

# WHITEWATER SCHOOL DISTRICT

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## 7000 SERIES FINANCIAL MANAGEMENT

### TABLE OF CONTENTS

7000	Goals
7008	Tuition
7110	Budget and Program Planning
7121	Budget Adjustments
7210	Revenues
7231 - 7231P	Federal Impact Funds
7251	Disposal of School District Property Without a Vote
7260	Endowments, Gifts, and Investments
7310	Budget Implementation and Execution
7320	Purchasing
7325	Accounting System Design
7326	Documentation and Approval of Claims
7329	Petty Cash Funds
7330 - 7330F	Payroll Procedures/Schedules
7332	Advertising in Schools/Revenue Enhancement
7335	Personal Reimbursements
7336	Travel Allowances and Expenses
7400	Credit Card Use
7410	Fund Accounting System
7425	Extra- and Co-Curricular Funds
7430	Financial Reporting and Audits
7500	Property Records
7510	Capitalization Policy for Fixed Assets
7515	GASB 54
7520	Independent Investment Accounts



## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7000

#### Goals

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

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

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

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

Legal Reference: Title 20, Chapter 9, MCA Finance

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7008

Tuition

Whenever a pupil who does not reside in the District is to be enrolled in the District, either by choice or by placement, an attendance agreement must be filed with the Board. The terms of the agreement must include tuition rate, the party responsible for paying tuition and the schedule of payment, transportation charges, if any, and the party responsible for paying transportation costs.

Tuition rates shall be determined consistent with Montana law and approved by the Board annually.

Cross Reference: 3141 Discretionary Nonresident Student Attendance Policy

Legal Reference:	§ 20-5-314, MCA	Reciprocal attendance agreement with adjoining state or province
	§ 20-5-316, MCA	Out-of-state tuition
	§ 20-5-320, MCA	Attendance with discretionary approval
	§ 20-5-321, MCA	Attendance with mandatory approval - tuition and transportation
	§ 20-5-322, MCA	Residency determination - notification - appeal for attendance agreement
	§ 20-5-323, MCA	Tuition and Transportation rates
	10.10.301, ARM	Out-of-district attendance agreements

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7110

#### Budget and Program Planning

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

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

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

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7121

Budget Adjustments

When any budgeted fund line item is in excess of the amount required, the Board may transfer any of the excess appropriation to another line item(s) within the same fund.

The Board authorizes the administration to transfer line items within the same budgeted fund to adjust line item overdrafts or to meet special line item needs. Line item budget transfers to adjust line item overdrafts are at the discretion of the administrators.

Total budget expenditures for each fund as adopted in the final budget shall constitute the appropriations of the District for the ensuing fiscal year. The Board shall be limited in the incurring of expenditures to the total of such appropriations.

With timely notice of a public meeting, trustees, by majority vote of those present, may declare by resolution that a budget amendment (in addition to the final budget) is necessary. Budget amendments are authorized by § 20-9-161, MCA, for specified reasons.

The resolution shall state the facts of the budget amendment, the estimated amount of funds needed, and the time and place the Board will meet for the purpose of considering and adopting a budget amendment.

The meeting to adopt a budget amendment shall be open and shall provide opportunity for any taxpayer to appear and be heard. Budget procedures shall be consistent with statutory requirements. When applicable, the District shall apply for state financial aid to supplement that amount to be collected from local taxes.

Legal Reference:	§ 20-9-133, MCA	Adoption and expenditure limitations of final budget
	§ 20-9-161, MCA	Definition of budget amendment for budgeting purposes
	§ 20-9-162, MCA	Authorization for budget amendment adoption
	§ 20-9-163, MCA	Resolution for budget amendment
	§ 20-9-164, MCA	Notice of budget amendment resolution
	§ 20-9-165, MCA	Budget amendment limitation, preparation and adoption procedures
	§ 20-9-166, MCA	State financial aid for budget amendments
	§ 20-9-208, MCA	Transfer among appropriation items of a fund

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7210

#### Revenues

The District will seek and utilize all available sources of revenue for financing its educational programs. This includes revenues from non-tax, local, state and federal sources. All revenues received for the District will be properly credited to the appropriate fund and account as specified by federal and state statute and the accounting and reporting regulations for Montana school districts.

