

NONINSTRUCTIONAL OPERATIONS AND BUSINESS SERVICES

Series 700

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PURPOSE OF NONINSTRUCTIONAL AND BUSINESS SERVICES

This series of the board policy manual is devoted to the goals and objectives for the school district's noninstructional services and business operations that assist in the delivery of the education program. These noninstructional services include, but are not limited to, transportation, the school lunch program and child care. The board, as it deems necessary, will provide additional noninstructional services to support the education program.

It shall be the goal of the board to provide noninstructional services and to conduct its business operations in an efficient manner.

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FISCAL YEAR

The school district fiscal year shall begin July 1 and end June 30 each year. The budget shall state the expenditures for the fiscal year, and it shall be the responsibility of the superintendent to operate the education program within the budget.

It shall be the responsibility of the board to ensure the budget is managed effectively.

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DEPOSITORY OF FUNDS

Each year at its annual meeting, the board shall designate by resolution the name and location of the Iowa located financial depository institution or institutions to serve as the official school district depository or depositories. The maximum deposit amount to be kept in the depository shall be stated in the resolution. The amount stated in the resolution must be for all depositories and include all of the school district's funds.

It shall be the responsibility of the board secretary to include the resolution in the minutes of the meeting.

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CLASSIFICATION OF ACCOUNTS

The money received from the regular and the voter-approved physical plant and equipment levies, the levy for public educational and recreational activities imposed under chapter 300, the proceeds of the sale of bonds authorized by law, and the proceeds of a tax estimated and certified by the board for the purpose of paying interest and principal on lawful bonded indebtedness shall be deposited in the schoolhouse fund and, except when authorized by the electors, shall be used only for the purpose for which originally authorized or certified. The money received from the district management levy shall be deposited in a sub-fund of the general fund of the school district. All other revenue received for any other purpose shall be deposited in the general fund of the school district. The treasurer shall keep a separate account for each fund and shall not pay an order that fails to state the fund upon which it is drawn and the specific use for which it is to be applied.

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TRANSFER OF FUNDS

When the necessity for a fund has ceased to exist, the balance may be transferred to another fund or account by board resolution. School district monies received without a designated purpose may be transferred in this manner. School district monies received for a specific purpose or upon vote of the people may only be transferred, by board resolution when the purpose for which the monies were received has been completed. Voter approval is required to transfer monies to the general fund from the capital projects fund and debt service fund.

It shall be the responsibility of the board treasurer to make recommendations to the board regarding transfers and to provide the documentation justifying the transfer.

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## FINANCIAL RECORDS

Financial records of the school district shall be maintained in accordance with generally accepted accounting principles (GAAP) as required or modified by law. School district monies shall be received and expended from the appropriate fund and/or account. The funds and accounts of the school district shall include, but not be limited to:

## Governmental fund type:

- General fund
- Special revenue fund
  - Management levy fund
  - Physical plant and equipment levy fund
  - Public education and recreation levy fund
  - Student activity fund
- Capital projects fund
- Debt service fund
  - Sales tax fund

## Proprietary fund type:

- Enterprise fund
  - School nutrition fund
  - Child care fund
- Internal service fund

## Fiduciary funds:

- Trust or agency funds
  - Expendable trust funds
  - Nonexpendable trust funds
  - Agency funds
  - Pension trust funds

## Account groups:

- General fixed assets account group
- General long-term debt account group

As necessary the board may, by board resolution, create additional funds within the governmental, proprietary and fiduciary fund types. The resolution shall state the type of fund, name of the fund and purpose of the fund.

The general fund is used primarily for the education program. Special revenue funds are used to account for monies restricted to a specific use by law. Proprietary funds account for operations of the school district operated similar to private business, and they account for the costs of providing goods and services provided by one department to other departments on a cost reimbursement basis. Fiduciary funds are used to account for monies or assets held by the school district on behalf of, or in trust for, another entity. The account groups are the accounting records for fixed assets and long-term debt.

It shall be the responsibility of the superintendent to implement this policy and bring necessary changes in the maintenance of the school district's financial records to the attention of the board.

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## GENERAL FIXED CAPITAL ASSETS

All assets purchased by the district are subject to the following capitalization policy:

General Fixed Assets/Capital Assets:

Capital assets are recorded as expenditures in the Governmental Funds and are capitalized in the General Fixed Assets Account Group. Assets in this account group are recorded at historical cost, and must have a useful life greater than one reporting period and have a value of at least \$2,500. The district will not utilize salvage value.

In accordance with Standard 34, set forth by the Governmental Accounting Standards Board, depreciation will be recorded for general fixed assets, utilizing the straight-line method with a full-year convention over the following asset lives:

<u>Asset Class</u>	<b>Examples</b>	<b>Est. Useful Life in Years</b>
Site Improvements	Paving, flagpoles, retaining walls, sidewalks fencing, outdoor lighting	20
School Buildings		50
Equipment	Classroom and office furniture, Fax, copiers, computer hardware, grounds equipment	5
Licensed Vehicles	Buses, other on-road vehicles	7

Enterprise Fund Assets or Business-Type Assets

Enterprise fund type property and equipment is accounted for at historical cost for assets with a useful life greater than one reporting period and with a value of at least \$500. Depreciation is recorded over twelve (12) years, using the straight-line method.

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## FIXED ASSETS MANAGEMENT SYSTEM REGULATION

To improve the school district's oversight of fixed assets by assigning and recording them to specific facilities and programs and to provide for proof loss of fixed assets for insurance purposes, the school district shall establish and maintain a fixed assets management system for reporting capitalized fixed assets owned or under the jurisdiction of the school district in its financial reports in accordance with generally accepted accounting principles (GAAP) as required or modified by law.

A separate fixed assets listing shall be prepared for fixed assets in the general fixed assets account group (GFAAG) and for the fixed assets of each proprietary and fiduciary fund. "Fixed assets" in the GFAAG shall include school district buildings and sites, construction in progress, improvements other than buildings and sites, land and machinery and equipment. "Fixed assets" in the proprietary funds shall include school district buildings and sites, construction in progress, improvements other than buildings and sites, capitalized interest, infrastructure, land and machinery and equipment. Fixed assets reported in the financial reports shall include individual fixed assets with an historical cost equal to or greater than \$5,000. Fixed assets accounted for and reported in the proprietary funds shall be depreciated over the useful life of each fixed asset.

The fixed assets management system shall be updated monthly to account for the addition/acquisition, disposal, relocation/transfers of fixed assets. It shall be the responsibility of the board treasurer to count and reconcile the fixed assets listing for the general fixed assets account group and for each proprietary and fiduciary fund with the fixed assets management system on June 30 each year.

### A. Fixed assets management team.

1. The board treasurer shall appoint a fixed assets management team. Members of the fixed assets management team shall include:
  - a. Superintendent, chair;
  - b. Fixed assets manager;
  - c. Building principals;
  - d. Transportation director;
  - e. One or more facility maintenance personnel;
  - f. One or more technology personnel; and
  - g. Others deemed necessary by the board treasurer.
2. The board treasurer, in conjunction with the fixed assets management team, shall:
  - a. Conduct the initial fixed assets physical count;
  - b. Develop the initial fixed assets listing;
  - c. Tag fixed assets included in the fixed assets management system with a bar code identification number;
  - d. Make a recommendation of a computer software program for managing the fixed assets management system;
  - e. Enter the necessary data into the fixed assets management system and compile the appropriate reports;
  - f. Develop forms and procedures for maintaining the integrity of the fixed assets management system; and
  - g. Maintain responsibility for an accurate fixed assets management system.

## FIXED ASSETS MANAGEMENT SYSTEM REGULATION

## B. Determining historical cost.

1. The historical cost of a fixed asset is based on the actual costs expended in making the fixed assets serviceable. For the initial fixed assets listing of currently owned fixed assets, records indicating the actual costs expended in making the fixed assets serviceable may be available in the central administrative office.
2. Gifts of fixed assets are given an "historical cost" of the estimated fair market value on the addition/acquisition date.
3. Fixed assets purchased under a capital lease are given an historical cost of their net present value of the minimum lease payments on the addition/acquisition date.
4. The historical cost of fixed assets in the proprietary funds must include capitalized interest and infrastructure.
5. Fixed assets for which the historical cost cannot be determined.
  - a. Search board minutes to determine the approximate acquisition date, contract approval date or project approval date.
  - b. Search central administrative office records at the time of the presumed addition/acquisition date, including those in storage, on microfiche or archives, to determine the actual costs expended in making the fixed assets serviceable.
  - c. If no records can be found to determine the actual costs expended in making the fixed assets serviceable the school district may estimate the historical cost using back trending/standard costing after consulting with the school auditor.

## C. Annual fixed assets listing reconciliation.

1. The board treasurer, in conjunction with the fixed assets management team, shall conduct an annual fixed assets physical count to develop the annual fixed assets listing in a manner similar to the initial fixed assets listing process in B above. At least every three years, someone other than the person in custody of the fixed assets in the building/department/room shall perform the fixed assets physical count for the building/department/room.
2. Upon completion of the annual fixed assets listing, the fixed asset listing is reconciled to the fixed assets management system data base.
3. Fixed assets found to have been excluded from the data base are added to the fixed assets management system. The fixed assets management system process is reviewed to prevent future incidents of excluding a fixed asset.
4. Fixed assets unaccounted for are reported to the elementary secretary who contacts the supervisor of and the employee/person in charge/control/custody of the fixed asset. The employee/person in charge/control/custody of the fixed asset has thirty days to account for the fixed asset.

FIXED ASSETS MANAGEMENT SYSTEM REGULATION

5. Fixed assets unaccounted for after thirty days are reported to the elementary secretary for appropriate action and documentation. "Appropriate action" may include discipline, up to and including discharge, and may require the employee/person in charge/ control/custody of the fixed asset to replace the fixed asset.
  6. The board treasurer is responsible for documenting the reasons each fixed asset was not reconciled to the fixed assets management system.
- D. Addition/acquisition of machinery and equipment fixed assets.
1. The school district's required purchasing administrative regulations and procedures must be followed to acquire machinery and equipment fixed assets. The school district's required administrative regulations and procedures must be followed for receiving a gift of machinery and equipment fixed assets.
  2. The Machinery and Equipment fixed assets Addition/Acquisition Form must be completed for each additional machinery and equipment fixed assets with an addition/acquisition cost of equal to or greater than \$5,000. The following information must be collected:
    - a. Name of location-building/department/room;
    - b. Location-building/department/room code;
    - c. Balance sheet accounting/class code;
    - d. General fixed assets account group or proprietary fund asset (name proprietary fund);
    - e. Addition/acquisition date;
    - f. Check/purchase order number or gift;
    - g. Bar code identification number assigned to and placed on the fixed asset;
    - h. Serial/model number;
    - i. Cost-historical;
    - j. Fair market value on acquisition date (donated fixed assets only);
    - k. Estimated useful life (for proprietary funds only);
    - l. Vendor;
    - m. Purchasing fund;
    - n. Description of fixed asset;
    - o. Department/person charged with custody,
    - p. Method of addition/acquisition-purchase, trade, gift etc.,
    - q. Quantity;
    - r. Replacement cost; and
    - s. Addition/acquisition authorization.
  3. Machinery and equipment fixed assets acquired in a month must be entered into the fixed assets management system in the same month.
- E. Addition/acquisition of real property fixed assets.
1. The school district's required purchasing administrative regulations and procedures must be followed to acquire a real property fixed asset. The school district's required administrative regulations and procedures must be followed for receiving a gift of a real property fixed asset.

## FIXED ASSETS MANAGEMENT SYSTEM REGULATION

2. The Real Property Fixed Assets Addition/Acquisition Form must be completed for each additional real property fixed asset. The following information must be collected:
    - a. Addition/acquisition date;
    - b. Seller;
    - c. Cost-historical/addition/acquisition, cost including legal, architect, surveying and related fees;
    - d. Balance sheet accounting/class code;
    - e. Fair market value on a requisition date (donated fixed assets only);
    - f. Estimated useful life of buildings (for proprietary funds only);
    - g. Legal description,
    - h. Location/address; and
    - i. Addition/acquisition authorization.
  3. For real property fixed assets in the general fixed assets account group, the actual costs of construction in progress, other than infrastructure, is entered into the fixed assets management system in the month in which costs are incurred until the total cost of addition/acquisition is entered. Upon completion of construction, the total costs accumulated over the period of construction are reclassified to buildings.
  4. For real property fixed assets in the proprietary funds, the actual costs of construction in progress, including infrastructure construction, is entered into the fixed assets management system in the month in which costs are incurred until the total cost of addition/acquisition is entered. Upon completion of construction, the total costs accumulated over the period of construction are reclassified to buildings.
  5. Real property fixed assets acquired in a month must be entered into the fixed assets management system in the same month.
- F. Relocation/transfer of machinery and equipment fixed assets.
1. A fixed assets Relocation/Transfer Form must be completed prior to removing machinery and equipment fixed assets from their current location. The following information must be collected:
    - a. Relocation/transfer date;
    - b. Quantity;
    - c. Bar code identification number;
    - d. Current location-building/department/room code;
    - e. Name of current location-building/department/room;
    - f. New location-building/department/room code;
    - g. Name of new location-building/department/room;
    - h. Date placed at new location-building/department/room;
    - i. Department/person charged with custody; and
    - j. Relocation/transfer authorization.
  2. Machinery and equipment fixed assets relocated/transferred in a month must be entered into the fixed assets management system in the same month.

## FIXED ASSETS MANAGEMENT SYSTEM REGULATION

- G. Disposal of machinery and equipment and real property fixed assets.
1. A Machinery and Equipment fixed assets Disposal Form must be completed prior to disposing of machinery and equipment fixed assets. The following information must be collected:
    - a. Disposal date;
    - b. Quantity;
    - c. Bar code tag identification number;
    - d. Disposal method-junk, trade, sale, trade-in, etc.; and
    - e. Disposal authorization.
  2. A Real Property fixed assets Disposal Form must be completed prior to disposing of real property fixed assets. The following information must be collected:
    - a. Disposal date;
    - b. Legal description,
    - c. Location/Address;
    - d. Purchaser;
    - e. Disposal method-trade, sale, stolen, etc.; and
    - f. Disposal authorization.
  3. Machinery and equipment/real property fixed assets disposed of in a month must be entered into the fixed assets management system in the same month.
- H. Lost, damaged or stolen machinery and equipment fixed assets.
1. A Lost, Damaged or Stolen fixed assets Report must be completed when a fixed assets has been lost, damaged or stolen. The following information must be collected:
    - a. Date of loss, damage or theft;
    - b. Employee/person discovering;
    - c. Quantity;
    - d. Description of fixed asset;
    - e. Bar code tag identification number;
    - f. Location-building/department/room;
    - g. Description of loss, damage, etc.;
    - h. Filing of police report-yes or no;
    - i. Filing of insurance report-yes or no;
    - j. Sent for repair-yes or no;
    - k. Date returned from repair;
    - l. Date returned to location-building/department/room;
    - m. Department/person charged with custody; and
    - n. Authorization.
  2. Fixed assets damaged, lost or stolen in a month must be entered into the fixed assets management system in the same month.

FIXED ASSETS MANAGEMENT SYSTEM REGULATION

I. Fixed assets reports.

1. Annual reports for June 30 each year.

- a. fixed assets listing including the following items for the school auditor:
  - (1) Balance sheet accounting/class code;
  - (2) Purchasing fund;
  - (3) Bar code tag identification number;
  - (4) Description of the fixed asset;
  - (5) Historical cost; and
  - (6) Location
- b. fixed assets listing by location/building;
- c. fixed assets listing by department/employee/person charged with custody; and
- d. fixed assets listing by replacement cost.

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## FIXED ASSETS MANAGEMENT SYSTEM DEFINITIONS

Back trending/standard costing - an estimate of the historical original cost using a known average installed cost for alike units as of the estimated addition/ acquisition date. This cost is only applied to the fixed assets initially counted upon implementation of the fixed assets management system when the historical original cost cannot be determined. It is inappropriate to apply the back trending/standard costing method to any fixed assets acquired after the fixed assets management system implementation date.

Balance sheet accounting/class codes - the codes set out for fixed assets in the Iowa Department of Education Uniform Accounting Manual. They are: 211-sites; 221-site improvements; 222-accumulated depreciation on site improvements; 231-buildings and building improvements; 232-accumulated depreciation on buildings and building improvements; 241-machinery and equipment; 242-accumulated depreciation on machinery and equipment, 251-works of art and historical treasures, 252-accumulated depreciation on works of art and historical treasures, 261-infrastructure, 262-accumulated depreciation on infrastructure, and 271-construction in progress.

Book value - The value of a fixed asset on the records of the school district, which can be the cost or, in the case of fixed assets in the proprietary fund, the cost less the appropriate allowances, such as depreciation.

Buildings and building improvements - A fixed assets account reflecting the addition/acquisition cost of permanent structures owned or held by a government and the improvements thereon.

Capital expenditures/expenses - expenditures/expenses resulting in the addition/acquisition of or addition/acquisition to the school district's general or proprietary fixed assets.

Capital fixed assets - fixed assets with a value of equal to or greater than \$5,000 based on the historical cost.

Capitalization policy - the criteria used by a the school district to determine which fixed assets will be reported as fixed assets on the school district's financial statements and records.

Capitalization threshold - dollar limit set for capitalizing fixed assets.

Capitalized interest - interest accrued and reported as part of the cost of the fixed assets during the construction phase of a capital project. The construction phase extends from the initiation of pre-construction activities until the time the asset is placed in service.

Construction in progress - buildings in the process of being constructed other than infrastructure.

Contributed capital - the permanent fund capital of a proprietary fund. It is created when a residual equity transfer is received by a proprietary fund; a general fixed assets is "transferred" to a proprietary fund; or a grant received is restricted to a capital acquisition or construction.

Cost - the amount of money or other consideration exchanged for goods or services.

Depreciation - expiration in the service life of fixed assets, other than wasting assets, attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost.

Fixed assets - long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, construction in progress, improvements other than facilities, land and machinery and equipment.



## FIXED ASSETS MANAGEMENT SYSTEM DEFINITIONS

Fixtures - attachments to buildings that are not intended to be removed and cannot be removed without damage to the buildings. Those fixtures with a useful life presumed to be as long as that of the building itself, are considered a part of the building. Other fixtures are classified as machinery and equipment.

General fixed assets - capital fixed assets that are not fixed assets of any fund, but of the governmental unit as a whole. Most often these fixed assets arise from the expenditure of the financial resources of governmental funds.

General fixed assets account group (GFAAG) - a self-balancing group of accounts established to account for fixed assets of the school district, not accounted for through specific proprietary funds.

Historical (acquisition) cost - the actual costs expended to place a fixed asset into service. For land and buildings, costs such as legal fees, recording fees, surveying fees, architect fees and similar fees are included in the historical cost. For machinery and equipment, costs such as freight and installation fees and similar fees are included in the historical cost.

Improvements other than buildings - attachments or annexation to land that are intended to remain so attached or annexed, such as sidewalks, trees, drives, tunnels, drains and sewers. Sidewalks, curbing, sewers and highways are sometimes referred to as "betterments," but the term "improvements" is preferred.

Infrastructure assets - public domain fixed assets such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems and similar assets that are immovable and of value only to the governmental unit.

Investment in general fixed assets - an account in the GFAAG representing the school district's investment in general fixed assets. The balance in this account generally is subdivided according to the source of the monies that finance the fixed assets addition/acquisition, such as general fund revenues and special assessments.

Land and buildings - real property owned by the school district.

Machinery and equipment - fixed assets which maintain their identity when removed from their location and are not changed materially or consumed immediately (e.g., within one year) by use. Machinery and equipment are often divided into specific categories such as: transportation machinery and equipment which includes school buses and school district owned automobiles, trucks and vans; other motor machinery and equipment which includes lawn maintenance machinery and equipment, tractors, motorized carts, maintenance machinery and equipment, etc.; other machinery and equipment which includes furniture and machinery and equipment contained in the buildings whose original cost is equal to or greater than \$5,000, and fixed assets under capital leases and fixed assets being acquired under a lease/purchase agreement.

Proprietary fund fixed assets - capital fixed assets that are fixed assets specific to a proprietary fund, such as school nutrition fund or child care fund. Most often these fixed assets arise from the expenditure of financial resources of a proprietary fund.

Replacement cost - the amount of cash or other consideration required today to obtain the same fixed assets or its equivalent.

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## GENERAL INTANGIBLE ASSETS

### I. Definition of Intangible Assets

#### A. Intangible Assets

Intangible assets are assets that are:

- (1) Identifiable – Either the assets:
  - (a) Can be separated or divided from the district and sold, transferred, licensed, rented or exchanged; or
  - (b) Arose from some legal right (i.e., a contractual right), regardless of whether those rights are separable or dividable;
- (2) Lacking physical substance;
- (3) Non-financial in nature – The assets are not in a monetary form, such as cash or investment securities; and
- (4) Possessing a useful life that extends beyond a single financial reporting period.<sup>1</sup>

Examples of intangible assets include the following:

- (1) Easements or land use rights (i.e., water rights, timber rights and mineral rights);
- (2) Patents, trademarks and copyrights; and
- (3) Computer software or websites that are purchased, licensed or internally generated.

Examples of assets that are not intangible assets for purposes of this policy include only the following:

- (1) Assets acquired or created primarily for purposes of obtaining income or profit, as these are considered investment assets;
- (2) Assets from capital lease transactions reported by lessees, except licensing agreements to lease commercially available computer software; and
- (3) Goodwill established or created between the district and another entity.

#### B. Outlays Associated with Internally Generated Intangible Assets

Intangible assets that are generated or created internally likely have outlay expenses associated with the generation or creation. Intangible assets are considered to be generated or created internally if they are:

- (1) Created by the district;
- (2) Created by a third-party contracted by the district; or
- (3) Acquired by the district from a third-party and require more than minimal incremental effort on the part of the district to begin to achieve the expected level of service capacity.

#### C. Outlays Associated with Internally Generated Computer Software

Computer software that is generated or created internally likely has outlay expenses associated with the generation or creation. Computer software is considered to be generated or created internally if it is:

- (1) Developed by the district;
- (2) Developed by a third-party contracted by the district; or
- (3) Commercially available software acquired, purchased or licensed by the district from a third-party that is modified using more than minimal incremental effort before being put into operation.

## GENERAL INTANGIBLE ASSETS

### II. Measuring of Intangible Assets

#### A. Threshold for Capitalization of Intangible Assets

The district shall adopt an intangible asset capitalization threshold policy to govern the amount at and above which intangible assets must be reported in the District's annual reporting statements and audits. More specifically, the policy shall provide a threshold to be applied to individual intangible assets and shall prohibit the aggregation of items, including intangible assets and outlays, to meet the threshold.<sup>2</sup> The policy shall be approved by the Board of Education prior to its adoption.

#### B. Recognition of Intangible Assets

The district shall record individual intangible assets exceeding the threshold amount outlined in the district's intangible asset capitalization threshold policy as follows:

- (1) Intangible assets received in an exchange transaction or purchased shall be recorded at actual historical cost, which includes direct costs, and excludes indirect costs;
- (2) Intangible assets in the form of business activities and enterprise funds received in an exchange transaction or purchased shall be recorded at actual historical cost, which includes direct costs, specifically capitalized interest and ancillary charges, and excludes indirect costs; and
- (3) Intangible assets received in a non-exchange transaction or donated shall be recorded at estimated fair market value at the time of acquisition, which requires implementation of a rational method to determine or estimate the value at which the asset could be exchanged between willing parties not involved in a forced sale.
- (4) Intangible assets reported retroactively<sup>3</sup> shall be recorded at actual historical cost,<sup>4</sup> regardless of whether the asset is fully amortized prior to June 30, 2009. If an intangible asset reported retroactively is fully amortized prior to June 30, 2009, the district shall record the value of the intangible asset separately from the value of the amortization.

### III. Accounting for Intangible Assets

#### A. Intangible Assets

Intangible assets exceeding the threshold shall be accounted for as capital assets. Therefore, all financial requirements concerning capital assets, including, but not limited to, all accounting and reporting requirements, such as those associated with recognition, measurement, presentation and disclosure, shall be followed.

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<sup>2</sup> With intangible assets in the form of computer software licenses purchased or renewed, each individual license must be accounted for separately and all licenses cannot be aggregated for purposes of measuring whether the assets have exceeded the threshold.

<sup>3</sup> Reference Section VI of this Policy for the retroactive reporting of intangible assets.

<sup>4</sup> If actual historical cost cannot be determined for intangible assets acquired prior to June 30, 2009, due to lack of sufficient records, estimated historical cost shall be used.

## GENERAL INTANGIBLE ASSETS

## B. Outlays Associated with Internally Generated Intangible Assets

Outlays from internally generated intangible assets exceeding the threshold shall not be accounted for as capital assets until they are identifiable and the “specified conditions criteria” have occurred (see below). Outlays exceeding the threshold not meeting these requirements and/or incurred prior to these criteria occurring shall be accounted for as an expense when the expense is incurred.

Outlays from internally generated intangible assets exceeding the threshold shall be accounted for as capital assets if they occur after such time as:

- (1) The assets are identifiable – See the definition outlined in Section I of this policy; and
- (2) The “specified conditions criteria” have occurred, as follows:
  - (a) Determination of the specific objective of the project and the nature of the service capacity that is expected to be provided by the intangible asset upon completion of the project;
  - (b) Demonstration of the technical or technological feasibility for completing the project so that the intangible asset will provide its expected service capacity; and
  - (c) Demonstration of the current intention, ability, and presence of effort to complete or, in the case of a multiyear project, continue development of the intangible asset.

## C. Outlays Associated with Internally Generated Computer Software

Outlays from internally generated computer software developed by the district or by a third-party contracted by the district exceeding the threshold shall be accounted for as follows:

- (1) During the preliminary project stage, all outlays exceeding the threshold shall be accounted for as an expense when the expense is incurred. The preliminary project stage involves the conceptual formulation and evaluation of alternatives, the determination of the existence of needed technology and the final selection of alternatives for development of the software.
- (2) During the application development stage, outlays that occur before the specified conditions criteria have occurred and exceed the threshold shall be accounted for as an expense when the expense is incurred; outlays that occur after the specified conditions criteria have occurred<sup>5</sup> and exceed the threshold<sup>6</sup> shall be accounted for as capital assets; and outlays that occur after the computer software is substantially complete and operational and exceed the threshold shall be accounted for as an expense when the expense is incurred. The application development stage involves the design of the chosen path, including, but not limited to the purchase of the software or license;<sup>7</sup> the software configuration and the software interfaces; the coding; the installation to hardware; the testing; any minor modifications made to the software before it is placed into operation;<sup>8</sup> and the data conversion, if such was deemed necessary in order to make the software operational.

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<sup>5</sup> The specified conditions criteria are considered to be met for internally generated computer software developed by the District or a third-party contracted by the District when the preliminary project stage is complete and the Board authorizes and/or commits to funding the development of new computer software.

<sup>6</sup> In determining whether the outlays exceed the threshold, each outlay shall be accounted for separately and no outlay shall be aggregated with any other outlay for purposes of measuring whether the outlays have exceeded the threshold. For example, the initial purchase of the computer software or license and the modifications made to the computer software or license should be accounted for separately and should not be aggregated for purposes of measuring whether the outlays have exceeded the threshold.

<sup>7</sup> The purchase of the computer software or license shall be treated as an outlay that shall be capitalized.

<sup>8</sup> Making minor modifications to the computer software or license shall be treated as an outlay that shall be capitalized.

## GENERAL INTANGIBLE ASSETS

- (3) During the post-implementation and operation stage, all outlays exceeding the threshold shall be accounted for as an expense when the expense is incurred. The post-implementation and operation stage includes the data conversion, if such was not deemed necessary during the application development stage in order to make the software operational; the application training; and the software maintenance.

Outlays from internally generated computer software extensively modified by the district or by a third-party contracted by the district exceeding the threshold shall be accounted for as follows:

- (1) All outlays from the modification of computer software exceeding the threshold shall be accounted for as capital assets if the one of the following conditions exist:
  - (a) The modification causes an increase in the functionality of the software (the software is able to perform tasks that it was previously incapable of performing);
  - (b) The modification causes an increase in the efficiency of the software (the software offers an increased level of service without the need for an increased performance of tasks); or
  - (c) The modification extends the estimated useful life of the software.
- (2) All outlays from the modification of computer software exceeding the threshold shall be accounted for as an expense when the expense is incurred if none of the above conditions exists.

## IV. Amortization of Intangible Assets

In amortizing an intangible asset that is capitalized because it exceeds the threshold and meets the requirements above,<sup>9</sup> the following general rules shall apply:

- (1) The useful life of an intangible asset generally shall be estimated. Therefore, the intangible asset has a determinable useful life, even if it must be estimated, and shall be amortized using the straight-line method.
- (2) The useful life of an intangible asset that arises from and is limited by contractual or other legal rights shall not exceed the period of the intangible asset's service capacity provided under the contract or other legal provision. Therefore, the intangible asset has a determinable useful life, even if it must be estimated, and shall be amortized using the straight-line method.
- (3) The useful life of an intangible asset that is not limited by any legal, contractual, regulatory, technological or other factors shall be indefinite. Therefore, the intangible asset has no determinable useful life and shall not be amortized.

In considering changes in circumstances that affect the amortization of an intangible asset, the following rules shall apply:

- (1) An intangible asset that arises from and is limited by contractual or other legal rights shall take into consideration contract renewal periods for purposes of determining its useful life and its amortization schedule only if the following requirements are met:
  - (a) There is evidence that the district will seek and be able to achieve contract renewal; and
  - (b) The anticipated outlay for contract renewal is nominal in relation to the level of service capacity obtained by the contract renewal.

<sup>9</sup> This includes intangible assets that were in existence from July 1, 1980, through June 30, 2009, and must be retroactively reported.

## GENERAL INTANGIBLE ASSETS

- (2) An intangible asset that was once not limited by any legal, contractual, regulatory, technological or other factors, but now is limited by such factors due to changes in conditions, shall be tested for impairment<sup>10</sup> because the expected duration of the useful life of the asset has changed, and then the following rules shall apply:
- (a) If an impairment is determined not to exist, the intangible asset has a determinable useful life and shall be amortized using the straight-line method.
  - (b) If an impairment is determined to exist, the following must occur:
    - (i) The loss due to the impairment shall be accounted for as a loss;
    - (ii) The intangible asset has a useful life that must be estimated and is determinable; and
    - (iii) The carrying value, or the value remaining after accounting for the impairment, shall be amortized using the straight-line method over the remaining estimated useful life.

## V. Selling or Disposing of Intangible Assets

In selling or disposing of intangible assets, the district shall calculate and report a gain or loss on the sale or disposal. The gain or loss shall be calculated by subtracting the net book value, which consists of the historical cost less any accumulated amortization, from the net amount realized on the sale or disposal.

## VI. Application of Policy

The requirements of this policy shall apply to all financial statements covering periods beginning after June 30, 2009.

The requirements of this policy shall apply retroactively to intangible assets that were in existence from July 1, 1980, through June 30, 2009.<sup>11</sup> However, the following intangible assets shall not be retroactively reported as capital assets:

- (1) Intangible assets considered to have an indefinite useful life as of June 30, 2009;
- (2) Intangible assets considered to be internally generated as of June 30, 2009;
- (3) Outlays from internally generated computer software incurred in the application development stage on or prior to June 30, 2009;<sup>12</sup>
- (4) Any intangible asset held by a "Phase 3" district, characterized as such for purposes of implementing GASB Statement 34.

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<sup>10</sup> Internally generated intangible assets and computer software commonly experience impairment with development stoppage, including, but not limited to, stoppage of development of computer software due to changes in the priorities of management.

<sup>11</sup> This includes computer software purchased prior to June 30, 2009, that is currently still in use.

<sup>12</sup> Reference Section III, Subsection C of this policy for the accounting of outlays from internally generated computer software incurred in the application development stage after June 30, 2009.

CASH IN SCHOOL BUILDINGS

The amount of cash that may be kept in the school building for any one day shall be sufficient for that day's operations. Funds raised by students shall be kept in the activity fund.

A minimal amount of cash shall be kept in the central administration office at the close of the day. Excess cash shall be deposited in the authorized depository of the school district.

It shall be the responsibility of the superintendent to determine the amount of cash necessary for each day's operations and to comply with this policy.

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## GATE RECEIPTS

Gate receipts from any given school event have the potential to amount to a substantial sum of cash. In consideration of the board policy to limit cash in the high school safe at the close of the school day, cash receipts should be removed and deposited on the same day of the event whenever possible.

In those instances when same-day deposits are impossible, gate receipts are to be locked in safe until the first business day when a deposit can be made. The board discourages the individual in charge of collection of the gate receipts from personally holding the receipts except in special circumstances approved by the superintendent.

The high school principal shall be responsible for designating the individual who shall be in charge of collecting, counting and depositing the gate receipts. The superintendent shall provide administrative regulations to be followed by those chosen to handle the receipts.

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BUDGET PLANNING

Prior to certification of the budget, the board will review the projected revenues and expenditures for the school district and make adjustments where necessary to carry out the education program within the revenues projected.

A budget for the school district shall be prepared annually for the board's review. The budget shall include the following:

- the amount of revenues to be raised by taxation;
- the amount of revenues from sources other than taxation;
- an itemization of the amount to be spent in each fund; and,
- a comparison of the amount spent and revenue received in each fund for like purposes in the two prior fiscal years.

It shall be the responsibility of board treasurer and board secretary to prepare the budget for review by the board prior to the April 15 deadline each year.

Prior to the adoption of the proposed budget by the board, the public shall be apprised of the proposed budget for the school district. Prior to the adoption of the proposed budget by the board, members of the school district community shall have an opportunity to review and comment on the proposed budget. A public hearing for the proposed budget of the board shall be held each year in sufficient time to file the adopted budget no later than April 15.

The proposed budget filed by the board with the board secretary or board treasurer and the time and place for the public hearing on the proposed budget shall be published in a newspaper designated for official publication in the school district. It shall be the responsibility of the board secretary or board treasurer to publish the proposed budget and public hearing information at least ten but no more than 20 days prior to the public hearing.

The board shall adopt and certify a budget for the operation of the school district to the county auditor by April 15. It shall be the responsibility of the board secretary to file the adopted and certified budget with the county auditor and other proper authorities.

The board may amend the budget for the fiscal year in the event of unforeseen circumstances. The amendment procedures shall follow the procedures for public review and adoption of the original budget by the board outlined in these policies.

It shall be the responsibility of the superintendent and the board secretary or board treasurer to bring any budget amendments necessary to the attention of the board to allow sufficient time to file the amendment with the county auditor no later than May 31 of each year.

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SPENDING PLAN

The budget of the school district shall be the authority for the expenditures of the school district for the fiscal year for which the budget was adopted and certified. It shall be the responsibility of the superintendent to operate the school district within the budget.

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LOCAL - STATE - FEDERAL - MISCELLANEOUS REVENUE

Revenues of the school district shall be received by the board treasurer. Other persons receiving revenues on behalf of the school district shall promptly turn them over to the board secretary.

Revenue, from whatever source, shall be accounted for and classified under the official accounting system of the school district. It shall be the responsibility of the board treasurer to deposit the revenues received by the school district in a timely manner. School district funds from all sources shall not be used for private gain or political purposes.

Tuition fees received by the school district shall be deposited in the general fund. The tuition fees for kindergarten through twelfth grade during the regular academic school year shall be set by the board based upon the superintendent's recommendation in compliance with current law. Tuition fees for summer school, driver's education and adult education shall be set by the board prior to the offering of the programs.

The board may charge materials fees for the use or purchase of educational materials. Materials fees received by the school district shall be deposited in the general fund. It shall be the responsibility of the superintendent to recommend to the board when materials fees will be charged and the amount of the materials fees.

Rental fees received by the school district for the rental of school district equipment or facilities shall be deposited in the general fund. It shall be the responsibility of the superintendent to recommend to the board a fee schedule for renting school district property.

Proceeds from the sale of real property shall be placed in the schoolhouse fund. The proceeds from the sale of other school district property shall be placed in the general fund.

The board may claim exemption from the law prohibiting competition with private enterprise for the following activities:

- Goods and services directly and reasonably related to the educational mission;
- Goods and services offered only to students, employees or guests which cannot be provided by private enterprise at the same or lower cost;
- Use of vehicles for charter trips offered to the public, full- or part-time, or temporary students;
- Goods and services which are not otherwise available in the quantity or quality required by the school district;
- Telecommunications other than radio or television stations;
- Sponsoring or providing facilities for fitness and recreation;
- Food service and sales; and,
- Sale of books, records, tapes, software, educational equipment, and supplies.

It shall be the responsibility of the superintendent to bring to the board's attention additional sources of revenue for the school district.

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SALE OF BONDS

The board may conduct an election for the authority to issue bonded indebtedness. Revenues generated from an approved bond issue shall be used only for the purpose stated on the ballot. Once the purpose on the ballot is completed, any balance remaining in a capital projects fund may be retained for future capital projects in accordance with the purpose stated on the ballot or any remaining balance may be transferred by board resolution to the debt service fund or the physical plant and equipment levy fund. Voter approval is required to transfer monies to the general fund from the capital projects fund.

Revenues received from the issuing of bonded indebtedness shall be deposited into the capital projects fund.

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## POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

## 1. Role of Compliance Coordinator/Board Treasurer

The board treasurer shall:

- a) Be responsible for monitoring post-issuance compliance;
- b) Maintain a copy of the transcript of proceedings or minutes in connection with the issuance of any tax-exempt obligations and obtain records that are necessary to meet the requirements of this regulation;
- c) Consult with bond counsel, a rebate consultant, financial advisor, IRS publications and such other resources as are necessary to understand and meet the requirements of this regulation;
- d) Seek out training and education to be implemented upon the occurrence of new developments in the area and upon the hiring of new personnel to implement this regulation.

## 2. Financing Transcripts' Filing and Retention

The board treasurer shall confirm the proper filing of an IRS 8038 Series return and maintain a transcript of proceedings and minutes for all tax-exempt obligations issued by the school district including, but not limited to, all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained until 11 years after the tax-exempt obligation documents have been retired. The transcript shall include, at a minimum:

- a) Form 8038;
- b) Minutes, resolutions and certificates;
- c) Certifications of issue price from the underwriter;
- d) Formal elections required by the IRS;
- e) Trustee statements;
- f) Records of refunded bonds, if applicable;
- g) Correspondence relating to bond financings; and
- h) Reports of any IRS examinations for bond financings.

## 3. Proper Use of Proceeds

The board treasurer shall review the resolution authorizing issuance for each tax-exempt obligation issued by the school district and the school district shall:

- a) Obtain a computation of the yield on such issue from the school district's financial advisor;
- b) Create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) Review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) Determine whether payment from the Project Fund is appropriate and, if so, make payment from the Project Fund (and appropriate sub-fund, if applicable);
- e) Maintain records of the payment requests and corresponding records showing payment;
- f) Maintain records showing the earnings on, and investment of, the Project Fund;
- g) Ensure that all investments acquired with proceeds are purchased at fair market value;

## POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

- h) Identify bond proceeds or applicable debt service allocations that must be invested with a yield- restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments do not exceed the yield to which such investments are restricted;
- i) Maintain records related to any investment contracts, credit enhancement transactions and the bidding of financial products related to the proceeds.

## 4. Timely Expenditure and Arbitrage/Rebate Compliance

The board treasurer shall review the Tax-Exemption Certificate (or equivalent) for each tax-exempt obligation issued by the school district and the expenditure records provided in Section 2 of this regulation, above and shall:

- a) Monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- b) Monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate if the school district does not meet the "small issuer" exception for said obligation;
- c) Not less than 60 days prior to a required expenditure date, confer with bond counsel and a rebate consultant, if the school district will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate. In the event the school district fails to meet a temporary period or rebate exception:
  1. Procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
  2. Arrange for timely computation and payment of yield reduction payments (as such term is defined in the Code and Treasury Regulations), if applicable.

## 5. Proper Use of Bond Financed Assets

The board treasurer shall:

- a) Maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;
- b) Monitor and confer with bond counsel with respect to all proposed bond financed assets;
  1. management contracts;
  2. service agreements;
  3. research contracts;
  4. naming rights contracts;
  5. leases or sub-leases;
  6. joint venture, limited liability or partnership arrangements;
  7. sale of property; or
  8. any other change in use of such asset.
- c) Maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets; and
- d) Contact bond counsel and ensure timely remedial action under IRS Regulation Sections 1.141-12 in the event the school district takes an action with respect to a bond financed asset, which causes the private business tests or private loan financing test to be met.

## POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

## 6. General Project Records

For each project financed with tax-exempt obligations, the board treasurer shall maintain, until three years after retirement of the tax-exempt obligations or obligations issued to refund those obligations, the following:

- a) Appraisals, demand surveys or feasibility studies;
- b) Applications, approvals and other documentation of grants;
- c) Depreciation schedules;
- d) Contracts respecting the project.

## 7. Advance Refundings

The board treasurer shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds. The board treasurer shall:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel and a financial advisor;
- b) Identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) Review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure;
  - (1) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue;
  - (2) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded bonds;
  - (3) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become "arbitrage bonds"; and
  - (4) that the proposed issuance will not result in the issuer's exploitation of the difference between tax exempt and taxable interest rates to obtain a financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes;
- d) Collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the board treasurer shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied;
- e) Whenever possible, purchase State and Local Government Series (SLGS) to size each advance refunding escrow. The financial advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Board treasurer shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations;

## POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

- f) Ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations to the extent as issuer elects to the purchase of a guaranteed investment contract;
- g) In determining the issue price for any advance refunding issuance, obtain and retain issue price certification by the purchasing underwriter at closing;
- h) After the issuance of an advance refunding issue, ensure timely identification of violations of any federal tax requirements and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

## 8. Continuing Disclosure

The board treasurer shall assure compliance with each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The board treasurer will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than 10 business days after the day of the occurrence of the event. Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- d) Unscheduled draws on credit enhancements relating to the bonds reflecting financial difficulties;
- e) Substitution of credit or liquidity providers, or their failure to perform;
- f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices, or determinations with respect to the tax-exempt status of the bonds, or material events affecting the tax-exempt status of the bonds;
- g) Modifications to rights of Holders of the Bonds, if material;
- h) Bond calls (excluding sinking fund mandatory redemptions), if material and tender offers;
- i) Defeasances of the bonds;
- j) Release, substitution, or sale of property securing repayment of the bonds, if material;
- k) Rating changes on the bonds;
- l) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- m) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2011).  
<http://www.irs.gov/taxexemptbond/article/0,,id=243503,00.html>

Cross Reference: 704 Revenue  
 707 Fiscal Reports

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## INVESTMENTS

School district funds in excess of current needs shall be invested in compliance with this policy. The goals of the school district's investment portfolio in order of priority are:

- To provide safety of the principal;
- To maintain the necessary liquidity to match expected liabilities; and
- To obtain a reasonable rate of return.

In making investments, the school district shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

School district funds are monies of the school district, including operating funds. "Operating funds" of the school district are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred and ninety-seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds.

The board authorizes the treasurer to invest funds in excess of current needs in the following investments.

- Interest bearing savings, money market, and checking accounts at the school district's authorized depositories;
- Iowa Schools Joint Investment Trust Program (ISJIT) and;
- Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions.

It shall be the responsibility of the treasurer to oversee the investment portfolio in compliance with this policy and the law.

The treasurer shall be responsible for reporting to and reviewing with the board at its regular meetings the investment portfolio's performance, transaction activity and current investments.

It shall be the responsibility of the superintendent to deliver a copy of this policy to the school district's depositories, auditor and outside persons doing investment business with the school district.

It shall also be the responsibility of the superintendent, in conjunction with the treasurer, to develop a system of investment practices and internal controls over the investment practices. The investment practices shall be designed to prevent losses, to document the officers' and employees' responsibility for elements of the investment process and address the capability of the management.

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## GIFTS , GRANTS, BEQUESTS AND MEMORIALS

### Gifts, Grants or Bequests

The board believes gifts, grants, and bequests to the school district may be accepted when they will further the interests of the school district. The board shall have sole authority to determine whether the gift furthers the interests of the school district.

Gifts, grants, and bequests shall be approved by the board. Once it has been approved by the board, a board member or the superintendent may accept the gift on behalf of the school district.

Gifts, grants, and bequests once accepted on behalf of the school district shall become the property of the school district. Gifts, grants, and bequests shall be administered in accordance with terms, if any, agreed to by the board.

### Memorials After Student/Staff Death

The board reserves the right to reject any and all memorials donated or purchased in memory of a current student or current staff member. Furthermore, the board reserves the right to cause all memorials currently on school properties to be discontinued. The following memorials are discouraged and may be rejected by the board:

1. Memorials that contain the picture of the deceased;
2. Memorials that may alter the conducting of a regular school instructional day;
3. Memorials that require the retirement or discontinued use of school property;
4. Memorials that require the altering of school property or school publications;
5. Memorials that require the altering of school activities or the school activities schedule;
6. Memorials that infringe on the separation of church and state and;
7. Memorials that require the use of public funds to purchase, develop or maintain.

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STUDENT ACTIVITIES FUND

Revenue raised by students or from student activities shall be deposited and accounted for in the student activities fund. This revenue is the property of and shall be under the financial control of the board. Students may use this revenue for purposes approved by the superintendent.

Whether such revenue is collected from student contributions, club dues, and special activities or result from admissions to special events or from other fund-raising activities, all funds will be under the jurisdiction of the board and under the specific control of the board president or board secretary. They will be deposited in a designated depository and will be disbursed and accounted for in accordance with instructions issued by the superintendent.

It shall be the responsibility of the board secretary to keep student activity accounts up-to-date and complete.

Any unencumbered class or activity account balances will automatically revert to the general fund of the school when a class graduates or an activity is discontinued.

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## ONLINE FUNDRAISING CAMPAIGNS – CROWDFUNDING

The Hinton School Board of Education believes online fundraising campaigns, including crowdfunding campaigns, may further the interests of the district. Any person or entity acting on behalf of the district and wishing to conduct an online fundraising campaign for the benefit of the district shall begin the process by seeking prior approval from the Superintendent. Money or items raised by an online fundraising campaign will be the property of the district only upon acceptance by the board, and will be used only in accordance with the terms for which they were given, as agreed to by the board.

Approval of requests shall depend on factors including, but not limited to:

- Compatibility with the district’s educational program, mission, vision, core values, and beliefs;
- Congruence with the district and school goals that positively impact student performance;
- The district’s instructional priorities;
- The manner in which donations are collected and distributed by the crowdfunding platform;
- Equity in funding; and
- Other factors deemed relevant or appropriate by the district.

If approved, the requestor shall be responsible for preparing all materials and information related to the online fundraising campaign and keeping district administration apprised of the status of the campaign.

The requestor is responsible for compliance with all state and federal laws and other relevant district policies and procedures. All items and money generated are subject to the same controls and regulations as other district property and shall be deposited or inventoried accordingly. No money raised or items purchased shall be distributed to individual employees.

## PURCHASING – BIDDING

The board supports economic development in Iowa, particularly in the school district community. As permitted by law, purchasing preference will be given to Iowa goods and services from locally-owned businesses located within the school district or Iowa based companies if the cost and other considerations are relatively equal and meet the required specifications. However, when spending federal Child Nutrition Funds, geographical preference is allowed only for unprocessed agricultural food items. Other statutory purchasing preferences will be applied as provided by law, including goals with regard to procurement from certified targeted small businesses, minority-owned businesses, and female owned businesses.

Prior to August 15 of each year and after analyzing the school district's anticipated procurement level for the current fiscal year, the school board will set a goal of ten percent of the anticipated procurement level to be purchased from certified targeted small businesses. In determining the procurement level, the cost of utilities (heat, electricity, telephone and natural gas) and employees' costs will not be included. After the goal has been established, the superintendent will file the required Targeted Small Business Procurement form with the Department of Education by August 15.

By July 31 of each year, the superintendent will file a report with the Department of Education outlining purchases of goods and services from targeted small businesses for the previous fiscal year.

The school board and superintendent will encourage targeted small businesses which are not certified with the Department of Inspections and Appeals to become certified targeted small businesses.

**Goods and Services**

The board shall enter into goods and services contract(s) as the board deems to be in the best interest of the school district. It shall be the responsibility of the superintendent to approve purchases, except those requiring board approval or as provided by in law. The superintendent may coordinate and combine purchases with other governmental bodies to take advantage of volume price breaks. Joint purchases with other political subdivisions will be considered in the purchase of equipment, accessories, or attachments with an estimated cost of \$50,000 or more.

Purchases for goods and services shall conform to the following:

- The superintendent shall have the authority to authorize purchases without prior board approval and without competitive request for proposals, quotations, or bids for goods and services up to \$10,000.
- For goods and services costing at least \$10,000 and up to \$100,000, the superintendent shall receive proposals, quotations, or bids for the goods and services to be purchased prior to board approval. The quotation process may be informal, and include written or unwritten quotations.
- For goods and services exceeding, \$100,000, the competitive request for proposal (RFP) or competitive bid process shall be used and received prior to board approval. RFPs and bids are formal, written submissions via sealed process.

In the event that only one quotation or bid is submitted, the board may proceed if the quotation or bid meets the contract award specifications.

Approved 1/21/2013

Reviewed 1/20/2017

Revised 10/17/2016

The contract award shall be based on the total cost considerations including, but not limited to the following:

- The cost of the goods and services being purchased;
- Availability of service and/or repair;
- The targeted small business procurement goal and other statutory purchasing preferences; and
- Other factors deemed relevant by the board.
- 

Purchases using federal child nutrition funds shall be made in accordance with procurement procedures required by law.

The thresholds and procedures related to purchases of goods and services do not apply to public improvement projects.

### **Public Improvements**

The board shall enter into public improvement contract(s) as the board deems to be in the best interest of the school district. 'Public improvement' means "a building or construction work which is constructed under the control of a governmental entity and is paid for in whole or in part with funds of the governmental entity, including a building or improvement constructed or operated jointly with any public or private agency."

The district shall follow all requirements, timelines, and processes detailed in Iowa law related to public improvement projects. The thresholds regarding when competitive bidding or competitive quotations is required will be followed. Competitive bidding is required for public improvement contracts exceeding the minimum threshold stated in law. Competitive quotations are required for public improvement projects that exceed the minimum threshold amount stated in law, but do not exceed the minimum set for competitive bidding. The board shall approve competitive bids and competitive quotes. If the total cost of the public improvement does not warrant either competitive bidding or competitive quotations, the district may nevertheless proceed with either of these processes, if it so chooses.

The award of all contracts for the public improvement shall be awarded to the lowest responsive, responsible bidder. In the event of an emergency requiring repairs to a school district facility that exceed bidding and quotation thresholds, please refer to sample policy 802.3.

The superintendent may develop an administrative process to implement this policy.

PURCHASING ON BEHALF OF EMPLOYEES

The school district shall not purchase items on behalf of employees. The school district may in unusual and unique circumstances do so. It shall be within the discretion of the board to determine when unique and unusual circumstances exist.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

REQUISITIONS AND PURCHASE ORDERS

Supplies, equipment, and services may only be approved for purchase by the superintendent. Requisition for supplies, equipment, and services shall be made by employees to their immediate supervisor. Only those purchases approved by the superintendent shall be processed by the school district.

The superintendent may authorize a procedure for the purchase of small, emergency items, usually at a cost of \$1,000, or less.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_



RECEIVING GOODS AND SERVICES

To assure goods and services procured by the school district are properly accounted for and are of the quality and type ordered, goods will be received by the board secretary. Goods and services which do not meet the requirements specified in the purchase order or contract will not be paid for or accepted.

If goods must be delivered to and received by someone other than the board secretary, it shall be the responsibility of that person to inform the board secretary, to assure the goods and services are properly accounted for, and to ensure they are of the quality and type ordered.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

APPROVAL AND PAYMENT FOR GOODS AND SERVICES

The board authorizes the issuance payment of claims against the school district for goods and services. The board will allow the payment after the goods and services have been received and accepted in compliance with board policy.

The board authorizes the board secretary or board treasurer, upon approval of the superintendent, to issue payment for verified bills, for reasonable and necessary expenses, when the board is not in session. The board secretary will examine the claims and verify bills. The board will approve the bills at its next regular meeting.

The secretary will determine to the secretary's satisfaction that the claims presented to the board are in order and are legitimate expenses of the school district. It is the responsibility of the secretary to bring claims to the board.

The board president and board secretary or board treasurer may sign warrants by use of a signature plate or rubber stamp. If the board president is unavailable to personally sign warrants, the vice president may sign warrants on behalf of the president.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

UNPAID WARRANTS

Generally, the board shall authorize claims to be paid only when sufficient revenue is available for such claims. The board may authorize the payment of claims for which insufficient funds are available.

When the board deems it necessary to authorize warrants without sufficient funds available, stamped warrants or anticipatory warrants may be authorized.

It shall be the responsibility of the board secretary to issue anticipatory warrants when needed.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

PETTY CASH

A petty cash fund shall be maintained by the school district in each building's administrative office for incidental expenditures. The petty cash fund in each building shall be a minimal amount as determined by the superintendent.

It shall be the responsibility of the building administrator to maintain and authorize expenditures from the petty cash fund.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

PAYROLL PERIODS

It shall be the policy of the board that all personnel of the school district be paid in accordance with the terms stated on their contracts, and that all personnel shall be paid on the day(s) of each month stated in their contracts or the last day of service of each month, whichever is earlier. If this day is a holiday, recess, or weekend, the payroll shall be paid on the last working day prior to the holiday, recess or weekend.

It shall be the responsibility of the board treasurer to issue payroll to employees in compliance with this policy.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

PAYROLL DEDUCTIONS

Ease of administration shall be the primary consideration for payroll deductions, other than those required by law. Payroll deductions shall be made for federal income tax withholdings, Iowa income tax withholdings, social security, and the Iowa Public Employees' Retirement System (IPERS).

Employees may elect to have payments withheld for professional dues, district-related and mutually agreed upon group insurance coverage, and/or tax sheltered annuity programs. Requests for these deductions shall be made in writing to the superintendent. Requests for purchase or change of tax-sheltered annuities may be made anytime.

It shall be the responsibility of the superintendent to determine which additional payroll deductions will be allowed.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## PAY DEDUCTIONS

The district provides leaves of absences to allow employees to be absent from work to attend to important matters outside of the workplace. As public employers, school districts are expected to record and monitor the work that employees perform and to conform to principles of public accountability in their compensation practices.

Consistent with principles of public accountability, it is the policy of the district that, when an employee is absent from work for less than one work day and the employee does not use accrued leave for such absence, the employee's pay will be reduced or the employee will be placed on leave without pay if:

- the employee has not sought permission to use paid leave for this partial-day absence,
- the employee has sought permission to use paid leave for this partial-day absence and permission has been denied,
- the employee's accrued paid leave has been exhausted, or
- the employee chooses to use leave without pay.

In each case in which an employee is absent from work for part of a work day, a deduction from compensation will be made or the employee will be placed on leave without pay for a period of time which is equal to the employee's absence from the employee's regularly scheduled hours of work on that day.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

PAY DEDUCTION REGULATION

The district complies with all applicable laws with respect to payment of wages and benefits to employees including laws such as the federal Fair Labor Standards Act and the Iowa Wage Payment Collection Act. The district will not make pay deductions that violate either the federal or state laws.

Any employee who believes that the district has made an inappropriate deduction or has failed to make proper payment regarding wages or benefits is encouraged to immediately consult with the appropriate supervisor. Alternatively, any employee may file a formal written complaint with the Board Secretary. Within 15 business days of receiving the complaint, the Board Secretary will make a determination as to whether the pay deductions were appropriate and provide the employee with a written response that may include reimbursement for any pay deductions that were not appropriately made.

This complaint procedure is available in addition to any other complaint process that also may be available to employees.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_



SECRETARY'S AND TREASURER'S REPORTS

The board secretary and/or the board treasurer shall report to the board each month about the receipts, disbursements and balances of the various funds. This report shall be in written form and sent to the board with the agenda for the board meeting.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

TREASURER'S ANNUAL REPORT

At the annual meeting, the treasurer shall give the annual report stating the amount held over, received, paid out, and on hand in the general and schoolhouse funds. This report shall be in written form and sent to the board with the agenda for the board meeting. The treasurer shall also furnish the board with a sworn statement from each depository showing the balance then on deposit.

It shall be the responsibility of the treasurer to submit this report to the board annually.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

PUBLICATION OF FINANCIAL REPORTS

Each month the schedule of bills allowed by the board shall be published in a newspaper designated as a newspaper for official publication. Annually, the total salaries paid to employees regularly employed by the school district shall also be published in a newspaper designated as a newspaper for official publication.

It shall be the responsibility of the board secretary or board treasurer to publish these reports in a timely manner.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

AUDIT

To review the funds and accounts of the school district, the board shall employ an auditor to perform an annual audit of the financial affairs of the school district. The superintendent shall use a request for proposal procedure in selecting an auditor. The administration shall cooperate with the auditors.

Results of the audit shall be made part of the official records of the board.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## INTERNAL CONTROLS

The Board expects all board members, employees, volunteers, consultants, vendors, contractors, students and other parties maintaining any relationship with the school district to act with integrity, due diligence, and in accordance with all laws in their duties involving the school district's resources. The board is entrusted with public dollars and no one connected with the school district should do anything to erode that trust.

Internal control is the responsibility of all employees of the school district. The superintendent, business manager and board secretary shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, financial impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor, the superintendent, and/or the board. The superintendent shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the board's legal counsel, auditing firm, and other internal or external departments and agencies, including law enforcement officials, as the superintendent may deem appropriate.

Employees bringing forth a legitimate concern about a potential impropriety will not be retaliated against and those who do retaliate against such an employee will be subject to disciplinary action up to, and including, discharge.

In the event the concern or complaint involves the superintendent, the concern shall be brought to the attention of the board vice-president, who shall be empowered to contact the board's legal counsel, insurance agent, auditing firm, and any other agency to investigate the concern or complaint.

Upon approval of the board, the superintendent may contact the State Auditor or elect to employ the school district's auditing firm or State Auditor to conduct a complete or partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The superintendent is authorized to order a complete forensic audit if, in the superintendent's judgment, such an audit would be useful and beneficial to the school district. The superintendent shall ensure the State Auditor is notified of any suspected embezzlement or theft pursuant to Iowa law. In the event, there is an investigation, records will be maintained for use in the investigation. Individuals found to have altered or destroyed records will be subject to disciplinary action, up to, and including termination.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

INTERNAL CONTROLS PROCEDURES

Fraud, financial improprieties, or irregularities include, but are not limited to:

- Forgery or unauthorized alteration of any document or account belonging to the district.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling of money or reporting of financial transactions.
- Profiteering because of “insider” information of district information or activities.
- Disclosing confidential and/or proprietary information to outside parties.
- Accepting or seeking anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.
- Destroying, removing, or inappropriately using district records, furniture, fixtures, or equipment.
- Failing to provide financial records to authorized state or local entities.
- Failure to cooperate fully with any financial auditors, investigators or law enforcement.
- Any other dishonest or fraudulent act involving district monies or resources.

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.

If an investigation substantiates the occurrence of a fraudulent activity, the superintendent or board vice-president if the investigation centers on the superintendent, shall issue a report to the board and appropriate personnel. The final disposition of the matter and any decision to file or not file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with district legal counsel. The results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know until the results are made public.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## CARE, MAINTENANCE AND DISPOSAL OF SCHOOL DISTRICT RECORDS

School district records are housed in the central administration office of the school district. It is the responsibility of the superintendent and board secretary to oversee the maintenance and accuracy of the records. The following records are kept and preserved according to the schedule below:

• Secretary's financial records	Permanently
• Treasurer's financial records	Permanently
• Open meeting minutes of the Board of Directors	Permanently
• Annual audit reports	Permanently
• Annual budget	Permanently
• Permanent record of individual pupil	Permanently
• School election results	Permanently
• Real property records (e.g., deeds, abstracts)	Permanently
• Records of payment of judgments against the school district	20 years
• Bonds and bond coupons	11 years after maturity, cancellation, transfer, redemption, and/or replacement
• Written contracts	10 years
• Cancelled warrants, check stubs, bank statements, bills, invoices, and related record	5 years
• Recordings and minutes of closed meetings	1 year
• Program grants	As determined by the grant
• Nonpayroll personnel records	10 years after leaving district
• Employment applications	2 years
• Payroll records	3 years
• School meal programs accounts/records	3 years after submission of the final claim for reimbursement

In the event that any federal or state agency requires a record be retained for a period of time longer than that listed above for audit purposes or otherwise, the record shall be retained beyond the listed period as long as is required for the resolution of the issue by the federal or state agency.

Employees' records are housed in the central administration office of the school district. The employees' records are maintained by the superintendent, the building administrator, the employee's immediate supervisor, and the board secretary.

An inventory of the furniture, equipment, and other nonconsumable items other than real property of the school district is conducted annually under the supervision of the superintendent. This report is filed with the board secretary.

The permanent and cumulative records of students currently enrolled in the school district are housed in the central administration office of the attendance center where the student attends. Permanent records shall be housed in a fire resistant safe or vault or electronically with a secure backup file. The building administrator is responsible for keeping these records current. Permanent records of students who have graduated or are no longer enrolled in the school district are housed in the room by the high school principal and will be retained permanently. These records will be maintained by the superintendent.

Special education records shall be maintained in accordance with law.

The superintendent may digitize or otherwise electronically retain school district records and may destroy paper copies of the records. An electronic record which accurately reflects the information set forth in the paper record after it was first generated in its final form as an electronic record, and which remains accessible for later reference meets the same legal requirements for retention as the original paper record.



## INSURANCE PROGRAM

The board will maintain a comprehensive insurance program to provide adequate coverage against major types of risk, loss, or damage, as well as legal liability. The board will purchase insurance at replacement values, when possible, after reviewing the costs and availability of such insurance. The comprehensive insurance program shall be reviewed once every three years. Insurance will only be purchased through legally licensed Iowa insurance agents.

The school district will assume the risk of property damage, legal liability, and dishonesty in cases in which the exposure is so small or dispersed that a loss does not significantly affect the operation of the education program or financial condition of the school district.

Insurance of buildings, structures, or property in the open will not generally be purchased to cover loss exposures below \$500 unless such insurance is required by statute or contract.

The board may retain a private organization for fixed assets management services.

Administration of the insurance program, making recommendations for additional insurance coverage, placing the insurance coverage and loss prevention activities shall be the responsibility of the superintendent. The board secretary shall be responsible for maintaining the fixed assets management system, processing claims and maintaining loss records.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

INSURANCE REPORT

At the annual meeting each year, the board shall receive a written report indicating the types, amounts of, and cost of the insurance for the school district. This report shall include bonds purchased for employees and board officers. It shall be in written form and sent to the board with the agenda for the board meeting.

It shall be the responsibility of the board secretary to file this report with the board.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## SCHOOL FOOD PROGRAM

The school district will operate a school food program in each attendance center. The school food program services will include hot breakfast and lunches through participation in the National School Lunch Program and supplementary foods for students during the school day. Students may bring their own food from home and purchase milk or juice and other incidental items.

School food service facilities are provided to serve students and employees when school is in session and during school-related activities. They may also be used under the supervision of the head cook for food service to employee groups, parent-teacher meetings, civic organizations meeting for the purpose of better understanding the schools, and senior citizens in accordance with board policy.

The school food program is operated on a nonprofit basis. The revenues of the school food program will be used only for paying the regular operating costs of the school food program. Supplies of the school food program shall only be used for the school food program.

The board will set, and periodically review, the prices for school meals and special milk programs. It shall be the responsibility of the superintendent to make a recommendation regarding the prices of school meals and milk.

It shall be the responsibility of the board secretary to administer the program and to cooperate with the superintendent and head cook for the proper functioning of the school food program.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

FREE OR REDUCED COST MEALS ELIGIBILITY

Students enrolled and attending school in the school district, who are unable to afford the special milk program, the cost or a portion of the cost of the school lunch, breakfast and supplemental foods, will be provided the school food program services at no cost or at a reduced cost.

It shall be the responsibility of the board secretary to determine if a student qualifies for free or reduced cost school food services. Students, whom the principal believes are improperly nourished, will not be denied the school food program services simply because the paperwork has not been completed.

Employees, students and others will be required to purchase tickets for meals consumed.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

VENDING MACHINES

Food served or purchased by students during the school day and food served or purchased for other than special circumstances shall be approved by the superintendent. Vending machines in the school building shall be the responsibility of the building principal. Purchases from the vending machines, other than juice machines, shall not be made during the lunch periods.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

RECORDS AND REPORTS

The records of the school food program shall be accurate and up-to-date. It shall be the responsibility of the board secretary or board treasurer to maintain the records of the program in compliance with this policy and the accounting system of the school district.

The board secretary or board treasurer shall report the food service activities to the board on a monthly basis.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## MEAL CHARGES

In accordance with state and federal law, the Hinton School District adopts the following policy to ensure school district employees, families, and students have a shared understanding of expectations regarding meal charges. The policy seeks to allow students to receive the nutrition they need to stay focused during the school day, prevent the overt identification of students with insufficient funds to pay for school meals, and maintain the financial integrity of the nonprofit school nutrition program.

### **Payment of Meals**

Students have use of a meal account. When the balance reaches \$0.00 a student may charge no more than \$20 to this account. When an account reaches this limit, a student shall not be allowed to charge further meals or a la carte items until the negative account balance is paid. Families can add money to the account on Payschools or present money to the office at school for credit applied towards lunch account.

Students who qualify for free meals shall never be denied a reimbursable meal, even if they have accrued a negative balance from previous purchases. Students with outstanding meal charge debt shall be allowed to purchase a meal if the student pays for the meal when it is received.

Employees may use a charge account for meals, but may charge no more than \$20 to this account. When an account reaches this limit, an employee shall not be allowed to charge further meals or a la carte items until the negative account balance is paid.

### **Negative Account Balances**

The school district will make reasonable efforts to notify families when meal account balances are low. Additionally, the school district will make reasonable efforts to collect unpaid meal charges classified as delinquent debt. The school district will coordinate communications with families to resolve the matter of unpaid charges. Families will be notified of an outstanding negative balance once the negative balance reaches \$10. Families will be notified by email and or letters sent home of Negative balances of more than \$50 not paid prior to end of the school year will be turned over to the superintendent or superintendent's designee for collection. Options may include: collection agencies, small claims court, or any other legal method permitted by law.

## MEAL CHARGES

### **Communication of the Policy**

The policy and supporting information regarding meal charges shall be provided in writing to:

- All households at or before the start of each school year;
- Students and families who transfer into the district, at time of transfer; and
- All staff responsible for enforcing any aspect of the policy.

Records of how and when the policy and supporting information was communicated to households and staff will be retained.

The superintendent may develop an administrative process to implement this policy.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.*  
7 C.F.R. §§ 210 *et seq.*  
U.S. DEP'T OF AGRIC., SP 46-2016, UNPAID MEAL CHARGES: LOCAL MEAL CHARGE POLICIES (2016).  
U.S. DEP'T OF AGRIC., SP 47-2016, UNPAID MEAL CHARGES: CLARIFICATION ON COLLECTION OF DELINQUENT MEAL PAYMENTS (2016).  
U.S. DEP'T OF AGRIC., SP 57-2016, UNPAID MEAL CHARGES: GUIDANCE AND Q&A (2016).  
Iowa Code 283A.  
281 I.A.C. 58.

Cross Reference: 710.1 School Food Program  
710.2 Free or Reduced Cost Meals Eligibility  
710.3 Vending Machine

Approved 1/21/2013

Reviewed 1/20/2017

Revised 7/19/2017



## STUDENT SCHOOL TRANSPORTATION ELIGIBILITY

Elementary and middle school students living more than two miles from their designated school attendance centers and high school students living more than three miles from their designated attendance centers shall be entitled to transportation to and from their attendance center at the expense of the school district.

Transportation of students who require special education services shall generally be provided as for other students, when appropriate. Specialized transportation of a student to and from a special education instructional service is a function of that service and, therefore, an appropriate expenditure of special education instructional funds generated through the weighting plan.

Transportation of a student to and from a special education support service is a function of that service, and shall be specified in the individualized education program (IEP) or the individualized family service plan (IFSP). When the IEP or IFSP team determines that unique transportation arrangements are required and the arrangements are specified in the IEP or IFSP, the school district will provide one or more of the following transportation arrangements for instructional services and the AEA for support services:

- Transportation from the student's residence to the location of the special education and back to the student's residence, or child care placement for students below the age of six.
- Special assistance or adaptations in getting the student to and from and on and off the vehicle, en route to and from the special education.
- Reimbursement of the actual costs of transportation when by mutual agreement the parents provide transportation for the student to and from the special education.

The school district is not required to provide reimbursement to parents who elect to provide transportation in lieu of agency-provided transportation.

A student may be required, at the board's discretion, to meet a school vehicle without reimbursement up to three-fourths of a mile. The board may require the parent to transport their children up to two miles to connect with school bus vehicles at the expense of the school district when conditions deem it advisable. It shall be within the discretion of the board to determine such conditions. Parents of students who live where transportation by bus is impracticable or unavailable may be required to furnish transportation to and from the designated attendance center at the expense of the school district. Parents, who transport their children at the expense of the school district, shall be reimbursed at the rate per mile set by the state.

Transportation arrangements made by agreement with a neighboring school district shall follow the terms of the agreement. Students, who choose to attend a school in a school district other than their resident school district, shall provide transportation to and from the school at their own expense.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

STUDENT CONDUCT ON SCHOOL TRANSPORTATION

Students utilizing school transportation shall conduct themselves in an orderly manner fitting to their age level and maturity with mutual respect and consideration for the rights of the school vehicle driver and the other passengers. Students who fail to behave in an orderly manner will be subject to disciplinary measures.

The driver shall have the authority to maintain order on the school vehicle. It shall be the responsibility of the driver to report misconduct to the building administrator.

The board supports the use of video cameras on school buses used for transportation to and from school as well as for field trips, curricular or extracurricular events. The video cameras will be used to monitor student behavior and may be used as evidence in a student disciplinary proceeding. The videotapes are student records subject to school district confidentiality, board policy and administrative regulations.

The building principal shall have the authority to give a warning or suspend transportation privileges of the student or impose other appropriate discipline.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

## STUDENT CONDUCT ON SCHOOL TRANSPORTATION REGULATION

All persons riding in school district vehicles shall adhere to the following rules. The driver, sponsor or chaperones are to follow the school bus discipline procedure for student violations of this policy. Video cameras may be in operation on the school buses.

1. Bus riders shall be at the designated loading point before the bus arrival time.
2. Bus riders shall wait until the bus comes to a complete stop before attempting to enter.
3. Riders must not extend arms or heads out of the windows at any time.
4. Aisles must be kept cleared at all times.
5. All bus riders shall load and unload through the right front door. The emergency door is for emergencies only.
6. A bus rider will depart from the bus at the designated point unless written permission to get off at a different location is given to the driver.
7. A rider may be assigned a seat by the driver.
8. Riders who damage seats or other equipment will reimburse the district for the cost of the repair or replacement.
9. Riders are not permitted to leave their seats while the vehicle is in motion.
10. Waste containers are provided on all buses for bus riders' use.
11. Permission to open windows must be obtained from the driver.
12. Classroom conduct is to be observed by students while riding the bus except for ordinary conversation.
13. The driver is in charge of the students and the vehicle, and the driver is to be obeyed promptly and cheerfully.
14. Students shall assist in looking after the safety and comfort of younger students.
15. A bus rider who must cross the roadway to board or depart from the bus shall pass in front of the bus (no closer than 10 feet), look in both directions and proceed to cross the road or highway only on signal from the driver.
16. Students shall not throw objects about the vehicle nor out through the windows.
17. Shooting paper wads, squirt guns or other material in the vehicle is not permitted.
18. Students shall keep feet off the seats.
19. Roughhousing in the vehicle is prohibited.
20. Students shall refrain from crowding or pushing.
21. The use or possession of alcohol, tobacco or look-alike substances is prohibited in the vehicle.
22. The Good Conduct Rule is in effect.

Approved 1/21/2013Reviewed 1/20/2017

Revised \_\_\_\_\_

## USE OF VIDEO CAMERAS ON SCHOOL BUSES REGULATION

The board supports the use of video cameras on school buses as a means to monitor and maintain a safe environment for students and employees. The video cameras may be used on buses used for transportation to and from school, field trips, curricular events and extracurricular events. The contents of the videotapes may be used as evidence in a student disciplinary proceeding.

### Student Records

The content of the videotapes is a student record subject to board policy and administrative regulations regarding confidential student records. Only those persons with a legitimate educational purpose may view the videotapes. In most instances, those individuals with a legitimate educational purpose may be the superintendent, building principal, transportation director, bus driver and special education staffing team. A videotape recorded during a school-sponsored trip, such as an athletic event, may also be accessible to the sponsor or coach of the activity. If the content of the videotape becomes the subject of a student disciplinary proceeding, it may be treated like other evidence in the proceeding.

### Notice

The school district will annually provide the following notice to students and parents:

The Hinton Community School District Board of Directors has authorized the use of video cameras on school district buses. The video cameras will be used to monitor student behavior to maintain order on the school buses to promote and maintain a safe environment. Students and parents are hereby notified that the content of the videotapes may be used in a student disciplinary proceeding. The content of the videotapes are confidential student records and will be retained with other student records. Videotapes will only be retained if necessary for use in a student disciplinary proceeding or other matter as determined necessary by the administration. Parents may request to view videotapes of their child if the videotapes are used in a disciplinary proceeding involving their child.

The following notice will also be placed on all school buses equipped with a video camera:

This bus is equipped with a video/audio monitoring system.

### Review of Videotapes

The school district shall review videotapes as necessary. The videotapes may be re-circulated for erasure after so many days. Viewing of videotapes is limited to the individuals having a legitimate educational purpose. A written log will be kept of those individuals viewing the videotapes stating the time, name of individual viewing and the date the videotape was viewed.

### Video Monitoring System

Video cameras will be rotated randomly on school district buses. Determination of how video cameras will be used and which school buses will be equipped with video equipment will be made by the superintendent in consultation with the building principals and transportation director.

### Student Conduct

Students are prohibited from tampering with the video cameras on the school buses. Students found in violation of this regulation shall be disciplined in accordance with the school district discipline policy and Good Conduct Rule and shall reimburse the school district for any repairs or replacement necessary as a result of the tampering.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

STUDENT TRANSPORTATION FOR EXTRACURRICULAR ACTIVITIES

The board in its discretion may provide school district transportation for extracurricular activities including, but not limited to, transporting student participants and other students to and from extracurricular events.

Students participating in extracurricular events, other than those held at the school district facilities, may be transported to the extracurricular event by school district transportation vehicles or by another means approved by the superintendent. Students attending extracurricular events, other than those held at the school district facilities may be transported to the extracurricular event by school district transportation vehicles.

Students, who are provided transportation in school district transportation vehicles for extracurricular events, shall ride both to and from the event in the school vehicle unless arrangements have been made with the building principal prior to the event. A student's parent may personally appear and request to transport the student home from a school-sponsored event in which the student traveled to the event on a school district transportation vehicle.

It shall be the responsibility of the superintendent to make a recommendation to the board annually as to whether the school district shall provide the transportation authorized in this policy. In making the recommendation to the board, the superintendent shall consider the financial condition of the school district, the number of students who would qualify for such transportation, and other factors the board or superintendent deem relevant.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

TRANSPORTATION EQUIPMENT

The school district shall purchase transportation vehicles which meet the requirements of the board and the Iowa Department of Education. The purchase of such vehicles shall be in compliance with board policy.

School district student transportation vehicles shall be inspected by the Iowa Department of Education. It shall be the responsibility of the superintendent to arrange for the inspection of the school district transportation vehicles requiring inspection and to develop a program for routine maintenance of school district vehicles.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

SCHOOL VEHICLE ROUTES

The board shall annually approve and review the school district bus routes. It shall be the responsibility of the superintendent to develop the school bus routes keeping in mind the safety of the students, the size of the school buses, the length of the route, the cost to the school district, and other factors deemed relevant by the superintendent. The superintendent shall also develop emergency school bus routes that may be necessary due to weather or other conditions.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

DISCRETIONARY STOPS BY SCHOOL VEHICLES

The school district is required to provide a certain level of transportation service to its resident students. The board has complete discretion to provide additional transportation service to its resident and nonresident students. School district transportation vehicles may, at the discretion of the board, make special stops on the bus route as a courtesy to the passengers. Changes in the bus route for discretionary stops must be reviewed by the board.

It shall be the responsibility of the superintendent to recommend to the board whether a school vehicle will make a discretionary stop. In making this recommendation, the superintendent shall consider the safety of the students, the size of the school buses, the length of the route, the cost to the school district, and other factors deemed relevant by the board or superintendent.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_



TRANSPORTATION OF NONSCHOOL GROUPS

Only in unusual circumstances will the board make school district transportation vehicles available to local nonprofit entities which promote cultural, educational, civic, community, or recreational activities for transporting to and from nonschool-sponsored activities in the state.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

TRANSPORTATION OF NONSCHOOL GROUPS REGULATION

Any use of school district vehicles by non-school groups shall be subject to the following guidelines:

1. Requests must be made a minimum of one week in advance. If the request interferes or conflicts with school district use of the vehicle, the request will be denied. The final decision of whether a request will be granted is within the discretion of the administration.
2. Requests must be made by recognized youth organizations and/or groups or organizations sponsoring projects in the interest of the local community, state or national benefit or welfare.
3. The rental period will be negotiated directly with the administration.
4. Adult chaperones may be required to accompany the bus driver and riders.
5. All requests will be charged bus and driver fees.
6. Alcoholic beverages and tobacco products are prohibited on school district vehicles.
7. Whenever damage caused by vandalism or carelessness results, the group shall reimburse the school district for cost of repairs and may be denied further use of school district vehicles.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

SCHOOL BUS SAFETY INSTRUCTION

The school district shall conduct school bus safe riding practices instruction and emergency safety drills twice a year for students who utilize school district transportation.

Each school bus vehicle shall have, in addition to the regular emergency safety drill, a plan for helping those students who require special assistance to safety during an emergency. This shall include, but not be limited to, students with disabilities.

School district vehicle drivers are required to attend each safety drill.

Employees shall be responsible for instructing the proper techniques to be followed during an emergency, as well as safe riding practices.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_

TRANSPORTATION IN INCLEMENT WEATHER

School district buses will not operate when weather conditions due to fog, rain, snow or other natural elements make it unsafe to do so. Because weather conditions may vary around the school district and may change quickly, the best judgment possible will be used with the information available.

The final judgment as to when conditions are unsafe to operate will be made by the superintendent. The superintendent will be assisted by the actual "on location" decisions and reports of the drivers.

Several drivers each year will be specially designated to report weather and road conditions by bus radio when requested to do so. Other employees and students will be notified by commercial radio when school is cancelled or temporarily delayed. When school is cancelled because of weather anywhere in the school district, all schools will be closed.

When weather conditions deteriorate during the day after school has begun, cancellation notices will be announced by commercial radio. Students will be returned to their regular drop-off sites unless weather conditions prevent it. In that case, students will be kept at or returned to school until they are picked up by the parents.

Approved 1/21/2013

Reviewed 1/20/2017

Revised \_\_\_\_\_