

**BOARD POLICY
TABLE OF CONTENTS**

	3000	FINANCIAL OPERATION
PR	3100	<u>Financial Management</u>
P	3102	Debt Management Policy
P	3106	Fraud Prevention
PR	3110	Preparation of Budget
P	3111	Fiscal Year
P	3112	Budget Implementation and Transfer
P	3113	District Fund Accounts
P	3114	GASB 54
P	3120	Petty Cash
P	3130	State and Federal Projects
PRF	3140	Banking Services
P	3150	Payment Procedures
PR	3160	Investment of District Funds
PR	3165	Procurement Standards – Federal Contracts
P	3170	Purchases By and/or Solicitation of School Staff
P	3180	Procurement of Professional Services
	3200	<u>Payroll</u>
PRF	3230	Expenditures for Certificated Staff

**BOARD POLICY
TABLE OF CONTENTS**

	3300	<u>Revenue</u>
P	3310	Revenue from Tax Sources
PR	3320	Taxing Authority/Tax Rate Hearing
PR	3330	Bonded Indebtedness
P	3331	Borrowed Funds
P	3340	Building Use
P	3350	Student Fees and Fines
P	3360	Tuition
P	3370	Fund-Raising
PR	3380	Sale/Lease of Real Property
P	3381	Purchase/Lease of Real Estate
P	3390	Sale/Lease of Personal Property
	3400	<u>Accounting and Reporting</u>
P	3410	Accounting System
P	3420	Annual Financial Report
P	3430	Authorized Signatures
PR	3440	Travel and Reimbursement
PR	3450	Sales Tax
P	3460	Student Attendance Accounting
P	3470	Average Daily Attendance – Early Childhood Program

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**BOARD POLICY
TABLE OF CONTENTS**

PR	3480	Bond Proceeds Reporting
	3500	<u>Auditing</u>
P	3510	Annual Audit
	3600	<u>School Activities Funds</u>
P	3610	Management
	3700	<u>Insurance</u>
P	3710	Insurance Programs
P	3730	Liability Insurance
P	3740	Bond for All Employees

FINANCIAL OPERATION

Policy 3100
(Regulation 3100)

Financial Management

The Board will adopt a series of policies to provide direction regarding the School District's budget and financial affairs which reflect the educational philosophy of the District and provide a framework in which the District's administration can effectively operate.

The budget and finance processes will conform to all state and local requirements as set forth by the State constitution, State statutes, Department of Elementary and Secondary Education rules, and Board policies.

Good business necessitates keeping accurate, legal and understandable records of receipts and expenditures. It is also essential that procedures be followed which will help to insure that the budget adopted by the Board is effective in providing parameters for the fiscal affairs of the District.

The purpose of the District budget and financial policies will be to provide direction for a systematized procedure that maintains continuity from year to year and informs the public regarding the education and financial operations of the District.

Financial Operations**Debt Management Policy**

The debt management policy of the District is to remain in full compliance with statutes of the State of Missouri by borrowing within the allowable limits of no more than fifteen percent (15.00%) of the District's assessed valuation, which can include state assessed railroad and utility properties located within its boundaries. It is also important that the District exercise caution and prudence concerning its full compliance with the rules and regulations of the United States Department of the Treasury Internal Revenue Service (IRS) to avoid any risk of loss of the tax exempt status of any proposed financings, as well as those currently in existence. Generally the improper spending of the bond proceeds is what triggers a violation of IRS regulations and not complying with the ballot language for the projects can create problems with the Missouri State Auditor and local patrons.

In terms of philosophy towards the monitoring of a long term debt management policy, the Board of Education and Administrators recognize that to achieve the necessary 4/7 or 2/3 majority for approval by the voters of general obligation bond issues it is likely to be much easier if no increase in the debt service fund levy occurs. As a result, it is the District's practice to issue general obligation bonds with optional redemption (call) provisions that facilitate prepayments when excessive debt service fund balances accumulate with the goal of maintaining a constant debt service fund levy. This policy has enabled the District to achieve significant interest savings by issuing refunding bonds to capture lower interest when municipal bond markets change.

On occasion the District may consider capital facilities or equipment lease financing programs. It is the intent to only enter into those types of transactions when it is clear based upon reports from the District's Municipal Bond Underwriter that such a program is affordable and that its implementation does not harm the overall operating budget. If the project and lease financing are deemed essential, but beyond the range of reasonable affordability, the Board of Education and Administration will approach the voters for a temporary or permanent increase in the operating levy to produce the additional revenue.

Since general obligation bond issues and capital facilities or equipment lease financings happen intermittently, it presents challenges for administrators and board members to keep fully informed about the conditions of the municipal bond market, changing rules and regulations issued by the U.S. Treasury Department, etc. For these reasons the Board of Education engages the service of a municipal bond underwriter on a continuing basis to assist the administrators and board members keep up to date and understand what refunding opportunities exist and what actions are necessary to preserve the existing debt service fund levy to remain on track with the long range facilities plans.

The Superintendent of Schools and other staff providing assistance with those special duties are responsible to the Board of Education for carrying out this policy.

Financial Management

Fraud Prevention

The District is committed to protecting the public funds with which it has been entrusted. Minimizing the losses to fraud and corruption is an essential part of ensuring that all of the District's resources are used for the purpose for which they are intended.

The public is entitled to expect the District to conduct its affairs with integrity, honesty and openness, and demand the highest standards of conduct from those working for it and with it.

Definition of Fraud and Corruption

Although there is no precise legal definition of fraud, the term is used to describe a multitude of offences, including deception, forgery, theft, misappropriation, collusion and false representation of material facts.

Corruption arises when a person receives any benefit which influences them and causes them to act differently when conducting District business.

The District's Response

Board policy requires that matters involving any financial irregularities are referred to the Superintendent for investigation. These matters are taken seriously and additional action, such as disciplinary proceedings and/or prosecution, will be taken where evidence of offences is found.

The Superintendent/designee will:

- ♦ Compile a report of findings for submission to the Board with a recommendation as to whether disciplinary action is appropriate.
- ♦ Where appropriate, coordinate with the police in order for them to consider taking criminal action.
- ♦ Advise departments on how to address procedural weaknesses identified during investigation.

The Investigation Process

The purpose of any investigation is to establish the facts in an equitable and objective manner.

The process will involve the use of authority or delegated powers to:

- ♦ screen allegations or information to gauge their credibility;
- ♦ secure all evidence;
- ♦ interview suspects;
- ♦ interview witnesses;
- ♦ take statements; and
- ♦ coordinate with departments or other agencies (including the police).

The Superintendent/designee will establish and record the basis of the concerns raised and establish what further actions are required. The Board will be informed of all reported disclosures and the actions being taken. In the case of disclosures on alleged fraud and corruption, the Chief Financial Officer will inform the District's external auditors.

Whenever possible, the individual raising the concern will be advised of the outcome of the investigation. If an individual is not satisfied with the response received and any subsequent action taken, they should put their concerns in writing to the Superintendent who will arrange any further investigation as he/she deems appropriate. The Superintendent will send a written response to the individual concerned.

Reporting Suspicions

If fraud or corruption is suspected, then the matter should be reported without delay. Employees should report suspicions to a supervisor at the outset and retain all evidence. However, if it is thought the supervisor might be involved or there may be a conflict of interest, the matter should be reported directly to a more senior administrator.

It is recognized that for some individuals, raising a concern under this procedure may be a difficult experience. All reported incidents will be investigated.

All reports will be dealt with in confidence, with staff being informed on a need to know basis only.

To ensure that this policy is adhered to, and to assure staff that the concern will be taken seriously, the District will:

- ◆ not allow the person raising the concern to be retaliated against for doing so;
- ◆ treat retaliation against whistle blowers as a serious matter leading to disciplinary action that may include dismissal;
- ◆ not attempt to conceal evidence of poor or unacceptable practice;
- ◆ take disciplinary action if an employee destroys or conceals evidence of poor or unacceptable practice or misconduct; and
- ◆ ensure confidentiality clauses in employment contracts do not restrict, forbid or penalize whistle blowing.

Overall Objectives

The District's overall objective is to identify and maintain good practices, address weaknesses in current processes and introduce improved systems for the management of those processes. The end result is that of minimizing the amount of fraud and corruption which may occur within the system and significantly reduce the opportunity for fraud or corruption to occur in the future.

FINANCIAL OPERATION

Policy 3110
(Regulation 3110)

Financial Management

Preparation of Budget

Each year the Superintendent of Schools is required to submit to the Board of Education for their consideration a detailed annual budget showing estimates of income and expenditures for the ensuing fiscal year. The Board may accept, reject, modify or request revisions of the budget, but will adopt a budget by June 30, according to statutory provisions.

By law the approved estimated expenditures for each fund cannot exceed the estimated revenues to be received plus the unencumbered beginning cash balance for the fund. After the beginning of the fiscal year, the Superintendent shall review with the Board the adopted budget in relationship to the beginning cash balances for each fund.

FINANCIAL OPERATION

Policy 3111

Financial Management

Fiscal Year

The fiscal year begins annually on the first day of July and ends on the thirtieth day of the following June.

FINANCIAL OPERATION

Policy 3112

Financial Management

Budget Implementation and Transfer

The annual budget governs the expenditures and obligation of all funds for the District. The Superintendent/designee will establish procedures for funds management and reporting.

No funds may be spent which are not authorized by the annual budget. If an unanticipated need arises, the Board may approve the Superintendent's recommendation to (1) appropriate an amount to cover a needed expenditure from unencumbered budget surplus from the proper fund, or (2) revise the budget to transfer funds from one account to another as permitted by state statutes and DESE regulations.

The Superintendent or Finance Administrator will prepare a monthly statement to account for each month's expenditures and the total spent to date for the fiscal year. The monthly statement will include all receipts and remaining balances for each fund account.

Financial Management**District Fund Accounts**

The District will maintain the following funds for the accounting of District moneys: teachers' fund, incidental fund, capital projects fund and debt service fund. The treasurer of the District will open and maintain an account for each fund. These funds are denoted for state reporting purposes as: General Fund, Fund 1 – comprised of the Incidental; Fund 2 – the Special Revenue Fund, comprised of the Teachers' Fund; Fund 3 – The Debt Service Fund; and Fund 4 – the Capital Projects Fund.

All sums received from the county school fund and all sums derived from taxation for teachers' wages will be credited to the teachers' fund. All tuition fees, state moneys received under §162.975 and 163.031, and all other sums received from the state except as otherwise provided in this policy will be credited to the teachers' fund and incidental funds at the discretion of the Board. The portion of state aid received by the District pursuant to §163.031, which is included in the operating levy for school purposes, will be credited to the debt service or capital projects funds. Sums received from other Districts for transportation and sums received from taxation for incidental expenses will be credited to the incidental fund. All sums received from taxation or received from any other source for the erection of buildings, building additions, remodeling, or reconstruction, furnishing, for the payment of lease purchase obligations, for purchase of real estate, for sale of real estate or personal property, from insurance, from sale of bonds other than refunding bonds will be credited to the capital projects fund.

Sums received from taxation for the retirement of bonds and the payment of interest on bonds will be credited to the debt service fund. Receipts from delinquent taxes will be credited to individual funds on the same basis as receipts from current taxes. However, where such distribution of receipts from delinquent taxes would affect the previous years' obligations, distribution to the various funds will be based on the levies for the years in which the obligations were incurred. All refunds will be credited to the fund from which the original expenditure was made. Sums donated to the District will be credited to the fund from which it can be expended to meet the purpose of the donation. Sums received from any other source will be credited to the fund designated by the Board.

Financial Management

GASB 54

This Policy establishes guidelines to be used during the preparation and execution of the annual budget to ensure that sufficient reserves are maintained for unanticipated expenditures or revenue shortfalls. The policy is based upon a long-term perspective with a commitment to keeping the District in a strong fiscal position that will allow it to better weather negative economic trends.

Background

Statement No. 54 of the Governmental Accounting Standards Board (GASB 54) establishes accounting and financial reporting standards for all governments that report governmental funds. It establishes criteria for classifying fund balances and clarifies definitions for governmental fund types.

GASB 54 establishes five fund balance categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable Fund Balance consists of funds that cannot be spent due to their form (e.g., inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted Fund Balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance consists of funds that are set aside for a specific purpose by the District's highest level of decision-making authority. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned Fund Balance consists of funds that are set aside with the intent to be used for a specific purpose by the District's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned Fund Balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Actions Leading to Restricted, Committed, and Assigned Fund Balances

The Board of Education has the authority to set aside funds for a specific purpose. Commitments are authorized by the Board based on fund placement in the original adopted and later revised budget, as well as by the Board resolution. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process of formula necessary to calculate the actual amount as soon as information is available.

Upon adoption of a budget where fund balance is used as a source to balance the budget, the Chief Financial Officer shall record the amount as Assigned Fund Balance.

The Board delegates the authority to assign amounts for specific purpose(s) to the Chief Financial Officer, Superintendent, or Business Manager.

Order of Spending

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last.

Minimum Unrestricted Fund Balance

The Board recognizes that the maintenance of a fund balance is essential to provide for unforeseen expenses or emergencies and to provide working capital in the first several months of the fiscal year, until sufficient revenues are available to fund operations. By maintaining an appropriate fund balance, the District can avoid excessive short term borrowing and the concomitant interest expense, accumulate sufficient assets to make designated purchases or cover unforeseen expenditure needs, and demonstrate financial stability necessary to preserve or enhance its bond rating, thereby lowering debt issuance costs.

The undesignated fund balance in the operating funds will be maintained at a level sufficient to provide the resources required to meet operating cost needs, to allow for unforeseen needs of an emergency nature, and to permit orderly adjustment to changes resulting from fluctuations of revenue sources. The District will strive to maintain a minimum undesignated balance in its operating funds equal to a range of 12-20% of its prior year operating expenditures.

As part of the annual budget process, the Chief Financial Officer, Superintendent, or Business Manager will estimate the surplus or deficit for the current year and prepare a projection of the year-end undesignated fund balance. Such projection will include an analysis of trends in fund balance levels on an historical and future projection basis. Any anticipated balance in excess of the minimum undesignated general fund balance may be budgeted at the discretion of the Board.

