

**7000 SERIES  
FINANCIAL MANAGEMENT  
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## **Goals**

**7000**

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.

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 who have fiscal responsibilities.
4. Establish efficient procedures in all areas of fiscal management.

### Policy History

Adopted on: 3/19/07

## **Budget and Program Planning**

**7100**

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 Superintendent 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 on: 3/19/07

## **Budget Implementation and Execution**

**7110**

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

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Idaho 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 approval each month.
4. Purchases shall be made according to the legal requirements of the State of Idaho and adopted Board policy.

### **Policy History:**

Adopted on: 3/19/07

## **Budget Adjustments**

**7120**

Any person(s) proposing a budget amendment must provide written notice of the same to each board member at least seven (7) days in advance of the meeting at which such budget amendment will be proposed.

Prior to the final vote on a budget amendment proposal, notice shall be posted and published once in the manner prescribed by Idaho law. 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.

With timely notice of a public meeting, trustees, by sixty percent (60%) of the members of the Board of Trustees, may declare by resolution that a budget amendment is necessary to reflect the availability of funds and the requirements of the District. Budget amendments are specifically authorized by I.C. § 33-701.

Revenue derived from maintenance and operation levies made pursuant to I.C. § 33-802(2) are excluded from budget adjustments.

Budget amendments shall be submitted to the State Superintendent of Public Instruction.

### **Policy History:**

Adopted on: 3/19/07

## **Accounting System Design**

**7200**

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.

### **Policy History:**

Adopted on: 3/19/07

## **General Accounting Standards Board Statement 34 (Accounting System)**

**7210**

### **Purpose**

The Board recognizes the need to implement the required accounting and financial reporting standards set out in Governmental Accounting Standards Board Statement 34 (“GASB 34”). The primary objectives of implementing the GASB 34 are to assure compliance with state requirements, and to properly account for both the financial and economic resources and to provide new and additional information to users of District financial statements.

### **Authority**

Participation of and reporting shall be in accordance with Board policy. State of Idaho Fiscal Policies manuals as prepared by the office of the State of Idaho Controller’s Office and GASB 34.

### **Delegation of Responsibility**

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Superintendent in cooperation with the District Accountant. The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the Board of Trustees.

The Superintendent in cooperation with the District’s Accountant shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the board for approval, prior to publication.

Prior to submission of the MD&A for Board approval, the independent auditors shall review the MD&A, in accordance with SAS No. 52, “Required Supplementary Information.”

### **Guidelines**

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. The asset life of these assets shall be considered relative to the time of the respective debt amortizations. For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$300.

The capitalization threshold shall be set at a level that will capture at least 80% of all fixed assets.

The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books.
2. Classroom texts.
3. Computer equipment.
4. Classroom furniture.
5. P.E Equipment

These asset category costs shall be capitalized and depreciated as groups when that group’s acquisition cost exceeds the capitalization threshold in any given fiscal year.

For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of individual items, or on an assessment of the life of the group as a whole. Periodically, the intermediate unit shall review the estimated life of groups of assets and adjust the remaining depreciation life of the group.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.

**Policy History:** Adopted on: 3/19/07

## **Documentation and Approval of Claims**

**7220**

All financial obligations and disbursements must be documented in compliance with the 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 should not 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 on: 3/19/07

7000 Series – FINANCIAL MANAGEMENT - 9 – Joint School District No. 171 - Orofino



## **Financial Fraud and Theft Prevention**

**7225**

All District employees, Board members, consultants, vendors, contractors and other parties maintaining a business relationship with the District shall act with integrity and due diligence in matters involving District fiscal resources.

The Superintendent shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety or fiscal irregularities within the District. Every member of the District's administrative team shall be alert for any indication of fraud, financial impropriety or irregularity within his/her areas of responsibility.

The Superintendent 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.

### **Staff Responsibilities**

Any employee who suspects that financial fraud, impropriety or irregularity has occurred shall immediately report those suspicions to the immediate supervisor and/or the Superintendent/designee who shall have the primary responsibility for initiating necessary investigations. Additionally, the Superintendent shall coordinate investigative efforts with the District's legal counsel, auditing firm and other internal or external departments and agencies, including the county prosecutor's office and law enforcement officials, as the Superintendent may deem appropriate.

In the event the concern or complaint involves the Superintendent, the concern shall be brought to the attention of the Chairman of the Board of Trustees who is hereby empowered to contact the District's legal counsel, auditing firm and any other agency to investigate the concern or complaint.

