

0700 - Table Of Contents	2
0701.00 - Fiscal Mangement Goals	3
0702.01 - Fiscal Year	4
0702.02 - Budget Planning	5
0702.03 - Budget Adoption Process	6
0704.01 - Deposits And Transfers	8
0704.02 - Financial Records With Gasb	10
0704.03 - Inventories	12
0704.04 - Audits	13
0704.04e1 - Prevention Of Improper Use Of Taxpayer Funds	14
0704.05 - Settlement Of Claims	15
0704.51 - Patron Bad Checks	16
0705.03 - Free Admissions	17
0705.04 - Gifts, Grants, Bequests	18
0705.50 - Business Operations For Nclb And Federal Grants	19
0706.01 - Purchase Procedures	21
0706.02 - Petty Cash	22
0706.03 - Bidding Procedures	23
0706.04 - Vendor Relations	24
0706.06 - Payment For Goods	25
0706.07 - Suspension And Debarment	26
0707.01 - Payroll Procedures	27

HAY SPRINGS BOARD POLICY MANUAL

Section 700 Business Operation

701.00 Fiscal Management Goals

702 Annual Budget

702.01 Fiscal Year

702.02 Budget Planning, Preparation and Schedules

702.03 Budget Adoption Process

704 Accounting System

704.01 Deposits and Transfers

704.02 Financial Records with GASB

704.03 Inventories

704.04 Audits

704.05 Settlement of Claims

705 Revenue

705.03 Free Admissions Passes

705.04 Gifts, Grants and Bequests

705.50 Business Operations for NCLB and Other Federal Grants

705.51 Patron Bad Checks

706 Expenditure

706.01 Purchasing Procedures

706.02 Petty Cash

706.03 Bidding Procedures

706.04 Vendor Relations

706.06 Payment for Goods and Services

707 Payroll

707.01 Payroll Procedures

FISCAL MANAGEMENT GOALS AND OBJECTIVES

The school board recognizes that money and money management comprise the foundational support of the whole school program. To make that support as effective as possible, the board intends:

1. To encourage advance planning through the best possible budget procedures.
2. To explore all practical and legal sources of financial income.
3. To guide the expenditure of funds so as to achieve the greatest educational returns.
4. To require maximum efficiency in accounting and reporting procedures.
5. To maintain a level of per pupil expenditure needed to provide high quality education.

Approved _____ Reviewed _____ Revised _____

FISCAL YEAR

The fiscal year is defined as beginning annually on September 1 and ending on August 31 inclusive.

Annual financial records shall refer to records based on the fiscal year.

Legal Reference: Neb. Statute 79-1091

Approved _____ Reviewed _____ Revised _____

BUDGET PLANNING, PREPARATION AND SCHEDULES

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 from sources other than taxation;
- the amount of revenues to be raised by 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 immediately preceding fiscal year.

It shall be the responsibility of the superintendent to prepare the budget for review by the board and place it on file with the district prior to publication of the budget hearing notice.

The board shall adopt and certify a budget for the operation of the school district to the county auditor by September 20. 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 or correct a clerical, mathematical or accounting error. The board shall follow the procedures for public review and adoption of an amended or corrected budget as outlined by statute.

The board will review the financial condition of the district monthly, and shall require the superintendent to prepare a monthly reconciliation statement. This statement will show the amount expended during the month, total (to date) for the fiscal year, receipts and remaining balances in each fund. This statement will be used as a guide for projected purchasing and as a guide for budget transfers.

During the budget year, the superintendent may transfer any unencumbered balance or portion thereof from the expenditure authorization of one (1) account to another, subject to limitations provided by state laws and approval by the Board.

Legal Reference: Neb. Statute 13-501 et seq.
79-1083 et seq.

Cross Reference: 204.03 Public Hearings
704 Accounting System
705 Revenue
706 Expenditures

Approved _____ Reviewed _____ Revised _____

BUDGET ADOPTION PROCESS

Members of the school district community shall have an opportunity to review and comment on the proposed budget at a public hearing before the adoption of the proposed budget by the board. The public shall be apprised of the proposed budget for the school district by its publication in the newspaper of record at least 5 days prior to the hearing.

After the public hearing on the budget and any modifications of the budget deemed necessary as a result of that hearing, the board will approve the proper resolutions to adopt and appropriate the budget.

The superintendent will ensure all necessary documentation is submitted to the county auditor as required by statute.

Budget Deadlines and Schedules

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and Board policy.

The following will serve as a guideline in the scheduling of the budget:

February	State Aid is certified to the School District Budget preparation begins
April	Any necessary staff reductions are put into force. High School districts respond to Class I request for excess budget authority.
July	Budget preparation continues with assistance of State seminars.
August	Rough draft of the budget is presented. All necessary publications and notices of hearing are placed in the official newspapers. Valuations are certified by the county.
September	Board adopts the final budget for the year and adopts the levy or the various funds of the School District. Proof of publication for Notice of Budget Hearing, Schedules A, B & C, Certification of Valuation and the Lid Computation Form LC-2 is submitted to the state along with the budget.
October	Deadline for election to exceed the levy. Tax levy request is submitted and county sets the tax levy.

Approved _____ Reviewed _____ Revised _____

November

Annual Audit is due at the State Auditor's Office

In accordance with the law, any changes in the adopted budget must be amended into the budget by the School Board. Such notice of intent to amend the budget will be part of the School Board's monthly agenda, and will be published in the minutes within thirty days after the amendment is adopted. The amended budget will then be filed with the state.

Legal Reference: Neb. Statute 13-506

DEPOSITS AND TRANSFERS

The board shall designate by resolution the name and location of the Nebraska located financial depository institution or institutions to serve as the official school district depository or depositories.

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

Three signatures, at least one handwritten and two stamped, from designated members of the School Board (President, Treasurer, & Secretary – Superintendent can sign in place of a School Board Member) are required on checks for the payment of School Board approved expenses and liabilities from the General Fund;

The district will follow these guidelines:

1. All funds received by the School District shall be deposited in such a manner as to positively identify their source.
2. Proper accounting procedures shall be used which will provide an audit trail of the receipt and expenditure of all funds.
3. All expenses and liabilities contracted (including inter-local agreements), regardless of source must have the majority approval of the School Board.
4. A financial statement and/or a credit check and/or a contractor's bank letter of recommendation must be on file from all new vendors before approving a contract for any services over \$3000.
5. The school will check for liens, if any, against the contractor before approving a contract.
6. A payment bond and a performance bond will be required on all contracts over \$30,000.
7. The above policy will be available to all vendors, employees, customers, grantors and grantees of the School District.

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.

The district shall follow the standard governmental and professional procedures of accounting and bookkeeping. As the trustees of local, state and federal funds allocated for use in public education, the Board will be responsible to see that these funds are used wisely for achievement of the purposes to which they are allocated; and will be vigilant to insure that these funds are receipted and disbursed according to professional accounting practices.

Approved _____ Reviewed _____ Revised _____

All funds in all categories received or disbursed by the district will be recorded and accounted for with professional standard procedures. This includes any and all money transactions with the bank. Any money transaction with the bank concerning these items must have been approved in prior board action. Any paperwork relating to these transactions must be filed with the school's bookkeeper within three days.

Adequate records will be maintained for accounting purposes, including appropriate separation of accounts, funds and special monies. Accounts will be kept in such a manner that they are easily reviewed and audited.

Receipts from school events and activities will be adequately controlled with checks and balances. Sponsors or coaches of clubs, classes and/or activities will be responsible for the safekeeping of the money collected by their organizations. Any money collected will be turned into the office within three days of the end of the money raising activity. No cash from these activities will remain in the hands of the sponsors. If money is needed by the sponsor or coach, they will ask the office for a check. This will help with maintaining a paper trail of activity funds.

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

Cross Reference: 203.01 Board Organizational Meeting
 203.05 Treasurer
 705.01 Local, State, Federal or Miscellaneous Revenue

FINANCIAL RECORDS

The board shall receive monthly financial statements showing the financial condition of the school district as of the last day of the preceding month. Such statement will reflect the cash position of the respective accounts. Other financial records as may be determined necessary by either the board or the administration shall be presented periodically.

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 board, by board resolution, shall establish the following funds as needed:

- General Fund
- Depreciation Fund
- Employee Benefit Fund
- Contingency Fund
- Activities Fund
- Student Fee Fund
- School Lunch Fund
- Bond Fund
- Special Building Fund
- Qualified Capital Purchase Undertaking Fund
- Cooperative Fund

The resolution establishing such funds shall state the type of fund, name of the fund and purpose of the fund.

Governmental Accounting Standards Board (GASB) #54 Requirements

At the end of the fiscal year, the School District will report the following:

- A. Restricted Fund Balances for amounts that have applicable legal restrictions. As per Nebraska State Statute, the fund balances of the Depreciation Fund, Employee Benefit Fund, Student Fee Fund and the Special Building Fund are restricted by purpose and will be reported as Restricted Fund Balances.
1. Fund Balance: The difference between assets and liabilities in governmental funds (i.e. general fund special revenue funds, capital project funds, debt service funds).
 2. Restricted Fund Balance: Includes the portion of the fund balance that reflects constraints on spending because of legal restrictions stipulated by outside parties, constitutional provisions, and enabling legislation including any legal restrictions based on state statutes or grant requirements placed on the use for specific purposed

- B. Lunch Fund Balance as Committed Fund Balance. The Lunch Fund Balance is constrained by the creation of the fund, and also constrained by purpose through approving a yearly budget for the Lunch Fund.
 - 1. Committed Fund Balance: Includes the portion of the fund balance that reflects constraints that the School District imposed upon itself by a formal action of the School Board. This constraint must be imposed prior to year end but the amount can be determined at a later date.

- C. Any fund balance whose intent has been designated by the Superintendent as Assigned Fund Balance.
 - 1. Assigned Fund Balance: The portion of the fund balance that reflects funds intended to be used by the School District for specific purposes. The authority to assign fund balance is delegated to the Superintendent.

- D. Any General Fund Balance that has not been assigned to other fund balance classifications as Unassigned Fund Balance.
 - 1. Unassigned Fund Balance: The residual classification for the School District's General Fund and includes all remaining amounts not contained in the other classifications and, therefore, is not subject to any constraints. Unassigned amounts are available for any purpose.

Legal Reference: NDE Rule 2

Cross Reference: 705 Revenue
706 Expenditures

Approved _____ Reviewed _____ Revised _____

INVENTORIES

The district will maintain a property inventory of classroom equipment and technology. The district's inventory will be updated as necessary to include property newly purchased or disposed.

Current records shall be maintained for the receipt, distribution/disposal and inventory of commodity foods as required by federal law.

The Board may authorize the employment of an appraisal company to assist with the inventory procedure.

Approved _____ Reviewed _____ Revised _____

AUDITS

An auditing firm shall be retained at the close of each fiscal year for the purpose of auditing and making necessary reports to the board and the Nebraska Department of Education (NDE). The superintendent shall arrange with the firm for an audit examination of all financial, transportation, food service and attendance records of the district, in accordance with state law. Confidential and privileged communications between the district and its auditor, including all auditor work products, are hereby closed to the extent permitted by statute.

The audit examination shall be made in accordance with generally accepted auditing standards, to include such reviews and tests of the accounting system, books and records, and other underlying data as are necessary to come to an informed opinion as to the financial affairs of the district. The audit report shall include the requirements as enumerated in statute.

Each member of the board shall receive a copy of the audit report, and copies shall be furnished to the Commissioner of Education and the Auditor of Public Accounts no later than November 5. A copy of the auditor's letter to management, resulting from the audit, and the district's responses to that letter shall be filed with the Commissioner of Education no later than January 31. The superintendent shall be responsible for filing copies of the audit with the proper authorities.

Legal Reference: Neb. Statute 79-1089
 NDE Rule 1

Approved _____ Reviewed _____ Revised _____

NOTICE

PREVENTION OF IMPROPER USE OF TAXPAYER FUNDS

This notice is posted in compliance with the Every Student Succeeds Act:

To report fraud, waste, abuse, misuse or mismanagement of taxpayer funds,
please contact the Office of Inspector General of the Department of
Education.

Phone: 1-800-MIS-USED

SETTLEMENT OF CLAIMS

The district shall maintain a public record of all settled claims. The record of claims settled in the amount of at least fifty thousand dollars, or one percent of the total annual district budget, whichever is less, shall include a written executed settlement agreement. The agreement shall contain a brief description of the claim, the party or parties released under the settlement, and the amount of any financial compensation paid by or to the district on its behalf.

Specific portions of the claim may be withheld from the public record only as provided by state statute. Upon settlement, the agreement shall be included as a board agenda item at the next regularly scheduled board meeting. This policy does not require the board or district employees to comment on the settlement agreement.

This policy does not apply to claims made in connection with insured or self-insured health insurance contracts.

Legal Reference: Neb. Statute 84-712
 LB742

Cross Reference: 706 Expenditures

Approved _____ Reviewed _____ Revised _____

PATRON BAD CHECKS

The School District expects that any patron checks written contain sufficient funds to cover the transaction. Postdated checks will not be accepted. A \$30.00 dollar fee will be charged to cover the additional processing of a returned check.

After a returned check has been received by the School District, the School District reserves the right to refuse any further checks from that patron for a period of not less than six months. The Superintendent of Schools is designated as the individual who will make this determination.

Approved _____ Reviewed _____ Revised _____

FREE ADMISSIONS PASSES

The following persons will be issued free guest passes for all school activities, including athletic events:

1. All full-time district employees and their families;
2. All current board members and their families;
3. Volunteers (doctors, fire department, police department); and
4. Unpaid officials who perform frequently at athletic events (scorekeepers, public address personnel, photographers).

In addition, Panhandle Conference and Nebraska Schools Activities Association (NSAA) passes will be honored.

Preschool children accompanied by an adult may be admitted free.

Legal Reference: Neb. Statute 79-518

Approved _____ Reviewed _____ Revised _____

GIFTS, GRANTS AND 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.

Due to the investment of time and resources needed for the application process, the superintendent must provide approval prior to submitting application for any grants. The superintendent will consider whether the requirements and goals of the grant are in keeping with the educational plans and goals of the district, and whether acceptance of the grants will cause undue burdens on the 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.

Cross Reference: 403.04 Gifts to Employees
 509.01 Class or Student Group Gifts

Approved _____ Reviewed _____ Revised _____

BUSINESS OPERATIONS FOR NCLB AND OTHER FEDERAL GRANTS

It is the policy of the School District to comply with federal grants programs including the No Child Left Behind Act (NCLB) in which the School District participates.

1. **Authority to Sign Applications:** The Superintendent is authorized to sign applications for any of the NCLB formula grants on behalf of the School District and may delegate such authority to other administrator's in the Superintendent's discretion. The Superintendent shall submit such applications as determined appropriate so long as acceptance of the funds does not include conditions contrary to the policies of the School Board of Education.
2. **Supplement not Supplant:** Federal funds shall be used to supplement, not supplant the amount of funds or services available from non-federal sources, in compliance with the requirements of federal law. NCLB funds shall not be used to provide services otherwise required by law to be made available.
3. **Equitable Allocation:** Federal funds shall be used in a manner to ensure equitable allocation of resources. Staff is to be assigned and curriculum materials and instructional supplies are to be distributed to the schools in such a way that equivalence of personnel and materials are ensured among the schools in compliance with the requirements of federal law.
4. **Maintenance of Effort:** The School District shall maintain fiscal effort related to NCLB programs in compliance with the requirements of federal law.
5. **Resources:** The procurement of resources related to the NCLB programs, including contracts and purchase or service agreements for such programs, shall be in accordance with the School District's written procedures for purchasing and contracting. Purchase orders and invoices shall indicate an appropriate record of expenditures. All equipment purchased with federal funds, including those used in nonpublic and other facilities, shall be appropriately identified, inventoried, and when no longer useful to the program, properly disposed. Resources such as staff, materials and equipment funded by Title I shall be used only for children participating in the program.
6. **Maintenance of Records:** Records of all federal financial and program information shall be kept for a minimum of 5 years after the start date of the project.
7. **Identification of Eligible Children:** The Superintendent and the designees shall implement an appropriate process to identify children eligible for services provided under federal programs.
8. **Coordination of Services:** Title I services shall be coordinated and integrated with the

Approved _____ Reviewed _____ Revised _____

regular classroom, with other agencies providing services and with other agencies providing services and with other federal, state and local programs.

9. Other Requirements: The Superintendent shall take or cause other staff to take such action as required by law for the School District to maintain compliance with NCLB and specific NCLB grant programs in which the School District participates.

PURCHASING PROCEDURES

The Superintendent will be responsible for meeting the needs of the School District and for approving all purchases of the School District. The School Board must approve any proposed purchase exceeding \$5000.00.

Requests to purchase textbooks, supplies, materials, etc., will be submitted by staff members at a date set by the school administrator. Each staff member will provide a detailed annual inventory of textbooks, supplies, and equipment under their control. Orders not meeting the date determined by the school administrator may not be purchased as it is imperative that a total of the orders must be less or equal to available funding.

Only office personnel will order any and all items paid for by district funds. All items must be ordered with a numbered district purchase order. Teachers will verify with the administrative assistant the receipt and completeness of a received order. After the materials have been reviewed and accepted by the teacher, he or she will rubber stamp them as property of the Hay Springs School District.

Recognizing that the School District is supported primarily by tax monies paid by the individuals and businesses of Hay Springs, intent to purchase and purchases will be made locally, whenever and wherever possible. Local purchases must meet quality and comparability of prices as those of other businesses.

Purchasing goods and services will have the following criteria:

- Meet the specifications of the users and the School District
- Availability of the item and related service, when needed
- Quality and history of materials and services provided

Requests for proposals and for purchases will use the following guidelines:

- Purchases over \$5,000 require quotes from 3 different vendors when possible
- Purchases over \$10,000 require written quotes from 3 different vendors when possible
- Purchases over \$40,000 require bids with detailed specifications and will follow official bid procedures when possible

Legal Reference: Neb. Statute 73-106
 Neb. Statute 79-515
 Neb. Statute 79-10,104

Approved _____ Reviewed _____ Revised _____

PETTY CASH

Petty cash funds will be established annually in the amount of \$5000 for the central administrative office. Such funds will be used for the payment of properly itemized bills of nominal amounts and under conditions calling for immediate payment. Allowances, responsibility, security and accounting of petty cash funds will be in accordance with Board policy and requirements of law.

Petty cash will not be used to thwart or circumvent established purchasing procedures. It is a convenient accommodation to facilitate immediate acquisition of low-cost goods and services in an efficient manner.

Records will be kept of all expenditures from the petty cash fund and receipts will be furnished to account for all money expended. The petty cash fund will be audited annually along with the other regular district accounts. Expenses will be assigned to the proper budget account.

Approved _____ Reviewed _____ Revised _____

BIDDING PROCEDURES

The purchasing procedure of the school district shall not only ensure the best possible price for goods and services, but shall also operate efficiently and economically. The construction of facilities which may exceed an expenditure of \$40,000 shall be advertised and submitted for bid in the manner required by law. This limit does not apply to the acquisition of existing buildings, purchase of new sites or site expansions by the district. Other purchases or contractual services may be advertised and submitted for bid as directed by the Board or when, in the opinion of the superintendent, the welfare of the district will be served. All bids must be submitted in sealed envelopes, addressed to the Board and plainly marked with the name of the bid and the time of the bid opening. Bids shall be opened and examined publicly.

The Board reserves the right to reject any or all bids or any part of any bid and accept that bid which appears to be in the best interest of the school district. The Board reserves the right to waive any informalities in any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered.

Legal Reference: Neb. Statute 73-106
 Neb. Statute 79-10,104

Approved _____ Reviewed _____ Revised _____

VENDOR RELATIONS

The district welcomes business and bids from all eligible vendors. Preferential treatment will not be extended to any vendor. Orders will be placed on the basis of quality, price and delivery, with past services being a factor if other considerations are equal.

Salesmen or agents may not solicit staff members during hours when students are present. The superintendent may allow sales representatives or agents of educational products to contact staff members at times that will not interfere with the educational program.

No district employee will receive direct compensation of any kind from any vendor in return for the sale of supplies or services. This does not exclude minor gratuities commonly provided by a business to all of its customers.

Cross Reference: 403.04 Gifts to Employees

Approved _____ Reviewed _____ Revised _____

PAYMENT FOR GOODS AND SERVICES

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

School district moneys shall be disbursed only upon final board approval of the monthly list of bills. Each district check shall show the legal identification of the district by name and address, and the depository or investment account upon which the check is drawn. It shall also specify the amount to be paid and to whom payment is made, from what funds, for what purpose, the date of payment and the number of the check.

Approved _____ Reviewed _____ Revised _____

SUSPENSION AND DEBARMENT

The district may not subcontract with or award subgrants to any person or company equal to or in excess of \$25,000 in any Federal assistance program who is debarred or suspended and is required to check for excluded parties at the System for Award Management, SAM (formerly the Excluded Parties List System, EPLS) website before any procurement transaction. This list is located at: <http://www.sam.gov/>.

In the event a vendor, person or company under consideration to be awarded a bid or contract for goods or services to be funded by any Federal assistance program is on the ineligibility list at SAM the district shall comply with the contracting restrictions as outlined in accordance with Federal regulations.

The following language shall be inserted into all vendor contracts equal to or in excess of \$25,000 funded wholly or in part by Federal Assistance Programs:

Certification Regarding Suspension, Debarment and Ineligibility

To the best of its knowledge and belief, neither the contractor or its principals are presently suspended, debarred, proposed for debarment or otherwise declared ineligible for the award of contracts by any Federal agency by the inclusion of the contractor or its principals in the current "LIST OF PARTIES EXCLUDED FROM FEDERAL PROCUREMENT OR NONPROCUREMENT PROGRAMS" published by the U.S. Government's System for Award Management. The contractor shall provide immediate written notice to the District if at any time the contractor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

It shall be the responsibility of the superintendent to implement this policy.

Approved _____ Reviewed _____ Revised _____

PAYROLL PROCEDURES

All employees of the Hay Springs Public School District will be paid on the 15th of each month following the approval of the District Payroll at the regular Board Meeting. If the 15th falls on a weekend or holiday, then employees will be paid on the last working day preceding the 15th. Should the approval of Payroll occur at a Board Meeting that takes place after the 15th, then employees will be paid as soon as is reasonably possible following the Board approval of Payroll.

Any requirements stated in the Negotiated Contract between employees in a certified collective bargaining unit and the board regarding payroll periods of such employees shall be followed.

Approved _____ Reviewed _____ Revised _____