Any such action must also provide for necessary appropriations to restore the undesignated general fund balance to the minimum balance.

If fund balances decline below the 12% floor, the Board will develop a plan to replenish the fund balance to the established minimum level within two years.

This policy will be reviewed by the Finance Committee every three years following adoption or sooner at the direction of the Board.

Example

Board Resolution- Commitments

It is hereby resolved, ordered, and directed that the District commit the following portions of its June 30th, 20XX (August 31, 20XX) General Fund unassigned fund balance.

- Be it resolved that \$XXX,XXX be committed for future capital expenditures.
- Be it resolved that \$XXX,XXX be committed for future contributions to the District's Worker's Compensation Insured Plan.
- Be it resolved that \$XXX,XXX be committed for funding of future payments to employees for compensated absences.
- Be it resolved that \$XXX,XXX be committed to contribute to the funding of operating costs of future school openings.

FINANCIAL OPERATION

Policy 3120

Financial Management

Petty Cash

A petty cash fund is a small amount of money (\$200.00 or less) that is managed by an administrator in order to purchase small amounts of supplies or cover unanticipated small expenses, such as materials or refreshments for emergency meetings or unexpected guests. The petty cash fund may have been obtained with a requisition to the District Finance Office, raised by a P.T.O., or from a student or community fund-raising event. The designated administrator is accountable for this fund. Funds collected in excess of \$200.00 must be processed immediately for proper deposit and are not to be held at a school site.

The petty cash fund must be used for school purposes (purchase of emergency supplies) and must be documented with receipts. If an administrator accrues out-of-pocket expenses, a requisition for reimbursement should be submitted on a monthly basis with back-up information and receipts.

Teachers may not make petty cash purchases without the prior approval of an administrator.

Petty cash should not be used as a short cut to obtain supplies except in an emergency or in cases where very small items make it impractical to order through channels.

FINANCIAL OPERATION

Policy 3130

Financial Management

State and Federal Projects

With Board of Education approval, the School District may operate various specially funded programs that must be administered in accordance with particular federal and/or state laws, regulations and other conditions for use of such funds.

The Superintendent shall be the designated District official responsible for coordinating funded projects, administering programs and ensuring that the various departments operating these programs do so within the guidelines of the particular program. The administration shall keep accurate and separate records, as required by state and federal programs, to enable the District to verify program compliance and success. The Superintendent shall keep the Board fully informed.

Staff involvement will be solicited by the administration in the planning, implementation and evaluation of programs authorized and approved within the guidelines of Title I of the Improving American Schools Act of 1994 and/or other significant legislative enactments. The vehicle for such involvement shall be determined by the administration, with the approval of the Board of Education.

FINANCIAL OPERATION

Policy 3140
(Regulation 3140)
(Form 3140)

Financial Management

Banking Services

The Board of Education has the option of annually selecting District funds depositories or the Board may enter into a contract of one to five years duration for the deposit of District funds.

When depositories are to be selected, the District will receive sealed proposals from banking institutions in the county in which the District is located or in adjoining counties.

In order to open new bank accounts in the District's name, the Superintendent and the Treasurer must sign the account authorization. Wire transfers of funds into District accounts must be authorized in writing by the Superintendent and Treasurer or other individual authorized by the Board. In both instances, the Superintendent may appoint a designee to sign for creation of new accounts and for wire transfers. However, such appointment must be in writing.

FINANCIAL OPERATION

Policy 3150

Financial Management

Payment Procedures

All money received by the District shall be disbursed only for the purposes for which they are levied, collected or received.

The Board will give final approval to all bills paid. Payment of bills shall be authorized by the Superintendent/designee, only after verification of delivery and satisfaction by the department or staff receiving the item(s). No payment for goods or services shall be made unless both an itemized invoice showing the name of the person or firm to whom payment is due is presented, and a receiving document bearing the signature of an authorized school employee is on file. Furthermore, the invoice must have been issued in response to an approved purchase order.

The Superintendent/designee shall audit all claims, and shall submit all invoices to the Board for approval and authorization for payment. However, payments for materials or services which are necessary for normal business operations which do not individually exceed \$500 or exceed an aggregate monthly amount of \$10,000 may be authorized by the Superintendent/designee. In addition, if cash discount or avoidance of financial penalty can be achieved, the Superintendent/designee is authorized to issue a check. In all such cases, the identity and amounts of such payments will be provided to the Board at the next regular meeting following payment. The Board will consider such payments and ratify the action taken.

FINANCIAL OPERATION

Policy 3160
(Regulation 3160)

Financial Management

Investment of District Funds

The Board has an obligation to the citizens of the District to direct the management of District funds. The primary objective of the District's investment plan will be legality, safety, liquidity, yield and the provision of a capital base for future needs. In the management of such funds, the District adheres to the "prudent investor" rule. Investments will be made with judgment and care, under the circumstances which persons of prudence, discretion and intelligence exercise in the management of their own investments. Funds will be managed for investment, not for speculation considering the safety of the funds invested and the probable income to be derived.

District personnel, including Board members, who are involved in the investment of District funds, will not engage in any personal business activity which could:

1. Impair their ability to make impartial decisions concerning investment of District funds;
2. Conflict with proper execution of the District's investment program; or
3. Create an appearance of impropriety.

District employees and directors involved in investment of District funds will disclose any material interests in financial institutions in which they conduct business. Such disclosure will include, but not be limited to any personal financial/investment positions that could be related to the performance of the District's investment portfolio. Similarly, District employees and directors involved in investment of District funds will not engage in personal investment transactions with the same individual with whom business is conducted on behalf of the District.

Investments will be made through banks or securities dealers who have been approved by the Investment Committee of the State Treasurer's Office. Such banks and securities dealers will have been subjected to an appropriate investigation by the staff of the State Treasurer's Office. This investigation will include, among other things, a written review of the firm's financial statements and the background of the sales representatives. All approved dealers must be fully licensed and registered NASD Brokers/Dealers or exempt banks. Criteria used to select securities dealers include:

1. Financial strength and capital adequacy of firm;
2. Services provided by firm;
3. Research service available;

4. Résumé, reputation, and qualifications of sales representatives;
5. Due diligence and firm references; and
6. State government expertise.

The performance goals of the District's active investment management program, over time, should produce book yields that are greater than yields from low risk passive investments. In analyzing the results of the District's investment program, the District will calculate the book yield and total rate of return on District funds compared to the appropriate security market indexes.

The Superintendent/designee will direct the preparation of quarterly investment reports providing a summary of the District's current investment portfolio and all transactions executed since the last report.

Such investment reports will be prepared by the appropriate bank(s) or security dealers for review by the Board and the Superintendent. Investment reports are considered to be public records and will be made accessible to the public.

Criteria and procedures implementing the District's investment policy have been approved by the Board and are contained in Regulation 3160.

FINANCIAL OPERATION

Policy 3165
(Regulation 3165)

Procurement Standards – Federal Contracts

The District will comply with all applicable regulations issued by the Office of the Secretary – Education related to procurement activities in federal related contracts. These provisions include, but are not limited to, procurement, disposition of unused supplies, copyrights and debarred or suspended parties. The District will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Detailed requirements for compliance are incorporated into Regulation 3165.

FINANCIAL OPERATION

Policy 3170

Financial Management

Purchases By and/or Solicitation of School Staff

Conflict of Interest

The School District will not purchase supplies or materials from a staff member of the School District, nor from a member of the household of the staff member, except in emergency situations as determined by the Superintendent of Schools. Neither will the District purchase supplies, materials or services from a member of the Board of Education or from a member of his/her household, or from a firm in which he/she holds a major interest.

Endorsements

Employees of the District will not endorse products or services in such a manner that will identify the employee as an employee of the School District.

Procurement Activities

In any purchasing activities all employees shall refrain from soliciting, discourage the offer of, and decline gifts if offered by any vendor wishing to do business with, or who is doing business with the School District. Instead of making an offer of gifts, the vendor should be encouraged to discount the price of the goods to the school.

Solicitation/Distribution

The advertising of sale or distribution of any goods or service on school property, for any school activity, shall have prior approval from the building principal or Superintendent. This includes but is not limited to: school personnel, students, parents/guardians, relatives, general public and commercial businesses.

Solicitations of School Staff

Agents, solicitors, and salespersons will be denied the privilege of seeing the school staff during the school day except with permission of the administration.

FINANCIAL OPERATION

Policy 3180

Financial Operations

Procurement of Professional Services

The Board of Education and the Administrators recognize that some professional services are necessary on certain occasions to assist in the governance of the District. These services include attorneys to provide legal counsel with specific expertise regarding education policy matters, architects, certified public accountants to annually audit the financial statements of the District and to provide answers to questions that arise during the course of the fiscal year. Similarly, it may be necessary to obtain financial advisory services to monitor the long range debt objectives of the District, as well as, bond counsel to address questions that arise with existing debt and various reports occasionally sought by the Missouri State Auditor and the United States Treasury branch of Internal Revenue Service and others.

While in some instances it may be possible to seek bids for the financial services and bond counsel each time a need arises, there are also numerous benefits to maintaining longer term relationships with specific professionals. Having a satisfactory relationship with a professional service provider includes fair pricing, timely delivery, dependable and sound advice concerning areas of expertise, a personality match with administrators and board members and numerous other factors. As long as the board members and administrators are comfortable with the quality of services provided, it is not essential that annual bidding occur merely to drive prices to their lowest level. By losing historical memory of any professional service provider, the District may in the long run incur more expense for the new firm to educate their representatives. On other occasions if the administrator expresses belief that service quality is slipping, expenses and fees are escalating at unacceptable levels, or any other non favorable working situation is developing, nothing in this policy is intended to preclude seeking proposals from other vendors offering similar services. The Board of Education and Administration believes that the collective expertise within the District is sufficient to judge if and when seeking alternative providers is prudent.

FINANCIAL OPERATION

Policy 3230
(Regulation 3230)
(Form 3230)

Payroll

Expenditures for Certificated Staff

The Board shall expend for tuition, teacher retirement, and compensation for certificated staff an amount that reflects the requirements as outlined in state statute and Department of Elementary and Secondary Education regulations.

FINANCIAL OPERATION

Policy 3310

Revenue

Revenue from Tax Sources

Local Tax Sources

In the process of preparing the annual budget, the Superintendent or Finance Administrator shall estimate the amount of actual local tax revenue anticipated to be raised, the rate required to produce the amount, and the rate needed to support the principal and interest payment on bonded indebtedness and general financial obligations of the District. The Superintendent shall recommend the appropriate tax rate to the Board of Education for approval.

If required, the Board shall submit to the voters a proposition for increase in the tax rate beyond the current approved level if it is deemed necessary to obtain increased revenue to meet projected District expenses. State law and Article X, Section 11C of the Missouri Constitution shall govern tax election procedures.

State Tax Sources

All state funds will be accepted for the operation of the District as provided by entitlement by law and through regulations of the Missouri State Board of Education or Missouri Department of Elementary and Secondary Education.

The Superintendent or District Finance Administrator is responsible for filing all required reports and forms to obtain state funds to which the District is entitled to receive according to developed rules and regulations.

FINANCIAL OPERATION

Policy 3320
(Regulation 3320)

Revenue

Taxing Authority/Tax Rate Hearing

The Board will annually prepare an estimate of the amount of money to be raised by taxation for the ensuing school year, the tax rate required to produce the amount and the rate necessary to sustain the District's schools for the ensuing year, to meet principal and interest payments on the bonded debt of the District, and provide funds to meet other legitimate District purposes. The District will forward the estimate to the county clerk on or before September 1.

FINANCIAL OPERATION

Policy 3330
(Regulation 3330)

Revenue

Bonded Indebtedness

The School Board may issue bonds for any District expenditures as prescribed in state law. Funds raised through the sale of bonds may be expended only for the purpose set forth in the election which authorized the sale.

FINANCIAL OPERATION

Policy 3331

Revenue

Borrowed Funds

State law authorizes the Board to borrow funds in anticipation of the collection of taxes in order to insure continuity in the operations of the District. The School Board must approve in advance all applications for loan indebtedness. The amount borrowed and the repayment of notes payable shall be within guidelines as established by state law and rules and regulations of the Missouri Department of Elementary and Secondary Education.

FINANCIAL OPERATION

Policy 3340

Revenue

Building Use

All receipts from fees for the use of school property by individuals or community groups shall be deposited in the General Revenue fund.

FINANCIAL OPERATION

Policy 3350

Revenue

Student Fees and Fines

Fees

No fees shall be charged for enrollment, supplies, equipment or costs attributable to courses of study which are offered for credit. Students shall be required to pay for materials which are used in constructing projects or other items which are to be removed from the school and are thereby the property of the student. All projects constructed at school with materials provided by the school are the property of the District and therefore shall not be removed from school unless approved by the appropriate administrator.

Students may be charged fees or admission for participation in activities which are voluntary, such as attendance at school athletic or other co-curricular events. The fee schedule for such events shall be submitted to the Board of Education for approval annually.

Fines

Every effort shall be made to protect the financial resources of the District by collecting all payment for student fines, lost or damaged textbooks, damage or vandalism to school property. Collected fines shall be deposited in the appropriate account in order to charge replacement costs for books, materials, equipment or repaired property to the appropriate budget item.

FINANCIAL OPERATION

Policy 3360

Revenue

Tuition

Except when waived, tuition must be paid by nonresident students of the District. The annual rate will be determined by the Board of Education for individuals who wish to attend. Permission to enroll will be granted after reasons for requesting admission have been reviewed and after it has been determined that class enrollments are not excessive.

FINANCIAL OPERATION

Policy 3370

Revenue

Fund-Raising

All fund-raising activities and planning for fund-raising shall be done after school hours unless prior permission is received from the building principal.

Any fund-raising activity which involves students or employees shall require the approval of the building principal and Superintendent. Involvement is defined as: any activity which advertises the school, students or school organization.

FINANCIAL OPERATION

Policy 3380
(Regulation 3380)

Revenue

Sale/Lease of Real Property

The Board of Education may vote to sell or lease real property, land, and/or buildings which are no longer needed by the District and which are located within the boundaries of the District. Similarly, the Board may vote to sell such real property located outside of the District's boundaries.

FINANCIAL OPERATION

Policy 3390

Revenue

Sale/Lease of Personal Property

Whenever the District has personal property (i.e., desks, file cabinets, materials, equipment) which the District no longer needs, a majority of the Board may vote to sell or lease such surplus property. Surplus personal property may be sold or leased to a city, state agency, municipal corporation, or other governmental subdivision of the state which is located within the boundaries of the District for public purposes at a mutually agreed price and upon notice to the public. In the alternative, the District may sell or lease such surplus personal property to the highest bidder. Public notice of the sale or auction of surplus personal property will be published once a week for two consecutive weeks in a general circulation newspaper published within the county in which the District is located. The sale itself will occur as scheduled by the Board at least seven (7) days after the final published notice. The proceeds from the sale or lease of surplus personal property will be placed in the capital projects fund.

FINANCIAL OPERATION

Policy 3410

Accounting and Reporting

Accounting System

The District will adhere to the accounting guidelines of the Missouri Department of Elementary and Secondary Education.

FINANCIAL OPERATION

Policy 3420

Accounting and Reporting

Annual Financial Report

The District annually publishes a statement of all receipts of school moneys, when and from what source derived, and all expenditures and the account from which expenditures were made. This statement will also include the present indebtedness and the nature of such indebtedness as well as the rate of taxation for all purposes for the year. Such statement will be attested by the president and secretary of the Board and forwarded to the State Board of Education. This financial statement will be published on or by September 1, in a newspaper located within the District or generally circulated within the District.

FINANCIAL OPERATION

Policy 3440
(Regulation 3440)

Accounting and Reporting

Travel and Reimbursement

It is the policy of the Board to pay reasonable travel expenses for those who travel on District business and whose trip has been approved in advance by the Superintendent/designee. These expenses include registration, transportation, meals, lodging, tolls, and parking charges. Expenses are reimbursed only when properly accounted for by an individual and approved by the Superintendent/designee.

FINANCIAL OPERATION

Policy 3450
(Regulation 3450)

Accounting and Reporting

Sales Tax

Pursuant to Chapter 144, R.S.Mo., school districts are exempt from Missouri sales and use tax on purchases. All sellers or vendors shall be furnished a copy of the official State of Missouri Tax Exemption Letter by the Finance Office at the time a purchase order is delivered.

Administrators, teachers, or other school staff who have been authorized to make purchases for the District from local retail dealers will provide a copy of the tax-exempt letter to such dealer at time of purchase.

District representatives are prohibited from using the District tax-exempt letter for purchase of articles for personal use.

FINANCIAL OPERATION

Policy 3460

Accounting Reporting

Student Attendance Accounting

An accurate accounting of student attendance, transportation and food service records shall be kept by the School District. The records will be in accordance with state law and appropriate regulations of the Missouri Department of Elementary and Secondary Education.

Building principals/supervisors will be responsible for maintaining student attendance accounting, and for submitting monthly reports of such records to the Superintendent, who will in turn be responsible for preparing reports to be submitted to the appropriate state offices.

ACCOUNTING AND REPORTING

Policy 3480
(Regulation 3480)

Financial Disclosure

Bond Proceeds Reporting

The District's (i) preliminary and final official statements or offering circulars and any supplements or amendments as required by and defined in the "*Annual Financial Information*" will be filed with the Municipal Securities Rulemaking Board's ("*MSRB*") Electronic Municipal Market Access ("*EMMA*") system, and (ii) notices of Material Events or Reportable Events, and any other required or voluntary disclosures to EMMA will comply in all material respects with the federal securities laws.

Financial Disclosure

Bond Proceeds Reporting

In order to ensure compliance with the Security Exchange Act of 1954, the District hereby adopts the following policies and procedures:

(a) *Disclosure Officer.* The [Superintendent] [Business Manager] of the District is hereby designated as the officer responsible for the *Disclosure Procedures*.

(b) *Official Statements.* Whenever an Official Statement will be disseminated in connection with the issuance of obligations by the District, the Disclosure Officer will oversee the process of preparing the Official Statement pursuant to the following procedures:

1. The Disclosure Officer shall review and make comments on the first draft of the Official Statement. Such review shall be done in order to determine that the Official Statement does not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Official Statement not misleading. The Disclosure Officer shall also be responsible for ensuring that the financial data presented with regard to the District is accurate and corresponds with the financial information in the District's possession, including but not limited to information regarding bonded indebtedness, notes, certificates, outstanding leases, tax rates or any other financial information of the District presented in the Official Statement.

2. After completion of the review, the Disclosure Officer shall (a) discuss the first draft of the Official Statement with the members of the Working Group and such officials of the District as the Disclosure Officer deems necessary and appropriate and (b) provide comments, as appropriate, to the members of the Working Group. The Disclosure Officer shall also consider comments from members of the Working Group and whether any additional changes to the Official Statement are necessary or desirable to make the document compliant.

3. The Disclosure Officer shall continue to review subsequent drafts of the Official Statement.

4. If, in the Disclosure Officer's reasonable judgment, the Official Statement is compliant, the Official Statement may be released for dissemination to the public.

(f) *General Principles.*

1. All participants in the disclosure process should be encouraged to raise potential disclosure items at all times in the process.

2. The Disclosure Officer should consider whether changes in form and content of Disclosures are necessary or desirable in order to ensure the Disclosures are accurate and complete.

3. When speaking to the market of potential investors, District officials ensure that the released information does not make any untrue statement of a material fact or omit to state a material fact necessary or desirable in light of the circumstances in which they were made.

4. The review and maintenance of the Disclosures is a fluid process and recommendations for improvement of the Disclosure Procedures should be solicited and regularly considered.

FINANCIAL OPERATION

Policy 3510

Auditing

Annual Audit

The books and accounts of the District will be audited by an independent certified public accountant in conformance with the prescribed standards and legal requirements. The Superintendent shall place before the Board the matter of the retaining of a certified public accountant. The auditor shall be selected by the Board. The audit shall be presented to the Board for examination.

The Superintendent will be responsible for filing copies of the audit with the proper authorities as prescribed by law.

FINANCIAL OPERATION

Policy 3610

School Activities Funds

Management

School activity funds are used to finance a program of student activities which supplement but do not take the place of the instructional programs provided by the Board of Education. Whether funds are collected from student contributions, club dues, special activities, or result from admissions to events or from other fund-raising activities, all funds will be under the jurisdiction of the Superintendent and building principals. The funds will be expended to benefit students currently enrolled in school. The management of the funds will be in accordance with good business practices, including sound budgetary and accounting procedures, and will be audited in the same manner as District funds. There shall be full disclosure of the sources and expenditures of all funds.

FINANCIAL OPERATION

Policy 3710

Insurance

Insurance Programs

The Board of Education shall maintain adequate insurance programs to cover property, liability and personnel, within the requirements of good risk management and state law. The administration will recommend to the Board the kind and amount of property, casualty and/or liability insurance needed for the protection of the District property, employees, and Board of Education, and will administer insurance authorized by the Board, unless otherwise directed.

Every effort shall be made to obtain insurance at the most economical cost consistent with required service by obtaining quotations or by negotiations, whichever method is advantageous to the District.

The District will maintain coverage on all buildings and capital outlay contents. Coverage should be 100% without coinsurance if available.

Liability coverage should include comprehensive general liability, employee benefits liability, vehicular liability and school board legal liability. (See also Policy 3730 - Liability Insurance.)

FINANCIAL OPERATION

Policy 3730

Insurance

Liability Insurance

The Board recognizes that legal actions may be initiated from time to time against the School District as a corporate entity, against the Board as a whole, against Board members as individuals, or against District officers, employees or other agents. The Board also recognizes the contribution that is rendered to the students of the District by volunteers and is mindful that legal actions may be initiated against these individuals as well.

To protect members of the Board, District officers, employees, other agents and volunteers in the performance of their duties and responsibilities, the Board will defend its Board members, officers, employees, other agents and volunteers against claims for suits arising out of the performance of their duties and responsibilities. The Board shall indemnify its Board members, officers, employees, other agents and volunteers against all financial liability or loss resulting from such claims or suits including judgments for damages, attorney's fees, fines, court costs and amounts paid in settlement of such matters and reasonable and customary ancillary costs. Ancillary costs may include, for example, travel expenses incurred by Board members or others if they must appear for a case that is being tried outside the area.

The protection provided by this policy shall apply on an occurrence basis, which means that an individual will be indemnified even though he/she is no longer a member of the Board of Education or employed by or otherwise associated with the District when the lawsuit is filed.

The Board reserves the right, however, to deny representation and indemnification to any person covered by their Board policy in any instance in which there would be no coverage under the District applicable liability insurance program in which the claim "results in civil judgment or criminal conviction for" an intentional tort, immoral conduct, violation of any criminal or civil statute or violation of Board policy or regulations or administrative order or directive, whether verbal or written.

As a prerequisite to the right of legal representation and indemnification, any person who is served with legal notice commencing any action or proceeding against him/her for which indemnification is sought is required to immediately notify the Superintendent of the legal action after receipt of such legal notice.

The District shall maintain a program of self-insurance and/or insurance coverage sufficient to provide the legal defense and indemnification described in this policy. However, the District's purchase of liability insurance does not waive the District's entitlement to sovereign immunity.

FINANCIAL OPERATION

Policy 3740

Insurance

Bond For All Employees

All employees of the School District shall be covered by a blanket bond in an amount to be determined by the Board of Education with premiums to be paid by the Board.