

LONE ROCK SCHOOL DISTRICT NO. 13

SCHOOL BOARD POLICY

SECTION VII - FINANCIAL MANAGEMENT

(7000 Series)

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7000 Goals

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

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the District must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of District management and operation. (20-9-101—906 MCA)

In the District's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for the District's students.
3. Provide timely and appropriate information to staff that has fiscal responsibilities.
4. Establish efficient procedures in all areas of fiscal management.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7110 Budget and Program Planning

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

Prior to presentation of the proposed budget for adoption, the Administrator and clerk/business manager shall prepare, for the Board's consideration, recommendations (with supporting documentation) which shall be designed to meet the needs of students within the limits of anticipated revenues.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the Board.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7120 Budget Adjustments

When any budgeted fund line item is in excess of the amount required, the Board may transfer any of the excess appropriation to another line item(s) within the same fund. (20-9-208 MCA)

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

Total budget expenditures for each fund as adopted in the final budget shall constitute the appropriations of the District for the ensuing fiscal year. The Board shall be limited in the incurring of expenditures to the total of such appropriations. (20-9-133 MCA)

With timely notice of a public meeting, Trustees, by majority vote of those present, may declare by resolution that a budget amendment (an addition to the final budget) is necessary. Budget amendments are authorized for specified reasons. (20-9-161 MCA)

The resolution shall state the facts of the budget amendment, the estimated amount of funds needed, and the time and place the Board will meet for the purpose of considering and adopting a budget amendment. (20-9-162--165 MCA)

The meeting to adopt a budget amendment shall be open and shall provide opportunity for any taxpayer to appear and be heard. Budget procedures shall be consistent with statutory requirements. When applicable, the District shall apply for state financial aid to supplement that amount to be collected from local taxes. (20-9-166, 168 MCA)

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7230 Federal Impact Funds

It is the intent of the District that all American Indian children of school age have equal access to all programs, services, and activities offered in the District.

It is also the intent of the District to fully comply with the requirements of Title VIII (Impact Aid Program) of the Elementary and Secondary Education Act and regulations relating thereto. (20 USCS 7701, 34 CFR 222.94)

1. The Administrator and/or his/her designee will meet at least two (2) times annually with tribal officials and parents of Indian children. The purpose of the meetings will be to give tribal officials and parents of Indian children an opportunity to comment on whether Indian children are participating on an equal basis with other children in the District in the educational programs and activities offered by the District. The dates and times of these meetings will be sent to tribal officials and parents of Indian children at the beginning of each school year. In addition to the meetings, tribal officials and parents of Indian children are encouraged to contact the Administrator at any time to provide comments or concerns regarding Indian children's equal participation in the education programs of the District.
2. Each year the Board will review this procedure and the District's Impact Aid Policy.
3. The Administrator and/or his/her designee will review school data and the comments and/or concerns of tribal officials, parents of Indian children, the community, and staff members regarding the assessment and extent of Indian students' participation and progress in the educational programs and services of the District.
4. When assessment data indicate Indian students are not participating on an equal basis with non-Indian students or making adequate progress, tribal officials and parents of Indian children will be asked to make recommended changes.
5. The complete Title VIII application will be sent to tribal officials (and the Indian Education Center, if appropriate) and a summary prepared for all Indian parents in conjunction with the January Title VIII public hearing. Review of new or continuing programs is an ongoing process of the Board. Agendas will be regularly forwarded to Tribal officials. An annual summary will be provided at the January Title VIII public hearing. Additional information is available upon request. A Board meeting will be held, usually in January, for the discussion of the disseminated material as part of a regular Board agenda. Tribal officials and Indian parents and staff will be notified at least ten (10) days prior to the meeting. Notice will be posted in the school's District office and school offices and will be sent to the Tribal Council (and Education Center) for posting.

6. At the Board meeting described in number 5, members of the Indian community will be afforded the opportunity to comment and suggest alternatives to the regularly scheduled times, locations, and frequency of pertinent meetings.
7. Tribal officials, Indian parents, the Title IX Indian Parent Committee, the IPP Committee, and Indian Education Center staff will be notified as to the location and times of meetings in the same manner as that provided for the January Board meeting. Notice will be posted in the school's District office, at school offices, and will also be sent to the Tribal Council and the Tribal Education Center for posting.
8. The Title VIII application will be made available for review by the Title IX Parent Committee and/or the IPP Committee and other interested members of the Indian community, prior to the public meeting generally held in January.

A Board meeting to discuss equal participation of Indian students will generally be held in January.

The Title IX Parent Committee and/or the IPP Committee and interested Indian parents and tribal officials will review assessment data to develop or modify educational programs or services to allow participation of Indian students on an equal basis. These findings and recommendations will be presented to the Board in March or as required by federal guidelines.

Members of the Indian community, tribal officials, members of the Parent Committee and/or the IPP Committee, and staff will be notified of modifications to programs or services as provided in number 5.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7260 Endowments, Gifts, and Investments

The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions imposed by the donor. Endowments received by the District will be deposited to an endowment fund as an expendable or non-expendable trust. Neither the Board nor the Administrator will approve any gifts that are inappropriate. Unless the conditions of the endowment instrument require immediate disbursement, money deposited in the endowment fund shall be invested by the Board according to the provisions of the Uniform Management of Institutional Funds Act (Title 72, chapter 30, MCA). (20-6-601 MCA)(20-7-803 MCA)(20-9-604 MCA)

The Board authorizes the Administrator to establish procedures for determining the suitability or appropriateness of all gifts to be received and accepted by the District.

The Board directs that all school funds be invested in a prudent manner so as to achieve maximum economic benefit to the District. Funds not needed for current obligations may be invested in investment options as set out in Montana statutes, whenever it is deemed advantageous to the District to do so. (20-9-212 MCA)(20-9-213(4) MCA)

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7310 Budget Implementation and Execution

Once adopted by the Board, the operating budget shall be administered by the Administrator. All actions of the Administrator in executing the programs and/or activities delineated in that budget are authorized according to these provisions: (20-3-332 MCA)(20-9-213 MCA)

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Montana and adopted Board policies.
2. Funds held for contingencies may not be expended without approval from the Board.
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board ratification each month.
4. Purchases shall be made according to the legal requirements of the State of Montana and adopted Board policy.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7320 PurchasingAuthorization and Control

The Administrator is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds Five Thousand Dollars (\$5,000), except the Administrator shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students. The Administrator shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds. A staff that obligates the District without proper authorization may be held personally responsible for payment of such obligations.

Bids and Contracts

Whenever the cost of any supplies, equipment, or work shall exceed Twenty-Five Thousand Dollars (\$25,000), formal bids shall be called for by issuing public notice as specified in statute. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Trustees may reject any bids. In making a determination as to which vendor is the lowest responsible bidder, the Board will not only take into consideration the amount of each bid, the Board will consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and promptly fulfill the contract according to its letter and spirit. The bidding requirements do not apply to: a registered professional engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under (Title 37, Chapter 50 MCA). (18-1-101 MCA)(18-1-201 MCA)(20-9-204 MCA)

The advertisement for bid must be made once each week for two (2) consecutive weeks, and the second (2nd) publication must be made not less than five (5) nor more than twelve (12) days before consideration of bids.

The Administrator shall establish bidding and contract awarding procedures. Bid procedures shall be waived only as specified in statute. Any contract required to be let for bid shall contain language to the following effect:

In making a determination as to which vendor is the lowest responsible bidder, if any, the District will not only take into consideration the pecuniary ability of a vendor to perform the contract, the District will consider the skill, ability, and 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, other than those listed as references, in making a determination as to 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 the procurement of supplies or services. Such contracts must be awarded to the lowest responsible bidder, except that the Trustees may reject all bids.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7325 Accounting System Design

The District accounting system shall be established to present, with full disclosure, the financial position and results of the financial operations of the District funds and account groups in conformity with generally accepted accounting principles. The accounting system must be in compliance with the accounting system requirements established by legislative action. The accounting system shall be able to demonstrate compliance with finance-related legal and contractual provisions. Lone Rock School District operates with the Black Mountain Accounting System.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7326 Documentation and Approval of Claims

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

The District business office will be responsible for the development of the procedures and forms to be used in the requisition, purchase, and payment of claims.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7329 Petty Cash Funds

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of Fifty Dollars (\$50), postage, delivery charges, and freight. Individual personal reimbursements which exceed Fifty Dollars (\$50) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, and the total dollar amount of each petty cash account will be limited to One Hundred Dollars (\$100).

The clerk/business manager will be the designated fund custodian to carry out the bookkeeping and security duties. Moneys which are not specifically petty cash moneys shall not be co-mingled with the petty cash fund. At the conclusion of each school year, all petty cash funds must be closed out and the petty cash vouchers and cash on hand returned to the business office for processing.

The District business office shall be responsible for establishing the procedures involving the use and management of petty cash funds.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7332 Advertising in Schools/Revenue Enhancement

Revenue enhancement through a variety of District-wide and District-approved marketing activities, including, but not limited to, advertising, corporate sponsorship, signage, etc., is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board in keeping with the contemporary standards of good taste. Such advertising will seek to model and promote positive values for the students of the District, through proactive educational messages and not just traditional advertising of a product. Preferred advertising includes messages that encourage student achievement and the establishment of high standards of personal conduct. (Policies 2120, 2310, 2312)

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

The revenue derived should:

1. Enhance student achievement;
2. Assist in the maintenance of existing District athletics and activity programs; and
3. Provide scholarships for students participating in athletic, academic, and activity programs, who demonstrate financial need and merit.

Appropriate opportunities for these marketing activities include, but are not limited to:

1. Fixed signage.
2. Banners.
3. District-level publications.
4. Television and radio broadcasts.
5. Athletic facilities, to include stadiums, baseball fields, and gymnasiums.
6. District-level projects.
7. Expanded usage of facilities beyond traditional use (i.e., concerts, rallies, etc.).
8. Interior and exterior of a limited number of District buses, only if the advertising is associated with student art selected by the District. The only advertising information will note that the student art is sponsored by the participant in the District sponsorship. Maintenance for these buses will include but not exceed normal maintenance costs.
9. Individual school publications (when not in conflict with current contracts).

Advertising will not be allowed in classrooms, and corporate-sponsored curriculum materials are subject to the requirements of Board policy.

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 marketing, advertising, sponsorship, or 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

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018
May 15, 2018

7335 Personal Reimbursement

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

1. It is clearly demonstrated that the purchase is of benefit to the District.
2. The purchase was made with the prior approval of an authorized administrator.
3. The item purchased was not available from resources within the District.
4. The claim for personal reimbursement is properly accounted for and documented with an invoice/receipt.

The District business office will be responsible for the development of the procedures and forms to be used in processing claims for personal reimbursements.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7336 Travel Allowance and Expenses

Every District employee and Trustee will be reimbursed for travel expenses while traveling outside the District and engaged in official District business. District employees who are not exempted by another policy will be reimbursed according to the current State levels pursuant to Montana law. All travel expenses must be reported on the established travel expense and voucher forms and approved by the Administrator. (2-18-501—503 MCA)

The District business office will be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7410 Fund Accounting System

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The accounts of the District are maintained on the modified accrual basis of accounting. The following funds are maintained by the District: (20-9-201 MCA)

- 101 General Funds
- 110 Transportation Fund
- 111 Bus Depreciation Fund
- 112 Meal Fund
- 114 Retirement Fund
- 115 Miscellaneous Federal Funds
- 117 Adult Ed Fund
- 120 Lease/Rental Fund
- 128 Flex Fund
- 150 Debt Service Fund
- 160 Building Fund

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7425 Extra- and Co-Curricular Funds

The Board is responsible for the establishment and management of student extra- and co-curricular funds. The purpose of student extra- and co-curricular funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities. The funds shall be deposited and expended by check, in a bank account maintained by the District for student extra- and co-curricular funds. The use of the student extra- and co-curricular funds is limited to the benefit of the students. Students shall be involved in the decision-making process related to the use of the funds. (2-7-503 MCA)(20-9-504 MCA)

The Board shall follow the *Guideline to Student Activity Funding Accounting* in establishing accounting procedures for administration of the student extra- and co-curricular funds and appoint a fund administrator.

Specific procedures are available in the office of the clerk.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7430 Financial Reporting and Audits

The Board directs that financial reports of all District funds shall be prepared in compliance with statutory provisions and generally accepted accounting and financial reporting standards. In addition to the reports required for local, state, and federal agencies, financial reports will be prepared monthly and annually and presented to the Board. The financial reports shall reflect the financial activity and status of the District funds. (20-9-213 MCA)

Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information will be prepared to facilitate management control of financial operations. (20-9-212 MCA)

The Board directs that District audits shall be conducted in accordance with Montana law. Each audit shall be a comprehensive audit of the affairs of the District and the District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards. Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal years, or it may be conducted annually. (2-7-501, et seq. MCA)

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7500 Property Records

Property records and inventory records shall be maintained on all land, buildings, and physical property under the control of the District. Such records shall be updated annually. (20-6-602, 608 MCA)

For purpose of this policy, “equipment” shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus or a set of articles which retains its shape and appearance with use, is nonexpendable, and does not lose its identity when incorporated into a more complex unit. The Administrator shall ensure that inventories of equipment are systematically and accurately recorded and are updated annually. Property records of facilities and other fixed assets shall be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy. (Policy 7510)

Property records shall show, appropriate to the item recorded, the:

1. Description and identification
2. Manufacturer
3. Date of purchase
4. Initial cost
5. Location
6. Serial number, if available
7. Model number, if available

Equipment may be identified with a permanent tag that provides appropriate District and equipment identification.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7510 Capitalization Policy for Fixed Assets

A fixed asset is a property that meets all the following requirements: (Policy 7500)

1. Must be tangible in nature.
2. Must have a useful life of longer than the current fiscal year.
3. Must be of significant value.

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

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

<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 buildings	\$5000.00 or more
Land	Any amount

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7511 Capital Asset Depreciation Schedule

Capital Asset Description	Fund #	Estimated Life Years	Cost or Acquisition Value	Salvage Value	Beginning Accum Depreciation @
LAND & LAND IMPROVEMENTS					
Land		N/A			
BUILDINGS & BUILDING IMPROVEMENTS					
Original Brick Building		50			
1973 Addition		50			
1992 Addition		20			
1996 Brick Building Remodel		25			
1999 New Multipurpose Floor		20			
1999 Wiring Building		20			
2000 Middle School Building		50			
Bus Garage—2002, 2017		50			
MACHINERY & EQUIPMENT					
Walk In Freezer or Cooler	112	15			
Hobart Mixer	112	15			
Fire Suppression System	112	25			
Braising Pan	112	15			
Imperial 36" Gas Range	112	15			
Convection Oven	112	15			
Hobart Dishwasher	112	15			
Vapor Hood & Duck Work	112	15			
Microwave	112	5			
Tray Cart	112	15			
Milk Cooler	112	15			
Sears Chest Freezer (?)	112	15			
Shelving, Counters, & Sinks	112	15			
Accu-Scan/Printer (?)	101	10			
Sears Riding Lawn Mower	101	15			
Auto Scrubber		15			
Carpet Cleaner		15			
LCD Projector (?)		10			
TV Satellite System (?)		10			
TV, VCRs, & CD Players (?)		10			
Floor Scrubber		10			
Playground Equipment		15			
Misc. Office Equipment, Computers, Highspeeds, Furniture, Printers		5			
Copiers		10			
Buses—5		8			
Kabota Tractor (1/4 Interest)					
Kabota Lawn Mower—2015					
10" Table Saw					

Policy History:

Adopted: June 20, 2004

Reviewed/Revised: February 26, 2018

7520 Independent Investment Accounts

The Board may establish independent investment accounts, separate and apart from those funds maintained by the county treasurer. The Board may transfer cash into the independent investment accounts from any budgeted or non-budgeted funds. A separate account shall be established for each fund from which transfers are made. The principal and any interest earned must be reallocated to the fund from which the deposit was originally made. (20-9-235 MCA)

Prior to establishing an independent investment account, the District shall enter into a written agreement, binding for a period of not less than five (5) years, with the county treasurer.

The District may either:

1. Establish and use the account as a non-spending account, returning sufficient funds to the county treasurer in time to pay all claims against the applicable fund;
or
2. Establish a subsidiary checking account and make expenditures from the investment account, providing that all transactions are accounted for and reported, as required by applicable accounting principles.

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018

7530 Procurement of Supplies or Services

The Board adopts all applicable provisions of the Montana Procurement Act. (18-4-121 MCA)(2.5.604 ARM)

Policy History:

Adopted: March 16, 2004

Reviewed/Revised: February 26, 2018