

Moscow School District 281

SECTION III (3000)

FINANCIAL MANAGEMENT

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BUDGET

(Policy Range: 3100 – 3160)

- 3110.00 Annual Budget. The annual school budget is a plan of financial operations developed with the purpose of achieving the goals and objectives of the school district. The school budget is a statement of the estimated revenues and expenditures developed for operating the various funds and school programs during the fiscal year. [Idaho Code 33-801]
- 3120.00 Fiscal Year. The fiscal year of the District shall be a period of twelve (12) months commencing on the first day of July in each year. [Idaho Code 33-701]
- 3130.00 Budget Preparation. 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.

The Superintendent or designee shall cause to be prepared a budget preparation calendar, which shall ensure all deadlines established by law for budget presentation, hearings, and adoption are met and that all deadlines for certification of tax levies are met by the District.

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

- 3140.00 Fund Accounting System (GASB State 54). 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 services. The District should maintain adequate fund balances and reserves in order to:

- A. Provide sufficient cash flow for daily 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.

- 3145.00 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:
- A. The General Fund is used to account for all financial resources not accounted for and reported in another fund;
 - B. Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed expenditure for specific purposes other than debt services or capital projects;
 - C. Debt Service Funds are used to account for all financial resources restricted, committed, or assigned to expenditure for principal and interest;
 - D. Capital Projects Funds or 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.

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

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

3150.00 Fund Balance. (updated 12/13/23) 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.

- A. Non-spendable Fund Balance. Includes amounts that cannot be spent because they are either:
 - 1. Not in spendable form; or
 - 2. Legally or contractually required to be maintained intact.
- B. 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.
- C. Committed Fund Balance. Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.
- D. 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.

- E. 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.
- F. Unrestricted Fund Balance. In accordance with generally accepted accounting principles, this includes the sum of the Committed, Assigned, and Unassigned fund balances where the only constraint in spending, if any, is imposed by the Board itself.

3155.00 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.

3160.00 Guidelines.

3160.10 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.

3160.20 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.

3160.30 Minimum Unrestricted Fund Balance. *(updated 12/13/23)* The District will maintain a minimum unassigned fund balance in its General Fund ranging from seventeen percent (17.0%) to twenty percent (20.0%) of the subsequent year's budgeted expenditures and outgoing transfers. 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.

3160.40 Replenishing Deficiencies. Any variance below the 15% must be specifically identified and reported to the Board for approval. Minimum fund balance deficiencies shall be replenished at a timeline determined by the Board of Trustees. The following budgetary strategies shall be utilized by the District to replenish funding deficiencies:

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

3160.50 Surplus Fund Balance. *(updated 12/13/23)* Should the unrestricted 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.

3160.60 Implementation and Review. The Superintendent shall review this policy and any procedures regarding its implementation annually or as needed and make any recommendations for changes to the Board. The Board authorizes the Superintendent to establish standards and procedures which are necessary for its implementation.

3165.00 General Fund Contingency Reserve. The Board of Trustees may create and establish a general fund contingency reserve within the annual school district budget. Such general fund contingency shall not exceed five percent (5%) of the total general fund budget, or the equivalent value of one (1) support unit computed as required by Idaho Code 33-1002, whichever is greater. Disbursements from said fund may be made by resolution from time to time as the Board of Trustees determine necessary for contingencies accumulated beyond the budgeted fiscal year. If any money remains in the contingency reserve, it shall be treated as an item of income in the following year's budget per Idaho Code 33-801A.

3170.00 Notice for Budget Hearing. A copy of the proposed budget shall be available for inspection at the administrative office of the District at the time of notice required by law and until the

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date of the budget hearing. The District shall publish as part of the notice for public meeting a summary statement of the budget for the current and ensuing years. The summary statement shall be prepared in a manner consistent with standard accounting practices and in such form as the State Superintendent of Public Instruction shall prescribe. The statement shall show amounts budgeted for all major classifications of income and expenditures, with total amounts budgeted for salary and wage expenditures in each such classification shown separately. The statement shall show amounts actually expended for the two (2) previous years for the same classification for purposes of comparison. [Idaho Code 33-801]

- 3175.00 Budget Adoption and Filing. The annual budget shall be adopted no later than twenty-eight (28) days, or if a financial emergency has been declared pursuant to Idaho Code Section 33-522, fourteen (14) days prior to its regular July meeting, at the public hearing for the budget, or at a special meeting held no later than fourteen (14) days thereafter. [Idaho Code 33-801]

The adopted budget is to be summarized into the format prescribed by the State Superintendent of Public Instruction; one copy of the budget, signed by the Chair of the Board, is to be filed with the Department of Education within the specified time set forth by the Department. [Idaho Code 33-701(7)]

- 3180.00 Budget Implementation and Execution. Once adopted by the Board, the operating budget shall be administered by the Superintendent and his/her designees. All actions of the Superintendent and designees in executing the programs and/or activities, delineated in that budget are authorized according to these provisions:
- A. Expenditure of funds for the employment and assignment of the staff shall meet the legal requirements of the State of Idaho and adopted board policies;
 - B. Funds held for contingencies may not be expended without approval from the Board;
 - C. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board approval each month; and
 - D. Purchases shall be made according to the legal requirements of the State of Idaho and adopted board policy.

- 3185.00 Budget Adjustments. 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 60 percent 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 Idaho Code 33-701.

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

- 3190.00 Accounting System Design. The District accounting system shall be established to present with full disclosure the financial position and results of the financial operations of the District funds and account groups in conformity with generally accepted accounting principles. The accounting system must be in compliance with the accounting system requirements established by legislative action. It shall be possible to demonstrate the accounting system's compliance with finance-related legal and contractual provisions.

INCOME

(Policy Range: 3200 – 3260)

- 3200.00 Revenues. 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 shall 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.

- 3210.00 Disposal of Surplus Equipment and Materials. Any and all equipment that is worn out and/or no longer desirable for use by a school must be sent to the warehouse as surplus. Warehouse personnel will notify the Operations Director by make, model, and serial number or other distinctive characteristics of the item.

The Board may sell personal property, with an estimated value of less than one thousand dollars (\$1,000), without appraisal, by sealed bid or a public auction, provided that there has been one (1) single notice of publication to the sale of said property. If the personal property has an estimated value of less than five hundred dollars (\$500), the property may be disposed of in the most cost-effective and expedient manner by the District's Operations Director empowered for that purpose by the Board, provided however, that the Board is notified prior to disposal of said property. [Idaho Code 33-601 (4) (a) (1)]

The Board may exchange real and personal property for other property if the Board determines the consideration received is adequate. The Board may also transfer or convey any real or personal property owned by the District to the government of the United States, or any city, county, state entity, hospital district, other school district, library district, community college district, or recreation district either with or without consideration, when in the judgment of the Board it is in the interest of the District to make such a transfer or conveyance. Such transfer or conveyance must occur by resolution duly adopted by a majority of the Trustees. Prior to any transfer or conveyance of any real or personal property pursuant to this paragraph, the Board shall have the property appraised by an appraiser certified in the State of Idaho. The appraisal shall be entered into the records of the Board of Trustees and shall be used to establish the value of the real or personal property. The Board of Trustees may elect to abstain from an appraisal of the personal property if the estimated value is less than five thousand dollars (\$5,000). [Idaho Code 33-601 (4)(b)]

- 3211.00 Sale of Property over One Thousand Dollars (\$1,000). The Board has exclusive control of the disposal of all District property. Once the Board has considered all of the factors relating to a proposed sale of real property, it shall comply with all the requirements of law, including:
- A. Prior to, but not more than one (1) year prior to, such sale or conveyance, the Board shall have the property appraised by an appraiser certified in the State of Idaho. The appraisal shall be entered in the records of the Board of Trustees and shall be used to establish the value of the real property. [Idaho Code 33-601 (3)]

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- B. The property may be sold at public auction or by sealed bids, as the Board shall determine, to the highest cash bidder. [Idaho Code 33-601 (4) (a)]
- C. Notice of the time and the conditions of such sale shall be posted, and published twice, and proof thereof made, in accordance with Idaho Code 33-402 (3). The exception is that when the appraised value of the property is less than one thousand dollars (\$1,000), one (1) single notice by publication shall be sufficient and the property shall be sold by sealed bids or at public auction. [Idaho Code 33-601 (4) (a)]
- D. The Board may accept the highest bid, may reject any bid, or reject all bids and have new appraisals made and again post and publish notice of bids, as before. If thereafter, no satisfactory bid is made and received, the Board may proceed under its own discretion to sell and convey the property. If the real property was donated to the District the Board may, within a period of one (1) year from the time of the appraisal, sell the property without additional advertising or bidding. In no case shall any property of the District be sold for less than its appraisal. [Idaho Code 33-601 (4) (a)]

3220.00 **Investments.**

- A. **Investment Objectives.** The following three primary objectives, in order of priority, must be met when investing District funds:
 - 1. **Safety:** Safety of principal is the foremost objective of the District investment program.
 - 2. **Liquidity:** Investment portfolio shall be sufficiently liquid to meet all operating and capital expenditure requirements as can be reasonably anticipated.
 - 3. **Yield:** Return on investment shall be a subordinated goal to safety and liquidity and shall be appropriate to the level of market risk as associated with the securities as defined below in the Authorized Investment Types.
- B. **Standards of Care.** The District Treasurer shall apply the “prudent person” standard to the context of managing the investment types and overall portfolio. The “prudent person” objective is defined as: “A standard that requires that a fiduciary entrusted with funds for investment may invest such funds only in securities that any reasonable individual interested in receiving a good return of income while preserving his or her capital would purchase.”

The Treasurer shall refrain from personal activities that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. The Treasurer shall disclose any potential conflict of interest related to any financial institutions and/or investment portfolios in which the District’s funds are invested.

- C. **Authorized Investment Types.** The District’s funds may be invested as authorized by Idaho Codes 33-701 and 67-1210:
 - 1. The Idaho State Local Government Investment Pool (LGIP).
 - 2. United States Government Securities.
 - 3. Certificates of Deposit – amount invested subject to review of specific bank risk and levels of FDIC insurance available.
- D. **Management of Investment Funds.** The Treasurer shall manage the District’s investments as follows:
 - 1. Deposit the District’s idle funds with a financial institution or investment portfolio authorized by Idaho Code.

2. Transfer funds between financial institutions and investment portfolios as appropriate and consistent with the Board's philosophy.
3. Transfer funds from a financial institution or investment portfolio to the District's checking or savings account as necessary to timely meet the financial obligations of the District.

E. Reporting to the Board. The Treasurer will provide a monthly written report to the Board and Superintendent regarding any activity in the District's investments.

3230.00 Funds from Interest. The interest on any funds from the proceeds of a bond issue shall be used for the purposes for which the bonds were issued.

Unless otherwise provided by law, any interest accruing from investments of any funds shall be credited to the general fund of the District. [Idaho Code 33-701 (2)]

3240.00 Increase in Fees. The Superintendent or designee will annually review each fee to determine if an increase is deemed necessary.

Prior to a fee increase that exceeds 5% of the amount of the fee last collected, or imposing a new fee, the Board shall meet all the requirements of state law for public announcement and input. [Idaho Codes 63-1311A, 60-106]

3250.00 Payment of Fees or Returning of Property. As a condition of registration, graduation, or the issuance of a report card, diploma, certificate, or transcript, all indebtedness incurred by a person when he/she is or was a student, must be paid. Furthermore, all books or other instructional material, uniforms, athletic equipment, advances on loans, or other personal property of the school district borrowed by the person, must be returned.

Under certain circumstances, the payment to remove the indebtedness may be excused or adjusted through arrangements made with school officials.

Outstanding fees shall not cause a delay in transferring school records to another school district or prevent a student from enrolling in any other school.

If a student is moving within the District, transcripts will be transferred regardless of outstanding fines or fees. [Idaho Code 33-603]

EXPENDITURES

(Policy Range: 3300 – 3360)

- 3310.00 Authority to Pay. The Board grants authority to the Superintendent or designee to pay claims accruing against the District during periods between board meetings, the payment of such claims being necessary to the proper conduct of the schools. It is understood that claims shall be prepared in the regular manner and checks issued in payment therefore upon certification of delivery of merchandise, completion of services, and/or contractual obligations as authorized by the Board of Trustees and to be signed by the treasurer or assistant treasurer of the District and countersigned by the chair or vice-chair of the Board of Trustees. [Idaho Code 33-701 (1)]
- 3311.00 Monthly Vendor Report. A summary of all bills paid will be submitted to the Board each month for ratification through the Consent Agenda. At a minimum, the report will give the name of the vendor and the total amount paid to that vendor each month.
- 3320.00 Purchasing. The intent of the purchasing policies is to establish a framework so that purchasing activities for the District are carried out in a prudent and economical manner. Fundamentally, the objective is to purchase supplies and equipment from the qualified vendor who submits the lowest bid for products, which are equal or better than the specifications in the bid documents. The supplier who may be awarded the bid need not be the lowest bidder, but rather the lowest bidder for the quality, service, and quantity of items as specified. [Idaho Code 33-506 (1)]
- 3321.00 Powers of Board for Purchasing. The Board has the power and duty to: provide equipment, to buy or otherwise acquire or provide, and to sell, rent and lease school equipment of all kinds including school and office furniture, fixtures, apparatus, books and supplies needed or required by or in the schools of said District, or for the official use of the Board of Trustees. [Idaho Code 33-601]
- 3322.00 Public Works Construction. The Board follows procurement requirements as established by Idaho Code 67-2805.
- 3323.00 Procurement of Goods and Services. Procurement of goods and services shall be made pursuant to Idaho Code 67-2806. No formal bidding is required for goods or services less than twenty-five thousand dollars (\$25,000), however the Moscow School District will require a minimum of two (2) quotes or bids for estimated costs of ten-thousand dollars (\$10,000) to twenty-five thousand dollars (\$25,000) unless determined by the Board of Trustees to waive this requirement in the best interest of the District.
- 3324.00 Contracting for Professional Services. Purchases for services such as legal, auditing, consulting, architect or other professional services are not the result of normal competitive bidding per Idaho Code 67-2803 (4). The Board may choose to review and make the final selection of any professional service contract.
- 3324.10 Definition. Personal Services includes performance for remuneration by an individual on a specified contractual basis of specialized professional or consultative expertise germane to administration, maintenance or conduct of school district activities which requires intellectual or sophisticated and varied services, dependent upon facilities,

invention, imagination or a specific talent which the District cannot provide or accomplish. [Idaho Code 59-514 (2)]

3324.20 Whenever personal service contracts exceed ten thousand dollars (\$10,000) annual payments, the District shall comply with the statutory publishing requirements. [Idaho Code 59-514 (1)]

3325.00 Purchasing and Inventory System. The Superintendent or designee shall maintain a purchasing and inventory system to provide a systematic and businesslike method of obtaining and supplying materials and equipment for the District. In addition, it will serve the following purposes:

- A. Budgetary and financial controls, including encumbrance accounting of purchase orders.
- B. Budgetary authority for warehoused supply requisitions and purchase order requisitions.
- C. Combination of direct shipments to the ultimate school locations and/or to the central warehouse.
- D. Reliable statistics on purchasing activities and supply usage in the schools.

3326.00 Purchases for Personal Use. The Board of Trustees, employees, students or other individuals may not make personal purchases through any district funds including building budgeted funds, student activity funds, or any other special project funds.

3330.00 Petty Cash. Petty cash is to be spent for small instructional supply items necessary to the operation of a school and which are of the kind that cannot be anticipated. 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.

3340.00 Expenditure Records. The District shall maintain a full and complete list of vendors and the amount paid to each. The District shall maintain a list of the number of teachers paid at each of the salary levels in the District. [Idaho Code 33-701 (5)]

3350.00 Relations with Vendors. All financial and business transactions of the District shall be carried out in conformity with the law and consistent with sound ethical business practices per Idaho Code 67-92. All purchasing decisions shall be made on the basis of objectivity and shall not be influenced by friendship or other personal relationships.

Code of Conduct:

- A. Conduct business honestly, openly, and with integrity.
- B. Avoid conflicts of interest situations by not conducting business with a company or firm in which the official or any member of the official's family has a vested interest.
- C. Avoid preferential treatment of one outside interest group, company, or individual over another.
- D. Avoid using the position for personal gain.
- E. Never accept or offer illegal payment for services rendered.
- F. Refrain from accepting gifts, free services, or anything of value for or because of any act performed or withheld.
- G. Permit the use of school property only for officially authorized activities.
- H. Refrain from soliciting contributions from subordinated or outside sources for gifts or donations to a superior. [Idaho Codes 33-506 (1), 33-507, 18-1351]

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- 3360.00 Travel Allowances and Expenses. Every district employee and board trustee will be reimbursed for travel expenses while traveling inside and outside of the District engaged in official District business. Prior approval for employees must be granted by the employee's supervisor and/or the Superintendent prior to traveling. In the case of board member's travel, reimbursement will only be granted if the purpose of the travel is approved by the Board. All travel expenses must be reported on the established travel reimbursement form. The travel reimbursement form includes per diem allotments and a mileage calculator. For all other approved expenses incurred, detailed receipts will be required. Failure to provide a detailed receipt will make the expense non-reimbursable. In exceptional circumstances, the Business Office may allow a claim without proper receipt(s). Written documentation explaining the exceptional circumstances will be maintained as part of the District's record of claim. The Superintendent and Board of Trustees shall submit such documentation to the Business Office. Expenses not in compliance with this policy shall not be reimbursed or paid by the Board.

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

- 3370.00 District Credit Cards. 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 District. Credit cards may be used for legitimate 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 Superintendent or designee shall monitor monthly the use of each credit card by reviewing credit card expenditures and reporting any serious problems and/or discrepancies directly to the Board of Trustees.

- 3371.00 Credit Card Users. A list of those individuals that will be issued a District credit card will be maintained by the Business Office and reported to the Board of Trustees each year at its annual meeting in January. Credit card users must take proper care of the credit card 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 the credit card 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 that 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.

- 3372.00 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.

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- 3373.00 Misuse and/or Unauthorized Use. An employee who violates a provision of this policy shall have their credit card revoked immediately and shall be subject to disciplinary action as determined by the Superintendent and shall be 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 of Trustees and shall be reported to local law enforcement.

FINANCIAL EMERGENCY

(Policy Range: 3390 – 3399)

3390.00 Declaration of Financial Emergency. 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 supersede 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 on funding and the potential negative impact on the District's fiscal status due to historical revenue and/or expenditure actions, 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 school district. [Idaho Code 33-522, 33-801]

FUNDS AND ACCOUNTS

(Policy Range: 3400 – 3450)

- 3410.00 Fixed Capital Assets. Fixed Assets refers to the land, buildings, improvements, machinery, equipment, furnishings, facilities, property, and other resources purchased or otherwise acquired by the District to be utilized in accomplishing the District's goals for a period of time that extends beyond one budget period.

District personnel are responsible to the Board for the safeguarding, stewardship, efficiency, effective use, and accountability for fixed assets under their control.

The purchase or acquisition, use, and disposal of all fixed assets shall be in accordance with District policies and applicable laws and regulations.

The use of fixed assets may be extended to persons or groups not directly related to or under the jurisdiction of the District provided that such use is compatible with the District established rules and regulations.

- 3412.00 Accounting for and Reporting of Fixed Assets. The Superintendent or designee shall maintain accounting records for fixed assets and fixed asset transactions in such a manner as to provide information to promote sound fiscal management.

The District's accounting system shall account for all fixed assets that exceed ten thousand dollars (\$10,000), consistent with generally accepted accounting principles.

Assets will be depreciated using the straight-line method of depreciation for financial reporting. The useful life of an asset will be based on current industry standards.

Annually, the District management staff shall conduct a physical inventory of the fixed assets, which shall be reconciled with the accounting records. All discrepancies shall be disclosed to the Board.

- 3420.00 Student Activity Funds. The Board authorizes the Superintendent or designee to establish procedures for the collection and expenditure of student activity funds to promote the general welfare, education, and morale of all students to finance the normal legitimate co-curricular activities of the school. These funds are to be maintained as agency funds.

Definition. A Student Activity Fund is an agency fund that is custodial in nature. The fund will control, account for, and report receipts, deposits, expenditures, assets, liabilities, and fund balances for school related activities as:

- A. Admission charges for interscholastic activities,
- B. Publications,
- C. Clubs,
- D. Student organizations,
- E. Student activities,
- F. Student fee collections which are used to provide more than one (1) activity or benefit to all of the students of a school or school building.

BOARD POLICY -SECTION III
FINANCIAL MANAGEMENT (3000-14)

All funds collected by the schools shall be maintained in accounts requiring two authorized signatures for the distribution of funds. One signature shall be a person designated by the Board as an Assistant Treasurer of the District; the other signature shall be by a person authorized by the Board to be a designated counter-signer. All disbursements from these funds shall be made by regular bank check. A report of the activity in these funds shall be submitted to the Board each month. [Idaho Code 33-509A]

The Superintendent or designee shall provide accounting procedures for the receipt, deposit, and withdrawal of funds. The principal is the person responsible for the proper collection, disbursement, and control of all school activity funds. This includes providing for the safekeeping of monies, proper accounting and administration of the funds, and compliance with Board of Trustees policies and District procedures.

Projects for 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 approval of the Superintendent.

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 student 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 monies.

3430.00 Monthly Financial Reports. Financial statements with comparisons of budget to actual for the general fund and all other funds will be submitted to the Board monthly.

3440.00 Audits. The District shall be audited annually. The Board shall appoint an independent auditor to conduct the audit. The audit shall be performed in conformance with generally accepted governmental auditing standards as defined by the United States General Accounting Office.

One copy of the audit report is to be submitted to the State Department of Education following its acceptance by the Board per Idaho Code 33-701 (6). Additionally, a copy of the report is to be submitted each year after receiving the audit from the District's independent auditor per Idaho Code 67-450B.

3450.00 Annual Financial Report. The District shall prepare and publish an annual statement of financial condition as of the end of the fiscal year. The statement shall be in a form prescribed by the State Superintendent of Public Instruction. The statement shall report the amounts budgeted and received and from what sources and the amounts budgeted and expended for salaries and other expenses by category. The report is to be published within one hundred twenty (120) days from the last day of the fiscal year. The Board Chair, Clerk of the Board, and Treasurer of the District shall certify the annual statement of financial condition to be true and correct, and the certification shall be included in the published statement. [Idaho Code 33-701 (5)]

INSURANCE

(Policy Range: 3500 – 3599)

- 3510.00 Insurance – Risk Management. The Board shall provide insurance for District property and liability risk. The status of the insurance program shall be reviewed annually by the Superintendent or designee with specific reference to adequacy of coverage, placement of insurance, and services provided by insurance representatives, associates, or companies.

The Board will review the insurance program every three to five (3-5) years. The Superintendent or designee shall develop specifications for all forms of insurance and make recommendations to the Board.

- 3520.00 Property Insurance. The property insurance coverage will provide protection against major risks, including but not limited to replacement cost of losses after a reasonable deductible.
- 3530.00 Liability Insurance. Liability insurance shall be provided to cover Board members, and District employees, in performance of duties related to District business and operation.

***BOARD POLICY -SECTION III
FINANCIAL MANAGEMENT (3000-16)***

MAIL SERVICE

(Policy Range: 3600 – 3699)

- 3610.00 School Mail. A delivery and pick-up mail service shall be maintained for all schools. The District's mail service is to be used for the delivery of school related materials. Election material of a partisan nature will not be distributed through the in-district mail except for those uses stipulated in the Negotiation Agreement between the Moscow School District and the Moscow Education Association.

EXTRACURRICULAR FINANCING

(Policy Range: 3700 – 3749)

- 3710.00 Extracurricular Financing Basic Policy. The District will provide the following for the activities program of secondary schools. All other expenses must be met through the activity accounts or by the individual participating students. The Superintendent will make any interpretations needed.
- A. Salary/Benefit cost for coaches.
 - B. Transportation cost for groups to local area music clinics and festivals, but not for performing or “award” trips. Transportation cost for the athletic program, music program, and “no-cut” program in the middle school.
 - C. Transportation cost for squads from the high school for those athletic teams and activities recognized by the Idaho High School Activities Association (IHSAA).
 - D. Some equipment used for both PE and for an activity. When such an expense is incurred mostly for the activity, the expense may be prorated. The District will honor only those expenditures made through the regular purchasing procedures of the District.
 - E. Towels, soap, and laundry service.
 - F. Facilities and permanent equipment.
 - G. Transportation cost for academic competitions within fifty (50) miles of Moscow or for national travel for advisors.
 - H. Academic competitions approved under Policy 6032.00, *Financing Students to Academic Competition*, will fund the cost of travel through the funds provided for that purpose. If travel costs exceed the allocation, fundraising/donations may be needed to cover the additional expense.
 - I. Activities of clubs, student organizations, or groups of students will fund the cost of transportation through activity accounts or individual students.

BOND ACCOUNT

(Policy Range 3750 – 3799)

3750.00 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 bond account shall be monitored by the District’s Business Manager. Unless otherwise provided by Board resolutions, agreements entered into in connection with the issuance of bonds, or any tax certificate with respect thereto, the Business Manager shall maintain records and shall prepare regular, periodic statements regarding the investments, deposits, and disbursements involving funds held in the bond account.

3751.00 Definitions.

- A. “Bond Guaranty Programs” mean collectively the program 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.
- B. “Bond Levy Subsidy Payments” mean subsidy payments received by the District from the State of Idaho bond levy equalization fund under Idaho Codes 33-906, 33-906A, and 33-906B, Idaho Code or any successor provision.
- C. “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 Idaho Code 33-802 and 33-802A.
- D. “Investment Securities” mean such investments as shall be legal investments for such funds under Idaho law as then in effect.
- E. “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 County and then disbursed to the District.

3752.00 Deposit of Funds into Bond Account: Payment of Bonds. There shall be deposited into the applicable sub-account under the bond account no later than five (5) days of receipt:

- A. Bond tax receipts;
- B. Bond levy subsidy payments; and
- C. Such other funds as the District shall designate as irrevocably available to pay principal and interest on the applicable bonds.

These deposits shall be 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.

- 3753.00 Investment of Funds in a Bond Account. Moneys held in the bond account and sub-accounts there-under 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 the 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.

- 3754.00 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.

- 3755.00 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 purpose. 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.

APPENDICES

SECTION III

BOARD POLICY: FINANCIAL MANAGEMENT

APPENDIX A

Moscow School District #281

Declaration of Financial Emergency Process

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 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%) 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 three percent 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.
- 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 (5½%) 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 negotiation agreement, including the length of the certificated employee contracts and the amount of compensation and benefits. Other matters contained within the negotiation agreement directly affecting the financial circumstance in the District may be reopened if the parties to the negotiation agreement mutually agree.

The Board and the Moscow 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 due process hearing within sixty-seven (67) days of the declaration of financial emergency on or before June 22, whichever shall occur first. The due process hearing shall not be required if the Board and the Moscow 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 change.

- 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 (14) days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
- D. 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.
- E. The employees may be represented by legal counsel and/or by a representative of the Moscow Education Association or the Idaho Education Association.
- F. The Chair of the Board or the designee of the Chair shall conduct the hearing.
- G. The Board shall cause an electronic record of the hearing to be made or shall employ a competent recorder to take stenographic or stenotype notes of all the testimony at the hearing. A transcript of the hearing shall be provided at costs by the Board upon request of the employee.
- H. At the hearing the Superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
- I. 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.
- J. The affected employees may file written briefs and arguments with the Board within three (3) days after the close of the hearing or such other time as may be agreed upon by the affected employees and the Board.
- K. 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 so qualified by additional reductions.

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. [Idaho Code 33-402, 33-522, 33-801]

Contract Date Impact

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