

# PLENTYWOOD SCHOOL DISTRICT

## 7000 SERIES FINANCIAL MANAGEMENT

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## Plentywood 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 intended purposes.

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 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: 05/12/98

Revised on:

Reviewed on: 08/18/08

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7110

#### Budget and Program Planning

A District's annual budget is evidence of the Board's commitment to the objectives of the instruction programs. The budget supports 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 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 will provide for staff participation and the sharing of information with patrons prior to action by the Board.

#### Policy History:

Adopted on: 05/12/98

Revised on:

Reviewed on: 08/18/08

## Plentywood School District

### FINANCIAL MANAGEMENT

7215

#### Obligations and Loans

The District may, without a vote of the electors of the District, secure loans from or issue and sell to the board of investments or a bank, building and loan association, savings and loan association, or credit union that is a regulated lender under Montana law, obligations for the purpose of financing all or a portion of:

- A. the costs of vehicles and equipment and construction of buildings used primarily for the storage and maintenance of vehicles and equipment;
- B. the costs associated with renovating, rehabilitating, and remodeling facilities, including but not limited to roof repairs, heating, plumbing, electrical systems, and cost-saving measures as defined in Montana law;
- C. the costs of nonpermanent modular classrooms necessary for student instruction when existing buildings of the district are determined to be inadequate by the trustees;
- D. any other expenditure that the district is otherwise authorized to make including the payment of settlements of legal claims and judgments; and
- E. the costs associated with the issuance and sale of the obligations.

Before seeking to secure a loan or issue and sell obligations to a regulated lender, the District shall first offer the board of investments a written notice of the board's right of first refusal. If the board of investments accepts the offer to issue a loan or purchase obligations, the board shall provide a written response to the trustees by the later of:

- A. 120 days following delivery of the trustees' offer to the board; or
- B. the day after the next meeting of the board of investments.

If the trustees have not received a written acceptance by the deadline the District may seek to secure a loan or issue and sell an obligation to a regulated lender as outlined in this policy and Montana law.

The District may access its major maintenance aid account for school facility projects, including the payment of principal and interest on obligations issued in accordance with this policy and Montana law for school facility projects,

Legal Reference:       Section 20-9-471, MCA - Issuance of obligations  
                              Section 20-9-525, MCA - School major maintenance aid account

#### Policy History:

Adopted on: 01/13/20

Reviewed on:

Revised on:

**Plentywood School District**

**FINANCIAL MANAGEMENT**

7121

Adjustments and Amendments

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 will 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 for specified reasons by 20-9-161, MCA for specified reasons.

The resolution will 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 will 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 will 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 – petition to superintendent of public instruction
	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	Transfers among appropriation items of a fund

Policy History:

Adopted on: 05/12/98

Revised on:

Reviewed on: 08/18/08

## Plentywood 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 statutes and 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: 05/12/98

Revised on:

Reviewed on: 08/18/08

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7220

#### Use of Federal Title I Funds

The School District will ensure that federal Title I funds, are used only to supplement, and not supplant, state and local funds that would, in the absence of federal funds, be spent on Title I programs or services supported by federal funds.

Title I funds will not take the place of funds supporting education services that are to be provided to all students. The School District uses Title I funds only to supplement funds that would, in the absence of Title I funds, be made available from state and local non-Federal sources for the education of children participating in Title I programs.

Cross Reference: 2160 – Title I Family Engagement

Legal Reference: Elementary and Secondary Education Act, Section 1118(b)(1)

#### Policy History:

Adopted on: 05/10/21

Reviewed on:

Revised on:

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7220P

#### Use of Federal Title I Funds Methodology

In accordance with the Every Student Succeeds Act (ESSA), Plentywood School District has adopted this procedure to ensure that Title I-A federal funds are supplementing District resources and not supplanting District resources. The procedure documents that the School District's neutrally determined distribution of state and local funds to each school within the boundaries of the School District is in compliance with federal law.

Plentywood School District is a district with a single school and is exempt from the methodology requirement.

Cross Reference: 7220 – Use of Federal Title I Funds

Legal Reference: Elementary and Secondary Education Act, Section 1118(b)(1)

#### Policy History:

Adopted on: 05/10/21

Reviewed on:

Revised on:



## Plentywood School District

### FINANCIAL MANAGEMENT

7251

#### Disposal and Sale 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 effect 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.

##### With a Vote

Unless the property can be disposed of without a vote, the Board has the power to dispose of all District property, only when the qualified electors of the District approve of such action at an election called for such approval in accordance with the provisions in Section 20-6-603, MCA.

The money realized from the sale or disposal of real or personal property of the district must be credited to the debt service fund, building fund, general fund, or other appropriate fund, at the discretion of the trustees.

Legal Reference:	§ 20-6-603, MCA	Trustees' authority to acquire or dispose of sites and buildings – when election required
	§ 20-6-604, MCA	Sale of property when resolution passed after hearing – appeal procedure

##### Policy History:

Adopted on: 08/22/08

Reviewed on:

Revised on: 02/14/22

## Plentywood School District

### FINANCIAL MANAGEMENT

7260

#### Donations, Endowments, Gifts, and Investments

The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions imposed by the donor or without any conditions imposed. Unless otherwise specified by the donor, when a district receives a donation the trustees may deposit the donation in any budgeted or non-budgeted fund at the discretion of the trustees and may thereafter transfer any portion of the donation to any other fund at the discretion of the trustees. If the trustees accept a donation and the donor specifies the donation for an endowment, the trustees shall deposit the donation in the endowment fund. Neither the Board nor the Superintendent will approve any gifts that are inappropriate.

If the District deposited donated funds in an endowment fund without specific instruction by the donor, the Board may move the donated funds and any accumulated interest to any other budgeted or nonbudgeted fund of the District and may spend donated funds and any accumulated interest unless restricted by condition imposed by the donor.

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

Once accepted, donated funds are public funds subject to state law. Donated funds may not be transferred to a private entity. Benefactors may not adjust or add terms or conditions to donated funds after the donation has been accepted.

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 for the District to do so.

Educational Foundations may exist in the community, but are not managed, directed, or approved by the Board of Trustees.

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
	§ 72-30-209, MCA	Appropriation for expenditure or accumulation of endowment fund – rules of construction

#### Policy History:

Adopted on: 05/12/98

Revised on: 09/11/01, 12/09/19

Reviewed on: 08/18/08, 07/08/19

## Plentywood 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 employment and assignment of staff shall meet 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. (NOTE: Only recommended for Districts with specific definition of contingency in their budget.)
4. Purchases will 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:   05/12/98  
Revised on:  
Reviewed on:  08/18/08

## Plentywood School District

### FINANCIAL MANAGEMENT

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#### Purchasing

##### Authorization and Control

The Superintendent is authorized to direct expenditures and purchases within limits of the detailed annual budget for the school year. The Board must approve purchase of capital outlay items, when the aggregate total of a requisition exceeds \$ 80,000 except the Superintendent shall have the authority to make capital outlay purchases without advance approval when necessary to protect the interests of the District or the health and safety of staff or students. The Superintendent will establish requisition and purchase order procedures to control and maintain proper accounting of 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 it is in the interest of the District, the District will execute a contract for any building furnishing, repairing, purchasing or other work for the benefit of the District. If the sum of the contract or work exceeds Eighty Thousand Dollars (\$80,000), the District will call for formal bids by issuing public notice as specified in statute. Specifications will be prepared and 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 or all bids as per § 18-4-307, MCA as stated below in the legal reference. The Board, in making a determination as to which vendor is the lowest responsible bidder, will take into consideration not only the amount of each bid, but will also consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and to promptly fulfill the contract according to its letter and spirit. 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.

Advertisement for bid must be made once each week for two (2) consecutive weeks, and a second (2<sup>nd</sup>) publication must be made not less than five (5) nor more than twelve (12) days before consideration of bids.

The Superintendent will establish bidding and contract-awarding procedures. Bid procedures will be waived only as specified in statute. Any contract required to be let for bid shall contain language to the following effect:

*In making a determination as to which vendor is the lowest responsible bidder, if any, the District will take into consideration not only the pecuniary ability of a vendor to perform the contract, but will also consider the skill, ability, and*

*integrity of a vendor to do faithful, conscientious work and promptly fulfill the contract according to its letter and spirit. References must be provided and will be contacted. The District further reserves the right to contact others with whom a vendor has conducted business, in addition to those listed as references, in determining whether a vendor is the lowest responsible bidder. Additional information and/or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.*

### Cooperative Purchasing

The District may enter into cooperative purchasing contracts with one or more districts for procurement of supplies or services. A district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of 20-9-204(3), MCA if the cooperative purchasing group has a publicly available master list of items available with pricing included and provides an opportunity at least twice yearly for any vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard, for inclusion of the vendor's supplies and services on the cooperative purchasing group's master list.

Legal Reference:	§ 18-1-101, et seq., MCA	Preferences and General Matters
	§ 18-1-201, et seq., MCA	Bid Security
	§ 18-4-307, MCA	Cancellation of invitations for bids or requests for proposals
	§ 20-9-204, MCA	Conflicts of interests, letting contracts, and calling for bids - exceptions
	§ 20-10-110, MCA	School Bus Purchases – contracts- bids
	<i>Debcon v. City of Glasgow</i> , 305 Mont. 391 (2001)	

### Policy History:

Adopted on: 05/12/98

Reviewed on:

Revised on: 09/14/99, 09/11/01, 08/22/08, 11/08/11, 11/12/13, 07/08/19

**Plentywood 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 financial operations of District funds and account groups in conformity with generally accepted accounting principles. The accounting system must be in compliance with 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: 05/12/98

Revised on:

Reviewed on: 08/18/08

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7326

#### Documentation and Approval of Claims

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

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

#### Policy History:

Adopted on: 05/12/98

Revised on:

Reviewed on: 08/18/08

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7329

#### Petty Cash Funds

The use of petty cash funds shall be authorized for specific purchases only. Individual personal reimbursements which exceed Ten Dollars (\$10) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, and the total dollar amount of the petty cash account limited to Seven Hundred Dollars (\$700).

Each administrator of a school or department with a petty cash fund account may appoint and designate a fund custodian to carry out bookkeeping and security duties. Moneys which are not specifically petty cash monies shall not be co-mingled with the petty cash fund.

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

#### Policy History:

Adopted on: 05/12/98

Revised on: 03/13/07

Reviewed on: 08/18/08



## Plentywood K-12 Schools

### 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 or within fifteen (15) days, whichever occurs first.

Cross Reference: 5500 Payment of Wages Upon Termination

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

#### Policy History:

Adopted on: 08/22/08

Reviewed on:

Revised on:

## Plentywood School District

### FINANCIAL MANAGEMENT

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#### 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, is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board in keeping with the community 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 be simply traditional advertising of a product. Preferred advertising includes messages that encourage student achievement and establishment of high standards of personal conduct.

All sponsorship contracts will allow the District to terminate the contract on at least 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 maintenance of existing District athletic 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 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, including stadiums, high school baseball fields, and high school gymnasiums
6. District-level projects
7. Expanded usage of facilities beyond traditional uses (i.e., concerts, rallies, etc.)
8. Interior and exterior of a limited number of District buses, 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, other than 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:   02/09/99

Revised on:

Reviewed on:  08/18/08, 07/08/19

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7335

#### Personal Reimbursement

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 his/her personal funds. In that event, an employee will be reimbursed for his/her 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 procedures and forms to be used in processing claims for personal reimbursements.

#### Policy History:

Adopted on: 05/12/98

Revised on:

Reviewed on: 08/18/08

**Plentywood K-12 Schools**

**FINANCIAL MANAGEMENT**

7336

Travel Allowances and Expenses

The District will reimburse employees and trustees for travel expenses while traveling outside 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 is responsible for 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: 08/22/08

Reviewed on:

Revised on:

**Plentywood 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 (K-12):

- |                                |                                   |
|--------------------------------|-----------------------------------|
| General Fund                   | Transportation Fund               |
| Bus Depreciation Fund          | Food Service Fund                 |
| Retirement Fund                | Miscellaneous Federal Fund        |
| Adult Education Fund           | Traffic Education Fund            |
| Lease Agreement Fund           | Compensated Absences Fund         |
| Technology Fund                | Flexibility Fund                  |
| Debt Service Fund              | Building Fund                     |
| Building Reserve Fund          | Endowment Fund                    |
| Payroll Clearing Fund          | Claims Clearing Fund              |
| General Fixed Asset Group Fund | General Long Term Debt Group Fund |

A modified accrual basis of governmental accounting shall be utilized in measuring financial position and operating results.

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

Policy History:

Adopted on: 05/12/98

Revised on: 08/22/08

## **Plentywood School District**

### **FINANCIAL MANAGEMENT**

7425

#### Extra- and Co-Curricular Funds

The Plentywood School District #20 Board of Trustees, on behalf of the students, established an extracurricular fund for the purposes of receipts and expenditures pertaining to extracurricular functions. The ultimate responsibility for administering extracurricular funds rests with the Board of Trustees. Any admission of new funds to the extracurricular fund must be first approved by the Board of Trustees.

Moneys of any student organizations are deposited by receipt and expended in check from a bank account maintained for the extracurricular fund. This bank account is reconciled with each student fund a monthly basis. Interest earned on this account is distributed to each fund on a prorated basis.

An automated activity accounting system provides internal control of cash receipts and expenditures. Receipts, expenditures and transfers are maintained through authorization of the fund treasurer, advisor, district secretary, activities director, and district clerk.

Activity tickets are sold to adults and students through the central office receipting procedure. Accountability for admission charged activities follows a pre-numbered ticket reconciliation with the money collected.

A separate checking account has been established and is used exclusively for the payment of student transportation and travel expenditures funded through the extracurricular funds. These expenditures are documented by a request for transportation submitted to the bus maintenance supervisor, a claim for reimbursement submitted by coach/advisor, reimbursement drawn by the school secretary, and a double signature check signed by the activities director and district clerk. The school secretary, activities director, district clerk, and superintendent are bonded as activity fund custodians and shall act as a committee of the whole in determining the manner in which donations are allocated to any fund account.

A Plentywood School activity credit card was secured for payments other than by claim for extracurricular activities. These are assigned to authorized individuals through the central office.

Change funds are established by the use of a check from each particular fund and re-deposited at the end of the season. Deposits are made to a banking institution on a biweekly basis. Non-sufficient fund checks are handled by the district clerk on a one to one basis with the individual.

A fund custodian submits an end-of-month report, an annual report, and a year-to-date report for accountability in all funds. The following forms should be attached to the report: Receipts, checks, transfers, purchase orders, vouchers, claims, requests for transportation, monthly reconciliation, year-to-date statement, annual report.

#### Policy History:

Adopted on: 05/12/98

Revised on: 08/13/02, 11/09/09

Reviewed on: 08/18/08

## Plentywood School District

### FINANCIAL MANAGEMENT

7430

#### Financial Reporting and Audits

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

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

The Board directs that District audits be conducted in accordance with Montana law. Each audit shall be a comprehensive audit of the affairs of the school district and District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards. Each audit may be made every two years and cover the immediately preceding two fiscal years, or it may be conducted annually. The District audits may be conducted by the staff of the Department of Commerce, or the audits may be conducted by an independent auditor under the rules and regulations established by the Department of Commerce.

Legal Reference:       2-7-501, et seq., MCA  
                              20-9-212, MCA  
                              20-9-213, MCA

Definitions  
Duties of county treasurer  
Duties of trustees

#### Policy History:

Adopted on:   05/12/98  
Revised on:  
Reviewed on:  08/18/08



## Plentywood School District

### FINANCIAL MANAGEMENT

7500

#### Property Records

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

For purposes 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 and adjusted annually be referenced to purchase orders and withdrawal reports. Property records of facilities and other fixed assets will be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy.

Property records will 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: 05-12-98

Revised on:

Reviewed on: 08/18/08

**Plentywood School District**

**FINANCIAL MANAGEMENT**

7510

Capitalization Policy for Fixed Assets

A fixed asset is a property that meets all 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 a donation will be the fair market value at the time of 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 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: 05/12/98

Revised on: 08/14/00

Reviewed on: 08/18/08

## Plentywood School District

### FINANCIAL MANAGEMENT

7515  
Page1 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 Plentywood 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 Plentywood School District, Plentywood, 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 10 percent of the annual budget.

## **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.

*[Note: The school board determines this order.]*

## **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 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.

## **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: 11/08/11

Reviewed on:

Revised on:

## Plentywood 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. Unless otherwise provided by law, all other revenue may be sent directly to a participating district's investment account.

The District may either:

4. 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
5. 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: 05/12/98

Revised on: 12/09/19

Reviewed on: 08/18/08

**Plentywood School District**

**FINANCIAL MANAGEMENT**

7525

Lease-Purchase Agreement

The trustees of a district can lease property with an option to purchase.

Personal property -- the lease cannot be more than seven (7) years.

Real property -- the lease cannot be more than fifteen (15) years.

The terms of the lease must comply with 20-6-625, MCA. If real property is acquired, the trustees shall comply with 20-6-603, MCA.

The trustees of any district may lease buildings or land suitable for school purposes when it is within the best interests of the district to lease the buildings or land from the county, municipality, another district, or any person. The term of the lease may not be for more than fifteen (15) years unless prior approval of the qualified electors of the district is obtained in the manner prescribed by law for school elections, in which case the lease may be for a term approved by the qualified electors, but not exceeding ninety-nine (99) years. Whenever the lease is for a period of time that is longer than the current school fiscal year, the lease requirements for the succeeding school fiscal years shall be an obligation of the final budgets for such years.

Cross Reference:	Policy 7251	Disposal of school district property without a vote.
Legal Reference:	§ 20-6-603, MCA	Trustees' authority to acquire or dispose of sites and buildings – when election required.
	§ 20-6-609, MCA	Trustees' authority to acquire property by lease-purchase agreement.
	§ 20-6-625, MCA	Authorization to lease buildings or land for school purposes.

Policy History:

Adopted on: 10/13/2015

Reviewed on:

Revised on:

**Plentywood School District**

**FINANCIAL MANAGEMENT**

7530

Procurement of Supplies or Services

The Board adopts the following provisions of the Montana Procurement Act (i.e., §§ 18-4-101, et seq., MCA):

(List specific provisions, i.e.:

6. § 18-4-303, MCA – Competitive sealed bidding. With the exception of construction contracts, allows the District to negotiate an adjustment of the bid price with the lowest responsible and responsive bid in order to bring the bid within the amount of available funds, if, and only if, all bids exceed available funds and the lowest responsible bid does not exceed available funds by more than five percent (5%).
7. § 18-4-306, MCA – Sole source procurement. A contract may be awarded for a supply or service item without competition when, the District determines in writing that:
  - (a) there is only one source for the supply or service item;
  - (b) only one source is acceptable or suitable for the supply or service item; or
  - (c) the supply or service item must be compatible with current supplies or services.
1. § 18-4-307, MCA - Cancellation of invitations for bids or requests for proposals. An invitation for bids, a request for proposals, or other solicitation may be cancelled or any or all bids or proposals may be rejected in whole or in part, as may be specified in the solicitation, when it is in the best interests of the state. The reasons therefor must be made part of the contract file.

Legal Reference:	§ 18-4-121, et seq., MCA	Montana Procurement Act
	§ 18-4-303, MCA	Competitive Sealed Bidding
	§ 18-4-306, MCA	Sole Source Procurement--records
	§ 18-4-307, MCA	Cancellation of invitations for bids or requests for proposals
	2.5.604, ARM	Sole Source Procurement

Policy History:

Adopted on: 08/22/08

Reviewed on:

Revised on: 07/13/2010, 07/08/19



**FINANCIAL MANAGEMENT**

Electronic Signatures

“Electronic signature” means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Electronic signatures or digital signatures can take many forms and can be created using many different types of technology. For the purpose of this policy an electronic signature means any electronic identifier intended by the person using it to have the same force and effect as a manual signature.

District Use of Electronic Signatures

When not practical or possible to have an approved individual physically sign a document, and not otherwise prohibited by applicable laws, electronic signatures may satisfy the requirement of a written signature when transacting business with and/or for the District and/or with parents/guardians when the authenticity and reliability of such electronic signature(s) meets the provisions of this policy. In such instances, the electronic signature shall have the full force and effect of a manual signature.

In order to qualify for acceptance of an electronic signature the following additional requirements are applicable:

1. The electronic signature identifies the individual signing the document by his/her name and title;
2. The identity of the individual signing the document with an electronic signature is capable of being validated through the use of an audit trail;
3. The electronic signature, as well as the documents to which it is affixed, cannot be altered once the electronic signature is affixed. If the document needs to be altered, a new electronic signature must be obtained; and
4. The electronic signature conforms to all other provisions of this policy.

The District shall maintain District electronically signed records in a manner consistent with the District’s document retention policies yet also capable of accurate and complete reproduction of the electronic records and signatures in their original form. Such retention should include a process whereby the District can verify the attribution of a signature to a specific individual, detect changes or errors in the information contained in the record submitted electronically and protect and prevent access and/or manipulation or use access/use by an unauthorized person.

The District shall maintain a hardcopy of the actual signature of any District employee authorized to provide an electronic signature in connection with school board business.

Abuse of the electronic signature protocols by any District employee serves as grounds for disciplinary action up to and including termination.

#### Parent/Student Use of Electronic Signatures

With regard to documentation received by the District with an electronic signature from a parent/legal guardian, so long as the following provisions are met, the District may receive and accept such electronic signature as an original document:

1. Such communication with signature, of its face, appears to be authentic and unique to the person using such signature;
2. The District is unaware of any specific individualized reason to believe that the signature has been forged;
3. The District is unaware of any specific reason to believe the document has been altered subsequent to the electronic signature; and
4. The signature is capable of verification.

The District's Superintendent or designee may, at his or her discretion, request that an original of the electronic communication, signed manually by hand, be forwarded to the District in a timely manner.

District personnel may periodically audit the authenticity of such signature via a security procedure including such acts as making follow-up inquiry to the individual/entity who has submitted such electronic signature.

Should it be discovered that a student has falsified a parent's electronic signature on an official District document, the student may be subjected to discipline and the Administrators of the District are authorized, at their discretion, to thereafter only accept manual signatures associated with any submitted school document.

Legal Reference: 30-18-102(9), MCA  
30-18-106(4), MCA  
42.8.106, ARM

Definitions  
Legal recognition of electronic records,  
electronic signatures, and electronic  
contracts  
Electronic submission of documents and  
electronic signatures

#### Policy History:

Adopted on: 11/14/16

Reviewed on:

Revised on: