

## **STATEMENT OF GUIDING PRINCIPLES FOR BUSINESS PROCEDURES**

The Board of Directors recognizes that its primary purpose is to provide the best education possible within the limits of the established curriculum and the financial ability of the school district. The Board of Directors also recognizes its deep responsibility to the citizens of the school district for the efficient use of public funds. It shall, therefore, be the duty of the Board of Directors (1) to see to it that public funds are used as effectively as possible in the service of our district's children; and (2) to report to the public regularly about such use.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised:**

Legal Ref.: Iowa Code Sections 279.34; 280.3; 280.12; 379.35

## **PLANNING THE BUDGET**

Planning the budget document is a continuous process and shall involve long-term thought, study, and deliberation by the superintendent of schools, the Business Manager, the Board of Directors, the administrative staff, the faculty, and the citizens of the school district.

Planning shall be done in three major phases:

1. Assessment of the educational program and its impact upon the budget;
2. Assessment of the district's estimated revenues;
3. Assessment of the district's estimated expenditures.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Ref.: Chapters 8; 24; 298; 442

## **PREPARATION OF THE BUDGET DOCUMENT**

The preparation of the formal budget shall be the responsibility of the superintendent of schools or designee. To comply with Iowa Law, the superintendent or designee shall present to the Board at a regular meeting a preliminary projection of the needs of the school district for the ensuing fiscal year; a complete budget shall be prepared by the superintendent or designee and presented to the Board for certification.

***Approved: 11/16/87***

***Reviewed: 6/15/20***

***Revised: 10/1/07***

Legal Ref.: Iowa Code Chapters 24; 257; 273; 442

Cross Refs.: 801.3, Requirements of the Budget Document  
801.4; Publication of the Budget  
801.5; Public Review of the Budget  
801.6; Budget Adoption by the Board

## **REQUIREMENTS OF THE BUDGET DOCUMENT**

The budget document must include the following information:

1. The estimated amount of revenue for the various funds from sources other than taxation;
2. The amount proposed to be raised by taxation;
3. The amount proposed to be expended in each and every fund and for each and every purpose during the ensuing fiscal year;
4. A comparison of the amounts proposed to be expended with amounts expended for like purposes during the two preceding years;
5. Fully itemized and classified estimates for each particular class of proposed expenditure, showing under separate headings the amounts required, in such manner and form as prescribed by the Department of Management.

The budget document shall also contain a brief explanatory section to show any program changes for the ensuing year that may be responsible for changes in expenditures.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Ref.: Iowa Code Sections 24.3; 24.5; 298.1; Chapter 442

## **PUBLICATION OF THE BUDGET**

The Board of Directors shall adopt, for publication, an approved budget\* for the ensuing year. This approved budget shall be filed by the secretary of the Board in compliance with Iowa Law.

The Board of Directors shall publish this approved budget in the legal newspaper of the school district, together with the time and place established for public review of the budget.

***Approved: 11/16/87***

***Reviewed: 6/15/20***

***Revised: 10/1/07***

Legal Ref.: Iowa Code Section 24.9; Chapter 442; Section 618.14

\*Note: This refers to the certified budget, not to the educational program plan with its corresponding line item appropriations.

## **PUBLIC REVIEW OF THE BUDGET**

In compliance with Iowa Law the Board of Directors shall establish and publish the time and place for public review of the budget document.

The verified proof of the publication of such notice, together with the certified budget, shall be filed in the office of the county auditor and preserved by that office. No levy shall be valid unless and until such notice is published and filed.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 6/21/93**

Legal Ref.: Iowa Code Sections 24.9 through 24.11; Chapter 442  
Iowa Administrative Code 618.14

Note: Although Iowa Code Sections 24.27 through 24.29 permit citizen groups of the district to file a formal protest against a budget adopted by the Board, at least three of the persons filing such a complaint must have filed a joint written objection at or before the budget hearing of the Board for the protest to be valid, and for the county auditor to pursue the protest.

## **BUDGET ADOPTION BY THE BOARD**

The Board of Directors shall, after the public budget hearing, adopt the final budget for the ensuing year and certify it to the levying board.

In compliance with Iowa Law the final budget shall be certified by the Board of Directors and signed by the Board Secretary in duplicate and sent to the county auditor on forms prescribed by the state.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 11/19/07**

Legal Ref.: Iowa Code Sections 24.12; 24.17; Chapter 442; Section 618.14

Note: Iowa Code Sections 24.27 through 24.29 outline the process by which citizens may protest an adopted budget of the Board of Directors. Such a protest can be filed with the county auditor, under the provisions set forth in Section 24.27. (See also the Note on 801.5)

## **BUDGET AS A SPENDING PLAN**

The final certified budget shall be considered the authority for all expenditures to be made during the fiscal year.

Any expenditure to be made that exceeds the final certified budget shall be made only in accordance with procedures specified in the Code of Iowa. These procedures permit the expenditure of closing cash balances of the preceding fiscal year and the expenditure of unanticipated income from sources other than taxation during a fiscal year by amending the budget. The Board of Directors, upon approving an amended budget, shall file and publish it and give notice of a public hearing as set by Iowa Code.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Ref.: Iowa Code Sections 24.9; 24.14; 442.9



## **TRANSFER OF INACTIVE ACCOUNT FUNDS**

When the necessity for maintaining any account has ceased to exist, and a balance remains in that account, the Board of Directors, shall so declare by resolution and upon such declaration shall transfer the balance to the fund or funds designated by the Board.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Reference: Iowa Code §§ 24.21-.22; 279.8; 279.42; 298A.

Cross Reference: 801  
802.5

Budget  
Sale of Bonds

## **FINANCIAL ACCOUNTING SYSTEM**

The Board of Directors of this school district adopts as its system of financial accounting the Uniform Financial Accounting for LEA's and AEA's.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 1/28/02**

Legal Ref.: Iowa Code Sections 11.23; 257.10; 257.18

## **INTERNAL CONTROLS**

The Board expects all board members, employees, volunteers, consultants, vendors, contractors, students and other parties maintaining any relationship with the school district to act with integrity, due diligence, and in accordance with all laws in their duties involving the school district's resources. The board is entrusted with public dollars and no one connected with the school district should do anything to erode that trust.

Internal control is the responsibility of all employees of the school district. The superintendent, business manager and board secretary shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, financial impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor, business manager or the superintendent. The superintendent shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the board's legal counsel, auditing firm, and other internal or external departments and agencies, including law enforcement officials, as the superintendent may deem appropriate.

Employees bringing forth a concern about a potential impropriety will not be retaliated against and those who do retaliate against such an employee will be subject to disciplinary action up to, and including, termination.

In the event the concern or complaint involves the superintendent or business manager, the concern shall be brought to the attention of the board vice-president, who shall be empowered to contact the board's legal counsel, insurance agent, auditing firm, and any other agency to investigate the concern or complaint.

Upon approval of the board, the superintendent may contact the State Auditor or elect to employ the school district's auditing firm or State Auditor to conduct a complete or partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The superintendent is authorized to order a complete forensic audit if, in the superintendent's judgment, such an audit would be useful and beneficial to the school district. The superintendent shall ensure the State Auditor is notified of any suspected embezzlement or theft pursuant to Iowa law. In the event, there is an investigation, records will be maintained for use in the investigation. Individuals found to have altered or destroyed records will be subject to disciplinary action, up to, and including termination.

**Approved: 11/5/07**

**Reviewed: 6/15/20**

**Revised: 6/15/20**

Legal References: American Competitiveness and Corporate  
Accountability Act of 2002, Pub. L. No. 107-204.  
Iowa Code ch. 11, 279.8 (2005).

Cross References: 804.5 Audits

## **INTERNAL CONTROLS PROCEDURES**

Fraud, financial improprieties, or irregularities include, but are not limited to:  
Forgery or unauthorized alteration of any document or account belonging to the district.  
Forgery or unauthorized alteration of a check, bank draft, or any other financial document.  
Misappropriation of funds, securities, supplies, or other assets.  
Impropriety in the handling of money or reporting of financial transactions.  
Profiteering because of "insider" information of district information or activities.  
Disclosing confidential and/or proprietary information to outside parties.  
Accepting or seeking anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.  
Destroying, removing, or inappropriately using district records, furniture, fixtures, or equipment.  
Failing to provide financial records to authorized state or local entities.  
Failure to cooperate fully with any financial auditors, investigators or law enforcement.  
Any other dishonest or fraudulent act involving district monies or resources.

The superintendent or business manager shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates the occurrence of a fraudulent activity, the superintendent or board vice-president, if the investigation centers on the superintendent, shall issue a report to the board and appropriate personnel. The final disposition of the matter and any decision to file or not file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with district legal counsel. The results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know until the results are made public.

**Approved:** 11/5/07

**Reviewed:** 6/15/20

**Revised:**

## FINANCIAL INDICATORS

### **Solvency Ratio**

The District's target for its undesignated, unreserved general fund balance at June 30 is 15 percent of that year's revenue, plus or minus 3%. A fund balance of a minimum of 15 percent enables the District to achieve the highest possible credit ratings from rating agencies, such as Moody's and Standard and Poor's. Higher credit ratings are directly related to lower interest rates on long-term debt issued by the District. Sufficient fund balances also eliminate short-term borrowings and related interest expense in the general fund and protect the District if the State of Iowa reduces funding mid-year. A report on meeting this target will be made annually to the Board.

### **Unspent Budget Authority**

The unspent budget authority is the remaining legal spending authority at the end of the fiscal year. The district's unspent budget authority at June 30 shall be between 15 percent and 25 percent of its general fund budget (spending) authority. Maintaining adequate unspent budget authority provides legal authority to spend the undesignated, unreserved fund balance. A report on meeting this target will be made annually to the Board.

### **Modified Supplemental Amount**

The district shall request from the School Budget Review Committee additional modified supplemental aid where it may be available for items such as special education deficit, increasing enrollment, English as a Second Language, and any other lawful purposes.

**Approved:** 2/4/13

**Reviewed:** 6/15/20

**Revised:**

## **LOCAL, STATE, AND FEDERAL INCOME**

All income received by the school district shall be classified under the official accounting system and be placed in the hands of the secretary/treasurer of the Board of Directors, to be deposited into the official school district depository or depositories set by the Board in accordance with the laws of the State of Iowa.

**Approved:** 11/16/87

**Reviewed:** 6/15/20

**Revised:**

Legal Ref.: Iowa Code Section 291.12; Chapters 452; 453

Cross Ref.: 802.8, Depository of Funds

## TUITION FEES

The Board of Directors shall, upon the recommendation of the superintendent of schools, adopt at a regular meeting a schedule of tuition fees for the school district's adult education and summer school programs for the ensuing school year.

For nonresident students attending elementary or secondary school during the regular school year, the fee shall be the state cost per student or the district cost per student, whichever is lower.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Ref.: Iowa Code Sections 282.6; 282.24; 282.2; 442.4

Iowa Administrative Code 282

Court Cases: Oshel v. Creston Comm. Sch. Dist., DPI Admin.  
Doc. 570, 1/8/81; Mt. Hope Sch. Dist. v. Hendrickson,  
197 N.W.47 (Iowa 1924)

Cross Ref.: 501.6, Nonresident Students  
602.5, Summer School Instruction



## **Sale, Lease or Disposition of Student-Constructed Buildings and Property**

The board has the authority to sell, lease or dispose of student-constructed buildings and the property on which the student-constructed buildings are located under the following procedure:

1. The superintendent or designee may contact a local Board of Realtors indicating a student-constructed building and the property on which the student-constructed building is located is for sale for cash sale by special warranty deed if the property is not sold within three months. The superintendent or designee shall work with a local Board of Realtors in establishing sales commission fees and realtor assignments.
2. A listing of the property at a price to be determined by the business manager and superintendent will be established. The proceeds of sale shall be deposited in the enterprise fund.
3. Any offer will be presented to the superintendent or designee. The business manager will report the proposed sale to the Board with a recommendation for acceptance, counteroffer, or rejection.
4. The Board of Directors will then consider the superintendent or designee's recommendations and act upon the offer and authorize the president and secretary of the Board to execute a special warranty deed, if the sale is approved.
5. The Board of Directors will authorize the secretary of the Board to certify by affidavit the procedures followed in compliance with this policy and the provisions of Section 297.22(3) of the Code of Iowa.

**Approved:** 8/20/07

**Reviewed:** 6/15/20

**Revised:**

Legal Ref.: Iowa Code

## **USE OF SCHOOL PROPERTY AND EQUIPMENT**

The superintendent of schools shall establish the necessary regulations governing the use of the school buildings or school-owned equipment by outside groups. These regulations shall be consistent with the laws of the State of Iowa. The superintendent shall also set up a schedule of fees for the use of the buildings or equipment; these regulations shall be submitted to the Board of Directors for approval.

The Board will permit school equipment to be loaned to staff members when such use is directly related to their employment, and to students when the equipment is to be used in connection with their studies or extra-curricular activities. Proper controls will be established to ensure the borrower's responsibility for, and return of, all such equipment.

***Approved: 11/16/87***

***Reviewed: 6/15/20***

***Revised: 10/1/07***

Legal Ref.: Iowa Code Sections 29C.12; 98A.2; 98.3; 111A.8; 123.46;  
278.1(4); 297.9 through 297.11; 300.1

Cross Ref.: 1004, Use of School Facilities, and all subcodes

## **SALE OF BONDS**

The Board of Directors shall, under legal provisions, conduct an election for authorization to issue bonds. The election, the issuance, the sale, the receipts from sale, and the payment of the bonds shall be made in accordance with the statutes of the State of Iowa.

Warrants shall be issued in accordance with the provisions of the Iowa Code.

**Approved:** 11/16/87

**Reviewed:** 6/15/20

**Revised:**

Legal Ref.: Iowa Code Chapter 74, 74A, 75, 76, 291.13, 298

## POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

### 1. Role of Compliance Coordinator/Board Treasurer

The board treasurer shall:

- a) Be responsible for monitoring post-issuance compliance;
- b) Maintain a copy of the transcript of proceedings or minutes in connection with the issuance of any tax-exempt obligations and obtain records that are necessary to meet the requirements of this regulation;
- c) Consult with bond counsel, a rebate consultant, financial advisor, IRS publications and such other resources as are necessary to understand and meet the requirements of this regulation;
- d) Seek out training and education to be implemented upon the occurrence of new developments in the area and upon the hiring of new personnel to implement this regulation.

### 2. Financing Transcripts' Filing and Retention

The board treasurer shall confirm the proper filing of an IRS 8038 Series return and maintain a transcript of proceedings and minutes for all tax-exempt obligations issued by the school district including, but not limited to, all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained until 11 years after the tax-exempt obligation documents have been retired. The transcript shall include, at a minimum:

- a) Form 8038;
- b) Minutes, resolutions and certificates;
- c) Certifications of issue price from the underwriter;
- d) Formal elections required by the IRS;
- e) Trustee statements;
- f) Records of refunded bonds, if applicable;
- g) Correspondence relating to bond financings; and
- h) Reports of any IRS examinations for bond financings.

### 3. Proper Use of Proceeds

The board treasurer shall review the resolution authorizing issuance for each tax-exempt obligation issued by the school district and the school district shall:

- a) Obtain a computation of the yield on such issue from the school district's financial advisor;
- b) Create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) Review all requisitions, draw schedules, draw requests,

- d) invoices and bills requesting payment from the Project Fund; Determine whether payment from the Project Fund is appropriate and, if so, make payment from the Project Fund (and appropriate sub-fund, if applicable);
- e) Maintain records of the payment requests and corresponding records showing payment;
- f) Maintain records showing the earnings on, and investment of, the Project Fund;
- g) Ensure that all investments acquired with proceeds are purchased at fair market value;
- h) Identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments do not exceed the yield to which such investments are restricted;
- i) Maintain records related to any investment contracts, credit enhancement transactions and the bidding of financial products related to the proceeds.

4. Timely Expenditure and Arbitrage/Rebate Compliance

The board treasurer shall review the Tax-Exemption Certificate (or equivalent) for each tax-exempt obligation issued by the school district and the expenditure records provided in Section 2 of this regulation, above and shall:

- a) Monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- b) Monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate if the school district does not meet the "small issuer" exception for said obligation;
- c) Not less than 60 days prior to a required expenditure date, confer with bond counsel and a rebate consultant, if the school district will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate. In the event the school district fails to meet a temporary period or rebate exception:
  - 1. Procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
  - 2. Arrange for timely computation and payment of yield reduction payments (as such term is defined in the Code and Treasury Regulations), if applicable.

5. Proper Use of Bond Financed Assets

The board treasurer shall:

- a) Maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;

- b) Monitor and confer with bond counsel with respect to all proposed bond financed assets;
  - 1. management contracts;
  - 2. service agreements;
  - 3. research contracts;
  - 4. naming rights contracts;
  - 5. leases or sub-leases;
  - 6. joint venture, limited liability or partnership arrangements;
  - 7. sale of property; or
  - 8. any other change in use of such asset.
- c) Maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets; and
- d) Contact bond counsel and ensure timely remedial action under IRS Regulation Sections 1.141-12 in the event the school district takes an action with respect to a bond financed asset, which causes the private business tests or private loan financing test to be met.

6. General Project Records

For each project financed with tax-exempt obligations, the board treasurer shall maintain, until three years after retirement of the tax-exempt obligations or obligations issued to refund those obligations, the following:

- a) Appraisals, demand surveys or feasibility studies;
- b) Applications, approvals and other documentation of grants;
- c) Depreciation schedules;
- d) Contracts respecting the project.

7. Advance Refundings

The board treasurer shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds. The board treasurer shall:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel and a financial advisor;
- b) Identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) Review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure;
  - (1) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue;
  - (2) that the proposed issuance complies with federal income

- tax requirements which might impose restrictions on the redemption date of the refunded bonds;
- (3) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become "arbitrage bonds"; and
  - (4) that the proposed issuance will not result in the issuer's exploitation of the difference between tax exempt and taxable interest rates to obtain a financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes;
- d) Collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the board treasurer shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied;
  - e) Whenever possible, purchase State and Local Government Series (SLGS) to size each advance refunding escrow. The financial advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Board treasurer shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations;
  - f) Ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations to the extent as issuer elects to the purchase of a guaranteed investment contract;
  - g) In determining the issue price for any advance refunding issuance, obtain and retain issue price certification by the purchasing underwriter at closing;
  - h) After the issuance of an advance refunding issue, ensure timely identification of violations of any federal tax requirements and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

#### 8. Continuing Disclosure

The board treasurer shall assure compliance with each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The board treasurer will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than 10 business days after the day of the occurrence of the event. Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- d) Unscheduled draws on credit enhancements relating to the bonds reflecting financial difficulties;
- e) Substitution of credit or liquidity providers, or their failure to perform;
- f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices, or determinations with respect to the tax-exempt status of the bonds, or material events affecting the tax-exempt status of the bonds;
- g) Modifications to rights of Holders of the Bonds, if material;
- h) Bond calls (excluding sinking fund mandatory redemptions), if material and tender offers;
- i) Defeasances of the bonds;
- j) Release, substitution, or sale of property securing repayment of the bonds, if material;
- k) Rating changes on the bonds;
- l) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- m) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

**Approved:** 3/19/12

**Reviewed:** 6/15/20

**Revised:**

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2011).  
<http://www.irs.gov/taxexemptbond/article/0,,id=243503,00.html>

Cross Reference: 800 Business Procedures



## **INVESTMENTS**

School district funds in excess of current needs shall be invested in compliance with this policy. The goals of the school district's investment portfolio in order of priority are

- To provide safety of the principal;
- To maintain the necessary liquidity to match expected liabilities;  
and
- To obtain a reasonable rate of return.

In making investments, the school district shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

School district funds are monies of the school district, including operating funds. "Operating funds" of the school district are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred and ninety seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds.

The board authorizes the treasurer to invest funds in excess of current needs in the following investments.

- Interest bearing savings, money market, and checking accounts at the school district's authorized depositories;
- Iowa Schools Joint Investment Trust Program (ISJIT);
- Obligations of the United States government, its agencies and instrumentalities;
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions;
- Repurchase agreements in which underlying collateral consists of investments in government securities. The school district must take delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements;

- Prime bankers' acceptance that mature within two hundred seventy days and that are eligible for purchase by a federal reserve bank. At the time of purchase no more than ten percent of the investment portfolio can be in these investments and no more than five percent of the investment portfolio can be invested in the securities of a single issuer;
- Commercial paper or other short-term corporate debt that matures within two hundred seventy days and that is rated within the two highest classifications, as established by at least one of the standard rating services, with no more than five percent at the time of purchase placed in the second highest classification. At the time of purchase no more than ten percent of the investment portfolio can be in these investments and no more than five percent of the investment portfolio can be invested in the securities of a single issuer; and,
- An open-end management investment company registered with the federal securities exchange commission and commonly referred to as a money market mutual fund. The money market mutual fund shall use only the investments individually authorized by law for school districts.

It shall be the responsibility of the treasurer to oversee the investment portfolio in compliance with this policy and the law.

It shall be the responsibility of the treasurer to bring a contract with an outside person to invest school district funds, to advise on investments, to direct investments, to act in a fiduciary capacity or to perform other services to the board for review and approval. The treasurer shall also provide the board with information about and verification of the outside person's fiduciary bond. Contracts with outside persons shall include a clause requiring the outside person to notify the school district within thirty days of any material weakness in internal structure or regulatory orders or sanctions against the outside person regarding the services being provided to the school district and to provide the documents necessary for the performance of the investment portion of school district audit. Contracts with outside persons shall not be based on the performance of the investment portfolio.

If the district has an investment portfolio, then the treasurer shall be responsible for reporting to and reviewing with the board at its regular meetings the investment portfolio's performance, transaction activity and current investments including the percent of the investment portfolio by type of investment and by issuer and maturities. The report shall also include trend lines by month over the last year and year to year trend lines regarding the performance of the investment portfolio. It shall also be the responsibility of the treasurer to obtain the information necessary to ensure that the investments and the outside persons doing business with the school district meet the requirements outlined in this policy.

It shall also be the responsibility of the superintendent, in conjunction with the treasurer, to develop a system of investment practices and internal controls over the investment practices in compliance with this policy and the law.

**Approved: 9/14/92**

**Reviewed: 6/15/20**

**Revised: 11/19/07**

Legal Ref.: Iowa Code SS 11.2, .6; 12.62; 22.1, .13; 28E.2; 257; 279.29; 283A; 285: 452.10; 453; 502.701; 633.123 (1993).

Cross Ref.: Revenue  
Treasurer

## **GIFTS, GRANTS, AND BEQUESTS**

If approved by the Board of Directors, gifts, grants, or bequests involving money, equipment, or furnishings may be accepted by the school district. All gifts, grants, or bequests shall be administered in accordance with the terms of the gift or bequest, and shall become the property of the school district under the control of the Board of Directors.

**Approved:** 11/16/87

**Reviewed:** 6/15/20

**Revised:**

Legal Ref.: Iowa Code Section 565.6

## **DEPOSITORY OF FUNDS**

At the annual meeting in September, the Board of Directors shall designate by resolution, which shall be entered in the official minutes of the Board, the name and location of the bank or banks selected as the official school district depository or depositories. The Board shall also designate the maximum amount that may be kept on deposit in each bank.

The safety of all moneys deposited in any depository must be guaranteed by government securities pledged by the depository that are equal to 100% of the moneys in excess of the FDIC limits.

**Approved: 11/16/87**

**Reviewed: 6/15/20**

**Revised: 10/1/07**

Legal Ref.: Iowa Code Sections 279.33; 453.1; 453.3; 454.6

## **PURCHASING AND BIDDING**

It shall be the policy of the school district to purchase products and services from within the district community, provided that such products and services are competitive.

The official budget document shall be considered the authority for all expenditures made during the fiscal year. The principal concern of the Board of Directors shall be that the overall expenditure for any one fund during a fiscal period shall not exceed the budgeted amount for that fund. Categorical breakdowns within funds shall be used primarily for budget control for the current fiscal year, and for future budget planning.

The superintendent or designee, shall approve all purchases made in the name of the school district, except those authorized by direct action of the Board of Directors.

No official may make a purchase or contract in the name of the school district for more than \$15,000 for any single item or single group of items without competitive quotes. Bids shall be made in accordance with the laws of the State of Iowa.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised:**

Legal Ref.: Iowa Code Sections 73.1 et seq; 74.8; 297.7; 297.8; 301.7;  
301.8; 301.10; HF 2521, 7/1/80

Cross Ref.: All 803 subcodes

## **REQUISITIONS/PURCHASE ORDERS**

Requisitions for equipment, supplies, and services shall be made on properly authorized forms or purchasing systems, following generally accepted accounting principles (GAAP). Forms must be signed by officially designated personnel before being processed.

The procurement of all supplies, equipment, and services shall begin with the issuance of an official purchase order signed by the superintendent of schools or by an authorized member of the staff. Only those supplies, equipment, and services procured by formal contract shall be exempt.

The following procedure shall be used in purchasing supplies and equipment:

1. Obtain a requisition from your principal.
2. Submit the requisition to your principal for his/her approval and signature.
3. Requisition will then be sent to the superintendent's office for final approval.
4. The superintendent's office will issue a purchase order and send the order to the various companies.
5. Do not purchase supplies on your own and then submit the bill to the superintendent's office.
6. Bills submitted to the superintendent's office without a purchase order will not be honored.

### **EXPLANATION OF FORMS**

REQUISITIONS - These forms are to be used by all employees when requesting approval of any purchase of any item. Forms may be secured from the principal. Be sure to fill in all blanks and give all information requested. After completion of this form, return same to Principal.

PURCHASE ORDER - These forms will be issued in the superintendent's office upon receipt of an APPROVED REQUISITION. Distribution of various colored forms of purchase orders is: WHITE - Sent to the company from which the material is ordered, PINK - Return to the employee submitting the requisition, YELLOW - Attached to requisition and filed away for future reference.

Note: When employee receives the merchandise, the pink copy should be marked accordingly and returned to the principal who, in turn, will return it to the central office.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 2/4/13**

## **RECEIVING GOODS AND SERVICES**

Whenever possible, all supplies, equipment, and services purchased in the name of the school district shall be cleared through the purchasing department. Whenever this procedure is impossible or impractical, the purchasing department shall be notified by the school personnel who receive goods or services that these have been delivered directly.

It shall be the duty of the business office to certify the receipt of all goods and services.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 11/5/07**

Cross Ref.: 803.1, Purchasing and Bidding  
803.2/803.3, Requisitions/Purchase Orders



## **APPROVAL AND PAYMENT FOR GOODS AND SERVICES**

The Board Secretary shall issue warrants, upon audit and allowance by the Board, for all just claims against the school district for payment of goods and services, and for payment of salaries pursuant to the terms of written contracts entered into by the Board.

All claims and salaries for which warrants have been issued prior to audit and allowance by the Board shall be passed upon by the Board at its next regular meeting, and shall be entered on records in the regular minutes of the secretary. Prepayment of bills for savings discounts and prepayment of registrations for school employees are specifically approved in this policy. Only those prepayments are approved in this policy, and every effort will be made to arrange payment of all bills after audit and allowance by the Board.

***Approved: 11/16/87***

***Reviewed: 10/19/20***

***Revised: 12/19/16***

Legal Ref.: Iowa Code Sections 279.36; 291.8; 291.12; 279.30

Cross Ref.: 803.6, "Unpaid Warrants"

## UNPAID WARRANTS

Only in the case of absolute necessity will the Board issue warrants for which no funds are available. In such a case, the secretary/treasurer shall institute the procedures required by the Code of Iowa, Chapter 74, Sections 1-7, for payment of the warrants.

**Approved:** 11/16/87

**Reviewed:** 10/19/20

**Revised:**

Legal Ref.: Iowa Code Sections 74.1 through 74.7  
ISCAP

## **PAYROLL PERIODS**

Beginning July 1, 1988, it shall be the policy of the Board of Directors that all personnel of the school district be paid on the 15th day of each month. When the payday falls on or during holidays, vacations, or weekends, employees shall receive their paychecks on the last prior working day.

The above policy is subject to review and revision through the collective bargaining process where one exists.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 11/5/07**

Legal Ref.: Iowa Code Section 20.9  
Scope and Negotiations

Cross Refs.: 408.3, "Salary Schedules for Support Personnel"  
803.8, "Payroll Deductions"

## **PAYROLL DEDUCTIONS**

Ease of administration is the primary consideration for payroll deductions, other than those required by law. Payroll deductions are made for federal income tax withholdings, State income tax withholdings, social security, medicare and the Iowa Public Employees' Retirement System.

Employees may elect to have payments withheld for professional dues, district-related and mutually agreed upon group insurance coverage, and/or tax sheltered annuity programs. Requests for these deductions will be made in writing to the superintendent or his/her designee. The written assignment authorizing payroll deduction for Association membership dues must be in the hands of the Board Secretary not later than five (5) working days after the commencement of the contract work year as established by the school calendar in order for the payroll deduction to take effect during the annual payroll period.

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

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

***Approved: 11/16/87***

***Reviewed: 10/19/20***

***Revised: 3/16/09***

Legal Reference: Iowa Code §§ 91A.2(4), .3; 294.8-.9, .15-.16; 422 (2001).

Cross Ref.: 413.1 Annuities for Personnel  
413.8 Payroll Schedule

## **TRAVEL ALLOWANCE**

All personnel of the school district shall be reimbursed for travel expenses incurred for travel outside the district authorized by the superintendent of schools.

Travel shall be (1) by common carrier when such transportation is available and will serve the time schedule of the individual; or (2) by private automobile. If the individual chooses to go by automobile, the maximum travel cost shall not exceed the cost of economy/coach class air travel.

If a district vehicle is not available, the employee will be reimbursed at a rate consistent with the State of Iowa government mileage rate set by the Department of Administrative Services.

An itemized account of all expenses, accompanied by receipted hotel/motel bills for overnight lodging, shall be presented to the Board for payment.

All administrative personnel shall be reimbursed for any travel necessary to the performance of their assigned duties. This does not include travel between their homes and their offices.

All other personnel shall be reimbursed for any travel from the building in which they normally begin their day of service. This does not include travel to and from work and home.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 12/19/16**

Legal Ref.: Iowa Code Sections 79.9; 279.32

## CREDIT CARDS

District credit cards may be used for the actual and necessary expenses incurred in the performance of work-related duties. Actual and necessary expenses incurred in the performance of work-related duties include, but are not limited to, fuel for school district transportation vehicles used for transporting students to and from school and for school-sponsored events, payment of claims related to professional development of the board and employees, and other expenses required by employees and the board in the performance of their duties.

Authorized staff using a school district credit card must submit a detailed receipt in addition to a credit card receipt indicating the date, purpose and nature of the expense for each claim item. Failure to provide a proper receipt will make the employee responsible for expenses incurred. Those expenses are reimbursed to the school district no later than ten working days following use of the school district's credit card. In exceptional circumstances, the superintendent or board may allow a claim without proper receipt. Written documentation explaining the exceptional circumstances is maintained as part of the school district's record of the claim.

It is the responsibility of the business manager to determine whether the school district credit card use is for appropriate school business. It is the responsibility of the board to determine through the approval process of the board whether the school district credit card use is for appropriate school business.

The superintendent or designee is responsible for developing administrative regulations regarding actual and necessary expenses and use of a school district credit card. The administrative regulations will include the appropriate forms to be filed for obtaining a credit card.

**Approved: 10/17/05**

**Reviewed: 10/19/20**

**Revised:**

Legal Reference: Iowa Constitution, Art. III, § 31.  
Iowa Code §§ 279.8, .29, .30 (2005).  
281 I.A.C. 12.3(1).

## **SECRETARY/TREASURER'S MONTHLY REPORTS**

The secretary/treasurer of the Board shall file each month with the Board of Directors a financial statement of the preceding month's business. This statement shall be sent to the members of the Board together with the agenda of the regular monthly Board meeting.

**Approved:** 11/16/87

**Reviewed:** 10/19/20

**Revised:**

Legal Ref.: Iowa Code Section 291.7

## **SECRETARY/TREASURER'S ANNUAL REPORT**

Yearly, at a regular Board meeting, the secretary/treasurer of the Board shall make an annual report which shall show the amounts of the general fund and the school house fund held over, received, paid out, and on hand, with the several accounts to be separately stated.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 11/5/07**

Legal Ref.: Iowa Code Section 291.15

Cross Refs.: 202.5, "Secretary/Treasurer of the Board"  
204.5, "Annual Meetings of the Board"



## **AUDITS**

The Board of Directors shall engage an auditing agency to perform an annual audit of the financial affairs of the school district, in accordance with the laws of the State of Iowa.

Annual audit reports shall remain on permanent file in the administrative offices of the school district.

**Approved:** 11/16/87

**Reviewed:** 10/19/20

**Revised:**

Legal Ref.: Iowa Code Section 11.18

## **BOARD OF DIRECTORS' RECORDS**

The secretary/treasurer of the Board of Directors shall cause to be kept and preserved, according to the schedule below, the following records:

<u>Type of Record</u>	<u>Length of Preservation</u>
1. Secretary's financial records	Permanently
2. Treasurer's financial records	Permanently
3. Minutes of the Board of Directors	Permanently
4. Bonds and bond coupons	Permanently
5. Annual audit reports	Permanently
6. Annual budget	5 years
7. Record of payment of judgments against the school district	20 years
8. Written contracts	10 years
9. Cancelled warrants, check stubs, bank statements, bills, invoices, and related records	5 years

Records may be maintained electronically and paper copies of records may be destroyed if they are more than three years old. An electronic record meets the same legal requirements as the original record.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 12/19/16**

Legal Ref.: Iowa Code Sections 291.6 through 291.11; Chapter 304  
DPI Regulations Pertaining to School Business, 1965

## **EMPLOYEE RECORDS**

The school district shall maintain personnel records on employees. The records are important for the daily administration of the educational program, for implementing board policy, for budget and financial planning, and for meeting state and federal requirements.

The records shall include, but not be limited to, records necessary for the daily administration of the school district, salary records, evaluations, application for employment, references, and other items needed to carry out board policy. Employee personnel files are school district records and are considered confidential records and therefore are not generally open to public inspection or accessibility. Only in certain limited instances, when the employee has given a signed consent, will employee personnel records be accessible to individuals other than the employee or authorized school officials.

Employees may have access to their personnel files, with the exception of letters of reference, and copy items from their personnel files at a time mutually agreed upon between the superintendent or his/her designee and the employee. The school district may charge a reasonable fee for each copy. However, employees will not be allowed access to the employment references written on behalf of the employee. Board members will generally only have access to an employee's file when it is necessary because of an employee related matter before the board.

It shall be the responsibility of the superintendent or his/her designee to keep employees' personnel files current. The board secretary shall be the custodian of employee records.

It shall be the responsibility of the superintendent to develop administrative regulations for the implementation of this policy.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 1/28/02**

Legal Reference: Iowa Code chs. 20; 21; 22; 91B (1997).

## **EMPLOYEE RECORDS REGULATION**

### Employee Personnel Records Content

1. Employee personnel records may contain the following information:
  - Personal information including, but not limited to, name, address, telephone number, emergency numbers, birth date and spouse.
  - Individual employment contract.
  - Evaluations.
  - Application, resume and references.
  - Salary information.
  - Copy of the employee's license or certificate, if needed for the position.
  - Educational transcripts.
  - Assignment.
  - Records of disciplinary matters.
  
2. Employee health and medical records shall be kept in a file separate from the employee's personnel records. Health and medical records may contain, but are not limited to:
  - Medical professional signed physical form.
  - Sick or long-term disability leave days.
  - Worker's compensation claims.
  - Reasonable accommodation made by the school district to accommodate the employee's disability.
  - Employee's medical history.
  - Employee emergency names and numbers.
  - Family and medical leave request forms.

### **Applicant File Records Content**

Records on applicants for positions with the school district shall be maintained in the central administration office. The records shall include, but not be limited to:

- Application for employment.
- Resume.
- References.
- Evidence of appropriate license or certificate, if necessary for the position for which the individual applied.
- Affirmative action form, if submitted.

Record Access

Only authorized school officials shall have access to an employee's records without the written consent of the employee. Authorized school officials may include, but not be limited to, the superintendent, building principal, or board secretary. In the case of a medical emergency, the school nurse or other first aid or safety personnel may have access to the employee's health or medical file without the consent of the employee. Board members will generally only have access to an employee's personnel file without the consent of the employee when necessary for the conducting of board business.

Confidential records include, but are not necessarily limited to, birth dates, addresses, gender, employment applications, performance evaluations and individual test scores.

Employee Record Retention

All employee records, except payroll and salary records, shall be maintained for a minimum of seven years after termination of employment with the district. Applicant records shall be maintained for minimum of seven years after the position was filled. Payroll and salary records shall be maintained for a minimum of three years after payment.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 1/28/02**

## **BONDS FOR OFFICERS AND EMPLOYEES**

The secretary and treasurer of the Board of Directors shall be appropriately bonded with theft and fraud coverage under the districts insurance program.

All other employees shall be covered by a blanket bond in the amount of \$100,000.

**Approved:** 11/16/87

**Reviewed:** 10/19/20

**Revised:** 12/03/07

Legal Ref.: Iowa Code Sections 291.2; 291.3

## INVENTORY

An annual inventory of all furniture and other equipment shall be maintained under the supervision of the superintendent or designee. All items of equipment that are not consumable shall be included in the annual inventory.

**Approved:** 11/16/87

**Reviewed:** 10/19/20

**Revised:** 11/5/07

## CAPITAL ASSETS

The school district will establish and maintain a capital assets management system for reporting capitalized assets owned or under the jurisdiction of the school district in its financial reports in accordance with generally accepted accounting principles (GAAP) as required or modified by law; to improve the school district's oversight of capital assets by assigning and recording them to specific facilities and programs and to provide for proof of loss of capital assets for insurance purposes.

Capital assets, including tangible and intangible assets, are reported in the government-wide financial statements (i.e. governmental activities and business type activities) and the proprietary fund financial statements. Capital assets reported include school district buildings, construction in progress, building improvements, land and machinery and equipment. Capital assets reported in the financial reports will include individual capital assets with an historical cost equal to or greater than \$25,000, except machinery and equipment which is \$2,500. The Federal regulations governing school lunch programs require capital assets attributable to the school lunch program with a historical cost of equal to or greater than \$500 be capitalized. Additionally, capital assets are depreciated over the useful life of each capital asset (see schedule at end of policy).

All intangible assets with a purchase price equal to or greater than \$50,000 with useful life of two or more years, are included in the intangible asset inventory for capitalization purposes. Such assets are recorded at actual historical cost and amortized over the designated useful lifetime applying a straight-line method of depreciation. If there are no legal, contractual, regulatory, technological or other factors that limit the useful life of the asset, then the intangible asset needs to be considered to have an indefinite useful life and no amortization should be recorded.

Phase III districts, as determined under GASB 34, will not retroactively report intangible assets. If actual historical cost cannot be determined for intangible assets due to lack of sufficient records, estimated historical cost will be used.

This policy applies to all intangible assets. If an intangible asset that meets the threshold criteria is fully amortized, the asset must be reported at the historical cost and the applicable accumulated amortization must also be reported. It is not appropriate to "net" the capital asset and amortization to avoid reporting. For internally



generated intangible assets, outlays incurred by the government's personnel, or by a third-party contractor on behalf of the government, and for development of internally generated intangible assets should be capitalized.

Fixed assets with the exception of land will be depreciated over the useful life of each fixed asset per the schedule listed below.

<b>Class Description</b>	Useful Life
Building & Building Construction Costs	50 years
Building Improvements	20 years
Bleachers/Track/Tennis Courts	20 years
Site Improvements	15 years
Athletic and Sports Equipment	10 years
Playground Equipment	15 years
Office Machines and Devices	5 years
Machinery, Furniture & Equipment	15 years
Technology Equipment	5 years
Musical Instruments	10 years
Uniforms	10 years
Licensed Vehicles - Bus	7 years
Licensed Vehicles - Other	5 Years
Nutrition Fund	12 Years

For Governmental Fund fixed assets, the straight-line, actual month method of depreciation will be used.

For School Nutrition Fund fixed assets, the straight-line depreciation method will be used and assets will be depreciated a full year in the year of acquisition if owned by the district for  $\frac{1}{2}$  of the fiscal year or more. No depreciation will be taken in the year of acquisition if owned by the district less than  $\frac{1}{2}$  of the fiscal year.

The capital assets management system must be updated monthly to account for the addition/acquisition, disposal, relocation/transfer of capital assets. It is the responsibility of the superintendent to count and reconcile the capital assets with capital assets management system on June 30 each year.

It is the responsibility of the superintendent or designee to develop administrative regulations implementing this policy. It will also be the responsibility of the superintendent or designee to educate employees about this policy and its supporting administrative regulations.

**Approved: 7/19/2004**

**Reviewed: 10/19/20**

**Revised: 12/20/10**

## **INSURANCE PROGRAM**

The board will maintain a comprehensive insurance program to provide adequate coverage against major types of risk, loss, or damage, as well as legal liability. The board will purchase insurance at replacement values, when possible, after reviewing the costs and availability of such insurance. The comprehensive insurance program is reviewed once every three years. Insurance will only be purchased through legally licensed Iowa insurance agents.

The school district will assume the risk of property damage, legal liability, and dishonesty in cases in which the exposure is so small or dispersed that a loss does not significantly affect the operation of the education program or financial condition of the school district.

Insurance of buildings, structures, or property in the open will not generally be purchased to cover loss exposures below \$250.00 unless such insurance is required by statute or contract.

The board may retain a private organization for fixed assets management services.

Administration of the insurance program, making recommendations for additional insurance coverage, placing the insurance coverage and loss prevention activities is the responsibility of the superintendent and/or designee. The superintendent or designee is responsible for maintaining the fixed assets management system, processing claims and maintaining loss records.

**Approved: 11/16/87**

**Reviewed: 10/19/20**

**Revised: 12/03/07**

Legal Reference: Iowa Code §§ 20.9; 85.2; 279.12, .28; 285.5(6),  
.10(6); 296.7; 298A; 517A.1; 670.7 (2007).  
1974 Op. Att'y Gen. 171.  
1972 Op. Att'y Gen. 676.