

CONTENTS

7000 SERIES—FINANCIAL MANAGEMENT

Goals	7000
Equivalence in Instructional Staff and Materials	7010
Budget	
Budget and Program Planning	7100
Budget Implementation and Execution.....	7110
Budget Adjustments.....	7120
Accounting System	
Accounting System Design.....	7200
Accounting System (GASB Statement 34).....	7210
Fund Accounting System (GASB Statement 54).....	7215
Documentation and Approval of Claims	7220
Financial Fraud and Theft Prevention.....	7225
Financial Reporting and Audits	7230
Fiscal Accountability and IDEA Part B Funds	7235
Student Activity Funds	7260
Property Records.....	7270
Revenues	
Revenues	7300
Investment of Funds.....	7305
Advertising in Schools/Revenue Enhancement.....	7310
Allowable Uses for Grant Funds.....	7320
Expenses	
Purchasing.....	7400
Time and Effort Documentation	7400F
Procurement Under a Federal Award	7400P
Public Works Contracting and Procurement.....	7405
Public Procurement of Goods and Services.....	7407
Appeal of the Awarding of a Bid.....	7408
Petty Cash Funds.....	7410
Change Funds.....	7411
Impressed Accounts.....	7412
Personal Reimbursements.....	7420
Travel Allowances and Expenses	7430
District Credit Cards	7440
District Credit Card Holder Agreement.....	7440F
Federal Cash Management.....	7450
Fees	
New Fees or Increase of Fees	7500
Financial Emergency	
Declaration of Financial Emergency	7600
Declaration of Financial Emergency Resolution Form.....	7600FA1
Declaration of Financial Emergency Resolution Form.....	7600FA2

Declaration of Financial Emergency Procedure	7600P
Bonds	
Bond Account	7700
Post-Issuance Tax Compliance for Tax-Exempt Bonds	7705
Post-Issuance Tax Compliance Procedure for Tax Exempt Bonds	7705P
Bond Continuing Disclosure and Certification Requirements.....	7710

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.



Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School Districts

Policy History:

Adopted on: 8/11/14

ISBA 2006

Revised on:

The Board directs that all schools within the District are, to the greatest extent possible, equivalent in teaching, administrative, and other staff, and in provision of curricular materials and instructional supplies so that programs and services throughout the schools of the District are substantially comparable.

In reaching this equivalency status, the Board recognizes that individual teacher salary differentials due to schedule factors will not be included in the determination of staff equivalency. Further, the District recognizes that unpredictable changes in student enrollment and personnel assignments that occur after the beginning of the school year in determining comparability of services under this policy will not be included in an analysis of equivalency.

To promote this purpose, and to comply with applicable federal law, the Superintendent or designee, to the maximum extent possible, shall ensure the District complies with the following:

Maintenance of effort. To the maximum extent possible, the District shall maintain its programs and expenditures in a consistent manner from year to year, unless changes to District funding or attendance make such allocations unfeasible.

Federal funds to supplement, not supplant, non-Federal funds. The District may use federal funds only to supplement the funds that would, in the absence of such federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds. To demonstrate compliance with this requirement, the District shall maintain adequate accounting records to demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under this part ensures that all schools receive all of the State and local funds it would otherwise receive if it were not receiving federal funds.

Comparability of services. Except as provided in paragraph captioned “**Compliance**” below, the District shall ensure that State and local funds will be used in schools receiving federal funds to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving federal funds. If the District is serving all of its schools with federal funds, it must ensure that State and local funds are used to provide services that, taken as a whole, are substantially comparable in each school.

Written assurance. The District shall provide the State Department of Education written assurances that the District has established and implemented--

- (1) a District-wide salary schedule;
 - (2) a policy to ensure equivalence among schools in teachers, administrators, and other staff;
- and

(3) a policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

Procedures and records. The Superintendent or designee shall: (1) develop procedures for compliance with this Policy; and (2) maintain records that are updated biennially documenting compliance with this Policy.

Compliance. For the purpose of determining compliance with the requirement to supplement and not supplant state funds with federal funds, the District is permitted to *exclude* State and local funds expended for: (1) language instruction educational programs; and (2) the excess costs of providing services to children with disabilities as determined by the Superintendent.

Exclusion of funds. For the purpose of complying with the requirements of comparable services, the District may exclude receipt of supplemental State or local funds expended in any school for programs that meet the intent and purpose of 20 USC § 6321.

Legal Reference: 20 U.S.C. § 6321 Fiscal Requirements, as amended by Every
Student Succeeds Act of 2015

Policy History:

Adopted on: 8/11/14

ISBA

Revised on: 9/12/16

Revised on: 1/8/18

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: 8/11/14

ISBA

Revised on:

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.



Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District

Policy History:

Adopted on: 8/11/14

ISBA

Revised on:

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.



Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds

Policy History:

Adopted on: 8/11/14

ISBA

Revised on:

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: 8/11/14

ISBA

Revised on:

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, 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 and reporting shall be in accordance with Board policy, State of Idaho fiscal policy manuals as prepared by 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 Director of Fiscal Affairs.

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 Superintendent in cooperation with the Director of Fiscal Affairs 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 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. Any

assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.

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:

\$3,000 for state reporting in the Annual Report.

\$25,000 for audit report purposes.

The capitalization threshold shall be set at a level that will capture at least eighty percent (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; and
4. Classroom furniture.

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.

Legal Reference: Governmental Accounting Standards Board ("GASB") Statement No. 34

Policy History:

Adopted on: 8/11/14

ISBA 2003

Revised on: 8/10/15

9/12/16

To enhance the usefulness of fund balance information the District will provide clear fund balance classifications and use fund type definitions consistently.

The policy is designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District should maintain adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to

emergencies. Fund Types

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 following funds are maintained by the District:

The General Fund is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Debt Service Funds are used to account for all financial resources restricted, committed or assigned to expenditure for Superintendent and interest.

Capital Projects Funds/Plant Facilities Funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Permanent Funds are used to account for resources restricted to the extent that only earnings, and not Superintendent, may be used for purposes that support the District's purposes.

Note: The above list is not comprehensive and the District may have other funds such as an Activities Fund.

Fund Balance Reporting in Governmental Funds

The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

Non-spendable Fund Balance

Includes amounts that cannot be spent because they are either:
Not in spendable form; or
Legally or contractually required to be maintained intact.

Restricted Fund Balance

Includes amounts that can be spent only for the specific purposes stipulated by District policy, external resource providers, or through federal regulations or State laws or rules.

Committed Fund Balance

Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.

Assigned Fund Balance

Includes amounts intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed.

Authority to Assign - The Board delegates to the Superintendent or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance

Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Prioritization of Fund Balance Use

The Board's primary role in adopting this policy is to identify the order of spending unrestricted resources and to acknowledge that the Board is the ultimate decision making authority with regard to committing balances upon recommendation of the Superintendent or designee.

If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing restricted, then committed, then assigned, then unassigned fund balances will be used.

Guidelines

Classifying Fund Balance Amounts

Fund balance classifications depict the nature of the net resources that are reported in a fund. An individual fund may include non-spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Encumbrance Reporting

Encumbering amounts for specific purposes for which resources have already been restricted, committed, or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth above.

Minimum Unassigned Fund Balance

The District will strive to maintain a minimum unassigned fund balance in its General Fund ranging from 5 percent to 15 percent of the subsequent year's budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Replenishing deficiencies - when fund balance falls below the minimum range, the District will replenish shortages/deficiencies using the budget strategies and timeframes described below.

The following budgetary strategies shall be utilized by the District to replenish funding deficiencies:

The District will reduce recurring expenditures to eliminate any structural deficit; or
The District will increase revenues or pursue other funding sources; or
Some combination of the two options above.

The district will strive to build a minimum fund balance within the following time periods:

A minimum fund balance of less than 5 percent shall be replenished over a period not to exceed five years.

A minimum fund balance between 7 percent and 8.5 percent shall be replenished over a period not to exceed three years.

A minimum fund balance between 8.5 percent and 10 percent shall be replenished over a period not to exceed one year.

Surplus fund balance - Should unassigned fund balance of the General Fund ever exceed the range, the District will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

Implementation and Review

The Board authorizes the Superintendent to establish any standards and procedures which may be necessary for its implementation. The Superintendent shall review this policy and any procedures regarding its implementation at least annually and make any recommendations for changes to the Board.

The Superintendent or designee shall provide accounting procedures for the receipt, deposit, expenditure and withdrawal of such moneys and procedures for monthly reporting to the Board of the transactions, assets, liabilities and fund balance for each such fund.



Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District
I.C. § 33-901 et seq. School Funds
Governmental Accounting Standards Board (“GASB”) Statement No. 54

Policy History:

Adopted on: 8/11/14

ISBA

Revised on: 8/10/15

9/12/16

1/09/17

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: 8/11/14

ISBA

Revised on:

Disclaimer:

District Financial Fraud or Theft is a criminal matter and covered by state laws. This policy is merely a guideline so that all District employees understand the possible repercussions of such actions. If you have questions regarding fraud and/or theft, please contact your District legal counsel and/or your local law enforcement agency.

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. While investigating and responding to the financial fraud allegations, the Superintendent or Chair of the Board will give priority to avoiding possible retaliation or reprisals.

Staff Responsibilities

Any employee who suspects that financial fraud, impropriety or irregularity has occurred shall immediately report those suspicions to their 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.

An employee who believes they have suffered reprisal, retaliation, or discrimination for a report under this policy shall report the incident(s) to the Superintendent or designee. The Board will attempt to ensure that no employee who makes such a report will suffer any form of reprisal, retaliation, or discrimination for making the report. Employees are prohibited from preventing or interfering with those who make good faith disclosures of misconduct. This policy shall not apply when an employee knowingly makes a false report.

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 include, 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 should 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 should 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 log for every check written.

Audit

An individual not connected to the business office should

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 positions'; and

Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.



Policy History:

Adopted on: 8/11/14
ISBA 2006
Revised on: 9/12/16

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

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. § 33-701 Fiscal Year – Payment and Accounting of Funds
 I.C. § 67-450B Independent Financial Audits by Government Entities

Policy History:

Adopted on: 8/11/14

ISBA 2008

Revised on:

The District must ensure fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B funds. The purpose of this policy is to ensure that the District complies with the State Department of Education requirements described in the Idaho State Department of Education IDEA Funding Manual.

Use of IDEA Part B Funds

The District shall use IDEA funds only to pay excess costs of providing special education and related services to children with disabilities. A cost is determined to be an excess cost of providing special education only if it meets each of the following criteria:

- The cost would not exist in the absence of special education needs.
- The cost is not also generated by students without disabilities.

If the cost is specific to a particular child and it is documented in that the child is on an Individual Education Plan (IEP).

The Board directs the Superintendent or designee to establish procedures and internal controls to ensure that IDEA Part B funds are used only for allowable, excess costs of providing special education and that these costs are accounted for in the proper function/program codes described in 34 CFR 300.202-205. These procedures and controls shall also ensure the accuracy of the District's Excess Cost Calculation, as required by 34 C.F.R. 300.16 and Appendix A to 34 C.F.R.300.

Time and Effort Reporting

In order to determine if Personnel Costs are allowable under IDEA Part B, the District shall maintain auditable "time and effort" documentation that show how each employee paid with IDEA Part B funds spent his or her compensated time. Such documents are written reports of how the time was spent.

The Board directs the Superintendent or designee to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133.

Maintenance of Effort

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent or designee to establish a means of tracking and reporting local expenditures separate from the expenditure of state funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

Parentally-Placed Private School Children

The District must ensure that it is providing the appropriate portion of IDEA Part B funds to children receiving special education at private schools within the boundaries of the District. To accomplish this, the Board directs the Superintendent or designee to establish procedures to accurately track services provided to Parentally-Placed Private School Children.

Property Procurement and Tracking

The Board directs the Superintendent or designee to establish written procedures to ensure that the District's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 C.F.R.80.36. The Board also directs the Superintendent or designee to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds.

Property records in the inventory management system should include, at a minimum:

Property description;

Identification number;

Source of funding;

Acquisition date and cost;

The location, use, and condition of the property;

Any ultimate disposition data including the date of disposal and sale price of the property.

In addition to the above information, the inventory management system should ensure that all source documents in support of the above information are maintained throughout the life and disposition of the equipment. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.

Retention of Records

The Board directs the Superintendent or designee to ensure that fiscal records are retained for a minimum of three (3) years from the obligation of funds. These records shall be available for inspection if required.



Legal Reference: 34 C.F.R. §§80.36
 34 C.F.R. §§80.42
 34 C.F.R. §§300.132-133
 34 C.F.R. §§300.16
 34 C.F.R. §§300.202-205
 34 C.F.R. §§300, Appendix A
Fiscal Accountability Checklist: For Sub-Recipients of IDEA Part B
Funds
OMB Circular A-87
OMB Circular A-133

Policy History:

Adopted on: 8/11/14

ISBA

Revised on: 9/12/16

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 charges 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 the distribution of funds: one signature shall be by a person designated by the Board as an assistant treasurer and the other shall be a designated signatory 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 treasurer of the District shall provide accounting procedures for the receipt, deposit, expenditure, and withdrawal of such moneys.

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.

For other activity or student funds, the board may create a separate fund(s) and implement procedures for the accounting and control of the same.

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 or designee.



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

Policy History:

Adopted on: 8/11/16

ISBA 2006

Revised on: 8/10/15

9/12/16

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: 7210

GASB Statement 34 (Accounting System)

Legal Reference: I.C. § 33-701

Fiscal Year – Payment and Accounting of Funds

Policy History:

Adopted on: 8/11/14

ISBA

Revised on:

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: 8/11/14

ISBA

Revised on:

Pursuant to Idaho Code §33-701, the Board authorizes the Superintendent to invest all or part of any plant facilities 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 which 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
	I.C. § 67-1210	Investment of Idle Moneys

Policy History:

Adopted on: 8/11/14

ISBA 2007

Revised on:

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 Superintendent- or designee-approved venture. These opportunities are subject to certain restrictions as approved by the Superintendent 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; and
9. Individual school publications (when not in conflict with current contracts).

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

The following restrictions will be in place when seeking revenue enhancement. Revenue enhancement activities will not:

1. Promote hostility, disorder, or violence;
2. Attack ethnic, racial, sexual orientation, gender identity or expression, or religious groups;
3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
4. Be libelous;
5. Inhibit the functioning of the school and/or District;
6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond or 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; or
11. Use age-inappropriate material.

Exception

Nothing herein shall be construed to prevent advertising in publications which are published by student organizations, PTA/PTO, booster club, or other parent groups. Funds received for 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

Salespersons, 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
2500 Library Materials
2520 Curricular Materials
8250 Guidelines for Food and Beverages Sales

Legal References: 7 CFR § 210.30 Local School Wellness Policy
42 USC § 1758b, Section 204 Healthy and Hunger-Free Kids Act of 2010
42 USC § 1771 et seq. Child Nutrition Act of 1966

42 USC § 1751 et seq.

National School Lunch Act

Policy History:

Adopted on: 8/11/14

ISBA 2010

Revised on: 9/12/16

3/17/17

Authorization and Control

It is the policy of this District to conduct its purchasing program in a manner to ensure optimum use of District funds. The Board, or its designee, reserves the right to determine what is in the best interest of the District.

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to state purchasing and federal procurement requirements. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with State purchasing and federal procurement requirements. 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, and in accordance with the requirements of Idaho Code, 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 \$50,000, formal bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. 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 Board may reject any bid, reject all bids, or publish notice to rebid the project. 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.

When purchasing goods and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the District, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including but not limited to the relative experience, ability, references and integrity of the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

Except where a Request for Proposals is advertised, in the event the District awards a contract to a bidder other than the lowest responsive bidder, the Board shall declare its reason or reasons on the record and shall communicate such reason or reasons in writing to all who have submitted a competing bid. The disappointed bidders shall have the right to submit a timely written objection, at which time the District shall stop all work on the project, and shall review its decision and determine whether to affirm its prior award, modify the award, or

choose to re-bid, setting forth its reason or reasons therefor. After completion of the review process, the political subdivision may proceed as it deems to be in the public interest.

The Superintendent shall establish bidding and contract awarding procedures that align with state purchasing and federal procurement requirements.

Cooperative Purchasing

The District may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the District provided that the purchasing cooperative follows state purchasing and federal procurement requirements.

Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the District from any private business, contractor, 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, the contractor, or the vendor will fully disclose, in writing, the employee's exact relationship to the business, the contractor, or the vendor;
2. The affected business, the contractor, or the 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 bidding process, including but not limited to, preparing specifications, advertising, analyzing, or accepting bids; and
4. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the District.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the District nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

Procurement Under a Federal Award

In addition to the conflicts of interest outlined above, no employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee, officer, or agent;
2. Any member of his or her immediate family, including spouses, children, and parents;
3. His or her partner. For the purposes of this policy, “partner” shall mean an adult of the same sex or different sex with whom the employee, officer, or agent shares a non-marital intimate relationship and a common residence and with whom they mutually affirm that they share responsibility for each other’s common welfare; or
4. An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

1. The purchase during the school day of any food or service from a District contractor or vendor for individual use;
2. The removal of any food, supplies, equipment, or school property without proper authorization;
3. Individual sales by District personnel of any school property, including used items.

Violations

Any District officer, employee, or agent who violates this policy may be subject to disciplinary action, including but not limited to a fine, suspension, or termination. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Cross Reference: 7400P Procurement Under a Federal Award
7405 Public Works Contracting and Procurement
7407 Public Procurement of Goods and Services

Legal Reference: I.C. § 18-1351 Bribery and Corrupt Practices – Definitions
I.C. § 33-316 Cooperative Contracts to Employ Specialized Personnel
and/or Purchase Materials
I.C. § 33-402 Notice Requirements
I.C. § 33-601 Real and Personal Property – Acquisition, Use or Disposal
of Same
I.C. § 67-2805 Procurement of Public Works Construction
I.C. § 67-2806 Procuring Services or Personal Property
I.C. § 67-2806A Request for Proposal
I.C. § 74-401 et seq. Ethics in Government

2 C.F.R. § 200.317 Procurement by States
2 C.F.R. § 200.318 General Procurement Standards
2 C.F.R. § 200.320 Methods of Procurement to be Followed

Policy History:

Adopted on: 8/11/14
ISBA 2009
2016
Revised on: 8/10/15
Revised on: 9/12/16
Revised on: 1/8/18

Time and Effort Documentation

Form 7400F

Employee: _____

Position: _____

Reporting Period: _____

Cost Objective (Program Activity)	Fund Code or Program Function Code	Program	Distribution of Time (Percentage of Hours)

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Employee Signature: _____

Date: _____

Reviewed by Supervisor: _____

Date: _____

In addition to its other policies and procedures regarding procurement, the District shall adhere to the following requirements when making procurements under a federal award. The District shall:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The District will identify all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
2. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another position reviews the evaluation.
3. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
4. Avoid acquiring unnecessary or duplicative items;
5. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
6. Maintain a list of prequalified persons, firms, or products used in acquiring goods and services, and include enough qualified sources to ensure maximum open and free competition.
7. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
8. Maintain records sufficient to detail the history of procurement. These records will include:
 - A. Rationale for the method of procurement;
 - B. Selection of contract type;
 - C. Contractor selection or rejection; and
 - D. The basis for the contract price.

9. The use of a time and materials type contract is prohibited unless the District determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a District is the sum of:
 - A. The actual cost of materials; and
 - B. The direct labor hours charged at an hourly rate that reflect wages, general and administrative expenses, and profit.

When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The District will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

10. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
11. The District will adhere to any additional procurement rules as applicable to specific federal programs such as federal child nutrition programs.

Time and Effort Documentation

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work shall be documented on Form 7400F.

Procedure History:

Adopted on: 8/10/15

ISBA

Revised on: 9/12/16

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 at all times shall adhere to the bidding requirements for public works contracting and procurement as set out in State law.

Public Works Contractor Licensure Requirements

\$0 to \$50,000

\$50,000 and above Licensure required IC 54-1903(9)

Exemptions from Public Works Contractor Licensure

Less than \$50,000 for construction, alteration, improvement, or repair. Single project with any number of trades IC 54-1903(9)

Any construction, alteration, or repair due to an emergency. Pursuant to the provision of, Chapter 10, Title 46 Idaho Code IC 54-1903(11)

Public Works Construction Bidding

\$0 to \$50,000 No bidding requirements IC 67-2803(2)

\$50,000 to \$200,000 Semi-formal bidding: Issue written 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. Accept low bid, or reject all bids. IC 67-2805(1)

\$200,000 and above Formal bidding 2 **Options A & B:** IC 67-2805(2)

Category 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. (IC 67-2805(2)(a).)

Category B – Open to pre-qualified contractors. After pre-qualification is determined, the bidding process is in the same manner as Category A. (IC 67-2805(2)(b).)

Legal Reference: I.C. § 54-1903 Unlawful to Engage in Public Works Contracting Without License - Exemptions
I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History:

Adopted on: 8/11/14
ISBA 2009
Revised on: 1/8/18

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

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$100,000	Semi-formal bidding: Issue written requests for bids describing goods or services desired to at least three vendors. Allow three days for written response, unless an emergency exists. One day for objections. Keep records for six months. <u>Accept low bid, or reject all bids.</u>	IC 67-2806(1)
\$100,000 and above	Formal bidding: Publish bid notice at least two 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.	IC 67-2806(2)

Exemptions to Public Procurement of Goods and Services Bidding

Personal Property	Already competitive bid (piggy-backing)	IC 67-2803(1)
Less than \$50,000	Contracts or purchases of goods or services	IC 67-2803(2)
Any Amount	Payments of Wages	IC 67-2803(3)
Any Amount	Personal or professional services performed by an independent contractor. (Refer to info on qualifications in I.C. 67-2320)	IC 67-2803(4)
Any Amount	Procurement of an interest in real property – lease or purchase	IC 67-2803(5)
Any Amount	Procurement of insurance	IC 67-2803(6)
Any Amount	Costs of Joint Powers participation	IC 67-2803(7)
Any Amount	Procurement of used personal property	IC 67-2803(8)
Any Amount	Procurement from federal government general services administration (GSA) schedules or federal multiple award schedules (MAS)	IC 67-2803(9)
Any Amount	Procurement of personal property or services through contracts entered into by the Division of Purchasing of the Department of Administration of the State of Idaho	IC 67-2803(10)
Any Amount	Procurement of goods for direct resale	IC 67-2803(11)
Any Amount	Procurement of travel and training;	IC 67-2803(12)
Any Amount	Procurement of goods and services from Idaho correctional industries	IC 67-2803(13)

Any Amount	Procurement of repair for heavy equipment	IC 67-2803(14)
Any Amount	Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law	IC 67-2803(15)
Any Amount	Procurement of public utilities	IC 67-2803(16)
Any Amount	Procurement of food for use in jails or detention facilities	IC 67-2803(17)
Any Amount	Procurement of used equipment at an auction if authorized by the governing board	IC 67-2803(18)
Any Amount	Emergency expenditures	IC 67-2808(1)

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

Policy History:

Adopted on: 8/11/14

ISBA 2009

Revised on: 1/8/18

In the event a bidder objects to the award of a contract pursuant to Idaho Code § 67-2805, or Idaho Code § 67-2806, the Board shall schedule an informal hearing, either at its next regularly scheduled meeting or at a special meeting, wherein the interested parties are provided an opportunity to present information to the Board for its consideration. Upon its review of the information presented, the Board shall render a decision that is in the best interests of the District, which decision is not appealable. In the event Idaho Code § 67-2805, and/or Idaho Code § 67-2806 is amended by the Legislature, this Policy 7408 is similarly amended without further action of the Board.

The term “interested parties” is defined as consisting of:

1. The complaining bidder(s) which was not awarded the contract;
2. The bidder which was awarded the contract; and
3. The District’s administrator(s) involved in the bid process and the award of the contract.

Legal Reference: I.C. § 67-2805 Procurement of Public Works Construction
 I.C. § 67-2806 Procuring Services or Personal Property

Policy History:

Adopted on: 9/12/16

Revised on:

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:

- \$100 for the Bridge Academy
- \$150 for middle schools.
- \$400 for the Magic Valley High School
- \$800 for high schools.
- \$600 for the district administrative office.

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: 8/11/14

ISBA

Revised on: 11/10/14

8/10/15

The use of change funds shall be authorized for ease in collections at school-sponsored events. Change funds will be maintained as cash on hand, and the total dollar amount of each change fund will be limited to:

- \$150 for middle schools
- \$1,500 for high schools
- \$20 per school for Child Nutrition

Each administrator of a school or department with a change fund may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies which are not specifically change fund monies shall not be co-mingled with the change fund. At the conclusion of each school year, all change funds must be closed out, deposited in the deposit account and an accounting provided the business office.

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

Policy History:

Adopted on: 8/10/15

TFSD

Revised on:

The use of imprest checking accounts shall be authorized for specific purchases. The purpose for imprest accounts is to address emergencies and enable purchases from vendors who do not accept purchase orders. Whenever possible, purchases will go through the requisition/purchase order process of the District. Imprest accounts will be maintained as authorized checking accounts and the total dollar amount of each imprest account will be limited to:

- \$500 for the Bridge Academy
- \$500 for Support Services
- \$600 for the District administrative office
- \$800 for elementary schools
- \$1,000 for Junior Football
- \$1,000 for the Magic Valley High School
- \$5,000 for middle schools
- \$10,000 for high schools.

Each administrator of a school or department with an imprest account may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies that are not specifically imprest monies shall not be co-mingled in the imprest checking account. Twice monthly and at the conclusion of each school year, imprest vouchers must be returned to the business office for processing.

The District business office shall be responsible for establishing the procedures involving the use and management of imprest accounts.

Policy History:

Adopted on: 8/10/15

TFSD

Revised on:

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: 8/11/14

ISBA

Revised on:

Every District employee and Board Member 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 or designee.

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.

Types of Travel

In-District Expenses: District employees and Board Members shall be reimbursed for actual and necessary expenses incurred within the District while attending to District business. Actual mileage driven for pre-approved in District travel shall be reimbursed. It is the responsibility of the Board or designee to review travel within the District by the Superintendent or by Board Members.

Meals incurred inside the District shall not be reimbursed, except for banquets attended to represent the District.

Out-of-District Travel: Travel outside of the District must be pre-approved. Board Members shall obtain Board approval prior to incurring out-of-District expenses, and employees shall obtain prior approval from their supervisor and the Superintendent or designee.

Monies spent for food while on out-of-district trips requiring an overnight stay shall be reimbursed according to the district's Prior Approval & Reimbursement form.

District employees and Board Members shall be reimbursed for actual and necessary expenditures incurred outside the District.

Documentation of Expenses

Expenses not in compliance with this policy shall not be reimbursed nor paid by the Board.

Prior to reimbursement of actual and necessary expenses, the District employee or Board Member must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim item and any appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees shall submit their receipts, travel expense forms, meal logs and voucher forms to the Superintendent or

designee. The Superintendent and Board Members shall submit such documentation to the Board or designee. Failure to provide a detailed receipt will make the expense non-reimbursable. In exceptional circumstances, the Director of Fiscal Affairs or designee may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the District's record of the claim.

The Board directs the Superintendent to promulgate procedures specifying which expenses shall be reimbursable for travel of different distances and durations.

Travel Costs Under Federal Award

General: Travel costs are the expenses for transportation, lodging, food, and related items incurred by employees who travel on official business under a federal award. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip.

Lodging and subsistence: Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations. If these costs are charged directly to the federal award, the District will maintain documentation justifying the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

1. The costs are a direct result of the individual's travel for the federal award;
2. The costs are consistent with this policy and any related procedures; and
3. Are temporary, lasting only during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the federal awarding agency.

Commercial air travel: Airfare costs in excess of the basic, least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

1. Require circuitous routing;
2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or
5. Offer accommodations not reasonably adequate for the traveler's medical needs.

Legal Reference: I.C. § 33-701
2 C.F.R. § 474

Fiscal Year – Payment and Accounting of Funds
Travel Costs

Policy History:

Adopted on: 8/11/14

ISBA

Revised on: 9/12/16

The Board of Trustees permits the use of District credit cards by certain school officials to pay for actual and necessary expenses incurred in the performance of work-related duties for the District.

All credit cards will be in the name of the school District. Credit cards may only be used for legitimate school District business expenditures. The use of credit cards is not intended to circumvent the District's policy on purchasing. Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature or violate the intent of this policy may result in credit card revocation and discipline of the employee.

The Business Office shall monitor monthly the use of each credit card by reviewing credit card expenditures and report any serious problems and/or discrepancies directly to the Board.

Credit Card Users

A list of those individuals that will be issued a District credit card will be maintained in the Business Office and reported to the Board each year at its reorganizational meeting in July. Credit card users must take proper care of the credit card(s) and take all reasonable precautions against damage, loss or theft. Any damage, loss or theft must be reported immediately to the Business Office and to the appropriate financial institution. Failure to take proper care of credit cards or failure to report damage, loss or theft may subject the employee to financial liability.

Users must submit detailed documentation, including itemized receipts for services, travel and/or other actual and necessary expenses which have been incurred in connection with school-related business for which the credit card has been used. Failure to provide a proper receipt can make the employee responsible for expenses incurred.

Credit Card Limits

The District shall establish a credit line not to exceed \$10,000 for each card issued.

Return of Credit Card

A District employee who is no longer employed by the District shall return the credit card upon termination to the Business Office no later than five calendar days after termination.

Misuse and/or Unauthorized Use

An employee who violates a provision of this policy shall have his/her credit card revoked immediately and shall be subject to disciplinary action as determined by the Superintendent and reported to local law enforcement. If the Superintendent violates a provision of this policy, he/she shall be subject to disciplinary action as determined by the Board and reported to local law enforcement.

Additional Procedures

The Superintendent, in consultation with the Assistant Superintendent and/or Business Manager, may establish additional procedures governing the issuance and use of District credit cards that do not contradict any part of this policy. Each cardholder shall be apprised of the procedures governing the use of the credit card and a copy of this policy and accompanying procedures shall be given to each cardholder.



Legal Reference: I.C. § 18-5701 Misuse of Public Money by Officers
 I.C. § 18-5703 Definitions

Policy History:

Adopted on: 8/11/14
ISBA 2007
Revised on: 6/13/16
 9/12/16

District Credit Card Holder Agreement

7440F

By my signature I hereby acknowledge that I have read and understand the Twin Falls School District's credit card policy. Furthermore, I affirm that I will not use the credit card for personal reasons. I understand that a violation of this agreement may result in disciplinary action up to and including termination, and possible legal action.

Signature

Position

Printed Name

Date Signed



Policy History:

Adopted on: 8/11/14

ISBA 2010

Revised on:

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act. Generally, the District receives payment from the State Department of Education on a reimbursement basis.

However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the District.

Payment Methods

1. The District Grant Accountant or Business Manager will request reimbursement for actual expenditures incurred under the federal grants. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests will be submitted through the State Department of Education website reimbursement system.

The Superintendent or his or her designee shall promulgate a procedure specifying any further requirements.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

2. **Advances:** To the extent the District receives advance payments of federal grant funds; the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District shall attempt to expend all draw downs of federal funds within 72 hours of receipt.

The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will begin to calculate interest earned on cash balances once funds are deposited into the District's account.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual interest rate. Within 30 days of the end of the quarter, the District will remit interest earned. The District may retain up to \$500 of interest earned per year.

The Superintendent or his or her designee shall promulgate a procedure specifying the process for remitting interest.

Legal Reference:	2 CFR § 200.305	Payment
	31 CFR § 205	Rules and Procedures for Efficient Federal-State Funds Transfers

Policy History:

Adopted on: 9/12/16

ISBA

Revised on:

The Superintendent or designee shall review annually fees assessed to determine if an increase, decrease, new fee or other change is necessary. The Superintendent or designee shall report the fee findings to the Board at least annually.

In the event a fee increase of four percent (4%) or less from the prior fee amount is necessary, the Board can review and vote on such a fee increase. However, in the event a fee increase of five percent (5%) or more from the prior fee amount is necessary, the Board shall hold a hearing upon such proposed fee increase at a regular or special meeting of the Board.

The Board shall provide notice of the meeting according to Idaho Code § 63-1311A. Meeting notice shall include the reason for the meeting, i.e. the Board is considering a fee increase that is in excess of five percent (5%) of the amount of fees last collected prior to such decision. If the Board is assessing a new fee, the meeting notice shall indicate such.

Cross Reference: 3440 Student Fees, Fines & Charges
7300 Revenues



Legal reference: I.C. § 63-1311A Advertisement of and Hearing on Fee Increases
I.C. § 33-603 Payment of Fees or Returning of Property
I.C. § 60-106 Qualifications of Newspapers Printing Legal Notices

Policy History:

Adopted on: 8/11/14

ISBA 2007

Revised on:

This section and related board policies shall apply in the instance of a financial emergency. However, any subsequently enacted statute or amendment to existing statutes shall control over this policy and replace this policy as well as all other related policies, procedures, and forms.

The Board of Trustees is dedicated to sound and efficient financial management. Recognizing the limitations and fluctuations in funding and the potential negative impact on the District's fiscal status due to historical revenue and/or expenditure issues, the District must take specific action to ensure education remains the primary goal and responsibility of the District. In the event that the financial situation of the District necessitates such action the Board will consider a declaration of financial emergency.

Prior to declaring a financial emergency, the Board shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the District.



Legal reference: I.C. § 33-402 Notice Requirements
I.C. § 33-522 Financial Emergency
I.C. § 33-801 School District Budget

Policy History:

Adopted on: 8/11/14

ISBA 2014

Revised on:

DECLARATION OF FINANCIAL EMERGENCY

WHEREAS, the State Department of Education has certified that conditions (a) (b) and/or (c) *(include all that have been met)* of Idaho Code Section 33-522 (2) have been met;

WHEREAS, the Board of Trustees of Twin Falls School District 411 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); and

WHEREAS, the Board of Trustees projects that the District's general fund balance, excluding 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 pursuant to Idaho Code Section 33-522(2)(f) and thus the District has determined that the required condition in paragraph (f) of Idaho Code Section 33-522(2) has been met;

NOW, THEREFORE BE IT RESOLVED, on _____ *(insert date)* that the Board of Trustees of Twin Falls School District 411 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 History:

Adopted on: 8/11/14

ISBA 2012

Revised on:

DECLARATION OF FINANCIAL EMERGENCY

WHEREAS, the Board of Trustees of Twin Falls School District 411 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 Twin Falls School District No.411 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 History:

Adopted on: 8/11/14

ISBA

Revised on: 9/12/16

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.

- (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.
- (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 five percent (5%) 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, nor a change in the emergency levy.
- (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 also shall 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 stenotype notes of all the testimony at the hearing. The Board upon request of the employee shall provide a transcript of the hearing at costs.
- (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 the affected employees and the Board of Trustees may agree upon arguments with the Board within three (3) days after the close of the hearing or such other time as agreed upon by both parties.
- (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:

Adopted on: 8/11/14

ISBA

Revised on: 9/12/16

Creation, Purpose, and Maintenance of Bond Account

Payment of principal and interest due on bonds shall be made by the District from an account (the “bond account”) established under the resolution(s) authorizing bonds (“bond resolution(s)”). As required by the bond resolution, the bond account shall be maintained separate and apart from any other accounts of the District. A separate subaccount under the bond account shall be established for each series of bonds. All bond tax receipts and bond levy subsidy payments, hereinafter defined, shall be credited to the bond account separate and apart from the funds for the payment of principal or interest on any other series of bonds, and separate and apart from any non-bond levy revenues of the District, as hereinafter defined.

The District’s Director of Fiscal Affairs shall monitor the bond account. Unless otherwise provided by District resolutions, agreements entered into in connection with the issuance of bonds, or any tax certificate with respect thereto, the Director of Fiscal Affairs shall maintain records and shall prepare regular, periodic statements regarding the investments, deposits, and disbursements involving funds held in the bond account.

Definitions

“Bond Guaranty Programs” mean collectively the programs of the State of Idaho pursuant to the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code, and the School District Bond Credit Enhancement Program under Title 57, Chapter 7, Idaho Code.

“Bond Levy Subsidy Payments” mean subsidy payments received by the District from the State of Idaho bond levy equalization fund under Sections 33-906, 33-906A, and 33-906B, Idaho Code or any successor provision.

“Bond Tax Receipts” mean funds derived from the District’s general obligation bond levy under the applicable bond resolution, levied, assessed, certified, extended, and collected by the District or on behalf of the District by the county or counties annually at the time when and in the manner in which other general taxes of the District are levied, upon all the taxable property within the limits of the District, in addition to all other authorized taxes and assessments in the amount specified by Sections 33-802 and 33-802A, Idaho Code.

“Investment Securities” means such investments as shall be legal investments for such funds under Idaho law as then in effect.

“Non-Bond Levy Revenues” mean revenues, including but not limited to, property tax revenues and operating levy property tax revenues, State funds in replacement of property tax revenues,

sales tax revenue sharing funds, or other funds collected on the District's behalf by the Counties and then disbursed to the District.

Deposit of Funds into Bond Account; Payment of Bonds

There shall be deposited into the applicable subaccount under the bond account no later than five days of receipt:

1. Bond tax receipts;
2. Bond levy subsidy payments; and
3. Such other funds as the District shall designate as irrevocably available to pay principal and interest on the applicable bonds.

These deposits shall be in amounts sufficient to meet the payments of principal and interest on bonds as the same mature, as provided in the applicable bond resolution. Non-bond levy revenues shall not be deposited into the bond account.

The District shall pay debt service on bonds from funds held in the bond account pursuant to the provisions of the applicable bond resolution, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of bonds from any other funds in its hands and available for that purpose.

Investment of Funds in Bond Account

Moneys held in the bond account and subaccounts thereunder shall be invested and reinvested by the District to the fullest extent practicable in investment securities which mature not later than such times as shall be necessary to provide moneys when needed for payment of debt service on bonds. All investment earnings shall be retained in the bond account.

