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BOARD POLICY

No. 7000

FINANCIAL MANAGEMENT

7000 FISCAL MANAGEMENT GOALS

The quantity and quality of learning programs are directly dependent on the funding provided and the effective, efficient management of those funds. It follows that the attainment of District goals can best be achieved through excellent fiscal management. As trustee of local, State, and federal funds allocated for use in public education, the Board will be vigilant in fulfilling its responsibility to see that these funds are used wisely for achievement of the purposes to which they are allocated.

Because of resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the District take specific action to make sure education remains central and that fiscal matters are ancillary and contribute to the educational program. 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. To engage in thorough advance planning, with broad-based staff and community involvement, in order to develop budgets and to guide expenditures so as to achieve the greatest educational returns and the greatest contributions to the educational program in relation to dollars expended.
2. To establish levels of funding which will provide high-quality education for the District's students.
3. To use the best available techniques for budget development and management.
4. To provide timely and appropriate information to all staff with fiscal management responsibilities.
5. To establish maximum efficiency procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

Adopted by the Board March 23, 1981

BOARD POLICY

Policy No. 7100

FINANCIAL MANAGEMENT

7100 FUND BALANCE

The Board of Directors of the Eastmont School District recognize the importance of maintaining a sufficient fund balance in each one of its funds to assure sound financial practices, provide program stability, and obtain excellent bond ratings.

The fund balance in the Debt Service Fund, Transportation Vehicle Fund, Capital Projects Fund, and Associated Student Body Fund is primarily a function of the scope of the projects and activities found within the operation of each fund. Stability of revenue and predictability of expenditures in these funds enables the district to establish an appropriate budgeted fund balance.

The complexities of funding and other economic uncertainties in the operation of the General Fund require a different approach in setting the fund balance level. Some of the uncertainties affecting the establishment of the budgeted fund balance for the General Fund include:

- Enrollment fluctuations.
- Unanticipated changes in tax and appropriation levels by state and federal agencies.
- Legislative mandates having financial impacts on school systems.
- Passage/failure of voter referendums and levies.
- Financial impacts of labor agreements including arbitration judgments.

It shall be the goal of the district to maintain a **minimum** undesignated **unreserved** operating fund balance for nonrecurring expenses in **the amount of 3%** of anticipated total potential revenue as established by the Legislature through the State appropriation process. The superintendent shall include this goal in the budget each year in an amount sufficient to attain this goal as soon as practicable. If said minimum is not included in the submitted budget, the superintendent shall include in the submittal an explanation of why such an annual contribution to the reserve fund is not practicable under existing revenue and expenditures.

Should the projected annual undesignated, unreserved operating fund balance for nonrecurring expenses be below 2%, the board could declare a state of “financial emergency.” The declaration of a financial emergency would authorize the superintendent to take measures necessary to restore the undesignated, unreserved operating fund balance to the minimum level, without significantly affecting the education of students.

Adopted by the Board December 9, 2002

Revised by the Board August 9, 2005

BOARD POLICY

Policy No. 7110

FINANCIAL MANAGEMENT

7110 BUDGET AND PROGRAM PLANNING

A district's annual budget is tangible evidence of the board's commitment toward fulfilling the aims and objectives of the instructional program. The budget expresses in specific terms the services to be provided, consistent with immediate and long-range goals and resources available and establishes priorities within broad program areas such as basic education, other separately funded programs and support services.

Prior to presentation of the proposed budget for adoption, the superintendent shall prepare for the board's study and consideration appropriate documentation supporting his/her recommendations, which shall be designed to meet the needs of students within the limits of anticipated revenues consistent with reasonable management practices.

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

Legal References: RCW	28A.03.350	Studies and adoption of classifications for school district budgets--Publication
	28A.48	Apportionment to District--District Accounting
	28A.58.010	Corporate powers
	28A.58.020	Liability for debts and judgments
	28A.58.610	Preparing & distributing information on district's instructional program, operation and maintenance--Limitation
	28A.59.180	Additional powers of the board
	28A.65.490	Program budget for distribution to the public--Contents--Scope

Adopted by the Board March 23, 1981

Revised by the Board March 10, 1997

BOARD POLICY

Policy No. 7130

FINANCIAL MANAGEMENT

7130 NOTICE AND CONDUCT OF BUDGET HEARINGS

Upon completion of the proposed district budget for the ensuing school year, notices shall be published in a local paper of general circulation in two successive weeks announcing the date, time and place of the budget hearing as required by law. The notice shall also state that any person may appear and be heard for or against any part of such budget. The last notice shall be published no less than seven days prior to the hearing. Copies of the proposed budget shall be made available at the district office by July 10, unless the superintendent of public instruction delays the date because the state's operating budget was not finally approved until after June 1st.

The district shall submit one (1) copy of its budget to its educational service district for review and comment by July 10, unless the superintendent of public instruction delays the date because the state's operating budget was not finally approved until after June 1st.

Legal References: RCW 28A.505.040

28A.505.190

Budget--When prepared--
Contents

Program budget for distribution to
the public--Contents--Scope

Adopted by the Board March 23, 1981

Revised by the Board March 10, 1997

BOARD POLICY

Policy No. 7230

FINANCIAL MANAGEMENT

7230 REVENUES FROM THE FEDERAL GOVERNMENT

The objective of the Board is to provide the best educational services possible within resources available to the district. Federal grants and programs may provide helpful financial resources towards pursuing that objective. When it is optional for the district to participate in a federally funded program, the Board shall receive detailed analysis from the staff regarding both the advantages to be realized from the program and the additional costs in terms of staff time, impact on existing programs and new obligations that the program may require. Before authorizing participation in such a program, the Board shall first determine that the advantages outweigh the disadvantages and that the program shall not detract from other programs already in operation.

The board agrees to comply with all federal and state requirements that may be a condition to receipt of federal funds including, but not limited to:

1. maintenance of fiscal records which show the receipt and disposition of federal funds;
2. provision for eligible private school students to participate in programs and/or services designed for the educationally disadvantaged as well as other programs which are supported by Educational Consolidated Improvement Act funds;
3. provision for testing to identify target students as well as to measure program results;
4. program for staff and parent involvement, program planning, budget development and program evaluation.

The district agrees to comply with Chapter I requirements pertaining to the implementation of internal controls for travel, contracted services, training, and capital outlay purchases and expenditures.

The district further assures that a district-wide salary schedule is in effect and that the staff are assigned equitably among schools. Instructional material shall also be distributed equitably among all schools.

BOARD POLICY

Policy No. 7230 (Cont'd)

The board grants authority to directors and staff to participate in the development of any state and/or federal regulations deemed to be necessary for the implementation of federally-funded programs.

Legal References: RCW 28A.02.100 Receipt of Federal Funds for school
Purposes--Superintendent of Public
Instruction to Administer

Adopted by the Board July 26, 1982

Revised by the Board March 10, 1997

BOARD POLICY

Policy No. 7240

FINANCIAL MANAGEMENT

7240 District Fundraising

The Board of Directors recognizes that supplemental funding sources are often needed to provide for the development and implementation of programs, activities or practices of the Eastmont School District. The District is increasing seeking local and/or nongovernmental funding sources as additional methods of generating revenue. To facilitate the effective and efficient management of this fundraising, the Board authorizes fundraising activities where such programs: (1) promote K-12 education; (2) provide educational experiences for students; and/or (3) address local funding obligations that support the educational mission of the District and/or (4) promote the effective, efficient, or safe management and operation of the District.

This policy governs the establishment and administration of district fundraising for the general fund. This policy does not address fundraising programs conducted by other non-profit or citizens organizations. Fundraising by the Associated Student Body is addressed by RCW 28A.325.030 and is also governed by Eastmont School District Policy No. 3530.

The superintendent (or designee) shall establish procedures for the administration of district fundraising programs to ensure compliance with all applicable laws.

Legal References:

- | | |
|------------------------|---|
| RCW 28A.320.015 | School boards of directors - Powers - Notice of adoption of policy. |
| RCW 28A.320.030 | Gifts, conveyances, etc., for scholarship and student aid purposes, receipt and administration |
| RCW 28A.320.035 | Contracting out - Boards powers and duties - Goods and services. |
| RCW 28A.335.060 | Surplus school property, rental, lease or use of - Disposition of moneys received from. |
| RCW 28A.335.090 | Conveyance and acquisition of property – Appraisal. |
| RCW 28A.335.180 | Surplus texts and other educational aids, notice of availability - Student priority as to texts |
| RCW 39.33.070 | School districts and libraries – Disposal of obsolete or surplus reading materials – Procedures. |

Adopted by the Board- September 13, 2005

BOARD POLICY

Policy No. 7250

FINANCIAL MANAGEMENT

7250 RENTAL OR LEASE OF DISTRICT PROPERTY

When district real property is not needed, the board has the authority to call for bids to rent or lease any surplus real property. Notice of the intent to rent or lease property shall be published in a newspaper of general circulation in the district at least 45 days before the rental or lease takes effect, if the value of the rental or lease is \$10,000 or more. The district may establish a minimum acceptable bid based upon the fair market value, provided that such minimum bid is non-discriminatory within classes of users.

Such property shall be rented or leased for lawful purposes. The rental or lease shall be in the best interests of the district and shall not interfere with the conduct of the district's educational program and related activities. Proceeds from rental or lease of district property which are in excess of the operational costs incurred for such rental or lease shall be deposited in the capital projects fund or debt service fund.

Legal References: RCW 28A.335.040 Surplus school property, rental, lease
or use of --Authorized
28A.335.050 Surplus school property, rental, lease
or use of--Joint use
28A.335.060 Surplus school property, rental, lease
or use of--Disposition of moneys
received
28A.335.070 Surplus school property, rental, lease
or use of--Existing contracts
not impaired
28A.335.080 Surplus school property, rental lease
or use of--Community use not
impaired
28A.335.090 Conveyance and acquisition of
property--Management
28A.335.130 Real Property--Sale--Use of
proceeds

Adoption by the Board August 24, 1992

BOARD POLICY

Policy No. 7251

FINANCIAL MANAGEMENT

7251 DISPOSAL OF SURPLUS EQUIPMENT AND/OR MATERIALS

The board has the authority to declare equipment, supplies, furniture and other district personal property obsolete and/or supplies. The superintendent shall establish procedures for their sale, trade or disposal except that the board must approve any sales where:

- A. A single unit item has a current value in excess of \$1,000; and/or
- B. Multiple items have a total unit value in excess of \$10,000.

Surplus or obsolete books or other reading materials shall be disposed of as follows:

- A. If the reading materials are estimated to have value as reading materials in excess of \$1,000, they shall be sold at public auction to the person submitting the highest reasonable bid following publication of notice of the auction in a newspaper with a general circulation in the district;
- B. If no reasonable bids are submitted or if the reading materials are estimated to have value as reading materials of \$1,000 or less, the district may directly negotiate the sale of the reading materials to a public or private entity; or
- C. If the reading materials are determined to have no value as reading materials or if no purchaser is found, the reading materials may be recycled or destroyed.

Prior to disposing of any surplus texts, other books, equipment, materials or relocatable facilities, the superintendent shall serve written notice in a newspaper of general circulation in the school district and to any public school district or private school in Washington state annually requesting such notice. All schools on the list shall be notified in writing of the materials and equipment that is available. The material or equipment shall be sold to any interested public or private school at its depreciated cost or fair market value, whichever is greater. Students shall have priority in the purchase of texts. Disposition of such surplus property to parties other than public or private schools may take place thirty days after written notice is served.

Funds derived from the rental, sale or lease of student transportation equipment shall be placed into the transportation vehicle fund. Funds derived from the sale of personal property shall be placed into the general fund.

BOARD POLICY

Policy No. 7260

FINANCIAL MANAGEMENT

7260 GIFTS

The board recognizes that individuals and organizations in the community may wish to contribute additional supplies or equipment to enhance or extend the instruction program.

Any gift to the district of real property can be accepted only by board approval. Any gift to the district or to an individual school or department of money, materials or equipment having a value of \$1,500 or greater shall be subject to board approval. In no event shall any commitment be made by a staff member or other individuals in return for any gift to the district or to a school or department without the board's authorization. The board shall not authorize gifts that are inappropriate, which carry with them unsuitable conditions or which shall obligate the district to future expenditures from the general fund which are out of proportion to the value of the gift. All gifts shall become district property and shall be accepted without obligation relative to use and/or disposal.

The superintendent shall establish criteria to be met in the accordance of gifts to the district.

Legal References:

RCW 28A.320.030

Gifts, conveyances, etc., for scholarship and student aid purposes, receipt and administration

Adopted by the Board August 26, 2002

BOARD POLICY

For Policy No. 7280

FINANCIAL MANAGEMENT

7280 INVESTMENT OF FUNDS

The superintendent is authorized to direct and authorize the county or state treasurer to invest district moneys which are not needed for current obligations in any district fund. Such investments shall be made with the objective of producing the greatest return, consistent with prudent practice.

Legal References: RCW 28A.58.430 Investment of funds, including funds
received by ED--Authority--Procedure
28A.58.440 Investment of funds of district not needed
for immediate necessities--Service fee
36.29.020 Custodian of moneys--Investment of funds
not required for immediate expenditures,
service fee
43.250 Investment of local government funds
WAC 210-01 Local Government Investment Pool

Adopted by the Board March 23, 1981

Revised by the Board March 10, 1997

BOARD POLICY

Policy No. 7319

FINANCIAL MANAGEMENT

7319 CELLULAR PHONES

A. District Owned Cellular Phones

The Board authorizes the issuance of cellular telephones to staff designated by the superintendent for business telephone calls at those times when designated staff do not have regular telephone service readily available. The Superintendent is directed to establish procedures for the use of cellular phones owned by the district. This would include, but not be limited to, establishing procedures for records of phone users, equipment, and lines; records maintained to monitor use of the phones; and rules governing use of the phones.

At a time a designated employee accepts a district cellular telephone, he or she shall provide written assurance of financial responsibility for any personal or non-business calls made on the cellular telephone. Within ten days of the district receiving the cellular telephone bill, each designated employee will review his or her statement of calls and reimburse the district for any personal or non-business calls.

Adopted by the Board February 22, 2005

BOARD POLICY

Policy No. 7320

FINANCIAL MANAGEMENT

7320 PURCHASING

The purchasing, receiving, storing, and distribution of necessary supplies, equipment, and services for use in the educational program and for various auxiliary services represent a significant expenditure in the school budget. These items must be procured efficiently and economically. The measure of efficient, economical purchasing is the degree to which the right items are provided in the right quantity to the right place at the right item and at the right price.

The following considerations constitute the policy of the Board:

1. The superintendent shall serve as purchasing agent to provide the necessary materials, equipment and services for the instructional program and maintenance operations.
2. It is the policy of the Board to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.
3. Competitive bids or quotations shall be solicited in connection with all purchasing whenever possible. Contracts shall be awarded to the lowest responsible bidder complying with specifications and with other stipulated bidding conditions.
4. The purchasing agent is authorized to issue purchase orders without prior approval of the Board where formal bidding procedures are not required by law, and when budget appropriations are adequate to cover such obligations.
5. Whenever in the opinion of the board, the cost of any supplies, equipment or work shall exceed \$50,000, formal bids shall be called for by issuing public notice placed in at least one newspaper of general circulation within the district once each week for two consecutive weeks. Clear and definite specifications shall be prepared and made available to all vendors interested in submitting a bid.

BOARD POLICY

No. 7320 (Cont'd)

- a. When the cost of any supplies, equipment or work shall exceed \$15,000, but be less than \$50,000, informal bids shall be solicited from responsible vendors or, if a works project, licensed contractors who appear on the district's small works roster. The superintendent/designee will establish procedures for developing this roster.
 - b. The superintendent/designee shall establish bidding and contract awarding procedures for all purchases of furniture, equipment, supplies (except for books), or public works projects the costs of which is estimated to be in excess of \$15,000.
 - c. Bid procedures shall be waived when the board declares an emergency or when purchases are clearly limited to a single source of supply. The board may, by resolution, reject any and all bids and make further calls for bids in the same manner as the original call.
6. All contracts which require public advertising and competitive bidding shall be awarded by formal action of the Board.
 7. Purchases shall be made through available State contracts whenever such purchases are in the best interest of the School District.
 8. Items commonly used in the various schools shall be standardized whenever consistent with educational goals and in the interest of efficiency or economy.
 9. A statement of "General Conditions", as approved by the Board, shall be included with all specifications submitted to the suppliers for their bids. These general conditions shall be incorporated in all contracts awarded for the purchase of materials, equipment, and supplies.
 10. Opportunity shall be provided to all responsible suppliers to do business with the district. To this end the purchasing agent shall develop and maintain lists of potential bidders for the various types of materials, equipment, and supplies. Such bidders lists shall be used in the development of a mailing list for distribution of specifications and invitations to bid. Any supplier may be included in the list upon request.

BOARD POLICY

No. 7320 (cont'd)

11. No Board member, officer, or employee of the School District or their families shall be interested financially in any contract entered into by the Board. This shall also preclude acceptance of any gratuities, financial or otherwise, by the above persons, from any supplier of materials or services to the District.

Legal Reference:	RCW 28A.58.135	Advertising for bids--Bid procedure --Telephone solicitation, limitations--Emergencies
	43.10.191	Letting contract--Lowest responsible bidder, determination--Public inspection of bids
	AGO 1984 No. 2	Competitive Bidding on School District Transportation Contracts

Adopted by the Board November 25, 1968

Revised by the Board March 23, 1981

Revised by the Board October 28, 1985

Revised by the Board January 9, 1995

BOARD POLICY

Policy No. 7321

FINANCIAL MANAGEMENT

7321 CHARGE CARDS

For official district purchases and acquisitions the board authorizes the use of credit cards. The board shall approve any contract for the issuance of credit cards, including the credit limit. Credit cards may be issued to staff as outlined in the attached procedures. The superintendent or his/her designee is responsible for the authorization and control of the use of credit card funds, subject to final board approval of payments.

The board authorizes the issuance of charge cards to officers and staff for official government purchases and acquisitions. Any charges not properly identified on the voucher or not allowed following review by the auditing officer shall be paid by the official or staff member. Any official or staff member who has been issued a charge card shall not use the card if any disallowed charges are outstanding.

Cross References: Board Policy 1731	Reimbursement for Expenses
Legal References: RCW 42.24.115	Municipal corporations and political subdivisions--Issuance of charge cards to officers and employees for travel expenses
43.09.2855	Local governments--Use of credit cards

Adopted by the Board November 25, 1968

Revised by the Board March 23, 1981

Revised by the Board January 11, 1999

Revised by the Board March 27, 2000

BOARD POLICY

Policy No. 7322

FINANCIAL MANAGEMENT

7322 VOUCHER CERTIFICATION AND APPROVAL

Expenditures shall be made on district voucher forms. Before vouchers are submitted to the board for payment, they shall be audited and certified by the district's appointed auditing officer for accuracy and proof that the goods or services have been received and are satisfactory and that previous payment has not been made. The certification must be signed and dated by the auditing officer or his/her delegate. Vouchers shall be approved by a recorded affirmative vote of a majority of the board.

The board authorizes advance payment of a voucher when a delay in payment would otherwise result in a penalty or late fee or an interest charge on the unpaid balance except that advance payment for goods or services to a single vendor in excess of \$50,000 shall not be permitted unless previously authorized by the board through a bid award or by action of the board at a preceding board meeting. The board shall review and approve all such advance payments at its next regularly scheduled public meeting. In the event the claim is disapproved, the auditing officer and superintendent shall cause the claims to be recognized as receivables and pursue collection diligently until the funds are collected or until the board approves the payment of those claims.

Legal References: RCW 28A.59.110	Payment of claims
28A.59.150	Auditing committee and expenditures
42.24.080	Municipal corporations and political subdivisions--Auditing and payment --Authentication and certification
42.24.180	Taxing District--Issuance of warrants or checks before approval by legislative body--Conditions
State Auditor's Bulletin #301-III(F)	--Voucher certification and approval

Adopted by the Board November 25, 1968

Revised by the Board March 23, 1981

Revised by the Board March 10, 1997

BOARD POLICY

Policy No. 7323

FINANCIAL MANAGEMENT

7323 TRAVEL POLICY

Reimbursement for Travel Expenses

It is the purpose and intent of this policy to reimburse district elected and appointed officials and employees for their actual and necessary travel expenses incurred in the conduct of their official business for the school district. Authorized travel shall be consistent with budgets provided for such purpose and all expenses incurred under this policy must be charged to a travel expense line item. It is **assumed** and **expected** that expenses incurred under this policy will be appropriate to the circumstances and consistent with the best interests of the school district and its desire to minimize travel costs. **Employee's, who claim reimbursement for meal expenses incurred while they were not in a "travel status", will have the amount of the reimbursement added to their taxable income.**

For purposes of this policy:

- Travel expense includes amounts paid for use of personal automobiles, other transportation, and actual expenses or reimbursement for meals, lodging and related items that are necessary while in the conduct of official business of the district.
- Employee shall mean elected officials, appointed officials, certificated and classified personnel employed by the Eastmont School District.
- Travel status, as defined by the Internal Revenue Service, is being away from one's tax home overnight. **Generally, your tax home is the entire city or general area where your main place of business or work is located, regardless of where you maintain your family home.**

Reimbursement for travel expenses shall be made pursuant to the federal internal revenue code and internal revenue service regulations.

Legal References:

RCW 28A.320.050 Reimbursement of expense of directors, superintendents, other school representatives, and superintendent candidates – Advancing anticipated

RCW 42.24.090 Municipal corporations and political subdivisions – Reimbursement claims by officers and employees – Detailed account – Travel allowances and allowances in lieu of actual expenses – Certification – Forms

IRS Publication 15-B Employer's Tax Guide to Fringe Benefits

State Auditor Bulletin #301-III (D) Employee Travel Expenses

Adopted by the Board **February 22, 2005**

BOARD POLICY

Policy No. 7423

FINANCIAL MANAGEMENT

7423 AUDITS

The financial accounting records of the district shall be subject to periodic audit by a state examiner. Upon completion of the audit, a report of the examiner's findings shall be submitted to the board.

Legal References: RCW 43.09.260 Division of municipal corporations--
Examination of taxing districts--
Reports--Action by attorney general

Adopted by the Board March 23, 1981

Revised by the Board March 10, 1997