

III. Fiscal Management

3.1 *Chief School Financial Officer*

The Board will appoint a Chief School Financial Officer to oversee the financial operations of the Board and to perform the duties of the position that are set forth in state law and regulations. The Chief School Financial Officer may also be referred to as the Chief School Finance Officer.

[Reference: ALA. CODE §16-13A-4 (1975); ALA. ADMIN. CODE 290-2-5-.01, *et seq.*]

3.2 *Budget*

A budget will be developed and approved for each fiscal year, which extends from October 1st to September 30th of the following year. Preparation, presentation, submission, and approval of the budget will be undertaken and completed as provided for in state law and regulations. Budgets will be “balanced” such that the expenditures set forth in the budget for the fiscal year will not exceed revenues and any balances on hand, except under conditions set forth by Alabama law governing the issuance of school warrants.

[Reference: ALA. CODE §16-13-140, *et seq.* (1975)]

3.3 *Accounting*

Generally accepted accounting standards as prescribed by the Government Accounting Standards Board (GASB) or other governing authority will be applicable in the administration of all Board and school finances. All Board and school accounts will be recorded and reconciled in the financial records in a timely manner. All reports required by the State Department of Education will be completed in a timely manner with copies provided to Board members.

3.4 *Accounting & Fiscal Operations Manual Authorized*

Financial transactions will be administered in accordance with an accounting and fiscal operations manual that will be developed by the Superintendent or the Chief School Financial Officer and approved by the Board. The accounting and fiscal operations manual will establish and describe specific practices and procedures that are to be followed in connection with all phases of financial administration, including, but not limited to such matters as accounting, bookkeeping, inventory maintenance, payroll, reconciliation, fund security, receipting, disbursement, fundraisers, fees, record retention, purchasing, disposal of property, banking, and investments. The practices, procedures, and requirements set forth in the manual will be disseminated or made available to all employees with administrative responsibilities involving the receipt, handling, or expenditure of school or school system funds, and training will be provided by the Superintendent and/or the Chief

School Financial Officer regarding the contents of the manual.

[Reference: ALA. CODE §16-13A-1 (1975)]

3.5 Audits

Business and financial transactions of the Board and the records of the Board financial accounts will be audited in accordance with auditing standards generally accepted in the United States of America and in accordance with Alabama state law.

[Reference: ALA. CODE §16-13A-7 (1975)]

3.6 Inventories

The Superintendent is required to establish effective procedures to account for all materials, equipment, and other Board property. These procedures will include an annual inventory and evaluation of tangible Board property (including fixed assets and supplemental property), to be completed no later than the end of each fiscal year, with appropriate reports submitted to the Superintendent and Chief School Financial Officer. Inventories will be kept on forms prescribed or approved by the Chief School Financial Officer. Inventory forms will show items on hand at the beginning of the fiscal year, including items lost, disposed of, purchased or otherwise added during the year, resulting in items on hand at the end of the fiscal year.

[Reference: ALA. CODE §§16-13A-1, 6 (1975)]

3.7 Purchasing

- 3.7.1 General – Purchases will be made in accordance with an approved purchase order system that will include such requirements and procedures as may be established in the Board accounting and fiscal operations manual.
- 3.7.2 Adherence to Ethics Law – Employees shall adhere at all times to the provisions of the Alabama Ethics Law in all matters related to purchasing.

3.8 Deposit and Expenditure of Funds

- 3.8.1 Deposits - All funds of the Board will be deposited with qualified depositories, as defined by law, in the manner prescribed by the Chief School Financial Officer and the accounting and fiscal operations manual. The Board requires that school funds be deposited on a daily basis, whenever possible.
- 3.8.2 Investments - The Board authorizes the investment of surplus funds in the manner prescribed by law and approved administrative guidelines.

- 3.8.3 Expenditures - The Superintendent or his designee may spend funds budgeted for operations without prior Board approval unless the expenditure involves an amount in excess of fifty thousand dollars (\$50,000) for personal services contracts. Any capital project requires Board approval.

