

Policy
FISCAL MANAGEMENT GOALS

Descriptor Code: DA

The Board recognizes that money and money management compose 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 sources of dollar income;
3. To guide the expenditure of funds so as to extract the greatest educational returns;
4. To expect top-quality accounting and reporting procedures; and
5. To maintain a level of expenditure needed to provide high quality education without imposing an excessive tax burden on the community.

ASBSD sample policies are intended to be a guide for school districts. As is the case with any policy, a local school district's unique circumstances, challenges and opportunities need to be considered.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Reviewed: 11/8/2012

Policy Reference

DBDA

Description

GENERAL FUND BALANCE

Under law, the district is required to adopt an annual budget setting forth revenues and expenditures. This annual school budget is the financial outline of the district's educational plan; it is also the legal basis for the establishment of tax levies to support public education within the district.

Public school budgeting is also regulated and controlled by legislation, state regulations and local Board requirements. The annual operating budget for the schools will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The school district budget will be prepared by the Superintendent, with the assistance of the Business Manager, and presented to the Board for review. The Superintendent will establish a time line for the preparation of the budget.

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Elkton School District 5-3

Date Adopted: Pending
Last Revised: 1/1/2007

State Reference

SDCL 10-12-29
SDCL 10-12-42
SDCL 10-12-43
SDCL 10-12-44

Description

Annual school district levy report
Annual levy for general fund
Excess tax levy authorized
County auditor authorized to raise additional revenue
Adoption of annual school budget
General fund defined

SDCL 13-11-2
SDCL 13-16-3

Policy
FISCAL YEAR

Descriptor Code: DBB

The fiscal year for all school funds will be July 1 through June 30. Financial reports for all funds will be presented for Board approval at the July meeting.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference

SDCL 13-26-1

Description

School fiscal year

Policy
BUDGET DEADLINES AND SCHEDULES

Descriptor Code: DBC

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:

January Budget preparation begins.

March Annual audit is requested.
Review of proposed budget.

May The proposed amended budget for the next fiscal year will be considered at the regular Board meeting.

July 15 Deadline for publishing proposed budget and notice of hearing in the official newspaper.

July 31 Deadline for budget hearing.

September 30 Deadline for Board approval of budget for the anticipated obligations of each fund (except Trust and Agency) for the fiscal year. By resolution the School Board will adopt a levy in dollars or dollars per thousand of taxable valuation sufficient to meet the school budget for each fund.

September 30 Deadline for reporting to the county auditor the levy in dollars or dollars per thousand of taxable valuation adopted by the Board, on the forms prescribed by the county auditor.

In accordance with law, any changes in the proposed budget incorporated into the final budget, will be published in the minutes within 30 days after the final adoption of the budget.

Notes: When unanticipated moneys are available, a board may also adopt a supplemental budget. Also cite SDCL 13-11-3.2.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-11-3	<u>Report of levy amount to county auditor</u>

Policy
BUDGET PLANNING

Descriptor Code: DBD

Budget planning for the district will be an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the school system. Budget planning will be a year-round process involving broad participation by administrators, supervisors, teachers, other personnel throughout the school system, citizens and citizen groups.

The Superintendent, in cooperation with the business manager, will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar. Principals will develop and submit budget requests for their particular schools after seeking the advice and suggestions of staff members.

The budget request will reflect the principal's judgment as to the most effective way to use resources in achieving progress toward educational objectives of the school.

The Board will give careful consideration to budget requests, review allocations for fairness and for their consistency with educational priorities of the school system.

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Policy
GENERAL FUND BALANCE

Descriptor Code: DBDA

The School Board is committed to operating the district in a fiscally responsible manner while balancing student needs and the district's financial obligations.

To ensure the district has the resources necessary to meet ongoing and routine financial commitments, the district shall maintain a general fund balance at a level sufficient enough to cover the cash-flow needs of the district. The district may also hold in reserve a portion of the district's general fund that may be necessary to address long-term district financial plans or unanticipated emergency expenditures.

At least once per school year, the business manager and superintendent shall provide the board with recommendations regarding the management of the district's general fund balance, including financial information detailing the district's cash-flow and reserve needs.

Before the first day of August the Board shall file an annual report with the Department of Education. The report shall contain all the educational and financial information and statistics of the school district as requested in a format established by the Department of Education. The report shall also contain, for each month of the fiscal year, the month-end cash balances of the District's general fund, capital outlay fund, pension fund, and special education fund. The business manager with assistance of the secretary of the Department of Education shall make the annual report, and it shall be approved by the school board. The business manager shall sign the annual report and file a copy with the Department of Education.

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Policy
BUDGET ADOPTION PROCEDURES

Descriptor Code: DBH

Adoption of the budget is solely the responsibility of the Board. The Board will adopt the budget following the public hearing for the proposed budget. The proposed budget will be published in the official newspaper at the time notice of the budget hearing is given.

If, as a result of the public hearing, it should be determined that certain changes in the budget are necessary, these changes will be made before the budget is adopted. Adoption of the budget by the Board will be by roll call vote.

Following the adoption of the budget by the Board, the tax levy in dollars or dollars per thousand of taxable valuation will be reported to the county auditor on the appropriate forms.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-11-3	<u>Report of levy amount to county auditor</u>
SDCL 13-11-3.2	<u>Amendment of budget to utilize unobligated resources</u>

Policy
BUDGET IMPLEMENTATION

Descriptor Code: DBJ

The district budget serves as the control to direct and limit expenditures. Overall responsibility for this control rests with the Superintendent, who will establish the procedures for budget control and reporting throughout the district.

The Superintendent is authorized to spend money called for in the budget classification without further approval of the Board. School Board approval must be secured to expend money in excess of major budget classifications.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

Transfer of surplus funds among the major classifications of the budget or within a major classification of the budget will be subject to Board approval.

In accordance with law, funds may not be transferred from the capital outlay fund or the special education fund. The school district is restricted from transferring any funds exclusive of federal funds from the general fund to the capital outlay fund.

Contingency funds may be transferred to any budget category, except capital outlay, with Board approval.

The unused portion of money that has been transferred into the special education fund may be transferred from the special education fund within the current fiscal year to the fund from which it originated.

All or any part of any school district fund may be loaned to any other district fund for a period not to exceed twenty-four months.

Notes: The heading "Budget Transfer Authority" is modified in wording from that used in earlier printings of the EPS classification system where "Line Item Transfer Authority" appeared. The change was made to expand the usefulness of the category.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-16-14	<u>Restriction on transfers from bond redemption fund</u>
SDCL 13-16-26	<u>Transfers between school district funds</u>

TAXING

State law establishes the district's taxing authority. The district establishes levies in accordance with South Dakota Property Tax Law, which may change annually. The governing body of the school district may impose an excess tax levy with an affirmative two thirds vote of the governing body on or before July fifteenth of the year prior to the year taxes are payable. The decision may be referred upon a resolution of the governing body of the school district or by a petition signed by at least five percent of the registered voters in the school district.

For capital outlay funds, the tax levy cannot exceed 3 dollars per thousand dollars on the taxable valuation of the district, and for special education funds, the tax levy cannot exceed one dollar and forty cents per thousand dollars on taxable valuation. For taxes payable in 2011, 2012, 2013, 2014, and 2015, the levy limitation of one dollar and forty cents per thousand dollars of taxable valuation does not apply to any school district.

BORROWING

By law, the Board is permitted to borrow money in anticipation of the collection of taxes for the purpose of securing funds for school operations. The amount of money borrowed cannot exceed the sum of 95 percent of the amount of uncollected taxes levied for the current school fiscal year, plus other uncollected receivables (including state or federal money, not yet received, but) owed to the district.

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Policy
FUNDING PROPOSALS AND APPLICATIONS

Descriptor Code: DD

The Superintendent will apprise the Board of district eligibility for federal, state and foundation grants. The Board will seek and use all funding that is consistent with the advancement of the educational program of the district and the policies of the Board.

The preparation of these proposals will be supervised by the Superintendent and will be coordinated with the budgetary practices and capital improvement program of the district.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference

SDCL 13-39-13

Description

Agreements with federal & state agencies

In an attempt to provide the best education possible within the financial resources available, the Board will:

1. Request adequate local funds for the operation of the school district. The amount of the financial support requested will yield sufficient revenue for the total expenses of the school district.
2. Accept all available state funds to which the district is entitled by law or through state regulations.
3. Accept all federal funds that are available providing there is a specific need for them and matching funds that are required are available.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-11-7	<u>Monthly payments to school districts</u>
SDCL 13-13	<u>General state aid to schools – Sections 1-41</u>
SDCL 13-14	<u>Grants and donations to schools – Sections 1-5)</u>

Policy
REVENUES FROM INVESTMENTS

Descriptor Code: DFA

School district funds not in use will be invested in savings accounts, time deposits or in bonds or securities issued and guaranteed by the United States government. Interest earned on such investment will be credited to the respective fund or to the general fund.

In accordance with law, money in any bond redemption fund, may be invested in any of the above-mentioned securities, provided the bonds become due and payable before the payment date of the bonds.

The Board will approve the investment of all funds, and this approval will be filed and recorded by the business manager.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-16-18	<u>Deposit and investment of fund accumulations</u>
SDCL 4-5-11	<u>Supplemental authority for investment of public funds</u>
SDCL 4-5-5	<u>Investment of political subdivision funds</u>
SDCL 4-5-8	<u>Investment policies for local funds</u>
SDCL 4-5-9	<u>Custody or deposit of investments</u>

Policy
REVENUES FROM SCHOOL-OWNED REAL ESTATE

Descriptor Code: DFB

In accordance with state law, the Board may approve the leasing of any of its real estate for the exploration of oil and gas and its development. Property leased will not interfere with the purposes of the school district. Revenues received from the leasing of such property will be directed into the school district general fund.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-24-10	<u>Maximum term of leases of school property</u>
SDCL 13-24-5	<u>Oil and gas exploration and leases authorized</u>
SDCL 13-24-6	<u>Unitization of oil and gas development authorized</u>
SDCL 13-24-7	<u>Oil & gas leases not to interfere with school purposes</u>
SDCL 13-24-8	<u>Oil and gas proceeds paid into district general fund</u>
SDCL 5-2-12	<u>Mineral reservation in leases</u>
SDCL 5-2-13	<u>Proceeds from sale or lease of reserved minerals</u>

As provided by law, the Board will designate a bank depository or depositories for the funds of the school district. It will be the responsibility of the business manager to deposit the money belonging to the school district in the designated bank depository or depositories.

The county auditor and county treasurer will be notified by the business manager as to the designated depositories. The county treasurer will be responsible for transferring all money received during the prior month on behalf of the school district to the depository by the twentieth of the month.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-11-7	<u>Monthly payments to school districts</u>
SDCL 13-16-15	<u>Designation of depositories for school district</u>
SDCL 13-16-15.1	<u>Savings and loan associations as depositories</u>
SDCL 13-16-18	<u>Deposit and investment of fund accumulations</u>
SDCL 13-8-10	<u>Meetings of board</u>
SDCL 4-6A	<u>Insurance of Public Deposits</u>

Policy
AUTHORIZED SIGNATURES

Descriptor Code: DGA

The business manager will draw and sign all checks or warrants for the payment of verified vouchers approved for payment by the Board. Every check or warrant will be countersigned by the president or any Board member designated by the Board. The check or warrant will specify the person, firm or corporation to whom paid.

No check or warrant will be drawn by the business manager except for the indebtedness incurred prior to its issue and upon the presentation of an itemized invoice, duly verified. The invoice and verification will be retained by the business manager and placed on file in his office.

Notes: SDCL 13-8-26 authorizes the Board to designate any board member(s) to countersign all checks and warrants in the absence of the School Board President. ASBSD recommends the Board designate such other board member(s) at the July school board reorganization meeting.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 4/17/2014
Last Reviewed: 4/17/2014

State Reference	Description
SDCL 13-18-2	<u>Contents and signing of checks and warrants</u>
SDCL 13-18-8	<u>Business manager's check register</u>
SDCL 13-8-26	<u>Duties of president of school board</u>

CREDIT CARD USE AND ELECTRONIC TRANSACTIONS

The District is committed to using its financial resources wisely. The Board recognizes that credit cards and electronic transactions may provide school employees with a convenient payment option and may also improve business office efficiency.

Credit Cards: The Board authorizes the use of credit card or electronic payment for official district purchases and acquisitions. The Business Manager is responsible for authorization and control of the use of credit cards, subject to the final School Board approval of payments.

Authorized use of the credit card is limited to the person in whose name the card is issued and may not be loaned to another person.

The credit card is for business-related purposes only. It may not be used for personal purchases. The credit card is District property and should be used only for authorized District purchases. Only the Business Manager is authorized to use the credit card when scheduling travel by District employees and/or consultants retained by the District as speakers, presenters, etc., including registration fees, lodging and airline tickets. The Business Manager is authorized to use a District credit card to purchase items online that cannot be reasonably purchased elsewhere or when purchasing or paying for items online results in significant savings. The Business Manager is also authorized to use the credit card for prepayment of items/services when required by a vendor or in instances of savings to the District.

The items listed below are School Board authorized purchases. All other credit card purchases require prior approval from the Business Manager.

Authorized Credit Card Purchases:

Maintenance/repair/operations, facilities maintenance expenses, office supplies, stationery, forms, printing, books, periodicals, subscriptions, DVD'S, CD's, computer supplies and maintenance, safety equipment or supplies, catering or small dining services, medical supplies, screen printing, repetitive/consistent purchases, lodging, mileage, car rentals (mileage, lodging and car rentals must be pre-approved by the employee's supervisor and Business Manager)

The card users shall submit charge card receipts to the Business Manager no later than the date established by the Business Manager.

The Business Manager shall audit the charge card receipts, reconcile the charge card statement and process the charges for payment.

Cardholders, with the exception of the Business Manager, are not allowed to use the credit card for purchases greater than \$1000 without prior school board authorization. The Business Manager is not authorized to use the credit card for purchases greater than \$5,000 each.

Any cardholder benefits or revenue generated from the use of district-issued credit or purchase cards shall be for the exclusive use of the district. Employees shall reimburse the District for any charges that are disallowed by the employee's supervisor, the Business Manager or the Board. Employees must return the credit card to the Business Manager or School Board upon being directed to do so by the Business Manager or School Board.

Electronic Transfers: The Business Manager is authorized to electronically transfer funds for such purposes as may be specifically authorized by the Board. *

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Policy
BONDED EMPLOYEES AND OFFICERS

Descriptor Code: DH

School district business managers must be bonded for an amount determined by the School Board. The bond of the business manager will not be less than the amount that may come into his possession at any one time during the school fiscal year.

School personnel authorized to be in charge of trust and agency funds must also be bonded. When several school district personnel need to be bonded, the Board will approve a blanket bond.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-16-19	<u>Stewardship of agency funds</u>
SDCL 13-16-20	<u>Disbursements authorized</u>
SDCL 13-8-18	<u>Amount of business manager's bond</u>
SDCL 13-8-19	<u>Approval and filing of bonds</u>
SDCL 13-8-20	<u>New or additional bond required</u>
SDCL 13-8-21	<u>Action on bond after default</u>
SDCL 3-1-5	<u>Oath of office for civil officers</u>
SDCL 3-1-8	<u>Acting as officer without qualifying – misdemeanor</u>
SDCL 3-19-1	<u>Payment or indemnity allowed for claims against officers</u>
SDCL 3-19-2	<u>Maximum payment or indemnity</u>
SDCL 3-19-3	<u>Determination of payment</u>
Policy Reference	Description
CGA	<u>BUSINESS MANAGER JOB DESCRIPTION</u>

The Business Manager will be designated by the Board to be responsible for receiving and properly accounting for all funds of the district.

The Uniform Financial Accounting System for South Dakota School Districts will be used to record receipts and disbursements of the district.

The Business Manager will report all financial information to the state as required. The Board will receive monthly financial reports from the business manager that will include a statement of operating receipts and expenditures, and balance on hand in the several funds, a budget position report, and any other financial information that should be brought to the Board's attention.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-16-19	<u>Stewardship of agency funds</u>
SDCL 4-11-6	<u>Accounting manual</u>

School district funds are all moneys received by the school district or schools within the district or as a result of an activity carried on by the district.

All school district funds will be dispensed among the following funds: the general fund; capital outlay fund; special education fund; public service enterprise fund; trust and agency fund; or bond redemption fund.

Sources for school district funds include: income from school property; school district borrowing through bonds or promissory notes; taxes; funds received from federal, state or other political subdivisions; funds received from individuals or organizations through paid admission, payments for materials, services, gifts or trusts; funds received from fines and penalties; and any other funds received by the school district or schools from any other source.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-16-1	<u>Sources of school district funds</u>
SDCL 13-16-2	<u>Types of funds enumerated</u>
SDCL 13-16-3	<u>General fund defined</u>
SDCL 13-16-4	<u>Lease payments from general fund in federally affected areas</u>

Policy
FINANCIAL REPORTS AND STATEMENTS

Descriptor Code: DIC

It will be the responsibility of the business manager to prepare monthly financial reports for the Board's review. Reports will include budget, trust or agency funds, and special accounts.

At the close of the fiscal year, the business manager will report to the county auditor the total indebtedness of the district, the purpose for which issued, the liabilities, assets, resources and expenditures, and the total receipts and disbursements.

An annual report will be filed with the Department of Education.

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Elkton School District 5-3

Date Adopted: Pending
Last Revised: 11/8/2012

The school district shall annually cause an inventory of personal property to be made and placed on file with the business manager by July 10. Personal property with an original value greater than \$5,000 shall be included in the inventory.

General fixed assets are divided into five main classes: land, buildings, improvements (other than buildings), equipment, and construction work in progress. Fixed assets may be marked by a permanent method of identification. Periodic inventories should be taken by personnel designated by the superintendent. Generally accepted accounting principles require that each school adopt a dollar value indicating which fixed assets should be capitalized.

In the acquisition of or additions to real property, plant, or equipment, any expenditure of one thousand dollars (\$1,000) or more shall be paid from the capital outlay fund. The \$1,000 limitation shall apply to the total of each asset type on an invoice. Equipment purchases per invoice of less than \$1,000 may be acquired from either the general or capital outlay fund.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
ARSD 10:02:01:01	<u>Public personal property requiring inventory</u>
SDCL 13-16-6	<u>Definition and use of capital outlay fund</u>
SDCL 5-24-1	<u>Annual inventory of personal property</u>
SDCL 5-24-3	<u>Place of filing of duplicate inventories</u>

For any necessary reason an audit of the books of any school district may be called at any time by the Board or the electors of the district by petition signed by 20 percent of the resident taxpayers of the district as shown by the assessment roles of the preceding year, or the Auditor General.

The school district shall have financial and compliance audits performed at least every two years. The audit may be done by the Department of Legislative Audit or by a private firm authorized by law to audit financial records of school districts.

Trust and agency funds of the school district must be internally audited annually by a person selected by the Board.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-16-28	<u>Audit of school district books called by state</u>
SDCL 4-11-12	<u>Publication of notice</u>
SDCL 4-11-13	<u>Copies of audit reports received in evidence</u>
SDCL 4-11-14	<u>Civil action to recover misappropriated funds</u>
SDCL 4-11-15	<u>Notice to attorney general of civil actions</u>
SDCL 4-11-16	<u>Attorney general to oversee civil actions</u>
SDCL 4-11-17	<u>Attorney general to assist and supervise prosecutions</u>
SDCL 4-11-18	<u>Costs of audits</u>
SDCL 4-11-19	<u>Deposit and crediting of reimbursed amounts</u>
SDCL 4-11-7.1	<u>School district audit by private auditing firm</u>
SDCL 4-11-7.2	<u>Publication of school district audit results</u>
SDCL 4-11-9	<u>Reports of audits</u>

Policy
PETTY CASH ACCOUNTS

Descriptor Code: DJB

In accordance with law, the Board may establish petty cash accounts for the schools in the district, not to exceed the amount of \$100 in each account. This account may be used to facilitate refunds and minor purchases of the school district.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After a budget item is exhausted, no expenditures against the item may be made from petty cash.

The Board will authorize an employee in each school to be accountable for the petty cash account. Disbursements from the account will not require Board approval or the signature of the Board president or the business manager.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference

SDCL 13-18-16

Description

Petty cash account

Policy
INCIDENTAL ACCOUNTS

Descriptor Code: DJBA

In accordance with law, the Board may establish an incidental account in an amount determined by the board by setting aside, on an imprest basis, money from the general fund. This fund may be used for advanced payment or for claims requiring immediate payment, not to exceed the amount established by the board.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After the budget item is exhausted, no expenditures against the item may be made from the incidental account. The board will authorize an employee in each school to be accountable for the incidental account.

All expenditures from this account shall be listed with other bills in the regular school board proceedings.

Notes: A detailed account of expenditures from the incidental account shall be presented at regular intervals not to exceed one month with all vouchers and receipts subject to audit.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference

SDCL 13-18-17

Description

Incidental account

In accordance with state bidding laws, bidding is required when a purchase or contract equal to or exceeding \$25,000 is anticipated, or if the contract is for the construction of a public improvement in excess of \$50,000. However, state bid laws do not apply to the following and the following type contracts are exempt from bidding:

1. any contract for services provided by individuals or firms for consultants, audits, legal services, ambulance services, architectural services and engineering, insurance, real estate services, or auction services.
2. purchases of less than \$25,000.
3. any purchase of equipment involving the expenditure of less than fifty thousand dollars.
4. purchases from the lowest bidder of an item contained on the state price list. The school district may also purchase items from any vendor, if less than or equal to the state price list, but must be the exact same item.
5. purchases of surplus property from another South Dakota political subdivision or the State of South Dakota.
6. equipment repair contracts.
7. communications technologies, computer hardware and software, peripheral equipment, and related connectivity.
8. published books, maps, periodicals and technical pamphlets; laboratory apparatus and appliances.
9. any purchase of supplies or services, other than professional services, from any active contract that has been awarded by any government entity by competitive sealed bids or competitive sealed proposals or from any contract that was competitively solicited and awarded within the previous twelve months. The purchase utilizing another entity's bid must mirror the purchase from a contract that was "awarded" by the original bidding entity. Contracts may be utilized from any government entity, including those that are out-of-state, provided the contract was awarded by competitive sealed bids or competitive sealed proposals. A bid accepted by another governmental entity may not be utilized if the original bid specifications included a trade-in allowance.
10. amendment of change order to an existing contract for construction, reconstruction or remodeling, provided that (1) the contract contains unit prices for the same type or class of work; (2) the change or extra work is necessitated by circumstances related to soils, utilities, or unknown conditions directly affecting the performance of the work that were not reasonably foreseeable at the time the underlying contract was let and the change or extra work is necessary to the completion of the public improvement; or (3) the sum of the proposed amendment or change order plus the sum of all other prior unbid amendments or change orders, exclusive of change orders issued under subdivisions (1) and (2) of this section, does not exceed the following: (a) for contracts not more than five hundred thousand dollars, the greater of twenty-five thousand dollars or fifteen percent of the base contract; (b) for contracts exceeding five hundred thousand dollars but not more than two million five hundred thousand dollars, the greater of seventy-five thousand dollars or ten percent of the base contract; and (c) for contracts exceeding two million five hundred thousand dollars, the greater of two hundred fifty thousand dollars or five percent of the base contract.
11. transportation of students. *
12. any purchase by a school district of perishable food. **
13. purchases of material, supplies or equipment made at public sale or auction if the following

(3) purchases are made at less than 80% of the average of the quotations received, and (4) a record of the names of the suppliers, quotations received and the procurement procedures used in purchasing shall be documented, indicated in the minutes and retained on file.

14. if, after advertising for bids, no firm bids are received, the school district may negotiate a contract for the purchase of the supplies, services, or public improvement projects at the most advantageous price, if the specifications of the original bid are met.
15. if the school board determines that the supplies or services are of such a unique nature that the contractor selected is clearly and justifiably the only practicable source to provide the supplies or services. The determination shall be recorded in the minutes. The determination that the contractor selected is justifiably the sole source shall be based on either the uniqueness of the supplies or services or the sole availability at the location required. In such cases, the school district shall conduct negotiations, including price, delivery, and quantity to obtain the most advantageous price and shall include the written verification of the sole source in the contract file. This provision does not apply to construction services or construction equipment.
16. the school district may enter into agreements with governmental entities in this or any other state or the United States government, under which any of the parties may agree to participate in, administer, sponsor, or conduct purchasing transactions under a joint agreement or contract for the purchase of supplies or contractual services. The school district may cooperate with purchasing agencies and other interested parties in any other state or the United States government to develop uniform purchasing specifications on a regional or national level to facilitate cooperative interstate purchasing transactions.
17. any contract for the purchase of supplies from the United States or its agencies or any contract issued by the General Services Administration.
18. any contract for asbestos removal in emergency response actions.
19. purchases of real property having a particular use or benefit.
20. guaranteed energy savings contracts.
21. purchase of utility services such as electric power, lights, water or gas.
22. raw materials used in construction or manufacture of products for resale.

** No contract for the transportation of students may exceed five years.*

*** Although state law exempts school districts from having to bid perishable foods, federal law (7CFR 3016.36 (d)), which must also be complied with when utilizing funds that come from the National School Lunch Program's school food service account, does not contain such an exemption. Federal regulations establish a tiered process whereby purchases of \$150,000 or less require that quotations be obtained from an adequate number of qualified sources. (a.k.a. simplified acquisition threshold). Contracts of greater than \$150,000 would entail a process that is publicly advertised and bids shall be solicited from an adequate number of known suppliers. This may be accomplished by utilizing either competitive sealed bids or competitive sealed proposals. Evidence outlining the steps performed and bids/quotes received should be gathered and retained.*

ASBSD sample policies are intended to be a guide for school districts. As is the case with any policy, a local school district's unique circumstances, challenges and opportunities need to be considered.

In awarding a contract, if all things are equal, including the price and quality of the supplies or services, the school district shall give preference:

1. to a public or private nonprofit corporation geographically located in the State of South Dakota that provides services for persons with disabilities and is certified by the Department of Human Services, if the other equal low bid or proposal was submitted by a business that was not a qualified agency;
2. to a resident business if the other equal low bid or proposal was submitted by a nonresident business;
3. to a resident manufacturer if the other equal low bid or proposal was submitted by a resident business that is not a manufacturer;
4. to a resident business whose principal place of business is located in the State of South Dakota, if the other equal low bid or proposal was submitted by a resident business whose principal place of business is not located in the State of South Dakota; or
5. to a nonresident business providing or utilizing supplies or services found in South Dakota, if the other equal low bid or proposal was submitted by a nonresident business not providing or utilizing supplies or services found in South Dakota.

In computing price, the cost of transportation, if any, including delivery, shall be considered.

A resident bidder shall be allowed a preference on a contract against the bid of any bidder from any other state or foreign province that enforces or has a preference for resident bidders. The amount of the preference given to the resident bidder shall be equal to the preference in the other state or foreign province.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 6/2/2016
Last Reviewed: 11/8/2012

State Reference	Description
SDCL 5-18A-25	<u>Preferences for services</u>
SDCL 5-18A-26	<u>Resident bidder preference</u>
SDCL 6-1-2	<u>Conditions which contract with local officer permitted</u>

All materials to be ordered by the school district staff must be requisitioned through the Superintendent's / Principal's / staff member's supervisor / Business Manager office for processing by the business office. The business office will maintain a central record system for the purpose of combining orders, avoiding duplication of purchases, taking full advantage of lowered prices for bulk purchasing, to follow up on delayed orders of delivery and to reconcile deliveries to orders before payment is made. This delivery control will be applied to all purchases, regardless of point of delivery.

Principals and department heads will examine carefully all requisitions submitted by teachers, custodians and other employees for supplies, equipment and services. They will be responsible for verifying that items requested are needed before signing the requisition and sending it to the Business Manager.

All orders must include the name and address of the supplier as well as the purchase price.

If any person orders materials other than through the Business Manager's office the person ordering the materials will be individually responsible for the payment of the materials.

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The School Board wishes to maintain good working relations with vendors who supply materials, supplies and services to the district. Constructive efforts by the administration to seek the advice and counsel of vendors about how to improve such relationships are encouraged, subject to the limitations of the district's policies.

School officials involved in the selection or purchase of materials and services shall abide by district conflict of interest policies and avoid situations that could interfere, or appear to interfere, with the ability to make free and independent decisions regarding purchases on behalf of the district.

Each purchase shall be made with a commitment to the ethical expenditure of district resources and on the basis of quality, price and delivery, with past service being a factor if all other considerations are equal. Vendors have no obligation to contribute to solicitations from schools and any contributions on behalf of vendors shall be accepted according to applicable district policies with the expectation that the district shall not extend favoritism to any vendor.

No employee shall endorse any product of any type or kind in such manner as will identify him/her in any way as an employee of the District.

SOLICITATIONS

Suppliers are encouraged to submit information about their products to the District's purchasing supervisor. The purchasing supervisor will meet with vendors to discuss their products as time and schedule allow.

VENDOR RELATIONS WITH SCHOOLS, STAFF AND STUDENTS

No agent or salesperson shall be permitted to discuss business propositions, to distribute business propositions, or to canvass students and/or employees on district property unless approved by the Superintendent or a designee.

School officials shall not accept gifts from suppliers, contractors and others doing or seeking to do business with the school system if the gift serves no ethical business purpose or would create an actual or perceived embarrassment to the school district upon public disclosure.

Any employee receiving a gift from a vendor, contractor, or supplier with an estimated value in excess of \$50 shall report such gift to the business manager where a record of such gifts shall be maintained.

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Associated School Boards of South Dakota

Date Adopted: 11/1/2010
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-20	<u>School district purchases and contracts</u>
SDCL 13-20-2.1	<u>Interest in sale of school equipment unlawful</u>
SDCL 5-18A	<u>Public Agency Procurement</u>
SDCL 5-18B	<u>Procurement of Public Improvements</u>
SDCL 5-18C	<u>Procurement by Local Government Units</u>

All claims for payment from district funds will be processed by the business manager. Payment will be authorized against invoices properly supported by approved purchase orders, against properly submitted vouchers, or in accordance with salaries and salary schedules set by the Board.

List of accounts payable, including payroll lists, will be certified by the Superintendent and approved by the Board. Each registered warrant will be signed by the Board president and the business manager will sign the endorsement statement. Actual invoices, statements and vouchers will be available for Board inspection.

The business manager will assume responsibility for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

The school principals will be responsible for observing budget allocations in their respective schools. Each will also serve as custodian of the activity accounts in his or her respective school and will be responsible for their proper handling and expenditures.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-18-10	<u>Checks for federal tax payments as preferred obligation</u>
SDCL 13-18-11	<u>Register of warrants not paid for want of funds</u>
SDCL 13-18-12	<u>Validation of registered warrants and refunding bonds</u>
SDCL 13-18-13	<u>Call of registered warrants for payment</u>
SDCL 13-18-9	<u>Registered warrant prenumbered and issued when funds insufficient</u>

Policy
PAYDAY SCHEDULES

Descriptor Code: DLA

The School Board has established that all employees will be paid for their services on the twentieth day of each month or the first work day thereafter if the twentieth falls on a weekend or holiday.

Employees will normally be paid on a 12-month schedule.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

Deductions will be made from the paychecks of all employees for federal income tax, for retirement in keeping with state requirements and for OASI (Social Security).

ADDITIONAL DEDUCTIONS

In addition, the Board authorizes the following types of deductions from employee salaries, provided the employee has filed the proper permission or payroll withholding:

1. Employee contributions to the health and life insurance programs and any other similar programs that are or may be approved by the Board.
2. Deductions for tax-sheltered annuity programs.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 3-10	<u>Voluntary salary deductions</u>
SDCL 3-11	<u>Social security coverage</u>
SDCL 3-12	<u>SD retirement system</u>

Policy
EXPENSE REIMBURSEMENTS

Descriptor Code: DLC

Personnel and officials who incur expenses in carrying out their authorized duties will be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the business manager. Reimbursement will be in accordance with Board approved travel allowance, which will comply with the limits established by the State Board of Finance.

Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

When official travel by personally owned vehicle has been authorized, mileage payment will be made at the rate currently approved by the Board, and in accordance with the State Board of Finance.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 3-9	<u>Travel Expenses and Allowances (§§ 1, 2, 5, 5.1, 5.2, and 8 thru 17)</u>
SDCL 4-7-10.4	<u>Budgeting and appropriations for compensation of board members</u>

Policy
CASH IN SCHOOL BUILDINGS

Descriptor Code: DM

Money collected by school district employees and by student treasurers will be handled with good and prudent business procedures both to demonstrate the ability of school system employees to operate in that fashion, and to teach such procedures to the students.

All moneys collected will be receipted and accounted for and deposited properly.

The amount of money retained overnight in schools will be limited to that needed for day to day operation. All depositories used by the school district will provide for making bank deposits after regular banking hours in order to avoid leaving large sums of money in the building overnight.

Cafeteria receipts, other than moneys needed for daily operations, will be deposited daily.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

The Board may sell property of the school district that it considers no longer necessary, useful or suitable for school purposes. No board action is required to sell, trade, destroy, or dispose of consumable school supplies, printed text, or subscriptions. All property sold must be appraised by three real property owners of the school district unless that property is to be traded for other property, destroyed, transferred to another political subdivision, was created as result of an educational program, or is to be sold at public auction. The governing board may employ a person or persons licensed by the state to do fee appraisals in lieu of property owners.

Property appraised for less than \$500 may be sold without advertising for bids. Property, including property created as a result of an education program, appraised for more than \$500 will be advertised for sale in the official newspaper for two consecutive weeks, the first publication may not be less than 10 days before the sale. The notice of sale will describe the property to be sold and the time when the Board or its representative will open bids. Sealed bids will be filed with the business manager and opened at the Board meeting as specified in the notice.

The Board will sell the property to the highest bidder. However, the board may reject any or all bids.

In lieu of the acceptance of bids, school property may be sold at public auction. The auction will be advertised by posting notices and newspaper advertising as described above. Property sold at public auction need not be appraised but the board should establish a minimum price.

Any school district library may discard over-duplicated, outdated inappropriate or worn library materials in accordance with state laws. Such discarded materials may be given to other libraries or to nonprofit agencies, destroyed, offered for public sale or traded to a vendor for future library material purchasing credits.

By law the district may also exchange or transfer property to another political subdivision. The governing boards of the respective jurisdictions will determine the terms and conditions of this exchange or transfer.

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Associated School Boards of South Dakota

Date Adopted: 1/1/2007
Last Revised: 11/8/2012

State Reference	Description
SDCL 13-15-7	<u>Conveyance of district property to US for ed. purposes</u>
SDCL 13-24-4	<u>Exchange of property</u>
SDCL 13-24-9	<u>Board power over school buildings</u>
SDCL 6-13	<u>Disposal of Surplus Government Property</u>