### **Definition**

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions includes, but are not limited to:

- Behaving in a dishonest or false manner in relation to District assets, including theft of funds, securities, supplies or other District properties.
- Forging or altering financial documents or accounts illegally or without proper authorization.
- Improper handling or reporting of financial transactions.
- Personally profiting as a result of insider knowledge.
- Disregarding confidentiality safeguards concerning financial information.
- Violating Board conflict of interest policies.
- Mishandling financial records of District assets (destroying, removing or misusing).

### Internal Controls

The following internal controls shall be a regular practice of the District in an effort to prevent the possibility of fraud:

- Budgetary Transfers. The transfer of appropriations is important for the superintendent, purchasing agent, business official and treasurer, and all shall have written confirmation of the information. The purchasing agent shall be apprised if the transfer has been approved, the treasurer shall document it and the business official shall record it.
- Treasurer's Receipts. The treasurer shall have receipts and numbered duplicates for everything paid out in his/her custody.
- Checks. The treasurer shall keep personal custody of any signature stamps and maintain a list of bills used for Board approval.
- Audit. An individual not connected to the business office shall audit the check register regularly.
- Conduct background checks on potential business office employees. Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted.
- Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.

### Policy History:

Adopted on: 3/19/07

**Financial Reporting and Audits**

**7230**

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 quarterly and presented to the Board. The financial reports shall reflect the financial activity and status of the District funds.

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.

The Board directs that District audits shall be conducted in accordance with Idaho code § 67-450B. 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, as defined by the United States Government Accountability Office. Within ten (10) days after receiving the audit from the District’s independent auditor, the school district shall file two (2) copies of the completed audit report with the legislative counsel at:

Idaho Legislative Services Office  
Legislative Services Audit  
Staff of Legislative Counsel  
P.O. Box 83720  
Boise, Idaho 83720-0054

The report shall be filed with the state department of education after its acceptance by the board of trustees not later than November 10.

Legal Reference:I.C. § 33-701Fiscal year – Payment and accounting of funds  
I.C. § 67-450BIndependent Financial Audits by Government Entities

**Policy History:**

Adopted on: 3/19/07

Revised on: 11/17/08

**Fund Accounting System**

**7250**

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 district shall use a method of accounting for district funds that is approved by the SDE.

**Policy History:**

Adopted on: 3/19/07

Revised 7/21/2014

## **Student Activity Fund**

**7260**

The Board is responsible for the establishment and management of student activity funds. The purpose of student activity funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities, including:

1. Admission charged for interscholastic activities;
2. The sale of yearbooks and annuals;
3. Student fee collections which are used to provide more than one activity/benefit to all of the students of a school or school building;
4. Receipt from vending machines located on school property.

The funds collected by the schools shall be maintained in accounts requiring two authorized signatures for distribution of fund: one signature shall be by a person designated by the Board as an assistant treasurer and the other shall be a designated signature of the building or district.

The funds shall be deposited and expended by regular check in a bank account maintained by the District for each student activity fund. The use of the student extra- and co-curricular funds is limited to the benefit of the students. All funds collected or received for school programs, activities or students use are by Idaho law public monies and the care, custody, control and accounting for such monies is the duty and responsibility of the Treasurer and the Administrative Officer of the District. The management of student activity funds shall be consistent with sound business practices.

Authority is delegated to the Superintendent to require each school within the District to conform to accounting procedures for the receipt, deposit and withdrawal of funds. A report of the activity of these funds shall be submitted to the Board each month. This includes providing for the safekeeping of monies, proper accounting and administration of the funds, and compliance with the Board of Trustees policies and procedures. The Principal is responsible for the proper collection, disbursement and control of all school activity funds.

Projects for the raising of funds shall generally contribute to the educational experience of students and shall not detract from the instructional program. All fundraising projects must have the approval of the principal. Solicitation of funds outside the school must have the approval of the Superintendent.

Legal Reference: I.C. § 33-705 Activity Funds

### **Policy History:**

Adopted on: 3/19/07

## **Property Records**

**7270**

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.

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 Superintendent 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.

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.

Cross Reference:7210GASB Statement 34 (Accounting System)

Legal Reference:I.C. § 33-701Fiscal year – Payment and accounting of funds

### **Policy History:**

Adopted on: 3/19/07

The investment of property, buildings and equipment comprises a substantial portion of the total assets for the School District. It is important to properly record and account for the acquisition, transfer, addition, and deletion of such items. All fixed asset accounts are controlling accounts and should be supported by appropriate inventory records.

**Fixed Assets Categories**

**Land:** All tracts of land acquired by purchase, gift or bequest, or otherwise acquired are included in the accounts records. When land is purchased, the valuation includes the amount paid for the land itself and all costs incidental to its acquisition. These costs include legal expenses, broker's fees and expenses incurred in preparing the land for use, such as building demolition and grading. When acquired by gift or bequest, the land is recorded at fair market value at the date of the acquisition. An independent professional appraisal is considered appropriate for establishing the valuation of land and buildings acquired by gift or bequest.

**Buildings:** All buildings and structures, including all permanently attached fixtures, machinery, and other apparatus that cannot be removed without cutting into walls, ceilings, or floors, or otherwise damaging the building for the items so removed, are included in this classification. When buildings are purchased or acquired by gift or bequest, the valuation method to be utilized is the same as that for land. Care should be taken to allocate all elements of related cost proportionately between the buildings and the land. When buildings are constructed, all identifiable direct costs are included, such as payments for insurance and interest during the construction period. If the District's own labor forces construct the building, the cost should include property allocated overhead or indirect costs. Significant alterations, structural changes, extraordinary repairs, and replacements or betterments that increase the usefulness, efficiency, or life of existing building should be added to the recorded valuation as noted later.

**Improvements Other Than Buildings:** All improvements to land other than buildings such as streets, roads, bridges, pavements, landscaping, and utility distribution systems are included. The valuation method is the same as for land and buildings.

**Equipment** - Equipment includes all personal property with an extended useful life in excess of one year and is not altered materially through use. If equipment is purchased, the item is recorded at net, which is the invoice price, less all discounts, plus freight. Trade-in allowances are not deducted in determining the asset value to be recorded. If an item is fabricated, recording the asset includes the total of all identifiable direct costs including materials, supplies, labor, installation, and indirect costs.

If acquired by gift, the items are recorded at a fair estimate of value at the date of acquisition. Surplus property acquired from the federal government is shown at the value placed on the property by the federal government plus freight and installation costs, unless the value reported is clearly unreasonable. If an item acquired by gift or as surplus property is of significant value, a professional independent appraisal will be utilized to establish the recording value.

**Construction in Progress:** This classification includes all projects for construction of buildings, other improvements, and equipment that are in progress at the end of the fiscal year. The valuation includes all accrued capitalized costs.

**Excess (Surplus) Property:** When excess property is sold outside of the institution, the amount realized from the sale is credited to revenue from sale of excess property. Disposition of the process from the sale depends on the source of funds for the original acquisition of the assets, as well as other legal or administrative policies. If no other restrictions exist, disposition is at the discretion of the management.

### **Capital Equipment and Vehicles**

The District's capitalization policy for equipment includes District assets purchased, donated and lease-purchased machinery, and equipment not affixed to a structure.

1. Stand alone equipment purchased or donated must meet the following criteria before being capitalized:
  - a. The item has an expected useful life in excess of 3 years; and
  - b. The item's original unit cost or estimated fair market value of donated assets is over \$3,000.
  - c. Computer equipment purchased to enhance existing computer hardware with a unit cost in excess of \$3,000 and extends the expected useful life in excess of 3 years.
  - d. Items with an original unit cost or estimated fair market value of donated assets of \$100 to \$3,000 will be tracked as "Equipment Inventory" for accountability purposes, but will not be capitalized for depreciation purposes.
2. Improvement (Betterments) to an existing capital equipment asset must meet both of the following requirement to be capitalized.
  - a. The life of the asset is prolonged for more than 3 years; **and**
  - b. The cost of the improvement exceeds \$3,000.
3. Leased equipment, not subject to lease purchase, will not be capitalized.

### **Capital Improvements**

1. Improvements made to property, District-owned or leased, will be capitalized if both of the following criteria are met:
  - a. The total expenditure is \$10,000 or more, and
  - b. The properties' useful life is extended for 10 years or more, or
  - c. A change in use that significantly increases the value or extends the life.
2. Expenditures that are of a refurbishing or a repair nature will not be capitalized. Refurbishing or repair expenditures are defined as those expenses that do not change the function of the asset, significantly extend the life of the asset, or appreciably increase the value of the asset.  
For example: Landscaping, Carpet Installation, Painting, Drapery cleaning and installation, Asbestos removal, Improvements totaling less than \$10,000
3. Leased property, not subject to lease-purchase, will not be capitalized.

### **Depreciation Method**

1. Depreciation will be calculated on the straight-line method of accounting over the estimated life of the asset.

#### **Assets Years**

Buildings and structures 30 years

School bus 10 years



Automobiles 7 years  
Furniture and equipment 10 years  
Computer equipment 3 years  
Desks and classroom furniture 10 years

### **Procedure Description**

This procedure is applicable to all District departments. Exceptions to this procedure shall be allowed only when written documentation of an overriding contract, law or rule is provided to the District's Business Manager.

Individual classrooms, schools, and offices are responsible for maintaining control over the fixed assets in their area of responsibility.

The Business Office will provide an updated department listing of fixed assets and inventories and the verification form to District departments by August of each year. Return a signed copy of the verification form verifying the inventory is correct, or indicate on the list any adjustments required and the reason for the adjustment. This form is to be returned prior to the beginning of school each year.

When a new capital equipment item is purchased, the Business Office will record the asset in the fixed asset inventory system.

The Business Office will provide an updated department listing of fixed assets and inventories and the verification form to District departments by May 31 of each year. Return a signed copy of the verification form verifying the inventory is correct, or indicate on the list any adjustments required and the reason for the adjustment. This form is to be returned prior to check out of school each year.

Transfers of items between classrooms, buildings, etc. are to be reported to the Business Office on an asset acquisition/deletion/transfer form. The form is to be signed by the receiving department.

Disposition of items is to be recorded on an asset acquisition/deletion/transfer form. The asset disposition form is to be signed by the department manager and sent to the Business Manager. The item(s) will then be retired

Methods of disposal include:

- Sale
- Destruction
- Lost, unaccounted for
- Traded
- Vandalism or theft
- Obsolescence

### **Implementation and Interpretation**

Any question relative to the intent or application of this procedure should be directed to the Business Manager who has been delegated the responsibility for interpreting and implementing this procedure.

Procedure History:

Promulgated on: 3/19/07

7000 Series – FINANCIAL MANAGEMENT - 25 – Joint School District No. 171 - Orofino

## **Revenues**

**7300**

The District will seek and utilize all available sources of revenue for financing its educational programs. This includes revenues from non-tax, local, state and federal sources. All revenues received for the District will be properly credited to the appropriate fund and account as specified by federal and state statute and the accounting and reporting regulations for Idaho school districts. The District will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District will make an effort to collect all revenues due from all sources, including, but not limited to, rental fees, bus fees, fines, tuition fees, other fees and charges.

### **Policy History:**

Adopted on: 3/19/07

## **Investment of Funds**

**7305**

Pursuant to Idaho Code § 33-701, the Board authorizes the Superintendent to invest all or part of any plant facility reserve fund, or any fund accumulated for the payment of interest on and the redemption of outstanding bonds, or other obligations of the District. The Superintendent shall develop criteria and procedures for appropriate investments that shall be reviewed by the Board. A progress report of investments shall be made to the Board on a regular basis.

### **Policy Considerations**

The investment policy shall be reviewed annually by the Superintendent or designee and recommended changes will be presented to the Board for consideration.

Investments may be made only in those instruments approved by, and in a method in conformity with state law including any instrument permitted by law for the investment of state moneys. Legal

Reference: I.C. § 33-701 Fiscal year – Payment & Accounting of Funds

### **Policy History:**

Adopted on: 11/17/08

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.

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

Exemption

Nothing herein shall be construed to prevent advertising in publications that are published by student organizations, PTA/PTO, booster club, or other parent groups. Funds received from approved projects involving advertising in said publications may be retained by the school-related group that is sponsoring the activity as a fund-raising event.

Solicitations

Salesmen, representatives, or agents shall not solicit or contact pupils, teachers or other employees in the school buildings or on school grounds without prior approval.

Cross Reference:2100 Curriculum Development and Assessment

Policy History:

Adopted on: 3/19/07

Revised on: 1/23/12

**Authorization and Control**

The Superintendent 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 \$25,000, except the Superintendent 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 Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds. Staff members shall not obligate the District without express authority. Staff members who obligate the District without proper authorization may be held personally responsible for payment of such obligations.

**Bids and Contracts**

With the exception of the purchase of curricular materials, whenever the cost of any construction, repair or improvement or the acquisition, purchase or repair of any equipment, or other personal property necessary for the effective operation of the District exceeds twenty-five thousand and 00/100 dollars (\$25,000.00), 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 bid, reject all bids and publish notice for bids once again. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the state board of education.

In determining what bid is the lowest responsible bidder, the District will not only take into consideration the amount of the bid, the District will also consider the skill, ability and integrity of a bidder to do faithful and conscientious work and promptly fulfill the contract according to the letter and spirit. References may be contacted.

The Superintendent shall establish bidding and contract awarding procedures.

**Cooperative Purchasing**

The District may cooperatively enter into contracts with one (1) or more districts to purchase materials necessary or desirable for the conduct of the business of the District.

**Personnel Conflict of Interest**

No employee will make any purchase or incur any obligations for or on behalf of the district from any private business or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any private business or venture in which any employee of this district has a direct or indirect financial or ownership interest will be made on a competitive bid basis strictly in accordance with the following procedures:

1. The interested employee, the business, or the vendor will fully disclose, in writing, the employee's exact relationship to the business or vendor.
2. The affected business or vendor may submit a bid in compliance with the specifications outlined by the district.
3. The interested employee will not be involved in any part of the bidding process including, but not limited to, preparing specifications, advertising, analyzing, or accepting bids.

4. This policy will apply to any organization, fund, agency or other activity maintained or operated by the district.

No employee will receive gifts, prizes, awards, merchandise, or commission as a result of ordering any items as a result of placing any purchase order with a vendor on behalf of the district. Legal

Reference: I.C. § 33-601 Real and personal property – Acquisition, use or disposal of same. I.C. § 33-402 Notice requirements

I.C. § 33-316 Cooperative contracts to employ specialized personnel and/or purchase materials

Policy History:

Adopted on: 3/19/07

Revised on: 10/19/09

## Public Works Contracting and Procurement

7405

No contract involving a public works project shall be let to any contractor who is not licensed as required by the laws of this state. Further, the District shall at all times adhere to the bidding requirements for public works contracting and procurement as set out in state law.

### Public Works Contractor Licensure Requirements

\$0 to \$10,000 No Licensure requirement IC 54-1903 (i)

\$10,000 and above Licensure required IC 54-1903 (i)

### Exemptions to Public Works Contractor Licensure

Less than \$10,000 for construction, Single project with any number of trades  
IC 54-1903 (i)

alteration, improvement or repair

Less than \$50,000 for construction, Single project for which no responsive  
IC 54-1903 (i)

alteration, improvement or repair statement of interest was received from a  
licensed contractor per  
IC 67-2805 (i)

Any construction or alteration,

Pursuant to the provision of Charter 10 IC 54-1903 (k)  
repair due to an emergency Title 46 Idaho Code

### Public Works Construction Bidding

\$0 to \$25,000

No bidding requirements  
ID 67-2803(2)

\$25,000 to \$100,000

Semi-formal bidding: Issue written ID 67-2805(2)

Requests for bids describing the work to at least 3 licensed contractors. Allow 3 days for written response; objections 1 day prior to bid. Keep records for 6 months. Allow low bid or reject all bids.

\$100,000 and above

Formal bidding 2 Options A & B: Category ID 67-2805(3)

A - Open to all licensed contractors. Publication requirements. Written objections allowed.  
May request bid security/bond. Accept low bid or reject all bids. See code for details

Category B – Open to pre-qualified contractors. After pre-qualification is determined, the bidding Process is in the same manner as Category A.

I.C. § 54-1903 Unlawful to engage in public works contracting without license

§ 67-2801 et seq. Purchasing by Political Subdivisions

Policy History: Adopted on: 10/19/09

7000 Series – FINANCIAL MANAGEMENT - 29 – Joint School District No. 171 - Orofino



## Public Procurement of Goods and Services

7407

The District shall at all times adhere to the bidding requirements for the procurement of goods and services as set out in state law.

### Public Procurement of Goods and Services Bidding

\$0 to \$25,000

No bidding requirement

IC 54-1903 (2)

\$25,000 to \$50,000

Semi-formal bidding: Issue written request for bids describing goods or services desired to at least 3 vendors. Allow 3 days for written response unless an emergency exists: 1 day for objections.

Keep records for 6 months. Allow low bid or reject all bids. ID 67-2806 (1)

\$50,000 and above

Formal bidding: Publish bid notice at least weeks in advance of bid opening. Make bid specifications available; written objections allowed. May request bid security/bond. Can reject all if able to purchase more economically in the open market. ID 67-2806 (2)

### Exemptions to Public Procurement of Goods and Services Bidding

Personal Property Already competitive bid (piggy-banking)

IC 67-2803(1)

Less than \$25,000

Contracts or purchases of goods and services

IC 67-2803(2)

Any Amount Payment of Wages

IC 67-2803(3)

Any Amount *Personal or professional services* performed

IC 67-2803(4) by independent contractors. (Refer to info on qualifications in IC 67-2320)

Any Amount Procurement of an interest in real property - lease of purchase.

IC 67-2803(5)

Any Amount *Procurement of Insurance*

IC 67-2803(6)

Any Amount *Cost of Joint Powers* participation

IC 67-2801(7)

Any Amount *Emergency Expenditures*

IC 67-2808(1)

Legal Reference: I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History: Adopted on: 10/19/09

## **Petty Cash Funds**

**7410**

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 Two Hundred Dollars (\$200) for secondary schools and One Hundred Dollars (\$100) for elementary schools and school offices and departments.

Each administrator of a school or department with a petty cash fund account may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies which are not specifically petty cash monies 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 on: 3/19/07

### **Personal Reimbursements**

**7420**

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 on: 3/19/07

## **Travel Allowances and Expenses**

**7430**

Every District employee and trustee will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. All travel expenses must be reported on the established travel expense and voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Superintendent.

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.

Legal Reference:I.C. § 33-701Fiscal year – Payment and accounting of funds

### **Policy History:**

Adopted on: 3/19/07

**Travel Request**

All employees who wish to be reimbursed for expenses for official District travel outside the District must submit a travel request form (7430F). Travel requests should be submitted at least two weeks prior to the proposed travel date. Travel under grants that have a higher allowance for travel and/or meals than the standards listed below must be reviewed and approved by the superintendent or the superintendent’s designee.

**Travel**

Employees attending professional meetings or district committee meetings (excluding in-service meetings) at the request of the District may use a District car if it is available. If no District car is available the employee will be reimbursed at the current federal rate. If the employee chooses to use his/her own vehicle in lieu of available District transportation, the employee will be reimbursed at one-half of the current federal mileage rate.

Reimbursement mileage shall be calculated from the employee’s primary work site according to the following mileage chart or by using Map Quest.

**ROUND TRIP MILEAGE FROM OROFINO/TIMBERLINE**

Cavendish	32/92		
Peck	20/80		
Idaho Youth Challenge	64/6		
Timberline	60/0		
Boise	508/536	Highland	74/134
Lewiston	88/148	Kamiah	46/74
Clarkston	90/150	Kooskia	62/80
Coeur d’Alene	320/380	Lapwai	78/138
Cottonwood	98/126	Nezperce	52/120
Culdesac	96/156	McCall	294/320
Deary	87/147	Moscow	146/206
Genesse	115/175	Potlatch	181/241
Grangeville	112/140	St. Maries	238/298

**Travel**

Mileage from a primary work site other than Orofino will be adjusted to that work location. Employees shall use the most practical mode of travel from the standpoint of time and expense. All travel by commercial airlines will be handled by the District Office, unless the employee is specifically approved to book the travel by the superintendent. Travel by commercial airlines shall be limited to the lowest cost means of travel with two weeks advanced purchase unless it is impractical or not available. Boarding fees, baggage fees and other miscellaneous fees may be reimbursable to the employee with receipts for the charges upon completion of the trip.

When for personal reasons, an employee is authorized to use a private vehicle in lieu of commercial airline for travel the total reimbursement for the trip including meals shall not exceed the cost of airline travel.

The use of privately-owned automobiles or other conveyances may be authorized whenever it is more practical or beneficial to the District's mission.

Expenses or mileage of a personal nature incurred for the convenience of the employee including travel by indirect routes or stopovers for personal reasons will not be paid by the District.

**Meals**

Employees traveling outside the district on approved District travel will receive a daily meal allowance of \$46 if they leave the district before 6:00 AM and return after 6:00PM. The partial day meal allowance rate for travel within Region II is: Breakfast \$13.00, lunch \$13.00 and dinner \$20.00. Meal allowances for Travel outside Region II shall be \$53.00, Breakfast \$14.00, Lunch \$14.00, and dinner \$25.00. If a meal is furnished as part of a conference registration fee the employee shall be reimbursed only for the meals not provided. Continental breakfasts provided by a hotel and meals provided by commercial airlines will not be deducted from the per diem allowance. If the employee stays in a motel that provides a breakfast, as opposed to a Continental breakfast, no breakfast allowance will be paid. No accounting of meal expenses is needed.

**Compensatory Time for Travel**

Compensatory time for travel outside the district will be granted in accordance with Fair Labor Standards Act Regulations to all employees except those listed as non-covered under FLSA (typically certified employees and salaried supervisors).

Cross Reference: Policy 5400 Leaves of Absence  
Policy 7430F Travel Request Form  
Policy 8170 and 8170P District-Owned Vehicles

Legal Reference: Fair Labor Standards Act Regulations 29 C.F.R Section 785.38, 785.39, 785.40, 785.41.

**Procedure History:**

Promulgated on: 5/16/12 Amended 7/29/15

**Financial Emergency**

**7600**

It is the intent of the board of trustees to be fiscally prudent, and to establish and maintain a balanced budget every fiscal year. At times, due to funding and/or financial issues beyond the control of the board, it may be necessary to declare a financial emergency.

Prior to declaring a financial emergency, the board of trustees shall hold a public meeting for the purpose of receiving input concerning possible solutions in the financial problems facing the

district. This public meeting may be held on the same date as a scheduled board meeting, at which time the board will determine whether a financial emergency exists.

Notice of the public meeting will occur pursuant to Idaho Code § 67-2343.

Legal Reference	I.C. § 33-522	Financial Emergency
Cross Reference:	7600P	Declaration of Financial Emergency Procedure
	7600F1	Declaration of Financial Emergency Form

Policy History:

Promulgated on: 4/21/2014

## **FINANCIAL MANAGEMENT PROCEDURE**

**7600P**

### **Declaration of Financial Emergency Procedure**

#### **Financial Emergency Declaration Requirements**

If the State Department of Education certifies that one or more of the conditions below in paragraph (a), (b), or (c) are met, then the Board of Trustees may declare a financial emergency if it determines that the condition in paragraph (f) is also met. Alternatively, the Board may declare a financial emergency if it determines that either of the conditions in paragraph (d) or (e) of this subsection are met and the State Department of Education certifies that the condition set forth in paragraph (f) is also met.

#### **Either A, B, or C**

- (a) Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (b) The minimum instructional salary provision in section 33-1004E, Idaho Code, is reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (c) The amount of total general fund money appropriated per support unit is reduced by greater than three percent (3%) from the original general fund appropriation per support unit of any prior fiscal year.

#### **OR D or E**

- (d) The amount of property tax revenue to be collected by the District that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than one and one-half percent (1 ½%) of the District's general fund budget for combined state and local revenues from the prior fiscal year.
- (e) The District's general fund has decreased by at least one and one-half percent (1 ½%) from the previous year's level due to a decrease in funding or natural disaster, but not a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy.

#### **AND**

- (f) The District's unrestricted general fund balance, which excludes funds restricted by state or federal law and considering both anticipated expenditures and revenue, is less than five and one-half percent (5 ½%) of the District's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared.

#### **Negotiations**



Upon the declaration of financial emergency, the Board shall have the power to reopen the salary and benefits compensation aspects of the negotiated agreement, including the length of the certificated employee contracts and the amount of compensation and benefits. And, if the parties to the negotiated agreement mutually agree, the Board shall also have the power to reopen the other matters contained within the negotiated agreement directly affecting the financial circumstance in the District.

The Board and the local education association will meet and confer in good faith for the purpose of reaching agreement on such issues. If an agreement has not been reached, the Board may impose its last, best offer following the outcome of the due process hearing.

### Due Process Hearing

If the Board takes action after the declaration of a financial emergency and such action is directed at more than one certificated employee and if mutually agreed to by both parties, the Board shall use the following procedure to conduct a single, joint due process hearing for all affected certificated employees within sixty-seven (67) days of the declaration of financial emergency or on or before June 22, whichever shall occur first. The due process hearing shall not be required if the Board and the local education association reach an agreement.

- (a) The Superintendent or any other duly authorized administrative officer of the District may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the Board written notice specifying the purported reasons for such changes.
- (b) Upon receipt of such notice, the Board acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the Board prior to any determination by the Board.
- (c) The hearing shall be scheduled to take place not less than six (6) days nor more than fourteen days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
- (d) The hearing shall be open to the public.
- (e) All testimony at the hearing shall be given under oath or affirmation. Any member of the Board, or the Clerk of the Board, may administer oaths to witnesses or affirmations by witnesses.
- (f) The employees may be represented by legal counsel and/or by a representative of a local or state education association.
- (g) The chairman of the Board, or the designee of the chairman, shall conduct the hearing.
- (h) The Board shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or steno-type notes of all the testimony at the hearing. A transcript of the hearing shall be provided at costs by the Board upon request of the employee.

- (i) At the hearing the Superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
- (j) The employees may produce evidence to refute the reduction. Any witness presented by the Superintendent or by the employees shall be subject to cross-examination. The Board may also examine witnesses and be represented by counsel.
- (k) The affected employees may file written briefs and arguments with the Board within three (3) days after the close of the hearing or such other time as may be agreed upon by the affected employees and the Board.
- (l) Within seven (7) days following the close of the hearing, the Board shall determine and, acting through its duly authorized administrative official, shall notify the employees in writing whether the evidence presented at the hearing established the need for the action taken.

#### Length of Financial Emergency

A financial emergency shall be effective for one fiscal year unless the District qualifies in subsequent years due to additional reductions or applicable conditions.

#### Annual Meeting and Notice Requirements

If a financial emergency has been declared, the notice of annual meeting and the notice of the annual budget hearing shall be posted for not less than five (5) days, and by such further notice as shall provide reasonable notice to the patrons of the District if publication in a newspaper is not feasible. If the District has declared a financial emergency, no later than fourteen (14) days prior to its annual meeting, the Board shall have prepared a budget, and held a public hearing.

#### Contract Date Impact

The time requirements of sections 33-514(2) and 33-515(2), Idaho Code, shall not apply in the event a financial emergency is declared.

Legal reference:       I.C. § 33-402 Notice Requirements  
                          I.C. § 33-515 Issuance of Renewable Contracts  
                          I.C. § 33-522 Financial Emergency  
                          I.C. § 33-801 School District Budget

Procedure History: Promulgated on: 4/21/2014

**DECLARATION OF FINANCIAL EMERGENCY**

**WHEREAS**, the Board of Trustees of \_\_\_\_\_ School District No. \_\_\_\_ met on \_\_\_\_\_ *(insert date)* to review the financial state of the District;

**WHEREAS**, the Board of Trustees posted notice on \_\_\_\_\_ *(insert date)* of a public meeting to gather input concerning possible solutions to the financial emergency facing the District;

**WHEREAS**, the Board of Trustees held a public meeting on \_\_\_\_\_ *(insert date)* to gather input concerning possible solutions to the financial emergency facing the District pursuant to Idaho Code Section 33-522(1);

**Note:** *(select from one of the following, or both of the following, if applicable in regard to paragraph (d) or paragraph (e))*

**WHEREAS**, pursuant to paragraph (d) of subsection 33-522(2), Idaho Code, the Board of Trustees has determined that the amount of property tax revenue to be collected by the District that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than one and one-half percent (1 ½%) of the District’s general fund budget for combined state and local revenues from the prior fiscal year;

**WHEREAS**, pursuant to paragraph (e) of subsection 33-522(2), Idaho Code, the Board of Trustees has determined that the District’s general fund has decreased by at least one and one-half percent (1 ½%) from the previous year’s level due to a decrease in funding or natural disaster, but not as a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy; and

**WHEREAS**, the State Department of Education has certified that the conditions set forth in paragraph (f) of section 33-522(2), Idaho Code, have been met in that the District’s unrestricted

general fund balance, which excludes funds restricted by state or federal law and considering both anticipated expenditures and revenue, is less than five and one-half percent (5 ½ %) of the District's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared;

**NOW, THEREFORE BE IT RESOLVED,** on \_\_\_\_\_(*insert date*) that the Board of Trustees of \_\_\_\_\_School District No.\_\_\_\_ declares a financial emergency pursuant to Idaho Code Section 33-522 for the Fiscal Year \_\_\_\_ (*insert year*).

Legal reference: I.C. § 33-522 Financial Emergency Form Created: 4/21/2014