[Reference: ALA. CODE §16-13A-8 (1975)]

- 3.8.4 Competitive Bid Law - All purchases will be made in compliance with the competitive bid law, when applicable, and with such corresponding rules, regulations, and procedures as may be set forth in the Board's accounting and fiscal operations manual. The Superintendent is authorized to enter into cooperative purchasing agreements with other school systems or local governments as may be permitted by law.

[Reference: ALA. CODE §41-16-50, *et seq.* (1975)]

- 3.8.5 Authorized Signatures - Checks drawn on the general fund or any special fund, with the exception of school accounts, require the signature of the Superintendent or the Chief School Financial Officer or their alternates as designated by the Board. Checks drawn on school accounts require the signature of the principal, or their alternate as approved by the Superintendent.. All checks used will be prenumbered. Checks drawn on Board funds may be signed and processed by electronic means, under the direction of the Chief School Financial Officer or alternate approved by the Board.

3.9 *Employee Compensation*

- 3.9.1 Salaries and Pay Rates - Except as established and governed by the terms of a special employment contract, Board employees will be compensated at rates of pay that are approved by the Board. When required, such salary or compensation rates will be included in a schedule to be developed and adopted by the Board in accordance with state law. Employees may receive supplements or other additional compensation when specifically approved by the Board. The Board authorizes the Superintendent to develop procedures for the purpose of assigning supplements to employees.

[Reference: ALA. CODE §16-13-231.1 (1975)]

- 3.9.2 Local Supplements - School-related booster or support organizations may fund local supplements for individual Board employees. Such payments may be approved by the Superintendent and/or his designee only if the following conditions are satisfied:

- a. The payment is voted on and approved by the membership of the booster or

support organization that proposes to fund the supplement at a regular meeting of the organization;

- b. Funding for the payment must be sufficient to cover benefits, expenses, and other payroll costs, contributions, and liabilities, if any;
- c. The Board of Education accepts no responsibility for the funding source of local supplements.
- d. A check and letter of authorization for the payment is sent to the Board no later than the payroll cutoff date for the month in which the payment is to be made;
- e. The payments are accepted by the employee with the understanding that they do not constitute a part of any employment contract, salary schedule, or legal obligation that is enforceable against the Board, and that the Board has no continuing obligation to maintain supplemental payments to any employee that are provided, funded, or underwritten by a booster club, support organization, or similar third party; and
- f. The payments are subject to any payroll deductions that are required by law.

3.9.3 Salary Administration - Employees are expected to fulfill the work requirements of the position held for the full term of their appointment. Compensation will be prorated to reflect the number of days actually worked, subject to appropriate adjustments, credits, and allowances for available leave. Salaries for full time employees will be paid over twelve months regardless of the contract term, with the exception of eligible first year teachers who may be paid over thirteen (13) months upon the recommendation of the Superintendent. Personnel will be paid in accordance with customary payroll procedures, which may be modified from time to time as the needs of the system require. No employee is entitled to compensation except for work performed by the employee in accordance with an approved contract or the applicable terms of appointment. Compensation may be withheld pending the employee's timely, accurate, and complete submission of all required records, data, and reports.

3.9.4 Salary Deductions - Mandatory salary deductions will be made in accordance with applicable law, and employees are required to complete and submit all forms and provide such information as may be required or reasonably required for such purpose. The Board will make voluntary Board-approved deductions as recommended by the Superintendent as a service to employees upon written request of the individual employee as permitted by law. Upon termination of employment, any amounts owed under the terms of an employee authorization will be deducted from the employee's final pay. The Board will not be liable for any good faith error

made in implementing a salary deduction that has been authorized by the employee.

[Reference: ALA. CODE §16-22-6 (1975)]

- 3.9.5 Minimum Wage and Overtime - In compliance with the Fair Labor Standards Act (“FLSA”), the Board will pay required minimum hourly wages and approved overtime to all employees who are non-exempt employees under the FLSA. For purposes of determining overtime, the workweek begins at 12:01 a.m. on Sunday and ends at midnight on the succeeding Saturday. All non-exempt employees who are approved to work more than forty (40) hours in a work week will be paid overtime. Employees must accurately report all time worked for the Board in the manner prescribed by the Superintendent. Non-exempt employees are not authorized to work more than forty (40) hours in a workweek without specific direction or authorization to do so by the Superintendent, or his designee.
- 3.9.6 Compensatory Time - Non-exempt employees who work more than forty (40) hours in a workweek may, upon prior approval of the employee’s direct supervisor, be paid overtime in the form of compensatory time. Compensatory time will be based on time worked beyond forty (40) hours in a workweek, and will be recorded in minimum time units of one-quarter hour rounded to the nearest quarter of an hour. No more than two hundred forty (240) hours of compensatory time may be accumulated and any overtime accrued in excess of the two hundred forty (240) hours maximum will be paid as overtime compensation. The Board reserves the right to require an employee to use compensatory time as its needs require and may “pay down” any compensatory time balance in its discretion. The Superintendent is hereby authorized to develop procedures and forms for use in implementing this policy.
- 3.9.7 Payroll Direct Deposit – The Coosa County Board of Education makes available direct deposit to its employees. Effective July 1, 2016, all newly hired employees shall be required to participate in the direct deposit of the employees’ payroll check. The appropriate direct deposit forms shall be made available through the Human Resources Department. In the event that the payroll payment cannot be directly deposited into the employee’s account, then a check will be issued to the payroll address of record or delivered by other means as directed by the Chief School Financial Officer. The employee will be responsible for notifying the payroll department in writing of any change in banks, bank account numbers, or account closing concerning the direct deposit account.

3.10 *Expense Reimbursement*

Board members and employees will be reimbursed for reasonable travel and subsistence expenses incurred in connection with official Board business. Reimbursement will be in accordance with approved rates and such procedures and standards for submitting and documenting such expenditures as may be developed by the Chief School Financial Officer

or provided in the approved Finance Manual.

[Reference: ALA. CODE §16-8-5 (1975), §16-8-7, §16-11-9 and §16-12-3(a)]

3.11 *Fees and Payments*

Copying and Other Charges - The Superintendent is authorized to establish a schedule of reasonable charges which will be applied uniformly in response to requests for copies of documents and records. Nothing in this policy or in any schedule of charges authorized hereunder creates or expands any entitlement to copies of records or access thereto beyond that which is established by law or specific Board policy.

3.12 *School Accounts*

Funds held in school accounts, regardless of the funding source, will be maintained and accounted for in accordance with the Board's accounting and fiscal operations manual, and such procedures, rules, and regulations as may be developed by the Chief School Financial Officer or the Superintendent. The principal is ultimately responsible for all school funds and for ensuring that such funds are properly accounted for and secured.

3.13 *Authority to Execute Contracts*

3.13.1 General Authority - The chairman of the Board, or, in the absence of the chairman, the vice-chairman, will have authority to execute contracts on behalf of the Board upon approval of the contract by the Board. The Board may also authorize the Superintendent to execute contracts on behalf of the Board as its chief executive officer.

3.13.2 Limitation on Authority to Bind the Board – Principals and other administrators will have authority to enter into agreements only when such agreements are made in accordance with Board policy and the accounting and fiscal operations manual created under authority of Board policy, or with the express authorization of the Board.

3.14 *Affiliated Organizations*

3.14.1 School Sponsored Organizations – School-sponsored student organizations will be subject to Board policies and procedures concerning fiscal management and will maintain organization funds in school accounts. All books, records, and official documents pertaining to the management of such organizations will be maintained at the local school and will be subject to examination and audit by the Examiners of Public Accounts, Internal Auditors under the Chief School Financial Officer's direction, or the Board. The use of funds collected, generated, or held by such organizations will be determined in accordance with the constitution, charter, or by-laws of the organization, with oversight by the sponsor of the organization, and

subject to approval of the principal.

- 3.14.2 Other Affiliated Organizations - Other organizations that are affiliated with local schools are permitted to operate or raise funds on Board property or at Board sanctioned events only in conformity with Board and State Department of Education policies, procedures, and standards concerning the fiscal management of such organizations. An affiliated organization must conduct an annual audit of its financial operations and make its books and financial records available to the Board for review or audit.

- 3.14.3 Outside 501-C Boosters, Parent Organizations, Other School Related Organizations
 - The Board of Education requires Parent, Booster and related school 501-C organizations that maintain financial operations outside the control of the school to, at a minimum, comply with the State Department of Education guidelines for financial operations of school related organizations. The outside legal entities authorized under I.R.S. Code Section 501-C may provide funds to provide an additional supplement including employer matching benefits for salaries agreed to by the employee and the related organization unless such payments are in violation of Title IX, other federal, state, or local laws and regulations. The additional supplement agreed to by the outside legal entities and employees does not obligate in any way the Coosa County Board of Education or related school resources or fund balances. All supplement payments to employees shall be processed through the Coosa County Board of Education Central Office payroll department with appropriate payroll withholdings.

3.15 *Fundraising*

Fundraising activities will be permitted on school or Board property only if the following criteria are satisfied:

- a. The activity has been pre-approved by the local school principal or the Superintendent;
- b. The activity will be held at a time and in a manner that will not be disruptive to the instructional program or to any other school or school system activity or function unless pre-approved by the Superintendent;
- c. The activity is designed and intended to support a *bona fide* school or school system program or activity, or an activity that is consistent with the mission and purposes of the school system;
- d. Adequate provision has been made for the security and proper accounting of funds collected;
- e. Other information regarding the nature, scope, and purpose of the activity is provided to school officials upon request;
- f. Appropriate arrangements have been made for any special activities to be held in conjunction with the fundraising event; and
- g. Any food items sold for fundraising shall be in compliance with child nutrition guidelines.

3.16 *School Properties Disposal*

The Board of Education shall be advised by the Superintendent in the event that certain real or personal property is no longer needed for public school purposes.

The Board, upon receipt of such report, may at such time as it deems proper and at its discretion declare that such property is no longer needed for public school purposes.

Once real property is declared as surplus by the Board, the Superintendent or his designee shall be authorized to take appropriate action in disposing of such property as outlined below:

- a. Obtain an appraisal(s) reflecting the fair market value.
- b. Notify local government authorities that such property is no longer needed for school purposes and invite a proposal if there is need for such property.
- c. Follow the procedures in the manner prescribed by state law for the sale of real property.

[Reference: ALA. CODE §16-8-40; Att’y Gen. Rept. V. 91 at 49 (1948). V. 142 at 18 through 21 (1971)]

3.17 *Child Nutrition Procurements*

The Superintendent may enter into a written agreement with the Child Nutrition Program at the State Department of Education in order to procure food and other food related products and services. The Board will comply with applicable state and federal laws and regulations governing participation in such child nutrition program.

[Reference: ALA. ADMIN.. CODE 290-080-030-.01, *et seq.*]

3.18 *Bonding*

The Superintendent and the designated Chief School Finance Officer will be bonded in an amount fixed by the State Superintendent of Education. A certified copy of such bond shall be placed on file with the State Department of Education. School principals will be bonded for not less than one thousand dollars (\$1,000.00). Other Board employees may be bonded in an amount approved by the Board. All bonds will be obtained from a reputable surety company authorized to do business in Alabama.

[Reference: ALA. CODE §§16-13-8, 9, 12; 16-30A-5]

3.19 *Fund Balance Policy in Accordance with GASB Statement No. 54*

3.19.1 Purpose - The following policy is necessary in order to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund

Balance Reporting and Governmental Fund Definitions.

3.19.2 Governmental Fund Definitions - The following definitions will be used in reporting activity in governmental funds. The Board may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- a. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- b. Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- c. Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt Service Funds should be used to report resources if legally mandated.
- d. Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

- a. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, and long-term receivables.
- b. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Examples of restricted fund balances include: restricted grants.
- c. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Board before the end of the fiscal year and that require the same level of formal action to remove the constraint.

- d. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The Board authorizes the Superintendent or Chief School Finance Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- e. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

When expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The Board of Education along with the Superintendent and Chief School Finance Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Finance Officer will prepare and submit an annual report of all restricted, committed and assigned funds for the Board of Education.

3.20 *Worthless Check Policy*

Child Nutrition Services gladly accepts checks for the amount of purchases or for the prepayment of meals under these conditions:

- a. Each person writing a check to their perspective school cafeteria should write the check on a commercially printed check with your name, address, and one phone number.
- b. Checks must be made payable to the school cafeteria.
- c. Only personal checks with pre-printed name and address will be accepted. (No business or counter checks).
- d. If a student account is in the negative ala carte items cannot be purchased at anytime.
- e. In the event that the checks are not cleared within 10 days all checks will be turned over to our local circuit clerk for collections.

In any event that a check written and is returned unpaid by your bank a \$30 returned check

fee will be assessed. The fees collected for returned checks may be used for related expenses and recovery of uncollected checks by Coosa County Board of Education. If we receive one (1) check for non-sufficient fund from any one household, only cash or money order will be accepted for meal payments. At the end of the school year, account balances will carry forward to the next school year. If a student is moving out of the school system or a refund is desired at the end of the school year, a written request including name and correct mailing address must be given to the manager. A refund check will be mailed within 30 days.

3.21 *Meal Charge Policy*

The following policy is in force for the sole purpose of stopping the continuous meal charges by students that result in many hours of unsuccessful attempts by Child Nutrition Program employees and school office personnel to collect said charges. This policy would eliminate the need for Principals to maintain accounts to cover unpaid negative balances at the end of the year by students who have charged multiple times. Unpaid balances cannot carry over from one year to the next by the Child Nutrition Program.

The general policy is not to allow students to charge their meals to the Child Nutrition Program at any time. Each school, however, may develop a charge policy that is separate from the Child Nutrition Program that best suits their needs and the needs of their students. The charge policy of each school is made with the understanding that it is each school's responsibility to collect those charges in a reasonable time to clear any negative balance that shows on each child's account. It is not the responsibility of the Child Nutrition Program staff to collect those charges. Each school that has developed a charge policy has to clear any unpaid balances at the end of the school year. Below is the policy for each school in the Coosa County School System.

Elementary School – Students in grades K-4 shall not charge any meals to the Child Nutrition Program. However, in cases of emergency, students in grades K-4 may charge up to two (2) times with the parent/guardian being notified after the first charge. It shall be the responsibility of the Elementary School Principal and/or the school office staff to collect these charges in a reasonable time frame. After two (2) unpaid charges the student will be given an alternate meal until charges are paid.

Middle School – Students in grades 5-8 shall not charge any meals to the Child Nutrition Program. In cases of emergency, the student should be sent to the office to make arrangements for their parent/guardian to bring money from home.

High School – Students in grades 9-12 shall not charge any meals to the Child Nutrition Program.

This policy is not to embarrass or punish any student, but it is developed to discourage the abuse to our Child Nutrition Program with continuous charges by the students. It is

ultimately the parent/guardian's responsibility to make sure that their child has enough money to cover their meals each day.

No meals can be charged in the month of May.

3.22 *Cash Management for Federal Funds (Adopted 7/14/2016)*

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of the federal funds. Federal funds will only be requested to meet immediate cash needs as follows:

- Reimbursement not covered by prior receipts and;
- Anticipated disbursements that are generally fixed, such as monthly program salaries and benefits; or,
- Disbursements will be made within in fifteen business days after receipt of funds.
- The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund.
- Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

3.23 *Determination of Allowable Costs (Adopted 7/14/2016)*

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the chief financial officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assurance that:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;

- Applicable competitive purchasing procedures and;
- Documentation supports allowability of transaction.

Before payments are made from federal funds the federal program director and the chief financial officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations. Any cost reduction or cash refund (rebates, discounts, etc.) related to the transaction will be credited to the Federal program.