The District will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District will make an effort to collect all revenues due from all sources, including, but not limited to, rental fees, bus fees, fines, tuition fees, other fees and charges. Uncollectible checks may be turned over to the county attorney for collection.

Legal Reference:      § 20-9-303, MCA      Definition of foundation program

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## Whitewater School District

### FINANCIAL MANAGEMENT

7231  
page 1 of 2

#### Federal Impact Funds

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

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

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

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

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



Assessments

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

Legal Reference:	20 U.S.C.S. 7701, et seq.	The Impact Aid Program Statute (Title VIII of the Elementary and Secondary Education Act of 1965)
	34 CFR 222.94	What provisions must be included in a local educational agency's Indian policies and procedures?

Policy History:

Adopted on: February 13, 2012

Reviewed on:

Revised on:

## Whitewater School District

### FINANCIAL MANAGEMENT

7231P  
page 1 of 2

#### Federal Impact Funds

The Board adopts the following procedures as required by Title VIII (Impact Aid Program) of the Elementary and Secondary Education Act:

- The Superintendent and/or his/her designee will meet at least two (2) times annually with tribal officials and parents of Indian children. The purpose of the meetings will be to give tribal officials and parents of Indian children an opportunity to comment on whether Indian children are participating on an equal basis with other children in the District in the educational programs and activities offered by the District. The dates and times of these meetings will be sent to tribal officials and parents of Indian children at the beginning of each school year. In addition to the meetings, tribal officials and parents of Indian children are encouraged to contact the Superintendent at any time to provide comments or concerns regarding Indian children's equal participation in the education programs of the District.
2. Each year the Board will review this procedure and the District's Impact Aid Policy (7231).
  3. The Superintendent and/or his/her designee will review school data and the comments and/or concerns of tribal officials, parents of Indian children, the community, and staff members regarding the assessment and extent of Indian students' participation and progress in the educational programs and services of the District.
  4. When assessment data indicate Indian students are not participating on an equal basis with non-Indian students or making adequate progress, tribal officials and parents of Indian children will be asked to make recommended changes.
  5. The complete Title VIII application will be sent to tribal officials (and the Indian Education Center, if appropriate) and a summary prepared for all Indian parents in conjunction with the January Title VIII public hearing. Review of new or continuing programs is an ongoing process of the Board. Agendas will be regularly forwarded to Tribal officials. An annual summary will be provided at the January Title VIII public hearing. Additional information is available upon request. A Board meeting will be held, usually in January, for the discussion of the disseminated material as part of a regular Board agenda. Tribal officials and Indian parents and staff will be notified at least ten (10) days prior to the meeting. Notice will be posted in the school's District office and school offices and will be sent to the Tribal Council (and Education Center) for posting.
  6. At the Board meeting described in 5, above, members of the Indian community will be afforded the opportunity to comment and suggest alternatives to the regularly scheduled times, locations, and frequency of pertinent meetings.

7. Tribal officials, Indian parents, the Title IX Indian Parent Committee, the IPP Committee, and Indian Education Center staff will be notified as to the location and times of meetings in the same manner as that provided for the January Board meeting. Notice will be posted in the school's District office, at school offices, and will also be sent to the Tribal Council and the Tribal Education Center for posting.
8. The Title VIII application will be made available for review by the Title IX Parent Committee and/or the IPP Committee and other interested members of the Indian community, prior to the public meeting generally held in January.

A Board meeting to discuss equal participation of Indian students will generally be held in January.

The Title IX Parent Committee and/or the IPP Committee and interested Indian parents and tribal officials will review assessment data to develop or modify educational programs or services to allow participation of Indian students on an equal basis. These findings and recommendations will be presented to the Board in March or as required by federal guidelines.

Members of the Indian community, tribal officials, members of the Parent Committee and/or the IPP Committee, and staff will be notified of modifications to programs or services as provided in 5, above.

Legal Reference:	20 U.S.C.S. 7701, et seq.	The Impact Aid Program Statute (Title VIII of the Elementary and Secondary Education Act of 1965)
	34 CFR 222.94	What provisions must be included in a local educational agency's Indian policies and procedures?

Procedure History:

Adopted on: February 13, 2012

Reviewed on:

Revised on:

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7251

Disposal of School District Property Without a Vote

The Board is authorized to dispose of a site, building, or any other real or personal property of the District, that is or is about to become abandoned, obsolete, undesirable, or unsuitable for school purposes.

To affect proper disposal, the Trustees shall pass a resolution stating their decision concerning property disposal. The resolution will not become effective until fourteen (14) days after the resolution is published in a newspaper of general circulation in the District.

Should any taxpayer properly protest the resolution during the fourteen (14) days after the date of publication, the Trustees shall submit testimony to the court with jurisdiction.

Once the resolution is effective, or if appealed the decision has been upheld by the court, the Trustees shall sell or dispose of the real or personal property in a reasonable manner determined to be in the best interests of the District. Proceeds from the sale of fixed assets can be deposited to the general, debt service, building, or any other appropriate fund.

Legal Reference:       § 20-6-604, MCA       Sale of property when resolution passed after hearing — appeal procedure

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## Whitewater School District

### FINANCIAL MANAGEMENT

7260

#### Endowments, Gifts, and Investments

The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions imposed by the donor. Endowments received by the District will be deposited to an endowment fund as an expendable or non-expendable trust. Neither the Board nor the Superintendent will approve any gifts that are inappropriate.

The Board authorizes the Superintendent to establish procedures for determining the suitability or appropriateness of all gifts to be received and accepted by the District.

Educational foundations which seek to promote, enhance and enable educational opportunities and school improvement activities in the District may solicit and receive tax-deductible funds from donors. Educational foundations may be sanctioned by the Board but not managed or directed by it. The Board may appoint non-voting advisors to the foundation board if the by-laws of the foundation permit that action.

The Board directs that all school funds be invested in a prudent manner so as to achieve maximum economic benefit to the District. Funds not needed for current obligations may be invested in investment options as set out in Montana statutes whenever it is deemed advantageous to the District to do so.

Legal Reference:	§ 20-6-601, MCA	Power to accept gifts
	§ 20-7-803, MCA	Authority to accept gifts
	§ 20-9-212, MCA	Duties of county treasurer
	§ 20-9-213(4), MCA	Duties of trustees
	§ 20-9-604, MCA	Gifts, legacies, devises, and administration of endowment fund

#### Policy History:

Adopted on: November , 2001

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7310

Budget Implementation and Execution

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

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Montana and adopted Board policies.
2. Funds held for contingencies may not be expended without approval from the Board.
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board ratification each month.
4. Purchases shall be made according to the legal requirements of the State of Montana and adopted Board policy.

Legal Reference:     § 20-9-213, MCA     Duties of trustees  
                          § 20-3-332, MCA     Personal immunity and liability of trustees

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

# Whitewater School District

## FINANCIAL MANAGEMENT

7320

### Purchasing

#### Authorization and Control

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds Five Thousand Dollars (\$5,000), except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds. Staff who obligate the District without proper authorization may be held personally responsible for payment of such obligations.

#### Bids and Contracts

Whenever the cost of any supplies, equipment or work shall exceed Fifty Thousand Dollars (\$50,000), formal bids shall be called for by issuing public notice as specified in statute. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the trustees may reject any bids. The bidding requirements do not apply to: a registered professional engineer, surveyor, real estate appraiser or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title 37, Chapter 50.

The Superintendent shall establish bidding and contract awarding procedures. Bid procedures shall be waived only as specified in statute.

Legal Reference:	§ 20-9-204, MCA	Conflicts of interest, letting contracts and calling for bids
	§ 18-1-101, et seq., MCA	Public Contracts
	§ 18-1-201, et seq., MCA	Bid Security
	§ 37-71-203, MCA	Bids to show bidder is licensed and not beyond a contract time

#### Policy History:

Adopted on: November , 2001

Revised on: June , 2006

Reviewed on: February 13, 2012

## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7325

#### Accounting System Design

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

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012



## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7326

#### Documentation and Approval of Claims

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

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

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7329

#### Petty Cash Funds

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

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

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

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**PAYROLL PROCEDURES/SCHEDULES**  
**(Deferred Wage Payment Election Form)**

By my signature I hereby acknowledge that I have read and understand the School District's policy on deferred wages. Furthermore, by my signature on this form, I am electing to defer payment of my wages on an annualized basis consisting of \_\_\_\_\_ payments. I understand that any change from an annualized election of payment requires that I notify the District prior to the beginning of duty for the fiscal year in which the change is being given.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Date signed

Form History:

Adopted on: February 13, 2012

Reviewed on:

Revised on:

## Whitewater School District

### FINANCIAL MANAGEMENT

7330

#### Payroll Procedures/Schedules

The District will establish one (1) or more days in each month as fixed paydays for payment of wages in accord with the current collective bargaining agreement or District practice. Employees may choose to have their salaries paid in full upon the last pay date following completion of their assignments or may annualize their pay. Employees who choose to receive payment of wages beyond the period in which the wages were earned (deferred payment) will be subject to Internal Revenue Service (IRS) penalties, unless they provide a written election of such deferral prior to (the first (1<sup>st</sup>) duty day) (July 1)<sup>1</sup> of the year of deferral. Forms for such deferral shall be made available. Any change to the election must be made prior to the first (1<sup>st</sup>) duty day of the fiscal year of the deferment.

When a District employee quits, is laid off, or is discharged, wages owed will be paid on the next regular payday for the pay period in which the employee left employment.

Cross Reference: 5500 Payment of Wages upon Termination

Legal Reference: § 409A, Internal Revenue Code, Deferred Compensation

#### Policy History:

Adopted on: February 13, 2012

Reviewed on:

Revised on:

## Whitewater School District

### FINANCIAL MANAGEMENT

7332

Page 1 of 2

#### Advertising in Schools/Revenue Enhancement

Revenue enhancement through a variety of District-wide and District approved marketing activities, including but not limited to advertising, corporate sponsorship, signage, etc., is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board in keeping with the contemporary standards of good taste. Such advertising will seek to model and promote positive values for the students of the District through proactive educational messages and not just traditional advertising of a product. Preferred advertising includes messages that encourage student achievement and the establishment of high standards of personal conduct.

All sponsorship contracts will allow the District to terminate the contract at least on an annual basis if it is determined that it will have an adverse impact on implementation of curriculum or the educational experience of students.

The revenue derived should:

1. Enhance student achievement;
2. Assist in the maintenance of existing District athletics and activity programs; and
3. Provide scholarships for students participating in athletic, academic and activity programs who demonstrate financial need and merit.

Appropriate opportunities for these marketing activities include but are not limited to:

1. Fixed signage
2. Banners
3. District-level publications
4. Television and radio broadcasts
5. Athletic facilities, to include stadiums, high school baseball fields, and high school gymnasiums
6. District level projects
7. Expanded usage of facilities beyond traditional use (i.e., concerts, rallies, etc.)
8. Interior and exterior of a limited number of District buses only if the advertising is associated with student art selected by the District. The only advertising information will note that the student art is sponsored by the participant in the District sponsorship. Maintenance for these buses will include but not exceed normal maintenance costs.
9. Individual school publications (when not in conflict with current contracts)

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

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

1. Promote hostility, disorder or violence
2. Attack ethnic, racial or religious groups
3. Discriminate, demean, harass or ridicule any person or group of persons on the basis of gender
4. Be libelous
5. Inhibit the functioning of the school and/or District
6. Promote, favor or oppose the candidacy of any candidate for election, adoption of any bond/budget issues or any public question submitted at any general, county, municipal or school election
7. Be obscene or pornographic as defined by prevailing community standards throughout the District
8. Promote the use of drugs, alcohol, tobacco, firearms or certain products that create community concerns
9. Promote any religious or political organization
10. Use any District or school logo without prior approval

Cross Reference:     2120   Curriculum Development and Assessment  
                          2309   Library Materials  
                          2311   Instructional Materials

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## **Whitewater School District**

### **FINANCIAL MANAGEMENT**

7335

#### Personal Reimbursements

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

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

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

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7336

Travel Allowances and Expenses

Every District employee and trustee will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. District employees who are not exempted by another policy will be reimbursed according to the current State levels pursuant to Montana law. All travel expenses must be reported on the established travel expense and voucher forms and approved by the employee's supervisor and the Superintendent.

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

Legal Reference:	§ 2-18-501, MCA	Meals, lodging and transportation of persons in state service
	§ 2-18-502, MCA	Computation of meal allowance
	§ 2-18-503, MCA	Mileage - allowance

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012



**Whitewater School District**

**FINANCIAL MANAGEMENT**

7400

Credit Card Use

The Board of Trustees permits the use of District credit cards by certain school officials and Board members to pay for actual and necessary expenses incurred in the performance of work-related duties for the District. A list of those individuals that will be issued a District credit card will be maintained in the business office and reported to the Board each year at its meeting in August. All credit cards will be preapproved by the Board and will be in the name of the District.

The District shall establish a credit line not to exceed \$10,000 for each card issued and an aggregate credit limit of \$20,000 for all cards issued to the District.

Credit cards may only be used for legitimate District business expenditures. The use of credit cards is not intended to circumvent the District's policy on purchasing.

Users must take proper care of District credit cards and take all reasonable precautions against damage, loss, or theft. Any damage, loss, or theft must immediately be reported to the business office and to the appropriate financial institution. Failure to take proper care of credit cards or failure to report damage, loss, or theft may subject the employee to financial liability.

Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature, or violate the intent of this policy may result in credit card revocation and discipline of the employee.

Users must submit detailed documentation, including itemized receipts for commodities, services, travel, and/or other actual and necessary expenses which have been incurred in connection with school-related business for which the credit card has been used.

The Superintendent shall establish regulations governing the issuance and use of credit cards. Each cardholder shall be apprised of the procedures governing the use of the credit card, and a copy of this policy and accompanying regulations shall be given to each cardholder.

The District Clerk shall monitor the use of each credit card every month and report any serious problems and/or discrepancies directly to the Superintendent and the Board.

Cross Reference:     7320   Purchasing  
                          7335   Personal Reimbursements  
                          7336   Travel Allowances and Expenses

Legal Reference:     § 2-7-503, MCA           Financial reports and audits of local government entities

Policy History:

Adopted on: November 14, 2000

Reviewed on: February 13, 2012

Revised on:

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7410

Fund Accounting System

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

- 201 General
- 210 Transportation
- 211 Bus Dep.
- 212 School Food
- 213 Fund 213
- 214 Retirement
- 215 Vocational Ed
- 218 Traffic Ed
- 220 Lease Rental
- 221 Compensated Abs
- 222 Title 1
- 223 ECIA Ch. 2
- 228 Technology Education
- 229 Flex
- 260 Building Fund
- 281 Endowment Fund

Legal Reference: § 20-9-201, MCA Definitions and application

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7425

Extra- and Co-Curricular Funds

The Board is responsible for the establishment and management of student extra- and co-curricular funds. The purpose of student extra- and co-curricular funds shall be to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities. The funds shall be deposited and expended by check in a bank account maintained by the District for student extra- and co-curricular funds. The use of the student extra- and co-curricular funds is limited to the benefit of the students. Students shall be involved in the decision-making process related to the use of the funds.

The Board shall follow the *Guideline to Student Activity Funding Accounting* in establishing accounting procedures for administration of the student extra- and co-curricular funds and appoint a fund administrator.

Specific procedures are available in the office of the business manager.

Legal Reference:      § 2-7-503(d), MCA      Financial reports and audits of local government entities  
                                 § 20-9-504, MCA      Extracurricular fund for pupil functions

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7430

Financial Reporting and Audits

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

Appropriate interim financial statements and reports of financial position, operating results and other pertinent information will be prepared to facilitate management control of financial operations.

The Board directs that District audits shall be conducted in accordance with Montana law. Each audit shall be a comprehensive audit of the affairs of the District and the District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards. Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal years, or it may be conducted annually.

Legal Reference:	§ 2-7-501, et seq., MCA	Definitions
	§ 20-9-212, MCA	Duties of county treasurer
	§ 20-9-213, MCA	Duties of trustees

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

## Whitewater School District

### FINANCIAL MANAGEMENT

7500

#### Property Records

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

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

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

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

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

Cross Reference: 7510 Capitalization Policy for Fixed Assets

Legal Reference: § 20-6-602, MCA Trustees' power over property  
§ 20-6-608, MCA Authority and duty of trustees to insure district property

#### Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

**Whitewater School District**

**FINANCIAL MANAGEMENT**

7510

Capitalization Policy for Fixed Assets

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

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

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

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

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

Cross Reference: 7500 Property Records

Policy History:

Adopted on: November 14, 2000

Revised on:

Reviewed on: February 13, 2012

# Whitewater School District

## FINANCIAL MANAGEMENT

7515  
Page 1 of 3

### Fund Balances

*[Note: The provisions of this policy include the provisions of Statement No. 54 of the Governmental Accounting Standards Board (GASB).]*

#### **I. PURPOSE**

The fund balance policy establishes a framework for the management of all excess funds managed by the Whitewater School District. The policy is in accordance with GASB Statement 54; management of fund balance. It also provides guidance and direction for elected and appointed officials as well as staff in the use of excess funds at year-end.

#### **II. SCOPE**

This fund balance policy applies to all funds in the custody of the School District Business Manager/Clerk of the Whitewater School District, Whitewater, Montana. These funds are accounted for in the District's annual audited financial reports and include, but are not limited to, the following:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Any new funds created by the District, unless specifically exempted by the governing body; in accordance with state law or GASB pronouncements.

#### **III. CLASSIFICATION OF FUND BALANCES**

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

#### **IV. DEFINITIONS**

A. *Fund balance*---means the arithmetic difference between the assets and liabilities reported in a school district fund.

B. *Committed fund balance*—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint

C. *Assigned fund balance*—amounts a school district *intends* to use for a specific purpose; intent can be expressed by the District or by an official to which the Board of Trustees delegates the authority

D. *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

E. *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

F. *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

## **V. MINIMUM FUND BALANCE**

The school district will strive to maintain a minimum unassigned general fund balance of [3 months of operating expenses.]

## **VI. ORDER OF RESOURCE USE**

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

## **VII. COMMITTING FUND BALANCE**

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

## **VIII. ASSIGNING FUND BALANCE**

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Superintendent and Business Manager. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.



An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

#### **IV. STABILIZATION ARRANGEMENTS**

#### **IX. REVIEW**

The school board will conduct, at a minimum, an annual review of the sufficiency of the minimum unassigned general fund balance level.

*Legal References:* Statement No. 54 of the Governmental Accounting Standards Board

Policy History:

Adopted on: August 9, 2011

Reviewed on: February 13, 2012

Revised on:

## Whitewater School District

### FINANCIAL MANAGEMENT

7520

#### Independent Investment Accounts

The Board may establish independent investment accounts separate and apart from those funds maintained by the county treasurer. The Board may transfer cash into an independent investment account from any budgeted or non-budgeted funds. A separate account shall be established for each fund from which transfers are made. The principal and any interest earned must be reallocated to the fund from which the deposit was originally made.

The District may either:

- Establish and use the account as a non-spending account, returning sufficient funds to the county treasurer in time to pay all claims against the applicable fund; or
- Establish a subsidiary checking account and make expenditures from the investment account, provided all transactions are accounted for and reported, as required by applicable accounting principles. If the District desires to establish a subsidiary checking account for purposes of paying for expenditures directly from an investment account, the District must enter into a written agreement with the county treasurer, in accordance with § 20-9-235, MCA.

Legal Reference: § 20-9-235, MCA Authorization for school district investment account

#### Policy History:

Adopted on: November , 2001

Reviewed on: February 13, 2012

Revised on: