

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**POLICY - 7000 SERIES  
FINANCIAL MANAGEMENT**

**TABLE OF CONTENTS**

|  |      |
|--|------|
| <i>Goals</i> .....                                 | 7000 |
| <i>Budget</i>                                      |      |
| Budget and Program Planning .....                  | 7100 |
| Budget Implementation and Execution.....           | 7110 |
| Budget Adjustments.....                            | 7120 |
| <i>Accounting System</i>                           |      |
| Accounting System Design.....                      | 7200 |
| GASB Statement 34 (Accounting System).....         | 7210 |
| Documentation and Approval of Claims .....         | 7220 |
| District Financial Fraud and Theft Prevention..... | 7225 |
| Financial Reporting and Audits .....               | 7230 |
| Fiscal Accountability and IDEA Part B Funds.....   | 7235 |
| Federal Impact Funds .....                         | 7240 |
| Fund Accounting System.....                        | 7250 |
| Student Activity Funds .....                       | 7260 |
| Property Records and Disposal.....                 | 7270 |
| Revenues.....                                      | 7300 |
| Investment of Funds.....                           | 7305 |
| Advertising in Schools/Revenue Enhancement .....   | 7310 |
| <i>Expenses</i>                                    |      |
| Purchasing.....                                    | 7400 |
| Public Works Contracting and Procurement.....      | 7405 |
| Public Procurement of Goods and Services.....      | 7407 |
| Contracts .....                                    | 7409 |
| Petty Cash Funds .....                             | 7410 |
| Personal Reimbursements.....                       | 7420 |
| Payroll.....                                       | 7425 |
| Travel Allowances and Expenses .....               | 7430 |
| District Credit Cards .....                        | 7440 |
| New Fees or Increase of Fees .....                 | 7500 |
| <i>Troy School District Foundation</i> .....       | 7900 |
| Endowment Fund .....                               | 7910 |
| Scholarship Fund .....                             | 7920 |

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Goals**

**7000**

Since educational programs are dependent on adequate funding and the proper management of those funds, District goals can best be attained through efficient fiscal management. As trustee of local, state and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the District must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of District management and operation.

In the District's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for the District's students.
3. Provide timely and appropriate information to staff who have fiscal responsibilities.
4. Establish efficient procedures in all areas of fiscal management.

**Legal Reference:**

I.C. 33-506  
I.C. 33-701 et seq. Fiscal Affairs of School Districts

**Policy History:**

Adopted on: 1/8/07  
Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Budget and Program Planning**

**7100**

The annual budget is evidence of the Board's commitment to the objectives of the instruction programs. The budget supports the immediate and long-range goals and established priorities within all areas, instructional, non-instructional and administrative programs.

Prior to presentation of the proposed budget for adoption, the Superintendent shall prepare, for the Board's consideration, recommendations (with supporting documentation) which shall be designed to meet the needs of students within the limits of anticipated revenues.

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

Following preliminary planning and no later than twenty-eight (28) days prior to the Board's annual meeting, the proposed budget shall be available and a public hearing on the budget shall be held. At the public hearing, or at a special meeting held no later than fourteen (14) days after the public hearing, the Board shall adopt a budget for the ensuing year.

Not later than April 30 of each year, the budget hearing shall be scheduled. The Clerk of the Board shall notify the County Clerk of the date and location set for the budget hearing. In the event no budget hearing will be held, the County Clerk will be so notified. Proper notice of the budget hearing shall be posted as required by law, and a copy of the proposed budget shall be available for public inspection at all reasonable times at the administrative offices of the District.

A summary statement of the budget shall also be prepared and published for the ensuing year. The statement shall be in a manner consistent with standard accounting principles and in such form as required by the State Superintendent of Public Instruction. The summary statement shall show the following:

1. Amounts budgeted for all major classifications of income and expenditures, with total amounts budgeted with salary and wage expenditures in each such classification shown separately;
2. Amounts previously budgeted for the two (2) previous years for the same classification of proposed comparison.

The budgeted dollar amounts of revenue—as approved within the adopted budget—in those categories included in Idaho Code Section 33-802, which deals with school levies, will be the same as presented to the respective county commissioners for tax levying purposes.

Once the budget is approved by the Board, it will serve as a spending plan for the fiscal year. However, the Board will have the authority to amend the budget as provided by law when circumstances warrant.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Budget and Program Planning (continued)**

7100

Legal Reference:

- I.C. 33-402(f)
- I.C. 33-512(2)
- I.C. 33-701
- I.C. 33-801
- I.C. 33-802
- I.C. 33-802A

Policy History:

Adopted on: 1/8/07  
Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Budget Implementation and Execution**

**7110**

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

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Idaho and adopted Board policies.
2. Funds held for contingencies may not be expended without approval from the Board.
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board approval each month.
4. Purchases shall be made according to the legal requirements of the State of Idaho and adopted Board policy.
5. Necessary and immediate expenditures of properly budgeted funds may be made prior to a Board meeting if recommended by the Superintendent and approved by the Board Chair or designee, and reported to the Board at the next meeting.

A monthly budget report must be prepared by the Superintendent showing the maintenance and operation budget, and documenting the cumulative expenditures and available balances in each major section of the District's accounts.

A monthly treasurer's report shall be prepared showing receipts, expenditures, and cash balances in each budget account of this District.

The monthly budget report and the monthly Treasurer's report shall be submitted to the Board at the regular meeting.

Legal Reference:

I.C. 33-509

I.C. 33-701 et seq. Fiscal Affairs of School District

Policy History:

Adopted on: 1/8/07

Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Budget Adjustments**

**7120**

This Board will review the District's budget periodically and make appropriate budget adjustments to reflect the availability of funds and the requirements of the District.

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. 33-402
- I.C. 33-701 Fiscal year – Payment and accounting of funds
- I.C. 33-802

**Policy History:**

- Adopted on: 1/8/07
- Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Accounting System Design**

**7200**

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

**Policy History:**

Adopted on: 2/9/09

Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**GASB Statement 34 (Accounting System)**

**7210**

Purpose

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

Authority

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

Delegation of Responsibility

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Superintendent in cooperation with the District Accountant. School District personnel at all levels are responsible to the Board of Trustees for the safeguarding, stewardship, efficiency and effectiveness of use, and the accountability for fixed assets under their jurisdiction and /or control.

The purchase or acquisition and use of all fixed assets shall be in accordance with all applicable federal, state, local and school District statutes, regulations, and policies. All District personnel shall share the responsibility for assuring that the District fixed assets are used efficiently and effectively in accordance with District policy to achieve the goals and objectives of the District.

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

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

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



**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**GASB Statement 34 (Accounting System) (continued)**

7210

Guidelines

Accounting records for fixed assets and fixed asset transactions shall be maintained in such a manner as to provide information to promote sound fiscal management, to assess management accountability and to assist interested parties with decision-making about the District's management of fixed assets.

Periodically, at a suitable time, the District management shall conduct a physical inventory of the fixed assets that shall be compared to the accounting records.

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. The asset life of these assets shall be considered relative to the time of the respective debt amortizations.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$5,000.

The capitalization threshold shall be set at a level that will capture at least 80% of all fixed assets valued at \$5,000 or more.

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

1. Library books
2. Classroom texts and workbooks
3. Computer equipment
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 ledges.

Capitalization Policy for Fixed Assets

As used herein, the term "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.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**GASB Statement 34 (Accounting System) (continued)**

7210

A fixed asset is a property that meets all of the following requirements.

1. Must be tangible in nature.
2. Must have a useful life of longer than the current fiscal year.
3. Must be of significant value.

Fixed assets may be acquired through donation, purchase or may be self-constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets will include both the materials used and the cost of labor involved in the construction of the asset.

The following significant values will be used for different classes of assets:

| <u>Class of Fixed Asset</u>       | <u>Significant Value</u> |
|-----------------------------------|--------------------------|
| Equipment and machinery           | \$2000.00 or more        |
| Buildings - Improvements          | \$5000.00 or more        |
| Improvements other than buildings | \$5000.00 or more        |
| Land                              | Any amount               |

Disposal Of Fixed Assets

The disposal of fixed assets shall be in accordance with all applicable federal, state, local and District statute, regulation and policy.

Policy History:

Adopted on: 2/9/09

Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Documentation and Approval of Claims**

**7220**

All financial obligations and disbursements must be documented in compliance with the statutory provisions and audit guidelines. The documentation will specifically describe acquired goods and/or services, the budget appropriations applicable to payment, and the required approvals. All purchases, encumbrances and obligations, and disbursements must be approved by the administrator designated with the authority, responsibility and control over the budget appropriations. The responsibility for approving these documents should not be delegated.

The District business office will be responsible for the development of the procedures and forms to be used in the requisition, purchase and payment of claims.

The bills will be reviewed by appropriate administrative personnel and a recommendation will be made to the Board regarding payment.

A final payment determination will be made by the Board. Checks or warrants for the approved bills will be drawn by the Superintendent or designee.

All bills will be accepted, certified for payment, and paid within sixty (60) calendar days of receipt of bill, unless a contract specifies another payment arrangement.

**Signatures**

All checks issued on a School District account must be signed by two (2) authorized individuals designated by the Board.

**Disbursements**

No disbursement will be approved unless sufficient funds are available in the appropriate account. Payments must be made to a specific person, company, or organization. No checks will be made payable to "cash."

District checks will not be pre-signed. All disbursements must be documented by original invoices, sales slips, or register tapes with explanations provided.

District checks may be issued to students or employees to reimburse them for personal funds disbursed for school purposes provided that prior approval of the expenditure was received from the superintendent or designee, and proper supporting documentation is submitted.

**Advance Payments**

Advance payments for goods and services may be authorized at the discretion of the Superintendent. A written request for an advance stating the amount needed and the purpose of the advance must be submitted. When the activity is complete, the sponsor must submit a report of all expenditures with the appropriate receipts and sales slips. Any unused funds will be returned immediately.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Documentation and Approval of Claims (continued)**

7220

Cancellation of Checks

Any check issued by the District will be voided when:

1. It has been outstanding for more than six (6) months; or
2. It has been reported as lost or stolen; or
3. It has been returned by the payee for some reason.

If the voided check is replaced with a new check, a “stop payment” order will be filed with the bank from which the check is drawn.

Activity Accounts

Each building secretary is appointed Assistant Treasurer to the District Treasurer. Each building Principal is designated as a secondary signer of activity checks for an amount not to exceed five thousand dollars (\$5,000). Expenditures in excess of five thousand dollars (\$5,000) must have prior Board approval.

The Board will be provided monthly reports regarding the status of all activity funds.

Electronic Signatures

The issuance of an electronic signature by this District to a public agency and the acceptance of an electronic signature from a public agency are permitted. An electronic signature will have the full force and effect of a manual signature only if the electronic signature satisfies the following requirements:

1. It is unique to the person using it;
2. It is capable of verification; and
3. It conforms to all other provisions of this policy.

Electronic Communications

Any electronic communication filed with or issued by the District will be given the full force and effect of a paper communication if the following conditions are met:

1. If the communication is an electronic filing or recording, this District agrees to accept or send such communication electronically.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Documentation and Approval of Claims (continued)**

7220

2. If a signature is required on the communication by any statute, rule, or regulation, or other applicable law, the electronic signature on the communication conforms to the requirements of the "Idaho Electronic Signature and Filing Act," reiterated in this policy.
3. The electronic communication conforms to all other provisions of this policy.

**Rules for Accepting, Using, and Issuing Electronic Signatures and Communications**

In accord with Idaho Code 67-2356, this District adopts the following rules for accepting, using, and issuing electronic signatures and communications:

1. The Superintendent or designee is authorized to issue an electronic signature in his or her name.
2. The Superintendent or designee is authorized to issue electronic communications.
3. This District will receive, and accept as original, electronic communications and signatures so long as the communication, on its face, appears to be authentic.
4. The Superintendent or designee may, at his or her discretion, request that an original of the electronic communication and/or electronic signature be forwarded to the District in a timely manner.
5. When necessary or practical, paper copies will be made of electronic communications and stored in a manner and time frame consistent with the nature and purpose of the communications, and with all other District policies, regulations, statutes, and rules that may apply.
6. The District will issue and accept electronic communications only when the benefit outweighs or is equal to the benefit of issuing paper communications.
7. The District will accept and issue electronic communications only if such communications conform to any formatting requirements associated with them.
8. The Superintendent or designee is authorized to establish additional rules associated with accepting, using and issuing electronic communications.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Documentation and Approval of Claims (continued)**

7220

Cross-Reference: 1260 Authorization of Signatures

Legal Reference:

I.C. 33-506(1)  
I.C. 33-509 A  
I.C. 33-705  
I. C. 67-2302  
I.C. 67-2351, et seq.

Policy History:

Adopted on: 1/8/07  
Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**District Financial Fraud and Theft Prevention**

**7225**

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.

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.

In the event the concern or complaint involves the Superintendent, the concern shall be brought to the attention of the Chair 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

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**District Financial Fraud and Theft Prevention**

7225

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

The District shall carry a fidelity bond on the District Treasurer, the District Clerk, the Chair of the Board, and such other personnel as may be directed by the Board.

Cross-Reference: 1210 Qualifications, Terms and Duties of Board Officers

**Legal Reference:**

I.C. 33-508

I.C. 33-509

**Policy History:**

Adopted on: 1/8/07

Revised on: 2/9/09



**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Financial Reporting and Audits**

**7230**

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

Within one hundred twenty (120) days from the last day of each fiscal year, this Board, through its Superintendent, shall prepare and publish an annual statement of financial condition and report of the District as of the end of such fiscal year in the form prescribed by the State Superintendent of Public Instruction.

This annual statement will include, but not be limited to:

1. The amounts of money budgeted and received and from what sources; and
2. The amounts budgeted and expended for salaries and other expenses by categories.

This District shall have available upon request, at the administrator's office, a full and complete list of vendors and the amount paid to each, and the list of the number of teachers paid at each of the several stated gross salary levels in effect in the District.

This Board may authorize additional or supplementary statements and reports for the purpose of informing the public of its financial operations, either as to form, content, method, or frequency.

The annual statement of financial conditions and report shall be published within one hundred twenty (120) days from the last day of the fiscal year in one issue of the newspaper designated by this District.

The Chair, Clerk, and Treasurer of this District shall certify the annual statement of financial condition and report it to be true and correct, and the certification will be included in each published statement.

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.

A full and complete audit of financial statements of this district will occur on an annual basis. One (1) copy of the auditor's report shall be filed with the State Department of Education after its acceptance by this Board, but not later than October 15 of each school year.

The audit shall be performed by independent auditors employed on a written contract and will be conducted in accordance with generally accepted governmental accounting standards as defined by the United States General Accounting Office.

The Board directs that District audits shall be conducted in accordance with Idaho law (I.C. 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

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Financial Reporting and Audits (continued)**

7230

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.

**Compliance With GASB 34**

In compliance with GASB 34 (Governmental Accounting Standards Board, Standard 34), the District's annual audit shall be developed to make the audit easier to understand and more useful to patrons and others who use the District's financial information to make decisions. The District's audit shall be based on a full accrual accounting of all financial activities, and shall include the Management Discussion and Analysis (MD&A) as a part of Required Supplementary Information (RSI), as mandated by GASB 34.

**Management Discussion and Analysis**

The Superintendent or designee shall draft the MD&A, an analysis of the District's current overall financial position and operating results, intended to allow others to assess whether the District's finances have improved or deteriorated.

The MD&A shall:

1. Precede the basic financial statement and provide an objective and readable analysis of the District's overall financial activities;
2. Be based solely on facts known to the administration at the date of the auditor's report;
3. Emphasize current-year results in comparison with the prior year;
4. Include charts and graphs, as appropriate, to enhance reader understanding;
5. Report the change in the overall financial condition from the prior year to the current year;
6. Introduce and explain the difference from prior years in the format of the financial material presented;

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Financial Reporting and Audits (continued)**

7230

7. Explain the newly required statement of net assets, and statement of activities, and what they are intended to report. Relative to the District-wide statements, identify all District assets and liabilities using the accrual basis of accounting;
8. Condense financial information derived from the District-wide statements with explanation of significant changes between the current and prior years;
9. Analyze balances and transactions of individual funds;
10. Budgetary comparison schedules or statements; and
11. Describe significant capital assets and long-term debt activities that occurred in the prior year.

The annual budget shall reflect all necessary expenses for carrying out the provisions of this policy.

This District shall file two (2) copies of each completed audit report with the legislative council within ten (10) days after receiving the audit from the contracting independent auditor.

**Legal Reference:**

- I.C. 33-701 Fiscal year – Payment and accounting of funds
- I.C. 60-106
- I.C. 67-405B Independent Financial Audits by Government Entities

**Policy History:**

- Adopted on: 1/8/07
- Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Troy School District No. 287**

**FINANCIAL MANAGEMENT**

**7235**

Fiscal Accountability and IDEA Part B Funds

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 child is on an Individual Education Plan (IEP).

The Board directs the Superintendent 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 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 [ONLY REQUIRED FOR DISTRICTS THAT USE ONLY LOCAL FUNDS FOR THE CALCULATION OF MAINTENANCE OF EFFORT]**

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent 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.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Fiscal Accountability and IDEA Part B Funds (continued)**

7235

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 to establish procedures to accurately track and report expenditures for services provided to Parentally-Placed Private School Children.

Property Procurement and Tracking

The Board directs the Superintendent 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 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 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

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

Policy History:

Adopted On: 9/8/2013

Revised On:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Federal Impact Funds**

**7240**

It is the intent of the District that all American Indian children of school age have equal access to all programs, services, and activities offered in the District.

It is also the intent of the District to fully comply with the requirements of Title VIII (Impact Aid Program) of the Elementary and Secondary Education Act and regulations relating thereto. To that end, the District shall:

1. Provide tribal officials and parents of Indian children an opportunity to comment on the participation of Indian children on an equal basis in all programs and activities offered by the District;
2. Annually assess the extent to which Indian students are participating on an equal basis in the educational programs and activities of the District;
3. If and when necessary, modify its educational programs to ensure that Indian children participate on an equal basis with non-Indian children served by the District;
4. Disseminate annually the following materials to tribal officials and Indian parents:
  - Title VIII application;
  - Evaluation of programs assisted with Title VIII funds;
  - Program plans and information related to the education programs of the District.

Such materials will be provided to tribal officials and parents of Indian children in sufficient time to allow tribal officials and parents of Indian children an opportunity to review the materials and make recommendations on the needs of Indian children and provide input on how the District might help those children realize the benefits of the District's educational programs and activities.

1. Solicit information from tribal officials and parents of Indian children on Indian views, including information on the frequency, location, and time of meetings;
2. Notify tribal officials and parents of Indian children of the locations and times of meetings;
3. Consult and involve tribal officials and parents of Indian children in the planning and development of the District's educational programs and activities;
4. Modify its Indian policies and procedures, if and when necessary, based upon the results of the assessments referenced below.

**Assessments**

Tribal officials and parents of Indian children are encouraged to assess the effectiveness of their input regarding the participation of Indian children in the District's educational programs and activities and the development and implementation of the District's Indian policies and procedures and share the results of such assessment with the District.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Federal Impact Funds (continued)**

7240

Legal Reference:

20 USC 7701, et seq. The Impact Aid Program Statute (Title VIII of the Elementary and Secondary Education Act of 1965)

20 USC 7704

34 CFR 222.94 What provisions must be included in a local educational agency's Indian policies and procedures?

Policy History:

Adopted on: 1/8/07

Revised on: 2/9/09



**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Fund Accounting System**

**7250**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The following funds are maintained by the District (plus school activity accounts):

|     |   |
|-----|---|
| 100 | General Maintenance and Operation                       |
| 220 | Federal Forest Reserve                                  |
| 231 | Local Education Program Fund                            |
| 234 | Baseball Field Project                                  |
| 235 | 6 <sup>th</sup> Grade Outdoor Classroom Project         |
| 240 | School Maintenance Balance                              |
| 241 | Drivers Education Fund                                  |
| 243 | Professional-Technical Education                        |
| 244 | Greenhouse Project                                      |
| 245 | Technology Grant – State                                |
| 246 | Drug-Free Schools Fund – State                          |
| 247 | Response to Intervention Fund                           |
| 249 | Other State Grants                                      |
| 251 | Title I-A, ESEA – Improving Basic Programs              |
| 257 | Title VI-B, IDEA – School Age                           |
| 258 | Title VI-B, IDEA – Pre-school                           |
| 261 | Title V-A, ESEA – Innovative Programs                   |
| 262 | Small Rural Schools Achievement                         |
| 263 | Perkins III Grant                                       |
| 271 | Title II-A, ESEA – Improving Teacher Quality            |
| 273 | Title IV-A, ESEA – Safe and Drug-Free Schools - Federal |
| 290 | Food Service  |
| 310 | Bond Interest Redemption – Elementary                   |
| 311 | Bond Interest Redemption - Secondary                    |
| 420 | School Plant Facilities                                 |
| 424 | School Bus Depreciation                                 |
| 425 | Lottery Fund  |
| 430 | School Maintenance/Repair Fund                          |
| 610 | Internal Service Fund                                   |
| 710 | Ramsdale Scholarship Fund                               |
| 711 | KellyScholarship Fund                                   |

**Legal Reference:**

I.C. 33-901 et seq. School Funds  
I.C. 33-701 et seq. Fiscal Affairs of School District

**Policy History:**

Adopted on: 2/9/09  
Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Student Activity Fund**

**7260**

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

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

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

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.

**Purposes**

These funds are used for, but not limited to:

- promoting the general welfare of each school and the educational development and morale of all students,
- promoting the athletic program of the student body,
- promoting specific areas of interest of the student body,
- financing specific projects sponsored by a designated class,

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Student Activity Fund (continued)**

7260

- financing the publication of the yearbook and support of the student body,
- purchasing consumable materials that become the property of the student,
- hold in these accounts until all income and expenditures have been properly accounted and the accounts can be cleared.

Examples

The Student Activity Fund is ledger account for controlling, accounting for, and dispersing money received from sources including, but not limited to:

- student body fees,
- concessions,
- vending machines,
- interest income,
- gate receipts,
- sale of athletic clothing,
- club dues,
- fund raisers,
- donations,
- sale of yearbooks,
- fees charged to cover costs of consumable materials used in class projects if the finished project becomes the property of the student.
- functional accounts necessary to operate and maintain a standard accounting system,
- monies belonging to other area schools received from sources such as hosting district or regional events. (These funds should not be counted as part of the athletic or organizational income and expense of the host school. Other accounts in this group may be a division of net income between the host school and one or more schools.)

Disbursement Authority

These funds are dispersed, based on the request of the specific class's or activity's advisor or coach, or the student body treasurer, and with the approval of the Activity Director and Principal.

Receipts

All cash and other receipts shall be handled in a manner which promotes appropriate accounting and minimizes any opportunity for theft, fraud, financial loss, or the appearance of impropriety.

The official financial records of the student activity funds for any School in this School District shall be audited annually by a qualified public accountant or other responsible person approved by the Board of Trustees. The employee responsible for maintaining student activity funds shall be under bond in an amount which protects the maximum funds on hand at any time. An annual report will be prepared for the Board of Trustees, disclosing all results of the audit.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Student Activity Fund (continued)**

7260

Legal Reference:

I.C. 33-705 Activity Funds

Paulson v. Minidoka County Joint District, No. 331, 93 Idaho 469, 463 P.2d 935 (1970)

Policy History:

Adopted on: 1/8/07

Revised on: 1/14/08, 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Property Records and Disposal**

**7270**

Property records and inventory records shall be maintained on all land, buildings and physical property under the control of the District. Such records shall be updated annually.

For purpose of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus or a set of articles which retains its shape and appearance with use, is nonexpendable and does not lose its identity when incorporated into a more complex unit. The Superintendent shall ensure that inventories of equipment are systematically and accurately recorded and are updated annually. Property records of facilities and other fixed assets shall be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy.

Property records shall show, appropriate to the item recorded, the:

1. description and identification
2. manufacturer
3. date of purchase
4. initial cost
5. location
6. serial number, if available
7. model number, if available

Equipment may be identified with a permanent tag that provides appropriate District and equipment identification.

**Disposing of Outdated Materials**

1. A current inventory shall be reported on equipment, textbooks, and supplies each year stating the condition of the same. The purchase of new textbooks is to coincide with the adoption schedule of the State Board of Education.
2. Disposal of worn-out equipment, textbooks, and supplies will be as follows: when it is the judgment of the administration and the teacher that any equipment, books, or supplies are no longer useful to the District, the item is to be sold or otherwise disposed of in compliance with Idaho Code.

The Superintendent is directed to sell or, if sale is not feasible, to dispose of items worth less than \$500 in accordance with Idaho Code, following notification to the Board.

A physical inventory of all fixed assets (equipment, materials, supplies, and real property) owned by the District shall be maintained and updated yearly by the Superintendent or designee. The inventory shall be reconciled with the District's accounting records and will be reported to the Board.

"Fixed asset" means property that is tangible in nature, including real property, buildings and improvements, equipment, and materials and supplies, which will not be consumed or converted to cash in the current accounting period.

Fixed assets shall be acquired, maintained, used, and disposed of consistent with District policies and all applicable laws and regulations.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Property Records and Disposal (continued)**

7270

Fixed assets shall be depreciated using the straight-line depreciation for financial reporting. The useful life of an asset shall be based on current industry standards.

When appropriate, the District shall have general appraisals of District property prepared by qualified appraisers.

Cross Reference:       7210 GASB Statement 34 (Accounting System)  
                              8600 Records Management  
                              9100 Acquisition, Use and Disposal of School Property

Legal Reference:

I. C. 9-301, et seq.  
I.C. 33-506(1)  
I.C. 33-701 Fiscal year – Payment and accounting of funds  
Cowles Publishing Co. v. Kootenai County Board of Commissioners, Idaho S. Ct. Op.  
2007-74 (May 4, 2007)  
Rule 26(f), Federal Rules of Civil Procedure

Policy History:

Adopted on:   1/8/07  
Revised on:   10/17/07, 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Revenues**

**7300**

The District shall 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 shall collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District shall 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: 2/9/09

Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Investment of Funds**

**7305**

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.

Any investments of idle or surplus monies shall be invested with a designated depository wherein the investment shall be fully insured under the Federal Deposit Insurance Corporation (FDIC) provisions when possible and practicable

**Legal Reference:**

- I.C. 33-701 Fiscal Year - - Payment & Accounting of Funds
- I.C. 33-901
- I.C. 57-101, *et seq.*
- I.C. 67-1210 Investment of Idle Moneys

**Policy History:**

Adopted on: 1/8/07  
Revised on: 10/3/07, 2/9/09



**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Advertising in Schools/Revenue Enhancement**

**7310**

Revenue enhancement through a variety of District-wide and District approved marketing activities, including but not limited to advertising, corporate sponsorship, signage, etc., is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board in keeping with the contemporary standards of good taste. Such advertising shall 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 shall 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 shall note that the student art is sponsored by the participant in the District sponsorship. Maintenance for these buses shall include but not exceed normal maintenance costs.
9. Individual school publications (when not in conflict with current contracts).

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

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

1. Promote hostility, disorder or violence
2. Attack ethnic, racial 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

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Advertising in Schools/Revenue Enhancement**

7310

6. Promote, favor or oppose the candidacy of any candidate for election, adoption of any bond/budget issues or any public question submitted at any general, county, municipal or school election
7. Be obscene or pornographic as defined by prevailing community standards throughout the District
8. Promote the use of drugs, alcohol, tobacco, firearms or certain products that create community concerns
9. Promote any religious or political organization
10. Use any District or school logo without prior approval.

All advertising must be approved by the Principal or designee prior to posting.

Income derived from outside advertising associated with the baseball/softball field is credited 80% to the District athletic fields maintenance account, 10% to the High School athletic facility maintenance account, and 10% to the baseball/softball program. Income derived from advertising within the gymnasium is credited to the Booster Club.

Cross Reference:       2100 Curriculum Development and Assessment  
                              2500 Library Materials  
                              2520 Curricular Materials

**Policy History:**

Adopted on:   2/9/09  
Revised on:   8/10/09, 4/11/11

**Purchasing**

**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. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$25,000, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds 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 good 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 bidder 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.



|                       |  |
|-----------------------|--|
| 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: 1/8/07

Revised on: 2/9/09, 10/13/09, 2/12/18

**Public Works Contracting and Procurement**

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

| <b>Public Works Contractor Licensure Requirements</b>                    |   |               |
|--|---|---------------|
| \$0 to \$50,000  | No licensure requirement  | IC 54-1903    |
| \$50,001 and above   | Licensure required  | IC 54-1903    |
| <b>Exemptions from Public Works Contractor Licensure</b>                 |   |               |
| Less than \$50,000 for construction, alteration, improvement, or repair. | Single project with any number of trades  | IC 54-1903    |
| Any construction, alteration, or repair due to an emergency.             | Pursuant to the provision of, Chapter 10, Title 46 Idaho Code   | IC 54-1903    |
| <b>Public Works Construction Bidding</b>                                 |   |               |
| \$0 to \$50,000  | No bidding requirements   | IC 67-2803(2) |
| \$50,001 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    |
| \$200,001 and above  | Formal bidding 2 <b>Options A &amp; B:</b><br><br><b>Category A</b> – 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).)<br><br><b>Category B</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). | IC 67-2805    |

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: 7/6/09

Revised on: 2/12/18



**Troy School District No. 287**

**FINANCIAL MANAGEMENT**

**7407**

**Public Procurement of Goods and Services**

The District shall at all times 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) |
| \$50,001 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. Accept low bid, or reject all bids. | IC 67-2806(1) |
| \$100,001 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) |

| <b>Exemptions to Public Procurement of Goods and Services Bidding</b> |   |                |
|---|---|----------------|
| 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: 7/6/09

Revised on: 2/12/18

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Contracts**

**7409**

The Board may enter into service contracts with independent contractors as necessary for the operation of the District. The Board shall comply with the requirements of Idaho Code Section 67-2800, et seq., relative to competitive bidding for such contracts and this District's Policy 7400 entitled "Purchasing".

The Board may enter into personal service contracts, as determined to be in the best interest of the District, to carry out its responsibilities and duties in governing the district and accomplishing the District's educational goals and objectives. Such contracts are exempt from statutory bidding requirements.

The Board of Trustees of this District authorizes the Superintendent or designee to enter into agreements with private service providers when he/she determines that the necessary educational services are not available through the District or that it is in the best interest of a student and the District to enter into an agreement with a private service provider. Such agreements may be entered into for services identified on a student's IEP or 504 plan, or for other educational services as needed by the District. In no event shall such agreement exceed twelve (12) calendar months.

Any agreement signed by the Superintendent/designee with private service providers, pursuant to this policy, shall set forth the terms of the agreement, the relationship of the parties, the services to be provided, provisions for record keeping and confidentiality of records, the billing procedures, as well as other terms that are deemed to be necessary.

The Superintendent/designee shall select private service providers pursuant to this policy based on their qualifications, work experience, availability, lack of conflict of interest with the District, and financial stability. While the Superintendent/designee may also consider a parent's request for a particular service provider, such request will not be the controlling factor in selecting a private service provider.

No private service providers hired under this policy shall be considered employees of the District. Further, all private service providers, and their employees, shall be fully qualified for the services for which the agreement specifies.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Contracts (continued)**

7405

Legal Reference:

I.C. 33-506  
I.C. 33-512  
I.C. 33-601  
I.C. 33-2001, *et seq.*  
I.C. 54-1904B, C, D, E  
I.C. 59-514  
I.C. 59-1026  
I.C. 67-2326 through 67-2333  
I.C. 67-2800, *et seq.*  
I.C. 67-2803(4)  
I.C. 67-2805  
I.C. 67-5716  
Idaho Special Education Manual 2007

Policy History:

Adopted on: 1/8/07  
Revised on: 4/5/07, 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Petty Cash Funds**

**7410**

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of Fifty Dollars (\$50), postage, delivery charges, and freight. Individual personal reimbursements which exceed Fifty Dollars (\$50) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, and the total dollar amount of each petty cash account will be limited to Two Hundred Dollars (\$200) for secondary schools and One Hundred Dollars (\$100) for elementary schools and school offices and departments.

Each administrator of a school or department with a petty cash fund account may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies which are not specifically petty cash monies shall not be co-mingled with the petty cash fund. At the conclusion of each school year, all petty cash funds must be closed out and the petty cash vouchers and cash on hand returned to the business office for processing.

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

**Policy History:**

Adopted on: 2/9/09

Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Personal Reimbursements**

**7420**

While it is recommended that all purchases of goods or services be made within established purchasing procedures, there may be an occasional need for an employee to make a purchase for the benefit of the District from personal funds. In that event, an employee will be reimbursed for a personal purchase under the following criteria:

1. It is clearly demonstrated that the purchase is of benefit to the District.
2. The purchase was made with the prior approval of an authorized administrator.
3. The item purchased was not available from resources within the District.
4. The claim for personal reimbursement is properly accounted for and documented with an invoice/receipt.

The District business office will be responsible for the development of the procedures and forms to be used in processing claims for personal reimbursements.

Legal Reference:

Idaho Code Section 33-506

Policy History:

Adopted on: 1/8/07

Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Payroll**

**7425**

This School District will issue one payroll per month.

Salary payments for certificated personnel will be prorated on a twelve-month (12-month) basis. The payroll for all other personnel is authorized on the basis of the time sheet submitted to the central office.

Supplemental pay for special assignments will be paid according to a schedule approved by the Board. Such payment will be made in accordance with the regular payroll procedure. Supplement pay will be prorated on a twelve-month (12-month) basis unless the employee requests, in writing, full payment at the completion of the activity assignment.

All payroll warrants are subject to those deductions which are required by statute of the State of Idaho and the federal government. Any other payroll deductions for school employees will be in accordance with Board policy and upon written authorization of the employee.

Compulsory payroll deductions will be made as required by Idaho and federal law.

Optional deductions will be made upon written request by the employee for such purposes as approved by the Board.

Legal Reference:

I.C. 33-506  
I.C. 33-515

Policy History:

Adopted on: 1/8/07  
Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Travel Allowances and Expenses**


**7430**

Every District employee and Trustee shall be reimbursed for travel expenses while traveling 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 Superintendent or designee.

The District business office shall be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

Advance funding for travel, or use of a District credit card, is permitted for approved travel. Any unused advanced funds must be returned to the District immediately upon the employee's return. The amount of any expenses or credit card charges not subsequently approved must be returned to the District within thirty days of notification. Any such funds not returned may be deducted from the employee's paycheck.

Unless the District is directly billed for the employee's travel expenses by a third party, the following rates will apply (as modified by the Negotiated Agreement, if applicable):

- Registration Costs: The actual registration cost will be paid by the District.
- Lodging: The actual cost of lodging, with the maximum amount as set by the Idaho Board of Examiners.
-  Meals: When the employee is traveling out of the District, the actual cost of meals will be reimbursed, with a maximum daily rate not higher than that allowed under the Internal Revenue Code for travel within or outside the state of Idaho. The employee must submit receipts for all meals for which reimbursement is sought. The District will not reimburse employees for the purchase of beer, wine or alcoholic beverages.

Formatted: Bullets and Numbering

In those instances where District employees are traveling outside the district on official business for less than twenty-four (24) hours, the partial day's subsistence rates set by the Idaho Board of Examiners will apply. If the employee is required to travel prior to 7:00 a.m., breakfast will be paid. If the employee is required to travel at noon, lunch will be paid. If the employee is required to travel after 7:00 p.m., dinner will be paid.

- Travel: The actual cost of travel (air and taxi fare, parking, etc.) will be reimbursed; receipts for such costs must be submitted to the District. When the employee drives his/her own vehicle, the cost of transportation will be based on the miles traveled. Such mileage will be reimbursed at the rate currently in place for employees of the State of Idaho. The District will not pay the costs of citations for traffic and parking violations.



**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Travel Allowances and Expenses (continued)**

7430

Legal Reference:

I.C. 33-701 Fiscal year – Payment and accounting of funds  
I.C. 67-2008

Policy History:

Adopted on: 1/8/07  
Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**District Credit Cards**

**7440**

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 shall 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 Superintendent 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 shall 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 \$5,000 for each card issued and an aggregate credit limit of \$25,000 for all cards issued to the district.

**Return of Credit Card**

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

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**District Credit Cards (continued)**

7440

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 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
- I.C. 33-512

Policy History:

Adopted on: 1/8/07  
Revised on: 10/17/07, 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**New Fees or Increase of Fees**

**7500**

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.

For the purpose of this policy, the definition of “fee” will include all fees and charges of this school district for a direct public service, including fees for voluntary activities and extra costs such as extracurricular activities, driver’s education, towel or locker use, adult education courses, breakfasts and lunches, parking, and similar services or activities.

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
- Attorney General Opinion No. 94-4

Policy History:

Adopted on:   1/8/07  
Revised on:   2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Troy School District Foundation**

**7900**

The Troy School District Foundation is established for the purpose of administering contributions for the benefit of the School District and its students. The Foundation operates under the policies and direction of the Board of Trustees.

Revenues consist of direct donations, interest earned from investments, land sales, and other sources accepted by the Board of Trustees. All revenues become the property of the Troy School District #287 and are available for general use according to District Policies currently in effect. While the Board attempts to honor lawful requests by donors as to the use of funds, Idaho Code prohibits any absolute restrictions. It is the firm intention of the Board, however, to honor the purposes set forth with the original gifts.

All awards and expenditures from Foundation funds must be in accordance with the policies of the Troy School District and state and federal laws. Donations cannot be accepted which stipulate uses not in accordance with these regulations.

The Foundation's assets are located in two special funds: The Scholarship Fund and The Endowment Fund. (When contributions are received that are not designated for scholarships, the proceeds are deposited in the Endowment Fund.)

The Scholarship Committees act as advisors to the Board of Trustees.

The Ramsdale Scholarship Committee is comprised of at least \_\_\_\_\_ but no more than \_\_\_\_\_ patrons of the District as appointed by the Board of Trustees, plus the \_\_\_\_\_.

The Kelly Scholarship Committee is comprised of at least \_\_\_\_\_ but no more than \_\_\_\_\_ patrons of the District as appointed by the Board of Trustees, plus the \_\_\_\_\_.

The Board shall endeavor to select committee members from all Trustee zones if feasible. Each member shall be appointed for a \_\_\_\_\_-year term on a staggered basis with one or two new appointees each year. When a vacancy occurs during the member's term, a newly-appointed member shall fill the vacancy for the unexpired portion of the term.

The Troy Education Association Scholarship Committee is comprised of at least \_\_\_\_\_ but no more than \_\_\_\_\_ as appointed by the \_\_\_\_\_, plus the \_\_\_\_\_.

The Committees will promote community ownership and participation, and make recommendations to the Board of Trustees for award recipients.

From time to time, the Scholarship Committees will consult with District personnel such as the Superintendent of Schools, District Clerk, and High School Counselor, to coordinate financial records, collect criteria for awards, promote community ownership, assist with fund-raising, etc.

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Troy School District Foundation (continued)**

7900

Legal Reference:

I. C. 33-506

Policy History:

Adopted on: 1/8/07

Revised on: 2/9/09

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Endowment Fund**

**7910**

The Endowment Fund consists of funds derived from unspecified general donations to the Troy School District or to its departments or activities.

Policy History:

Adopted on: 2/9/09

Revised on:

**TROY SCHOOL DISTRICT #287**

**7000 – FINANCIAL MANAGEMENT**

**Scholarship Funds**

**7920**

The Scholarship Funds consist of a General Account and three Dedicated Accounts: the Ramsdale Scholarship, Kelly Scholarship, and Troy Education Association Scholarship.

The General Account is funded by private contributions, special fund raising efforts, or returns of unused funds to the Principal.

Dedicated Accounts are established by donors, and often include special criteria for funding and selection.

**Policy History:**

Adopted on: 2/9/09

Revised on: