall seek to obtain the
27 maximum value for each dollar expended. When making a purchasing decision, the District shall
28 consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of
29 past performance; and (4) financial and technical resources.

30
31 The Superintendent shall have the authority to suspend or debar a person/corporation, for cause,
32 from consideration or award of further contracts.

33
34 The District shall not subcontract with or award subgrants to any person or company who is
35 debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is
36 not debarred or suspended by verifying such status.

37
38 **Maintenance of Procurement Records**

39
40 The District maintains records sufficient to detail the history of all procurements. These records
41 include, but are not limited to the following: rationale for the method of procurement, selection
42 of contract type, contractor selection, or rejection, and the basis for the contract price (including
43 a cost or price analysis).

44
45 Legal References: § 18-1-101 et seq., MCA Public Contracts

1	§ 20-9-204, MCA	Conflicts of interest, letting contracts and
2		calling for bids
3	2 C.F.R. Part 180	
4	2 C.F.R. 200.317	
5	2 C.F.R. 200.318	
6	2 C.F.R. 200.319	
7	2 C.F.R. 200.320	
8	2 C.F.R. 200.321	
9	2 C.F.R. 200.322	
10	2 C.F.R. 200.323	
11	2 C.F.R. 200.324	
12	2 C.F.R. 200.325	
13	2 C.F.R. 200.326	
14	48 C.F.R. chapter 1	
15		
16		
17	Cross References: Policy 5700	Conflicts of Interest
18	Policy 7320	Purchasing
19		
20	<u>Policy History:</u>	
21	Adopted on:	
22	Reviewed on:	
23	Revised on: 7/29/19	
24		
25		

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7326

4
5 Documentation and Approval of Claims

6
7 All financial obligations and disbursements must be documented in compliance with statutory
8 provisions and audit guidelines. Documentation will specifically describe acquired goods and/or
9 services, budget appropriations applicable to payment, and required approvals. All purchases,
10 encumbrances and obligations, and disbursements must be approved by the administrator
11 designated with authority, responsibility, and control over budget appropriations. The
12 responsibility for approving these documents cannot be delegated.

13
14 The District business office is responsible for developing procedures and forms to be used in the
15 requisition, purchase, and payment of claims.

16
17
18
19 Policy History:

20 Adopted on: 3/10/09

21 Reviewed on: 7/29/19

22 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7329

4
5 Petty Cash Funds

6
7 The use of petty cash funds shall be authorized for specific purchases only. Individual personal
8 reimbursements should not be made from petty cash funds. Petty cash accounts will be
9 maintained as cash on hand, with the total dollar amount of the petty cash account limited to
10 Three Hundred Dollars (\$300).

11
12 Moneys not specifically designated as petty cash will not be co-mingled with the petty cash fund.
13 At the conclusion of each school year, all petty cash funds must be closed out and the petty cash
14 vouchers and cash on hand returned to the business office for processing.

15
16 The District business office is responsible for establishing procedures for use and management of
17 petty cash funds.
18
19
20

21 Policy History:

22 Adopted on: 3/10/09

23 Reviewed on: 7/29/19

24 Revised on:

1 Arlee Public Schools

2
3 FINANCIAL MANAGEMENT

7330F

4
5 **PAYROLL PROCEDURES/SCHEDULES**
6 **(Deferred Wage Payment Election Form)**
7

8 By my signature I hereby acknowledge that I have read and understand the School District's
9 policy on deferred wages. Furthermore, by my signature on this form, I am electing to defer
10 payment of my wages on an annualized basis consisting of _____ payments.
11 I understand that any change from an annualized election of payment requires that I notify the
12 District prior to the beginning of duty for the fiscal year in which the change is being given.
13
14
15

16 _____
17 Signature

Position

18
19 _____
20 Printed name

Date signed

21
22
23
24 Form History:

25 Adopted on: 3/10/09

26 Reviewed on: 7/29/19

27 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7330

4
5 Payroll Procedures/Schedules

6
7 The District will establish one (1) or more days in each month as fixed paydays for payment of
8 wages in accord with the current collective bargaining agreement or District practice. Employees
9 may choose to have their salaries paid in full upon the last pay date following completion of their
10 assignments or may annualize their pay. Employees who choose to receive payment of wages
11 beyond the period in which the wages were earned (deferred payment) will be subject to Internal
12 Revenue Service (IRS) penalties, unless they provide a written election of such deferral prior to
13 (the first (1st) duty day) (July 1)¹ of the year of deferral. Forms for such deferral shall be made
14 available. Any change to the election must be made prior to the first (1st) duty day of the fiscal
15 year of the deferment.

16
17 When a District employee quits, is laid off, or is discharged, wages owed will be paid on the next
18 regular payday for the pay period in which the employee left employment or within fifteen (15)
19 days, whichever occurs first.
20
21
22

23 Cross Reference: 5500 Payment of Wages Upon Termination

24
25 Legal Reference: § 409A, Internal Revenue Code, Deferred Compensation
26

27 Policy History:

28 Adopted on: 3/10/09

29 Reviewed on: 7/29/19

30 Revised on:

1—The District must choose between the first (1st) duty day of the deferral year or July 1 of the deferral year.

4
5 Advertising in Schools/Revenue Enhancement

6
7 Revenue enhancement through a variety of District-wide and District-approved marketing
8 activities, including but not limited to advertising, corporate sponsorship, signage in or on
9 District facilities, etc., is a Board-approved venture. The Board may approve such opportunities
10 subject to certain restrictions in keeping with the community standards of good taste.

11 Advertising will model and promote positive values for District students through proactive
12 educational messages and not be simply traditional advertising of a product. Preferred
13 advertising includes messages encouraging student achievement and establishment of high
14 standards of personal conduct.

15
16 All sponsorship contracts will allow the District to terminate the contract on at least an annual
17 basis, if it is determined that it will have an adverse impact on implementation of curriculum or
18 the educational experience of students.

19
20 The revenue derived should:

- 21
22 1. Enhance student achievement;
23 2. Assist in maintenance of existing District athletic and activity programs; and
24 3. Provide scholarships for students participating in athletic, academic, and activity
25 programs, who demonstrate financial need and merit.

26
27 Appropriate opportunities for marketing activities include but are not limited to:

- 28
29 1. Fixed signage.
30 2. Banners.
31 3. District-level publications.
32 4. Television and radio broadcasts.
33 5. Athletic facilities, including stadiums, high school baseball fields, and high school
34 gymnasiums.
35 6. District-level projects.
36 7. Expanded usage of facilities beyond traditional uses (i.e., concerts, rallies, etc.).
37 8. The interior and exterior of a limited number of District buses, if the advertising is
38 associated with student art selected by the District. The only advertising information
39 allowed will note sponsorship of the student art by the participant. Maintenance for these
40 buses will include but not exceed normal maintenance costs.
41 9. Individual school publications (when not in conflict with current contracts).

42
43 Advertising will not be allowed in classrooms, other than corporate-sponsored curriculum
44 materials approved subject to Board policy.

45
46 The following restrictions will be in place when seeking revenue enhancement. Revenue

enhancement activities will not:

1. Promote hostility, disorder, or violence;
2. Attack ethnic, racial, or religious groups;
3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
4. Be libelous;
5. Inhibit the functioning of the school and/or District;
6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond/budget issues, or any public question submitted at any general, county, municipal, or school election;
7. Be obscene or pornographic, as defined by prevailing community standards throughout the District;
8. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
9. Promote any religious or political organization;
10. Use any District or school logo without prior approval.

Cross Reference: 2120 Curriculum Development and Assessment
 2309 Library Materials
 2311 Instructional Materials

Policy History:

Adopted on: 3/10/09

Reviewed on: 7/29/19

Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7335

4
5 Personal Reimbursements

6
7 While it is recommended that all purchases of goods or services be made within established
8 purchasing procedures, there may be an occasional need for an employee to make a purchase for
9 the benefit of the District from personal funds. In that event, an employee will be reimbursed for
10 a personal purchase under the following criteria:

- 11
12 1. It is clearly demonstrated that the purchase is of benefit to the District;
13
14 2. The purchase was made with the prior approval of an authorized administrator;
15
16 3. The item purchased was not available from District resources; and
17
18 4. The claim for personal reimbursement is properly accounted for and documented with an
19 invoice or receipt.
20

21 The District business office is responsible for developing procedures and forms to be used in
22 processing claims for personal reimbursements.
23
24
25

26 Policy History:

27 Adopted on: 3/10/09

28 Reviewed on: 7/29/19

29 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7336

4
5 Travel Allowances and Expenses

6
7 The District will reimburse employees and trustees for travel expenses while traveling outside
8 the District and engaged in official District business. District employees will be reimbursed for
9 meals at the following rate:

10
11 In-state meetings: \$7.00 – breakfast (if not included with the workshop, conference,
12 etc.)
13 \$11.00 – lunch (if not included with the workshop, meeting,
14 conference, etc.)
15 \$14.50 – dinner (if not included in the workshop, conference, etc.)

16
17 Out-of-state meetings: \$7.00 – breakfast (if not included in the conference, etc.)
18 \$11.00 – lunch (if not included in the conference, etc.)
19 \$18.00 – dinner (if not included in the conference, etc.)

20
21 *Note: Breakfast will not be reimbursed unless a person must leave home prior to 7:00am.*
22 *Evening meals will not be reimbursed unless a person must arrive home after 7:00pm.*

23
24 All travel expenses must be reported on the established travel expense and voucher forms and
25 approved by the employee's supervisor and the Superintendent.

26
27 Employees are expected to use the District owned vehicle when traveling on school business. If
28 personal vehicle use is needed, the employee must request permission from the Superintendent
29 prior to the day(s) of use. If an employee is granted permission to use their personal vehicle,
30 they will be reimbursed for mileage at the current federal rate. **If prior approval has not been**
31 **requested**, the employee will not be reimbursed for the use of their personal vehicle.

32
33 The District business office is responsible for development of procedures and forms to be used in
34 connection with travel expense claims and reimbursements.

35
36
37
38 Legal Reference: § 2-18-501, MCA Meals, lodging, and transportation of persons in
39 state service
40 § 2-18-502, MCA Computation of meal allowance
41 § 2-18-503, MCA Mileage – allowance

42
43 Policy History:

44 Adopted on:

45 Reviewed on:

46 Revised on: 3/10/09, 06/11/2013, 7/29/19

4
5 Procurement Card Use
6

7 The Board of Trustees permits the use of procurement cards for actual and necessary expenses
8 incurred in the performance of work-related duties for the District. A list of those individuals that
9 will be issued a District procurement card will be maintained in the business office and reported
10 to the Board each year at its meeting in June.

11
12 The District offers procurement cards to employees with a credit limit not to exceed \$1,000
13 without Superintendent approval.
14

15 Procurement cards may only be used for legitimate District business expenditures. The use of
16 procurement cards is not intended to circumvent the District's policy on purchasing.
17

18 Users must take proper care of District credit cards and take all reasonable precautions against
19 damage, loss, or theft. Any damage, loss, or theft must immediately be reported to the business
20 office and to the appropriate financial institution. Failure to take proper care of credit cards or
21 failure to report damage, loss, or theft may subject the employee to financial liability.
22

23 Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature, or
24 violate the intent of this policy may result in procurement card revocation and discipline of the
25 employee.
26

27 Users must submit detailed documentation, including itemized receipts for commodities,
28 services, travel, and/or other actual and necessary expenses which have been incurred in
29 connection with school-related business for which the procurement card has been used.
30

31 The Superintendent shall establish regulations governing the issuance and use of procurement
32 cards. Each cardholder shall be apprised of the procedures governing the use of the procurement
33 card, and a copy of this policy and accompanying regulations shall be given to each cardholder.
34

35 The District Clerk shall monitor the use of each procurement card every month and report any
36 serious problems and/or discrepancies directly to the Superintendent and the Board.
37

38 Cross Reference: 7320 Purchasing
39 7335 Personal Reimbursement
40 7336 Travel Allowances and Expenses

41 Legal Reference: §2-7-503, MCA Financial reports and audits of local government
42 entities

43 Policy History:

44 Adopted on: 9/9/2010

45 Revised on: 7/29/19

46 Reviewed on: 7/29/19

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7410

4
5 Fund Accounting System

6
7 The accounts of the District are organized on the basis of funds, each of which is considered to
8 be a separate accounting entity. The operations of each fund are accounted for by providing a
9 separate set of self-balancing accounts. The accounts of the District are maintained on the
10 modified accrual basis of accounting. The following funds are maintained by the District:

11
12 Elementary: 101, 110, 111, 112, 113, 114, 115, 117, 121, 126, 128, 129, 150, 160, 161, 185 and
13 186 (payroll clearing)

14
15 High School: 201, 210, 211, 213, 214, 215, 217, 218, 221, 226, 228, 229, 250, 260, 261, 285,
16 287 (claims clearing)

17
18
19
20 Legal Reference: § 20-9-201, MCA Definitions and application

21
22 Policy History:

23 Adopted on: 3/10/09

24 Reviewed on: 7/29/19

25 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7420

4
5 Activities Pass

6
7 School Activities Pass Policy adopted by the Board of Trustees.

- 8
9 1. School Board members and all staff members and spouses.
10
11 2. Game officials who donate their services.
12
13 3. Permanent lifetime passes shall be issued to all Senior citizens in the Arlee area. To
14 qualify, applicants must be sixty-five (65) years or older.
15
16 4. All administrative and teaching personnel attending events with passes are expected to
17 exercise supervisory control over the students.
18
19 5. Student and Family Activities Passes for the year shall be sold by the High School
20 Administration Office.
21
22
23

24 Policy History:

25 Adopted on:

26 Reviewed on: 11/01, 11/02, 11/03, 3/10/09, 7/29/19

27 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7425

4
5 Extra- and Co-Curricular Funds

6
7 The Board is responsible for establishment and management of student extra- and co-curricular
8 funds. The purpose of student extra- and co-curricular funds is to account for revenues and
9 disbursements of those funds raised by students through recognized student body organizations
10 and activities. The funds shall be deposited and expended by check, in a bank account
11 maintained by the District for student extra- and co-curricular funds. The use of the student
12 extra- and co-curricular funds is limited to the benefit of the students. Students will be involved
13 in the decision-making process related to use of the funds.
14

15 The Board shall follow the *Student Activity Fund Accounting* (published by the Montana
16 Association of School Business Officials (MASBO)) in establishing accounting procedures for
17 administration of student extra- and co-curricular funds and will appoint a fund administrator.
18

19 Specific procedures are available in the Clerk's office.
20
21
22

23	Legal References:	§ 2-7-503, MCA	Financial reports and audits of local
24			government entities
25		§ 20-5-109, MCA	Nonpublic school requirements for
26			compulsory enrollment exemption (<i>Cited by</i>
27			<i>Senate Bill 157</i>)
28		§ 20-9-311, MCA	Calculation of average number belonging
29			(ANB) --3-year averaging (<i>Revised by</i>
30			<i>Senate Bill 72</i>)
31		10.10.304, ARM	Student extra-curricular activity funds
32		Senate Bill 157	Allow nonpublic students to participate in
33			public school extracurriculars
34		Senate Bill 72	Allows non-fulltime enrolled students who
35			participate in extracurricular activities to be
36			counted in the average number belonging
37			calculation.

38
39 Cross References:
40
41

42 Policy History:

43 Adopted on:

44 Reviewed on: 7/29/19

45 Revised on: 3/10/09, 8/17/2021

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7430

4
5 Financial Reporting and Audits

6
7 The Board directs that financial reports of all District funds be prepared in compliance with
8 statutory provisions and generally accepted accounting and financial reporting standards. In
9 addition to reports required for local, state, and federal agencies, financial reports will be
10 prepared monthly and annually and presented to the Board. Financial reports shall reflect
11 financial activity and status of District funds.

12
13 Appropriate interim financial statements and reports of financial position, operating results, and
14 other pertinent information will be prepared to facilitate management and control of financial
15 operations.

16
17 The Board directs that District audits be conducted in accordance with Montana law. Each audit
18 shall be a comprehensive audit of the affairs of the District and District funds. The audits shall
19 comply with all statutory provisions and generally accepted governmental auditing standards.

20
21
22
23 Legal Reference: §§ 2-7-501, et seq., MCA Audits of Political Subdivisions
24 § 20-9-212, MCA Duties of county treasurer
25 § 20-9-213, MCA Duties of trustees

26
27 Policy History:

28 Adopted on: 3/10/09

29 Reviewed on: 7/29/19

30 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7500

4
5 Property Records

6
7 Property and inventory records will be maintained for all land, buildings, and physical property
8 under District control and will be updated annually.

9
10 For purposes of this policy, “equipment” means a unit of furniture or furnishings, an instrument,
11 a machine, an apparatus or a set of articles which retains its shape and appearance with use, is
12 nonexpendable, and does not lose its identity when incorporated into a more complex unit. The
13 Superintendent will ensure inventories of equipment are systematically and accurately recorded
14 and updated annually. Property records of facilities and other fixed assets will be maintained on
15 an ongoing basis. No equipment will be removed for personal or non-school use except in
16 accordance with Board policy.

17
18 Property records will show, appropriate to the item recorded, the:

- 19
20 1. Description and identification
21 2. Manufacturer
22 3. Date of purchase
23 4. Initial cost
24 5. Location
25 6. Serial number, if available
26 7. Model number, if available
27

28 Equipment may be identified with a permanent tag providing appropriate District and equipment
29 identification.

30 The District will identify anticipated improvements or projects in any resolution required to pass
31 a permissive levy.

32 **Cross References:**

33 Legal Reference:	§ 20-6-602, MCA	Trustees’ power over property
	§ 20-6-608, MCA	Authority and duty of trustees to insure
		district property
	House Bill 192	MT Facilities Finance Modifications
	§ 20-9-116, MCA	Resolution of intent to increase nonvoted
		levy – notice (<i>Revised by House Bill 192</i>)

39
40
41
42 Policy History:

43 Adopted on:

44 Reviewed on: 7/29/19

45 Revised on: 3/10/09, 8/17/2021

4
5 Capitalization Policy for Fixed Assets

6
7 A fixed asset is a property that meets all the following requirements:

- 8
9 1. Must be tangible in nature;
10
11 2. Must have a useful life of longer than the current fiscal year; and
12
13 3. Must be of significant value.
14

15 Fixed assets may be acquired through donation, purchase, or may be self-constructed. The asset
16 value for a donation will be the fair market value at the time of donation. The asset value for
17 purchases will be the initial cost plus the trade-in value of any old asset given up, plus all costs
18 related to placing the asset into operation. The cost of self-constructed assets will include both
19 the cost of materials used and the cost of labor involved in construction of the asset.
20

21 The following significant values will be used for different classes of assets:

22

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Equipment and machinery	\$5000.00 or more
Buildings - improvements	\$5000.00 or more
Improvements other than to buildings	\$5000.00 or more
Land	Any amount

32
33
34

35 Cross Reference: 7500 Property Records

36
37 Policy History:

38 Adopted on: 3/10/09

39 Reviewed on: 7/29/19

40 Revised on:

4
5
6 Fund Balances

7
8 *[Note: The provisions of this policy include the provisions of Statement No. 54 of the*
9 *Governmental Accounting Standards Board (GASB).]*

10
11 **I. PURPOSE**

12
13 The fund balance policy establishes a framework for the management of all excess funds managed by
14 the Arlee School District. The policy is in accordance with GASB Statement 54; management of
15 fund balance. It also provides guidance and direction for elected and appointed officials as well as
16 staff in the use of excess funds at year-end.

17
18 **II. SCOPE**

19
20 This fund balance policy applies to all funds in the custody of the School District Business
21 Manager/Clerk of the Arlee School District, Arlee, Montana. These funds are accounted for in the
22 District's annual audited financial reports and include, but are not limited to, the following:

- 23
 - General Fund
 - 24 • Special Revenue Funds
 - 25 • Capital Project Funds
 - 26 • Enterprise Funds
 - 27 • Any new funds created by the District, unless specifically exempted by the governing body;
 - 28 in accordance with state law or GASB pronouncements.

29
30 **III. CLASSIFICATION OF FUND BALANCES**

31
32 The school district shall classify its fund balances in its various funds in one or more of the following
33 five classifications: nonspendable, restricted, committed, assigned, and unassigned.

34
35 **IV. DEFINITIONS**

36
37 A. *Fund balance*---means the arithmetic difference between the assets and liabilities reported in a
38 school district fund.

39
40 B. *Committed fund balance*—amounts constrained to specific purposes by the District itself,
41 using its highest level of decision-making authority; to be reported as committed, amounts
42 cannot be used for any other purpose unless the District takes the same highest-level action to
43 remove or change the constraint

C. *Assigned fund balance*—amounts a school district *intends* to use for a specific purpose; intent can be expressed by the District or by an official to which the Board of Trustees delegates the authority

D. *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

E. *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

F. *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

V. MINIMUM FUND BALANCE

The school district will strive to maintain a minimum unassigned general fund balance of 10% percent of the annual ensuing year's budget.

VI. ORDER OF RESOURCE USE

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

VII. COMMITTING FUND BALANCE

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

VIII. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Superintendent and Business Manager. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

IX. REVIEW

The school board will conduct, at a minimum, an annual review of the sufficiency of the minimum unassigned general fund balance level.

Legal References: Statement No. 54 of the Governmental Accounting Standards Board

Policy History:

Adopted on: 8/8/11

Reviewed on:

Revised on: 7/29/19

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7520

4
5 Independent Investment Accounts

6
7 The Board may establish independent investment accounts separate and apart from those funds
8 maintained by the county treasurer. The Board may transfer cash into an independent investment
9 account from any budgeted or non-budgeted funds. A separate account shall be established for
10 each fund from which transfers are made. The principal and any interest earned must be
11 reallocated to the fund from which the deposit was originally made.

12
13 The District may either:

- 14
15 1. Establish and use the account as a non-spending account, returning sufficient funds to the
16 county treasurer in time to pay all claims against the applicable fund; or
17
18 2. Establish a subsidiary checking account and make expenditures from the investment
19 account, provided all transactions are accounted for and reported, as required by
20 applicable accounting principles. If the District desires to establish a subsidiary checking
21 account for purposes of paying for expenditures directly from an investment account, the
22 District must enter into a written agreement with the county treasurer, in accordance with
23 § 20-9-235, MCA.

24
25
26
27 Legal Reference: § 20-9-235, MCA Authorization for school district investment account

28
29 Policy History:

30 Adopted on: 12/13/01

31 Reviewed on: 3/10/09, 7/29/19

32 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7525

4
5 Lease-Purchase Agreement

6
7 The trustees of a district can lease property with an option to purchase.

8
9 Personal property -- the lease cannot be more than seven (7) years.

10
11 Real property -- the lease cannot be more than fifteen (15) years.

12
13 The terms of the lease must comply with 20-6-625, MCA. If real property is acquired, the
14 trustees shall comply with 20-6-603, MCA.

15
16 The trustees of any district may lease buildings or land suitable for school purposes when it is
17 within the best interests of the district to lease the buildings or land from the county,
18 municipality, another district, or any person. The term of the lease may not be for more than
19 fifteen (15) years unless prior approval of the qualified electors of the district is obtained in the
20 manner prescribed by law for school elections, in which case the lease may be for a term
21 approved by the qualified electors, but not exceeding ninety-nine (99) years. Whenever the lease
22 is for a period of time that is longer than the current school fiscal year, the lease requirements for
23 the succeeding school fiscal years shall be an obligation of the final budgets for such years.

24
25
26 Cross Reference: Policy 7251 Disposal of school district property without
27 a vote.

28
29
30 Legal Reference: § 20-6-603, MCA Trustees' authority to acquire or dispose of
31 sites and buildings – when election required.
32 § 20-6-609, MCA Trustees' authority to acquire property by
33 lease-purchase agreement.
34 § 20-6-625, MCA Authorization to lease buildings or land for
35 school purposes.

36
37 Policy History:

38 Adopted on: 08/11/15

39 Reviewed on: 7/29/19

40 Revised on:

1 **Arlee Public Schools**

2
3 **FINANCIAL MANAGEMENT**

7530

4
5 Procurement of Supplies or Services

6
7 The Board adopts the following provisions of the Montana Procurement Act (i.e., §§ 18-4-101, et
8 seq., MCA):
9

- 10 1. § 18-4-303, MCA – Competitive sealed bidding. With the exception of construction
11 contracts, allows the District to negotiate an adjustment of the bid price with the lowest
12 responsible bidder in order to bring the bid within the amount of available funds, if, and
13 only if, all bids exceed available funds and the lowest responsible bid does not exceed
14 available funds by more than five percent (5%).
15
16 2. § 18-4-306, MCA – Sole source procurement. A contract may be awarded for a supply or
17 service item without competition when, the District determines in writing that:
18 (a) there is only one source for the supply or service item;
19 (b) only one source is acceptable or suitable for the supply or service item; or
20 (c) the supply or service item must be compatible with current supplies or
21 services.
22
23
24

25 Legal Reference: § 18-4-121, et seq., MCA Montana Procurement Act
26 2.5.604, ARM Sole Source Procurement
27

28 Policy History:

29 Adopted on: 3/10/09

30 Reviewed on: 7/29/19

31 Revised on:

Arlee School District #8

FINANCIAL MANAGEMENT

7540

HOUSING POLICY

Arlee School District #8 has one (1) District-owned house. Upon a vacancy of a home, the District Clerk will notify District employees that applications are being taken for that home. District employees, prospective district employees or a member of the public must submit an application, which may be obtained from the administration office, for occupancy of a District-owned house. The application must be returned to the District Office. The Board will determine to whom a lease may be offered based on the benefit to schools and the children attending District schools and/or information indicating the tenant is financially responsible and likely to properly maintain the property. Each tenant must sign the “Arlee Public Schools Lease Agreement” before occupying the house.

Monthly Rent: The monthly rent will be determined by the School District Board of Trustees. A security deposit will be required as per the language stated in the lease agreement.

Utilities and Services: All utilities are the sole responsibility of the tenant. Telephone internet service, cable or dish television is also the responsibility of the tenant.

Tobacco Free: Use of tobacco will not be allowed in any building, including housing owned by the District, at any time as per District Policy 8225.

Pets: Prior written consent must be obtained from the Board. Any requests for consideration or pets or service or assistance animals must accompany the application.

Maintenance: The tenant will be responsible for performing all routine maintenance on the property at tenant’s sole cost and expense. The District shall be responsible for performing and paying for all non-routine and preventive maintenance and repairs not caused by tenant’s misuse, waste, or neglect.

Insurance: All tenants are encouraged to purchase individual insurance for the contents of the leased home.

Legal Reference:	20-6-602, MCA	Trustees’ power over property
	20-6-607, MCA	Leasing district property and disposition of any Rentals
	20-9-543, MCA	School flexibility fund - uses

Policy History:

Adopted on: 09/09/2010

Reviewed on: 7/29/19

Revised on: 3/19/ 2018