For purposes of investment of funds in the bond account, the District may consider earnings on funds held in the bond account which are not expected to be used to pay principal and interest on bonds, to be held for the purpose of paying principal and interest on other bonds issued; or to be issued by the District; or to be used for any lawful purpose of the District.

State Guaranty Programs

In the event bonds are guaranteed by the Bond Guaranty Programs, and pursuant to the applicable bond resolution, the District shall transfer moneys from the bond account to the paying agent sufficient for the scheduled debt service payment on the bonds at least 15 days before each principal or interest payment date for the bonds, pursuant to the provisions of the applicable bond resolution.

Use of Funds in Bond Account

The District shall use the funds held in the bond account for the timely payment of principal (including any redemption premium) and interest on the District's bonds, and related expenses, and for no other purposes. Upon payment in full of the bonds, remaining funds in the bond account may be applied by the District in the manner provided by law.

Legal Reference:	Title 33 Chapter 53	Idaho School Bond Guaranty Act
	I.C. § 33-802 et. seq.	Budget and Tax Levy
	I.C. § 33-906 et. seq.	School Funds
	I.C. § 57-728	Credit Enhancement Program for School District Bonds

Policy History:

Adopted on: 1/9/17

Revised on:

The purpose of these Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds is to establish policies and procedures in connection with tax-exempt bonds (the “Bonds”) issued by the School District No. 411 (the “Issuer”) so as to ensure that the Issuer complies with all applicable post-issuance requirements of Section 148 of the Internal Revenue Code (the “Code”) needed to preserve the tax-exempt status of such tax-exempt Bonds.

I. General

A. Responsibility

Ultimate responsibility for all matters relating to Issuer financings and refinancings rests with the Business Manager of the Issuer (hereinafter, the “Administrator”).

B. Compliance Checklist

Attached is a Compliance Checklist to assist in applying these Procedures.

II. Post-Issuance Compliance Requirements

A. External Advisors/Documentation

The Administrator and other appropriate Issuer personnel and/or Board members shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in the Issuer resolution(s), tax certificate(s) and/or other documents finalized at or before issuance of Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of the Code throughout (and in some cases beyond) the term of the Bonds.

The Administrator and other appropriate Issuer personnel and/or Board members also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of bond-financed assets and future contracts with respect to output or throughput of bond-financed assets.

Whenever necessary or appropriate, the Issuer shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of bond proceeds.

B. Role of the Issuer as Issuer of Tax-Exempt Bonds

Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or tax certificate(s), unexpended bond proceeds shall be held by the Issuer, and the investment of bond proceeds shall be managed by the Administrator. Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or the tax certificate, the Administrator shall maintain records and shall prepare regular, periodic statements to the Issuer regarding the investments and transactions involving bond proceeds.

If an Issuer resolution provides for bond proceeds to be administered by a trustee, the Issuer shall obtain from the trustee the agreement to provide statements regarding the investments and transactions involving bond proceeds, no less than quarterly.

C. Arbitrage Rebate and Yield

Unless a tax certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the Issuer shall engage the services of a Rebate Service Provider, and the Issuer or the bond trustee shall deliver statements concerning the investment of bond proceeds to the Rebate Service Provider in a manner that will enable timely calculation of arbitrage rebate;
- the Administrator and other appropriate Issuer personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Administrator and other appropriate Issuer personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Administrator and other appropriate Issuer personnel shall monitor the investment and expenditure of bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

The Issuer shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements.”

D. Use of Bond Proceeds

The Administrator and other appropriate Issuer personnel shall:

- monitor the use of bond proceeds, the use of bond-financed assets (e.g., facilities, furnishings or equipment) and the output or throughput of bond-financed assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with bond counsel and other professional expert advisers in the review of any management contracts or other arrangements involving use of bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- maintain records for any contracts or arrangements involving the use of bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- meet at least annually with personnel responsible for bond-financed assets to identify and discuss any existing or planned use of bond-financed, assets or output or throughput of bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates.

All relevant records and contracts shall be maintained as described below.

E. Record Keeping Requirements

Unless otherwise specified in applicable Issuer resolutions or tax certificates, the Issuer shall maintain the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least an additional five years:

- a copy of the bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with bond proceeds;
- a copy of all contracts and arrangements involving private use of bond-financed assets or for the private use of output or throughput of bond-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.



Policy History:

Adopted on: 7/9/18

TFSD

Revised on:

Construction (Applicable if any bond financed projects are under construction):

- Check in with Rebate Service Provider regarding any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months, or 24 months following the issue date of any bond issue.
- Are there any remaining bond proceeds after completion of the project? If yes, deposit them into the bond fund. Or, remaining proceeds may be spent on other projects, provided they were included in the description used in the ballot question.
- If other funds, aside from bond proceeds, were contributed to the project, check to make sure allocations of bond proceeds have been made to the project. Allocations need to be made in writing within 18 months after project is placed in service.

Investment and Proceeds Review (Annually):

- Create/update summary of investments of bond proceeds.
- Check in with Rebate Service Provider and provide summary of current investments of bond proceeds

Uses of Bond Financed Facilities Review (Annually):

- Create/update list of all properties, equipment, facilities or furnishings financed with bond proceeds, separately identified by each bond issue of the Issuer.
- Create/update list of all agreements granting long-term use (e.g., through leases or use agreements) of bond financed facilities or properties to outside persons that are not a unit of state or local government. Provide all such contracts to bond counsel for review.
- Create/update list of all agreements granting temporary use (e.g., incidental uses or daily leases) of bond financed facilities or properties to outside persons that are not a unit of state or local government.
 - Are all such uses based on the same set, uniform rates? If no, please contact bond counsel.
 - Are all agreements based on fair market value? If no, please contact bond counsel.
 - Do any of the agreements provide for use longer than a total of 50 days by any single user? If yes, please contact bond counsel.
- Create/update list of all agreements granting non-exclusive uses of bond financed facilities or properties to outside persons that are not a unit of state or local government. For example, agreements allowing private business facilities such as vending machines, kiosks, etc.

The following questions relate to **each** of the facilities/properties listed above:

- Is any of the facility/project managed by an outside organization? If yes, provide any such contracts to bond counsel for review.
- Does any party other than a governmental entity have beneficial use or rights with respect to a financed property (e.g., naming rights or the right to use a bond financed school parking lot)? If yes, please discuss with bond counsel.

Bond Pay-Off:

- Check payment and redemption dates of Bond issues and upon final payment, check in with Rebate Service Provider to make a final rebate computation no later than 60 days following the bond payment or redemption date.

Rebate:

- At least 60 days prior to each fifth anniversary of the issue date of each bond issue of the Issuer, check with Rebate Service Provider to ensure that appropriate rebate amounts, if any, are being calculated by the Rebate Service Provider.
- Promptly following each fifth anniversary of the issue date of each bond issue of the Issuer, check with Rebate Service Provider to ensure that appropriate rebate amounts, if any, have been remitted to the IRS.

Other (Upon Occurrence):

- Any time the use of a bond financed project is changed from a governmental use to a nongovernmental use (e.g., by way of sale), please notify bond counsel immediately for remedial action which must be taken within 90 days of change.
- Any time the Business Manager changes, the new Business Manager shall go over the Procedures and this Checklist with bond counsel.



Procedure History:

Adopted on: 7/9/18

Revised on:

Designation of Administrator

The District hereby designates the Director of Fiscal Affairs (the “Administrator”) to have the primary responsibility to ensure compliance with the applicable securities laws and rules relating to issued bonds. The Administrator shall review these procedures annually. The Administrator will consult with bond counsel and/or the District's legal counsel and advisors, as necessary, to ensure that the District complies with the Bond Disclosure Agreement. This will include, without limitation, consultation in connection with any potential changes in ratings of the bonds or changes in finances or operations of the District.

The Administrator will actively participate in the preparation of all primary disclosure materials. The Administrator will review and prepare all post-issuance disclosure materials, including, without limitation, the materials for the District’s financial statements and the information described in the required annual filings, and events required to be disclosed under the rule known as the Material Event Filings, and any other voluntary or required disclosure to the market.

The Administrator will review all primary and post-issuance disclosure materials and consult with all officers, employees, directors, agents, and officials of the District as necessary to ensure that such materials do not contain materially false information or omit material information that investors would want to know in making an informed investment decision about the bonds.

The Administrator will also obtain appropriate training in the issuance of municipal bonds, securities law disclosure, proficiency in the use of Electronic Municipal Market Access (EMMA), and update such training on an annual basis or as new developments arise.

Duties of the Administrator

Upon the issuance of any bonds, or annually in the absence of such issuance, the Administrator shall update required annual filings to reflect the requirements of the disclosure agreements of the District and the requirements thereof.

Within the time specified under each disclosure agreement, the Administrator will submit, or cause to be submitted through a disclosure agent if one has been appointed, the District’s required annual filing to the Municipal Securities Rulemaking Board (MSRB) via EMMA.

Not more than five days after the submission of the required annual filing to the MSRB, the Administrator shall provide to the Superintendent and the Board of Trustees written confirmation that the annual required filing has been submitted and filed properly with the MSRB through

EMMA. The Administrator shall independently verify by access to EMMA that the Required annual filing has been filed and properly appears on EMMA.

In the event that the required annual filing is not completed in time to submit the required annual filing to the MRSB through EMMA within the time specified, the Administrator will file a notice of occurrence of such event in accordance with the policy and procedures set forth below under “reporting of events,” and in accordance with the rule, and submit the required annual filing as soon as it is available.

Reporting of Events

The Administrator will make, or cause to be made through a disclosure agent if one has been appointed, all required Material Event Filings via EMMA consistent with the requirements of the rule.

The occurrence of certain events, including payment defaults, requires a Material Event Filing without the need for a materiality determination (*i.e.* they are deemed material under the rule). These include:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. 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 status of the security, or other material events affecting the tax status of the security.
6. Defeasances;
7. Rating changes;
8. Bankruptcy, insolvency, receivership, or similar event of the obligated person;
9. Other events, such as non-payment related defaults, must be analyzed to determine if the event is material and if so, a Material Event Filing is required. The Administrator will consult with bond counsel regarding any questions as to whether an event has occurred and what filings are required. These include:
 - A. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated

person, 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.

- B. Nonpayment-related defaults, if material.
- C. Modifications to rights of security holders, if material.
- D. Bond calls, if material, and tender offers.
- E. Release, substitution or sale of property securing repayment of the securities, if material.
- F. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Administrator shall establish appropriate procedures within the District such that officers and employees of the District who have access to material information of the kind that would be required to be disclosed under a Material Event Filing are aware of the requirements of the Disclosure Agreement, and that such officers and employees will report such events to the Administrator in a timely manner. As soon as the Administrator learns of the occurrence of an event that is either deemed material or that knowledge of such an event would be material under applicable securities law, the Administrator will prepare and file, or cause to be filed, in a timely manner not in excess of ten business days of the occurrence, a Material Event Filing via EMMA. Not more than five days after the submission of a Material Event Filing to the MRSB, the Administrator shall independently verify by access to EMMA that the Material Event Filing has been filed and properly appears on EMMA.

Nothing in a Disclosure Agreement prevents the District from making a voluntary filing with the MSRB of other material information in addition to the events that give rise to a Material Event Filing under the rule and the Disclosure Agreement.

Failure to File

In the event the Administrator fails to make any required annual filing or Material Event Filing, the Administrator shall immediately notify the officer of the District to whom the Administrator reports of such failure to file and will cooperate fully to consider whether the District should engage a Disclosure Agent if one has not already been engaged, or take other action to ensure future filings are made on a timely basis.

Correspondence from Securities and Exchange Commission (SEC)

Upon receipt of any correspondence from the SEC, the Administrator will immediately notify the District, provide the District with a copy of such correspondence, and develop a plan of action to respond to the SEC inquiry.

Record-Keeping Requirements

Unless otherwise specified in applicable District resolutions or tax certificates, the District shall maintain the following documents for the term of each issue of bonds (including refunding bonds, if any) plus at least an additional three years:

1. A copy of the bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of bonds;
2. A copy of all material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with bond proceeds, and records identifying the assets or portion of assets that are financed or refinanced with bond proceeds;
3. A copy of all contracts and arrangements involving private use of bond-financed assets or for the private use of output or throughput of bond-financed assets; and
4. Copies of all records of investments, investment agreements, arbitrage reports, and underlying documents, including trustee statements.

Legal Reference: Municipal Securities Rulemaking Board Rule Book (Updated October 1, 2016)
<http://www.msrb.org/msrb1/pdfs/MSRB-Rule-Book-PDF-Current-Quarter.pdf>

Policy History:

Adopted on: 1/9/17

Revised on: