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Section 3000 – Fiscal Management

3010 Fiscal Management Goals

3010

The Board recognizes its primary purpose is to provide the best education possible within the limits of the current curriculum and the financial ability of the District. It is therefore the goal of the Board to establish a balanced budget each year and make every effort to maintain a positive fund balance.

For the District to operate on a sound fiscal basis, the Board believes its fiscal management philosophy must provide for both the short-term and the long-term fiscal integrity of the District.

The Board recognizes the importance of sound financial planning that incorporates the need for adequate working capital at all times during the year. It further realizes that various events may occur which could not have been anticipated when formulating the budget.

The Board believes that an “unrestricted fund equity” (assets minus inventory and liabilities) equal to:

- 10% of the annual budget is desirable,
- 7% of the annual budget is prudent,
- 5% of the annual budget is essential, and
- Less than 5% is undesirable.

Approved: June 19, 2006

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3020 Fiscal Management Priority Objectives

3020

In the District's fiscal management, the Board seeks to achieve its goal by establishing and adhering to the following priority objectives:

1. The classification of transactions with the system of account numbering will comply with the requirements set forth in the Michigan School Accounting Manual.
2. The financial system of accounts will provide all necessary and required information requested by the Board and superintendent.
3. The District's system of accounts will provide complete, accurate, and consistent recording of all District financial transactions in accordance with generally accepted principles of accounting.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3050 Budget Planning

3050

The Superintendent shall be responsible for planning the District's budget. The Superintendent shall keep the Board informed during the planning process and secure input from the Board through discussions or workshops.

Approved: June 19, 2006

LEGAL REF: MCL 141.434 (1); 141.422b (3) (c); 141.422d (1) (c) (d); 380.1133;
380.1218; 380.1281

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3050-R Budget Planning

3050-R

The Board encourages the development of site-based budget development that includes the following major components:

1. The Superintendent and staff will establish a reasonable and prudent District total revenue target,
2. Basic costs, to be charged and not charged directly to individual schools, will be developed,
3. Resources will be distributed among the schools by a weighted-student formula that accounts for variations in the cost of delivery of educational services,
4. Each Principal will involve staff members, parent(s)/guardian(s), and students where appropriate, to seek input to develop a budget plan for each school,
5. Each Principal will present the recommended budget to the Superintendent for review, and
6. The Board will review the full budget at a public hearing according to law.

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3100 Annual Operating Budget

3100

The District's budget shall be prepared by the Superintendent and shall reflect the educational goals of the District.

The Superintendent shall prepare a detailed cost analysis study of all programs that are funded by the District's budget.

The Superintendent shall follow the adopted budget.

It shall be the goal of the Board to fund the operating budget according to approved fiscal and budgetary procedures adhered to and required by the State of Michigan. The budget shall be the vehicle by which the educational goals and objectives of the District are to be met.

Priorities

The Board shall establish priorities for the District on a short-term, intermediate and long-term basis.

Deadlines and Schedules

In order for the District's budget preparation to proceed on a timely basis, the Board shall establish deadlines and time schedules.

Encumbrances

Encumbrances shall be recorded when the purchase is made or when an approved purchase order is processed. All encumbrances shall be charged to a specific fund.

Recommendations

Recommendations of the Superintendent and professional staff concerning the educational program of the District and related budget figures shall be presented to the Board prior to submission of the tentative draft budget.

Preliminary Adoption Procedures

The Superintendent, to the Board, shall submit a preliminary draft of the District's budget as the Board may require.

Section 3000 – Fiscal Management

3100 Annual Operating Budget

3100-2

Hearings and Reviews

The Board shall conduct budget hearings according to state law.

Financial Reports and Statements

The Assistant Superintendent for Business will prepare a monthly income statement and balance sheet for the Board.

Approved: June 19, 2006

LEGAL REF: MCL 141.411; 141.421a-440a; 211.209-210; 380.1213-1214; 380.1216;
380.1218; 388.1702

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3170 Line Item Transfer Authority

3170

Throughout the year, the budget will be reconciled with actual expenditures of the district through transfer of funds from one item to another. The superintendent will call to the Board's attention the need of such transfers, and the Board will consider and take action on the recommendation.

Approved: June 19, 2006

LEGAL REF: MCL 141.421a-440a

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3170-R Line Item Transfer Authority

3170-R

Prior to any line item transfers within a building or division budget, approval shall be received from the Superintendent. Building Principals or division/department heads must submit the request, in writing, supported by the rationale and reasons for said request.

Section 3000 – Fiscal Management

3200 State and Federal Funding Proposals and Applications

3200

The Board and Superintendent shall seek and consider as many sources of revenue as possible to supplement the funds received from local taxes and state aid.

The Superintendent shall assume the responsibility for keeping the Board informed of any revenue sources that could enhance the educational program or operation of the District, and for which the District may be eligible, and make recommendations to the Board for action.

Approved: June 19, 2006

LEGAL REF: MCL 3.541; 3.542; 388.801; 380.1210

Section 3000 – Fiscal Management

3280 Borrowing and Debt Service

3280

Short Term Loans

Bids shall be solicited for all short-term loans that the Board has authorized, and funds shall be borrowed from the responsible organization offering the most favorable bid. All loans shall conform to the requirements of the State of Michigan.

Sale of Bonds

The Board, upon a favorable vote of the people in compliance with the laws of the State of Michigan, may sell its bonds, if required to do so. Such bonds shall be duly advertised, prepared, and sold in conformance with the laws of the State of Michigan.

Debt Service

It shall be the responsibility of the Superintendent to maintain all records as to the outstanding bonds and debts encumbered against the District. He/She shall keep this information readily available and report periodically to the Board on the financial condition of these accounts.

Approved: June 19, 2006
LEGAL REF: MCL 380.1356

Section 3000 – Fiscal Management

3290 Summer Property Tax Levy

3290

The Board, by passing a resolution in order to actuate this policy, shall impose a summer property tax levy.

This tax levy shall commence in the summer of 2002 and continue during each subsequent summer until specifically revoked by the Board. Each summer property tax levy shall be for 100% of the District's annual school property taxes unless otherwise dictated by law.

Approved: June 19, 2006

LEGAL REF: MCL 380.1613

Section 3000 – Fiscal Management

3300 Investment of Funds (Cf. 3310)

3300

Should the Board choose to employ an outside consultant to advise the Treasurer, or Superintendent if so delegated, that consultant, or consulting firm, shall be duly registered under the Investment Advisor's Act of 1940.

The District's investment portfolio shall be structured in such a way that the primary emphasis is on safety and liquidity of investments and preservation of the Principal amount invested, as opposed to the rate of return. District cash flow needs shall be taken into account at all times when investments are contemplated.

In order to reduce the risk of losses on District investments, only "low-risk" investment instruments shall be used by the District. No District investments shall involve foreign currency risk.

This policy applies to all cash and investments under control of the Board, with the exception of funds related to debt issuance where other agreements or contracts are in effect for those funds.

The Superintendent may develop appropriate administrative rules to accompany this policy.

Approved: June 19, 2006

LEGAL REF: MCL 380.622; 380.1221; 380.1223; GASB Bulletin 40

Section 3000 – Fiscal Management

3300-R Investment of Funds

3300-R

The Superintendent, if delegated by the Treasurer and approved by the Board, is responsible for maximizing the interest earnings of the District with primary emphasis on safety and liquidity of the investment. Such authorized investments shall be restricted to:

1. Bonds, bills or notes of the United States, or obligations the Principal and interest of which are fully guaranteed by the United States Government. They will have a maturity date no more than five years after the purchase date.
2. Certificates of deposit issued by any state or national bank organized and authorized to operate as a bank in this state.
3. Commercial paper rated prime at the time of purchase and maturing not more than 270 days from date of purchase and must be rated A by two rating agencies.
4. Certificates of deposit or share certificates of state or federal credit unions organized and authorized to operate in this state.
5. Securities issued or guaranteed by agencies or instrumentalities of the United States Government.
6. United States government or federal agency obligation repurchase agreements.
7. Bankers' acceptances issued by a bank that is a member of the federal deposit insurance corporation.
8. Mutual funds composed entirely of investment vehicles that are legal for direct investment by a school District.
9. Investment pools, as authorized by the surplus funds investment pool act, composed entirely of instruments that are legal for direct investment by a school District.

The Treasurer or Superintendent if duly delegated, in determining the best investment, shall combine three factors: (1) quality of commercial paper, (2) interest rate available, and (3) accessibility of funds on short notice. Only prime one or two commercial paper shall be considered.

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3300-R Investment of Funds

3300-R-2

Consideration will also be given to the spread of interest rates between commercial paper and certificates of deposit (savings deposit receipts) issued by banks, savings and loans or credit unions.

The Board authorizes the Superintendent to open accounts for general fund monies to earn interest, while not being used for operating purposes or invested otherwise. Such accounts shall be used when the cash flow pattern does not permit the purchases of longer-term investments or when the rate of return is comparable or greater than is available from other investments. The Superintendent is authorized to make deposits and withdrawals from this account.

Interest from investments shall accrue to the fund from which the investment was made as determined by the Board and permitted by current law.

The Superintendent shall assume the responsibility of developing cash flow forecasts for all funds to determine the availability of funds for investment. The Superintendent shall report monthly to the Board on the status of all investments.

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3310 Reporting of Investment Risks (Cf. 3300)

3310

Although policy 3300 serves to reduce the risks associated with the investment of District dollars, the District may have deposits and investments that are subject to various levels of risk.

Statement No. 40 of the Governmental Accounting Standards Board (GASB) requires that certain deposits and investments of a local government that have the potential to result in losses be disclosed in District financial statements. The administration, in consultation with the District auditor or accounting firm as necessary, shall insure that the District financial statements comply with GASB Statement No. 40.¹

The Superintendent may establish appropriate administrative rules to implement this policy.

Approved: June 19, 2006

LEGAL REF: Governmental Accounting Standards Board, *Statement No. 40*.

¹ “This Statement [GASB No. 40] is designed to inform financial statement users about deposit and investment risks that could affect a government’s ability to provide services and meet its obligations as they become due.” Governmental Accounting Standards Board, *Statement No. 40*.

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3310-R Reporting of Investment Risks

3310-R

The District will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations thereby, avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools, and limiting the average maturity in accordance with the District's cash requirements.

The District will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by; diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

The District is not authorized to invest in foreign currency investments.

The administration will select the financial institutions and/or brokerage house. A minimum of three bids will be required on each investment. Only firms meeting one of the following requirements shall be eligible to serve as Qualified Institutions:

The firm must comply with all of the following requirements.

- Primary and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
- Capital of no less than \$10,000,000;
- Registered as a dealer under the Securities Exchange Act of 1934;
- A member of the National Association of Securities Dealers (NASD);
- Registered to sell securities in Michigan; and,

Section 3000 – Fiscal Management

3310-R Reporting of Investment Risks

3310-R-2

- The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years; or,

B. Public Depositories qualified in accordance with MCL 380.1221, The Revised School Code of Michigan.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions in accordance with MCL 380.1221 shall be provided with current copies of this investment policy and shall provide in return to the Board, certification of having read, understood and agreed to comply with this investment policy.

The administration will compile the following data on the day the investment is complete and maintain that data for a twelve month period: Investment description; dollars invested; length of investment; percent earned; range of bids.

Investments made since the last monthly report along with all outstanding investments will be reported in writing to the Board at each regular meeting and contain the following information: Name of institution (where purchased); type (certificate of deposit, etc.); amount; percent; date purchased; date due; fund (drawn from); number of days (involved in investment).

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3340 Fees, Payments and Rentals (Cf. 9250)

3340

Gate Receipts and Admissions

School events where admission fees are charged are a part of the District's educational program; therefore, such fees are also a part of the District's budgeting process. Thus, the administration shall be given the responsibility to set such fees. The level of the fee shall be set taking into consideration those factors, which are a part of the appropriate school budget.

Income and Payments from Sales and Service

Jobs or projects may be undertaken by students for private individuals or community groups. The facilities of the District may be used for such activities. All receipts shall be deposited in the general fund and used as a reimbursement for materials and/or to purchase additional supplies and cover expenses of a department.

Approved: June 19, 2006

LEGAL REF: MCL 380.11a; 380.1141

Section 3000 – Fiscal Management

3400 Depository of Funds (Cf. 1300)

3400

At the annual organizational meeting, the Board shall, in accordance with state law, designate, by resolution, the financial institutions² in which the funds of the District shall be deposited. The Treasurer, or Superintendent if delegated by the Treasurer and approved by the Board, shall deposit or cause to be deposited, funds of the District in the institutions as authorized by the Board and in the proportions authorized by the Board.

Approved: June 19, 2006

LEGAL REF: MCL 21.143; 129.12; 129.15; 380.1221-1222

² MCL 129.15 includes credit unions as an appropriate place of deposit and uses the term “financial institutions,” not just banks or trust companies.

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3405 Electronic Transaction of Funds

3405

The L’Anse Creuse Public School District, through resolution of the Board, shall be a party to an Automated Clearing House³ (ACH) arrangement.⁴ The Superintendent or Assistant Superintendent for Business shall be responsible for the L’Anse Creuse Public School District’s ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.⁵ All ACH invoices are to be approved prior to payment.

Internal Accounting

The Superintendent or Assistant Superintendent for Business shall be responsible for development and maintenance of appropriate accounting controls to monitor the use of ACH transactions⁶ made by the L’Anse Creuse Public School District.

Approved: June 19, 2006

LEGAL REF: MCL 124.301-124.305

³ “Automated clearing house” or “ACH” - a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system (MCL 124.301(d)).

⁴ ACH arrangement – the agreement between the originator of the ACH transaction and the receiver of an ACH transaction (MCL 124.301(a)). Under Act 738 of 2002, MCL 124.301, an ACH arrangement is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101, or to provisions of law or charter concerning the issuance of debt by a local unit.

⁵ ACH policy – the procedures and internal controls as determined under this written policy developed and adopted by the Superintendent (MCL 124.301(b)).

⁶ ACH transaction – an electronic payment, debit, or credit transfer processed through an automated clearinghouse (MCL 124.301(c)).

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3405-R Electronic Transaction of Funds

3405-R

For the purposes of accountability of ACH funds, the Superintendent shall submit to the Board a monthly report detailing the goods or services purchased during the preceding month. The report must contain:

1. The goods or services purchased and their cost;
2. The date of the payment;
3. The unit or department serviced by each payment.

This report may be maintained in the electronic general ledger software system of the District or in a separate report.

Internal Accounting

ACH accounting methods shall follow the established and approved L'Anse Creuse Public Schools School District accounting procedures.

Accounting Process

1. The Superintendent shall prepare a list of vendors authorized to be paid by ACH transaction and provide that list to the accounts payable clerk.
2. The accounts payable clerk shall initiate the transaction upon receipt of an invoice included on the authorized ACH list approved by the appropriate District official. ACH invoices must be approved before payment. The appropriate District official shall sign the ACH invoice, which then acts as the warrant.
3. The accounts payable clerk shall present the warrants, a list of bills for payment, and a separate list of the electronic payments for Board approval.
4. Two Board members shall approve all transactions prior to disbursement.
5. Following Board approval, the two Board members shall sign the ACH warrant, initiate the electronic transaction with the vendor, and make the actual transfer of funds.
6. The Superintendent shall retain all ACH transaction documents for audit purposes.
7. The accounts payable clerk shall retain all invoices for audit purposes.

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3410 Safeguarding of Monies and Equipment

3410

The Superintendent shall be responsible to see that administrative regulations are established and carried out so that all monies and equipment within all of the District's facilities are safeguarded and accounted for in an efficient manner at all times.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3420 Monies in School Buildings

3420

The Superintendent shall establish procedures to permit deposit of monies collected.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3440 Accounting System

3440

A system of accounting will be used that provides for the complete, accurate, and consistent recording of all District financial transactions in accordance with generally accepted principles of accounting and the Michigan School Accounting Manual.

The financial accounting system will provide all necessary and required information as requested by the Board and superintendent in the fiscal management of the school District.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3490 Inventories – Fixed and Controlled Assets

3490

An accounting will be made annually for property, real and personal, owned by the District in accordance with law, governmental regulations, and District rules.

Fixed Asset Accounting System

The administration shall maintain a fixed asset accounting system in accordance with law, governmental regulations and the District's needs.

Approved: June 19, 2006

LEGAL REF: Governmental Accounting Standards Board, Statement No. 34

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3500 Audits (Cf. 3520)

3500

The Board will annually appoint an auditing firm to make an independent certified audit of all accounts, funds, and financial records of the District.

The auditing firms selected to conduct the annual audit shall be recommended by the superintendent and approved by the Board at the organizational meeting. The auditing firm may be selected on a bid basis.

A written report will be submitted after all records have been audited, along with any recommendations that are pertinent to the financial operation of the District.

The audit report shall be reviewed and approved annually by the Board at a public meeting. The management letter and recommendations of the auditor shall be brought to the attention of the Board, along with recommendations of the superintendent as to the feasibility of implementing the recommendations. The superintendent shall be responsible for filing the audit reports with all appropriate authorities as prescribed by law or regulation.

Approved: June 19, 2006
LEGAL REF: MCL 388.1618

Section 3000 – Fiscal Management

3520 Fraud Prevention and Investigation (Cf. 3430, 3490, 3500, 5040, 5203, 8700) 3520

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

The Superintendent shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the District. Every member of the District's administrative team shall be alert for any indication of fraud, financial impropriety, or irregularity within his/her areas of responsibility.

Any individual who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to the Internal Auditor. The Internal Auditor (if fraud or illegal action are evident) will report to the Superintendent for appropriate action. All Board members (not under investigation) are to be notified if there is due cause. The Superintendent shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the District's legal counsel, auditing firm, and other internal or external departments and agencies, including the Macomb County Prosecutor's Office and law enforcement officials, as the Superintendent may deem appropriate.

In the event the concern or complaint involves the Superintendent of Schools, the concern shall be brought to the attention of the highest ranking Board member not involved who shall be empowered to contact the District's legal counsel, auditing firm,

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3520 Fraud Prevention and Investigation (Cf. 3430, 3490, 3500, 5040, 5203, 8700) 3520-2

and any other agency to investigate the concern or complaint. All Board members (not under investigation) are to be notified if there is due cause.

The Superintendent may elect to employ the District's auditing firm to conduct a partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The Superintendent is authorized to order a complete forensic audit if, in his/her judgment, such an audit would be useful and beneficial to the District.

Approved: June 19, 2006

LEGAL REF: MCL 14.141-145; 15.361-369; 141.421-440a; 141.2101-141.2821;
380.1202; 380.1215; 380.1216; 380.1363; 388.1618

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3520-R Fraud Prevention and Investigation

3520-R

Internal Auditor

The Superintendent and Administration is responsible for the effective and efficient administration of the District. This responsibility encompasses the requirements for sound financial management, adequate reporting, maintaining an effective system of internal controls, compliance with applicable rules and regulations, and maintaining the highest standards of ethical conduct. The Board directs the Superintendent in these matters through adoption of the budget and through establishment of School Board policy. Together they are responsible for attaining the District's mission. To aid them in fulfilling their responsibilities, the Internal Auditing Department has been established within the school District.

It is the mission of the Internal Auditor to assist the School Board and Administration of the District in the effective discharge of their responsibilities. The internal audit function serves to improve fiscal accountability and enhance the public's perception of the management and operations of the district. The Internal Auditor's activities serve as an independent appraisal function within the district to examine and evaluate its activities as a service to Administration and the Board. The Internal Auditor, through its work, provides the Superintendent, Administration, and the School Board with analysis, appraisals, recommendations, advice, and other information concerning the activities reviewed. The internal audit function shall be considered an essential element in achieving the mission, goals, and objectives of the District. Pursuant to adoption of the Internal Audit Committee, the Board has designated same, herein after referred to as "Committee", as its designee responsible for oversight of the District's Internal Auditor. The Committee, created pursuant to School Board policy, serves to promote independence and objectivity of the internal audit function, to ensure broad audit coverage, adequate consideration of reports, and appropriate action on recommendations.

The Internal Auditor shall have the authority to conduct financial and performance audits or reviews of all departments, offices, activities, and programs under the control of the School Board. Financial audits include financial statement and financial related audits while performance audits include economy and

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3520-R Fraud Prevention and Investigation

3520-R-2

efficiency and program audits. As used herein, the General Accounting Office, Comptroller General of the United States in the most recent publication entitled Governmental Auditing Standards, defines the various types of audits referenced above.

To properly carry out his/her responsibilities, the Internal Auditor shall be granted the following authority:

1. Complete access to all District records, documents, and files in any form.
2. Authority to request reasonable assistance from appropriate personnel in acquiring requested records, documents, and files.
3. Inspection privileges to all assets owned, leased, or borrowed by the District.
4. Ability to request reasonable assistance from appropriate personnel in locating assets owned, leased, or borrowed by the District.
5. Entry privileges to any and all facilities used by the District.
6. Interview privileges, either written or oral, with District administration, staff and employees.

The Internal Auditor shall have access to all records of the District and shall maintain confidentiality of those records.

The Internal Auditor may have neither direct responsibility for, nor authority over, any of the activities under review. The Internal Auditor shall maintain independence in attitude and appearance. Nothing herein, however, shall serve to prohibit the Internal Auditor from working in an advisory capacity with the Superintendent and staff in evaluating internal controls in new or existing systems as a service to them.

All reports, writings, and work products produced by the Internal Auditor shall be considered a public record except where otherwise exempt.

The Internal Auditor shall submit an annual work plan reflecting scheduled audits and non-audit activities to the Audit Committee for review and approval. The work plan shall be developed in cooperation with the Superintendent or designees and shall be based on the risk assessment of the School District. The Internal Auditor, in collaboration with the Superintendent may initiate and conduct any other audit or review if deemed necessary for potential illegal acts, fraud, abuse, and misuse of district funds.

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3520-R Fraud Prevention and Investigation

3520-R-3

Evidence of such irregularities shall be referred to the School Board attorney when appropriate.

Reasonable notice shall be given to appropriate personnel of intent to audit in their area except when conditions warrant an unannounced audit. The Internal Auditing Department will carry out its responsibilities in accordance with this administrative procedure and the Standards for the Professional Practice of Internal Auditing as promulgated by the Institute of Internal Auditors. The Internal Auditor shall follow other professional auditing standards such as Generally Accepted Governmental Auditing Standards as appropriate given the scope and objectives of the audit or assignment. The Internal Auditor shall adhere to the code of ethics of the Institute of Internal Auditing.

The Internal Auditor will assist and coordinate his/her activities with the district's external auditors in order to eliminate duplication of efforts, where possible. Auditors who collectively possess the knowledge, skills, and disciplines necessary to properly complete the engagement will perform audits. The Internal Auditor shall have authority, subject to approval by the Superintendent, to employ the services of a consultant, in order to acquire appropriate audit expertise.

The Audit Committee serves to promote, maintain, and enhance the independence and objectivity of the internal audit function of the District by ensuring broad audit coverage, adequate consideration of audit or review reports, and appropriate action on recommendations. To this end, they shall review the annual work plan of the Internal Auditor. The Committee shall review reports of the Internal Auditor prior to presentation to the School Board.

The annual work plan shall not serve to restrict or impede the Superintendent and the School Board from utilizing the services of the Internal Auditor for special requests.

Operationally, the Internal Auditor shall report to the Superintendent for coordination and authorization of leave, approval of payrolls, travel authorization, etc.

The Internal Auditor is prohibited from participating in the campaign for election of School Board Members or making political contributions to any such campaign. Nothing in the preceding shall serve to deny the Internal Auditor's constitutional rights.

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The Internal Auditor shall maintain technical competence through continuing education.

3520-R Fraud Prevention and Investigation

3520-R-4

The Internal Auditor will have direct communication with the Audit Committee in the performance of his/her work.

During the course of audit work, the Internal Auditor shall be alert to any indications of fraud or illegal acts.

If, during the course of work, evidence of apparent violations of law or instances of malfeasance or misfeasance by an employee is detected, the Internal Auditor shall consult with the Superintendent and attorney for the School Board. If the activity is deemed to be criminal in nature, the investigation shall be turned over to local law enforcement based on recommendations of the School Board attorney.

The Internal Auditor may request periodic status reports from audited departments, offices, and divisions regarding actions taken to address reported deficiencies and audit recommendations.

Audit Committee

The Superintendent of Schools and Administration are responsible for the effective and efficient management of the District. This responsibility encompasses the requirements for sound financial management, adequate reporting, maintaining an effective system of internal controls, compliance with applicable rules and regulations, and maintaining the highest standards of ethical conduct. The School Board directs the Superintendent in these matters through adoption of the budget and establishing Board policy.

To aid in fulfilling these requirements, the District has established an Internal Auditing position. The Internal Auditor's activities serve as an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The objective of the Internal Auditor is to assist the Superintendent and the Board in the effective discharge of their responsibilities identified above. The Internal Auditor, through its work, provides the Superintendent, Administration, and the Board with

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analysis, appraisals, recommendations, advice, and other information concerning the activities reviewed.

3520-R Fraud Prevention and Investigation

3520-R-5

In this way, the Internal Auditing Department is viewed as an asset to the District it serves. To effectively utilize this valuable resource, the Board does hereby establish this Audit Committee.

The purpose of the Audit Committee (referred hereinafter as Committee) is to promote, maintain, and enhance the independence and objectivity of the internal auditing function of the District by ensuring broad audit coverage, and adequate consideration of audit/review reports. The Committee also serves to reduce the risk of both internal and external influences that might otherwise impair the independence and objectivity of the Internal Auditor. The Internal Auditor shall report to the Board through the Committee.

The Committee shall be comprised of five (5) members consisting of the Superintendent, three Board members appointed annually at the Organizational Meeting of the School Board, of which, one member is the Treasurer elect of the School Board, whom shall serve as Chairperson of the Committee. The fifth member of the Committee shall be the Internal Auditor.

Committee members must possess an independence of mental attitude and an earnest desire to act as a positive force in fulfilling their responsibilities to the Board. Except as provided above no Committee member may be an employee of the School District. Members shall adhere to the IIA Code of Ethics.

The Committee shall meet monthly following the Finance Committee meeting. Additional meetings may be called as necessary to further the business of the Committee. Meetings shall not be open to the public.

Minutes will be maintained and forwarded to the full Board of Education monthly.

All documents, in any format, produced by the Committee shall be maintained as a public record where not specifically exempt.

The Committee shall require the Internal Auditor to conduct a periodic district-wide risk assessment as a means of setting the long-range work plan. The assessment shall involve the Board, Superintendent, and Administration. The Committee shall review the long-range work plan of the Internal Auditor.

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The Committee should ensure that the review of the work plan not serve to restrict or impede the Superintendent from utilizing the services of the Internal Auditor for

3520-R Fraud Prevention and Investigation

3520-R-6

review of special studies that may be required in the discharge of his/hers duties and responsibilities.

The Committee may from time to time request the Internal Auditor to perform special studies or investigations when deemed necessary. Any specific request will be made known to the full Board at the next scheduled Board meeting.

Section 3000 – Fiscal Management

3550 Authorized Signatures (Cf. 1300)

3550

At the annual organizational meeting, the Board shall authorize the signatures of those persons who may sign checks upon the various accounts of the District. Facsimile signatures may be used as authorized by the Board.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3550-R Authorized Signatures

3550-R

Procedures for accounts payable:

1. Two Board members will review the check register (not the checks). They may review the paperwork, if necessary, and each will sign the check register. If one of the Board members refuses to sign the check register or individual check, the Board treasurer will be notified for resolution. If the treasurer is not available or is refusing to sign the register, the Board president will be notified.
2. After the review period, the checks will be released if there are funds in the bank.
3. Special checks (utilities and in-District checks) will be released prior to the register being signed if authorized by the superintendent.
4. Prepaid checks under \$5,000 may be processed by the business office using the Board signature stamp. Prepaid checks over \$5,000 must be signed by two Board members.

Section 3000 – Fiscal Management

3570 Petty Cash Accounts

3570

The Superintendent may establish a petty cash fund in the central office, any building or division or department in which he/she determines a need.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3570-R Petty Cash Accounts

3570-R

The Superintendent may establish a petty cash account in the central office and in each building. The person in charge of the fund, on a form provided, may replenish petty cash funds only upon presentation of an itemized statement. Petty cash funds shall be reconciled monthly.

Petty cash funds shall not be used for the following purposes, by way of illustration and not limitation: salaries, loans, or advances to staff or the cashing of personal checks.

Section 3000 – Fiscal Management

3580 Payroll Procedures and Schedules

3580

All employees shall be paid according to a specific schedule that shall be determined annually by the Board. All salaries, supplements, and payments for extra duties shall be paid from the payroll account through the District's business office. No payments shall be made directly to any school personnel for services rendered from any supplementary school fund.

Board Members

Board members shall receive compensation quarterly and reimbursement for expenses monthly when approved by Board treasurer.

Approved: June 19, 2006
LEGAL REF: MCL 380.1224

Section 3000 – Fiscal Management

3600 Reimbursement of Expenses (Cf. 1168, 5330)

3600

District personnel, or members of the Board, who incur expenses in carrying out their authorized duties shall be reimbursed by the District to the extent approved or provided in Board policies or duly negotiated agreements upon submission of an approved voucher and supporting receipts. Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

Approved: June 19, 2006

LEGAL REF: MCL 15.321-330; 129.221 et. seq.; 129.241 et. seq.

Section 3000 – Fiscal Management

3600-R Reimbursement of Expenses

3600-R

The following provisions apply to all personnel. All employees traveling on official business are expected to exercise the same care in incurring expenses that a prudent person would exercise if traveling on personal business.

Other expenses, where receipts are not given including local travel to out-of-state conventions, will be reimbursable in reasonable amounts.

Compliance with these policies is the responsibility of the superintendent. The Board reserves the right to question travel vouchers which appear to violate this intent.

New rates are revised annually on July 1 to reflect the change in the regional May CPI.

When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate currently approved by the IRS as of June 1. For employees covered by flat allowance per month or per year, the mileage rate shall apply when the employee uses his/her personal automobile on authorized school business outside the District.

Spouses, Family Members, and Others

Expenses of spouses, other family members, or any non-District employees accompanying Board members or employees in discharging their official duties or performing authorized functions are not reimbursable.

Alcoholic Beverages and Tobacco

Neither alcoholic beverages nor any tobacco products may be charged to any District credit/procurement card, nor will reimbursement be paid for any expenditure for alcoholic beverages or tobacco products.

Authorization for Travel

The employee's immediate supervisor and Superintendent must approve all travel. The appropriate forms must be completed prior to departure.

3600-R Reimbursement of Expenses

3600-R-2

Section 3000 – Fiscal Management

1. A Conference Application Form must be submitted prior to the meeting; and can be found on the District's Intranet.
2. Estimated expenses must be within appropriate budget allocations.

Methods of Travel

Mileage for an approved educational/ business trip etcetera and attendance at a seminar, conference etcetera shall be paid up to the cost of a plane ticket based on the average/reasonable coach rate airplane ticket cost 30 days prior to departure. Use of generally recognized credit cards will be accepted as evidence of payment if supported by the usual receipt form required to support cash payments, appropriately annotated. An itemized receipt or statement chargeable to the traveler's private, individual account will be accepted as evidence in lieu of paid receipts.

Reimbursable Expenses

Conference fees and costs that are billed in advance will be paid by the District.

1. Lodging

While attending conferences, all persons are advised that double occupancy is encouraged when and where practical and they are encouraged to take their spouses to professional conventions. The District will reimburse the superintendent or employees at a single room rate for the lodging expenses of the employee; and the employee will pay the lodging costs for family members over and above the single room rate, the transportation costs, food, and other expenses attributable to family members.

2. Meals

While attending conferences and conventions, a per diem base rate for meals will be paid with no receipts required. If the duration of the conference does not include a total day or as part of the conference expenditures breakfast, lunch, or dinner is included in the conference cost; the per diem meal (breakfast, lunch, and dinner) rate will be deducted from the per diem rate: The per diem rate is revised annually in July as per the regional May CPI and not to exceed IRS rule. If conferences are approved for other regions, the

Section 3000 – Fiscal Management

employee may submit actual receipts for consideration of reimbursement if normal for that region. The per diem rate includes all tips.

3. Conference registration fees,
4. Parking and tolls,
5. Common carrier transportation,
6. Use of private vehicle,
7. Postage, telephone and fax charge for business purposes, and
8. Charge for baggage service, and tips (not to exceed 15 percent).

Daily Travel

Local travel as authorized under these regulations is to be recorded on a daily basis and submitted to appropriate supervisor at the end of each month for reimbursement. If such travel is less than 100 miles per semester, reimbursement may be requested at the end of the semester. Voucher must include, date, destination, purpose of travel, and number of miles for each trip.

All requests for reimbursement for travel during a fiscal year shall be submitted to the immediate supervisor by June 30 of that year.

Section 3000 – Fiscal Management

3610 Purchasing Goods and Services

3610

The purchasing objective of the Board shall be to provide services, materials, and supplies which offer District personnel the most effective and efficient means to perform their tasks. The Board shall attempt to acquire these at a minimum possible cost, but taking into consideration the best interests of the District. The superintendent shall serve as the purchasing agent for the District.

Purchases through the District

Board members and employees shall not make any purchase through the District for personal use. The name of the District or school, or an employee's position, shall not be used in such manner that discounts or cost preferences are given to such person. Purchasing equipment and supplies by the District for resale to employees is prohibited.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process. Such emergencies may arise because of an accident or other unforeseen occurrence that could affect the life, health, welfare, or safety of the District's students or employees.

Approved: June 19, 2006

LEGAL REF: MCL 15.321-330; 380.1216; 380.1274

Section 3000 – Fiscal Management

3610-R Purchasing Goods and Services

3610-R

It is recognized that the Board does rely upon the superintendent and his/her staff to administer the business operations of the schools. Because the Board cannot relinquish its responsibility and accountability as an agent of the State and the citizenry of the District, the following guidelines are established with regard to purchasing procedures:

A. General Guidelines

1. In awarding purchases or contracts for services, the superintendent shall consider the following: (a) price; (b) quality of product; (c) service, delivery, and maintenance of product; (d) suitability of product; (e) conformance to specifications; (f) past performance to the District; (g) vendor reliability; and (h) other factors deemed appropriate.
2. All purchases shall be made after proper written documentation is secured to support such purchases, excluding purchases of an emergency nature.
3. The Board will have a fully operative purchase order system as a means of budgetary control.
4. Vendor competition in purchasing shall be practiced whenever possible.
5. All expenditures from the building and site fund shall be presented to the Board for approval before a commitment is made, except for emergency situations unless under \$10,000.
6. Sufficient amounts must have been budgeted in appropriate accounts and sufficient funds be available in said accounts, or line item transfer approval given by the superintendent or Board according to transfer authority provided by law and approved by the Board.
7. The superintendent shall make available to the Board, upon request, the price quotations or competitive bids obtained from vendors for goods and services. These copies are to be retained by the business office until the audit for a fiscal year has been formally accepted by the Board.

Section 3000 – Fiscal Management

3610-R Purchasing Goods and Services

3610-R

8. The lowest responsible bidder submitting a competitive price quotation on bid ordinarily shall be awarded the contract. However, the Board reserves the right to accept or reject any bid which it feels is in the best interest of the District and delegates this authority to those responsible for purchases not coming before the Board.

These rules shall apply equally to all employees of the District regardless of assignment.

1. The Superintendent shall be empowered to sign lease agreements on behalf of the District regardless of duration of the lease or the amount of the expenditure. It shall be the general practice of the District that, with the exception of technology equipment, such as computers, printers, scanners, copying machines, and the like, and certain transportation equipment, no lease shall be entered into that encumbers the District and the Board for more than a two-year period.
2. Any employee violating or attempting to circumvent these rules will be subject to disciplinary action, up to and including discharge. In addition, the Superintendent has authority to pursue any legal remedy necessary to seek restitution from the offending employee for any outstanding debts or obligations incurred by the District because of the employee's violation of these rules, subject to applicable collective bargaining agreements and law.

Section 3000 – Fiscal Management

3620 Administrative Leeway (Cf. 2750, 3660)

3620

In the event of an emergency such as a power failure, severe cold weather or other such natural disasters, the Superintendent shall have the authority to purchase capital equipment needed to keep the schools of the District open or to reopen the schools. The Board, at a special or regular meeting as soon as possible after the purchase is made, shall approve any such purchases.

Such purchases shall not be made to circumvent the purposes of the competitive bid law.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3650 Cooperative Purchasing (Cf. 3660)

3650

The Superintendent is authorized to consider, and recommend for Board approval, membership in cooperative purchasing organizations that would be of benefit to the District.

Cooperative purchasing also pertains to what is commonly referred to as “third party bids.” Third party bidding shall constitute a competitive bid for purposes of policy 3660 - Competitive Bids.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3660 Bids and Quotation Requirements (Cf.4760)

3660

All purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedure.

The District shall develop and maintain lists of potential bidders for various types of materials, equipment, and supplies. Such bid lists shall be used in the development of mailing lists for distribution of specification and invitations to bid.

Any supplier may be included in the list upon request.

A copy of this policy shall be made available to all bidders upon request.

All bids and supporting documentation shall be retained in the District office with the Superintendent or designee for a period of one year after bids have been opened.

Competitive Bids

No purchases shall be made of supplies, materials or equipment in a single transaction costing more than allowed under current law unless competitive bids for those goods and services are obtained and the Board approves the purchase.

Certification of Vendors

All bids packets that have contracts of \$100,000 or more and that use Federal Grant Funds will be required to have vendors sign and certify that they are not prohibited from participating in federal program activity due to being presently debarred or suspended by any Federal department or agency.

Bid Specifications

The District shall write all bid specifications in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with preferential bid law; financial statements; the Board's right to reject any or all bids; compliance with all federal, state and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs.

Approved: June 19, 2006

LEGAL REF: MCL 380.1267; 380.1274

Section 3000 – Fiscal Management

3660-R Bids and Quotation Requirements

3660-R

Non-Competitive Bid Purchases

Non-competitive bid purchases may be made when there is only one supply source provided the amount does not exceed bidding requirement limitation.

Informal Quotations

Informal quotations (verbal information of price on equal products or services) secured in person or by telephone may be used in obtaining purchases for routine supplies used by the district. Name of person, company, date and time is recorded on all informal quotes.

Formal Bid Quotations

The Superintendent is authorized to purchase any item, or group of items in a single transaction costing \$10,000 up to the amount allowed under current law, upon the receipt of at least three written bid quotations provided said purchase is within the approved budget. The Superintendent shall use discretion in deciding whether such purchases are made based on requested quotations or through advertising for bids.

Competitive Bids (Dollar amount according to current law)

1. No purchases shall be made for supplies, materials, and equipment in a single transaction costing more than the amount required by state law or more unless competitive bids for those goods and services are obtained and the purchase is approved by the Board.
2. Such bids shall be opened at a specific time and place as stated in the bid advertisement or the invitation to bid. Bids may be opened at the time and place as stated, and analyzed and brought to the Board at a regular or special meeting with recommendations as to which bids should be accepted.
3. The Board shall have discretion in determining the responsibility of the bidders and generally shall award the contract to the lowest responsible bidder, provided specifications are fully met. The Board may also consider

Section 3000 – Fiscal Management

3660-R Bids and Quotation Requirements

3660-R-2

available services and delivery in determining the successful bidder. The Board may reject any or all bids.

Competitive Bids on Building Construction, Renovation, and Repairs

Prior to commencing construction of a new building, or additions to or repair or renovation of an existing building costing more than allowed under current law, the Board shall obtain competitive bids on all material and labor to be required to complete the proposed construction, addition, repair or renovation. Repair work normally done by District employees is exempted from this bidding requirement.

The Board shall advertise for bids at least once in a newspaper of general circulation in the area where the building or addition is to be constructed, or where the repair or renovation of the building is to take place. The Board shall also post an advertisement for bids on the Department of Management and Budget's website for at least two weeks if the department has designated a website for this purpose.

If the Department of Management and Budget designates a school organization website for advertisement purposes, the Department shall include a link on its website to the school organization website.

Such advertisements shall include:

- The date and time that the bids must be received by the Board,
- A statement specifying that the Board will not accept late submissions,
- The date, time, and place the bids will be opened and read by the Board, and
- A statement specifying that each bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship between the owner or employee of the bidder and any member of the Board or the Superintendent of the school District. The Board shall not accept any bids that do not contain this sworn and notarized statement.

Section 3000 – Fiscal Management

3660-R Bids and Quotation Requirements

3660-R-2

Procedure

All bids must be submitted to the Superintendent in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All timely received bids shall be opened by a Board member if available and read aloud. No bid shall be opened, considered, or accepted before the date and time specified for bid submission in the advertisement. All bidders and other interested persons are invited to be present when the bids are opened.

Bids not involving building construction, renovation and repairs may be opened by an employee if a Board member is not available and one other District employee shall witness such opening. The bids shall then be arranged in order from low to high before they are presented to the Board for action.

Responsible Bidder

All bids shall be awarded to the lowest responsible bidder. The Board remains the sole judge of whether or not a bidder is “responsible.” Criteria that may be used to judge “responsible,” by way of illustration and not limitation, are financial standing, reputation, experience, resources, facilities, judgment, and efficiency.

The Board may investigate the business reputation of any bidder by using information at hand to form an intelligent judgment, such as the District's architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

Bid Specifications

The Board shall avoid negotiation of bid specifications after bids have been accepted and shall correct and request new bids if specifications are inadequately written.

If an error is discovered in the bid specifications, all bids shall be returned unopened and the project shall be re-bid using corrected and/or amended specifications.

Any bid submitted to the District may be withdrawn prior to the scheduled time for opening of bids.

Any bid received after the Board publicized date and time shall not be considered.

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3660-R Bids and Quotation Requirements

3660-R-3

Rejection of Bids

The Board reserves the right to reject all bids and to ask for new bids. Such reservation shall be so specified in the publication or notification of bid letting.

The Board reserves the right to waive any informality in, or reject any part of, a bid.

Bonds on building Construction, Renovation and Repairs

Each bidder shall be required to file security with the Board in the amount of five percent of the amount of the bid, conditioned to secure the district from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance if the bid is accepted by the Board.

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3730 Vendor Relations

3730

The Superintendent shall authorize demonstrations of equipment by vendors.

No Board member or District employee shall accept gifts from any persons, group or entity desiring to do business with the District; and all business-related gratuities are specifically prohibited except items widely distributed with a market value of \$100 or less.

The Superintendent shall alert vendors of the Board's policy concerning gifts.

Employees shall not endorse products or services in a manner that will identify them with the District. The Board, the purchasing department, or employees of the school shall not solicit funds from vendors however worthy the purpose.

The Board or Superintendent may give written approval in advance for inspection trips or other informational trips at a vendor's expense.

Samples for evaluation, supplied free of charge by a vendor, may be accepted if:

1. The business office is notified of the acceptance and given a copy of the evaluation report,
2. No pressure, either direct or indirect, is brought on a supplier to provide such samples unless required of all suppliers as a specific provision of a bid or quotation request, and
3. All suppliers are given the opportunity to provide samples for evaluation.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3750 Payment Procedures

3750

Payment of bills shall be considered by the Board at regular Board meetings, upon recommendation by the Superintendent.

Upon receipt of a request for payment by a District vendor, and upon receipt of all goods or satisfactory completion of all services from said vendor, the Board may authorize payment to said vendor within 30 days and full payment within 45 days.

The Board may designate one or more employees to pay bills in advance of any Board meeting in order to avoid a penalty for late payment or to take advantage of an early payment discount.

Approved: June 19, 2006

Section 3000 – Fiscal Management

3800 Fund Raising and Student Activity Fund

3800

Soliciting Funds from and by Students

The Board recognizes the existence of many worthwhile community and student activities that require the raising of funds by the sale of merchandise, tickets, or perhaps direct requests for money. Because of the need to safeguard students in the educational program, the Board limits participation of students to those activities that have the building Principal and/or Superintendent's approval under this policy.

It is the responsibility of the Board to provide the necessary basic texts, materials, supplies, equipment, buildings, and facilities to conduct the approved, basic educational programs of the District. Co-curricular and school-sponsored extra-curricular programs of the District, however, such as athletic programs, school-sponsored student clubs, and curriculum-related field trips or excursions may require financial support beyond the capacity of the District's capacity to provide in order to survive. Community and school fund raising organizations may contribute to the enrichment of basic programs or to co-curricular and extra-curricular activities through the contribution of funds and/or items as long as those contributions have been determined consistent with the above and approved by the Superintendent through the appropriate building or program administrator.

This policy is not to affect those regular school programs such as dramatics or musical concerts, etc., where students might be selling tickets for an activity in which they are taking part. Elementary students will not be asked to sell tickets for middle school or senior high school activities.

If a fund raising project is conducted to sponsor a specific purchase, activity or trip, the purchase or trip must be approved prior to initiation of the fund raising effort. This shall apply to school related groups as well as to school-community organizations.

Every attempt shall be made to coordinate fund raising activities among buildings and various organizations in order that excessive demands are not made upon members of the community. Such coordination is especially important at Christmas or other holiday times when innumerable items are available for sale by the students.

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3800 Fund Raising and Student Activity Fund

3800-2

Student Groups

The Principal must approve all fund raising events in advance. Requests must be on an approved application form and submitted to the Principal at least one month prior to the proposed activity

Only school-sponsored groups may sell or solicit in a school building and then only within the school housing the group, and only during non-instructional time.

Students shall not sell or solicit for purposes of school fund raising outside the boundaries of the District except as part of a booth at a fair, shopping center, or other locations where potential “customers” are coming to them. Advertisements and sales may be solicited from establishments outside the District boundaries only if there is an apparent community of interest.

Specifics

- A. Fund raising projects for special trips or special projects should not be started until approval of the trip or project is granted. Trips covered by this policy shall include out-of-state and overnight trips, as well as trips to foreign countries. (Cf. 7490 – Field Trips)
- B. Any sale of commercial products through contracts with businesses shall require approval of the building Principal before any oral commitment, written agreement, or contract is made or any advance publicity or group promotional activity is undertaken. Once approved however, before sales begin or solicitations are made, contract agreements must be signed by the building Principal.
- C. Fund raising projects shall be compatible with the school’s purpose, goals, and general community expectations, and shall not conflict with local business enterprises unduly.
- D. The District shall transfer funds remaining in accounts of student organizations that have been inactive for one year or in accounts of classes that have been graduated

Section 3000 – Fiscal Management

3800 Fund Raising and Student Activity Fund

3800-3

for one year to accounts of other co-curricular organizations or to the District's general fund upon recommendation of the Superintendent.

Adult Groups

School-related adult organizations raising funds that are to be used primarily for the improvement of the educational or athletic program must submit a written request to the Principal to the Superintendent. This request should be submitted one month in advance and identify the date(s) and nature of the activity (ies). No fund raising activity should commence until approval has been granted.

The purpose is not to limit the activities of these groups unduly, but rather to:

1. Be assured that students are not being “used” or their educational program interrupted.
2. Assist with coordination of activities so that similar activities are not in conflict with each other.
3. Be assured of the appropriateness of the activity and that all fund raising activities, and the use/expenditure of the funds raised there from, comply with local, state, and federal laws⁷ and regulations.
4. Adult Beverages may be included in the activity under the following conditions:
 1. No students are in attendance.
 2. The activity does not involve the use of a district facility.
 3. The Facility where the activity is being held must be licensed to provide adult beverages.

⁷ A school District that accepts outside financial assistance and allows vast gender differences to emerge at the hands of a third party (the private booster club) may face claims of federal Title IX violations. Title IX regulations caution that to “aid or perpetuate discrimination” by providing “significant assistance” to any organization that provides benefits or services to students is a violation of Title IX. (34 C.F.R. § 106.3 (6)). “Where [athletic] ‘booster clubs’ provide benefits and services that assist only teams of one sex, the institution shall ensure that teams of the other sex receive equivalent benefits and services.” *Title IX Athletics Investigator’s Manual*, Office of Civil Rights.

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3800 Fund Raising and Student Activity Fund

3800-4

Some courts have ruled that the Board is liable for fund raising activities of such groups if the money raised benefits a particular school, the District, in general, or its organizations.

Approved: June 19, 2006

Revised: March 16, 2009

LEGAL REF: *Gaincott v Davis*, 281 Mich 515; 275 NW 229 (1937); *Cook v Bennett*, 94 Mich App 93; 288 NW2d 609 (1979); Title IX (34 C.F.R. § 106.3(6)); *Title IX Athletics Investigator's Manual*, Office of Civil Rights.

Section 3000 – Fiscal Management

3800-R Fund Raising and Student Activity Fund

3800-R

Expenditures and Reports

Each student activity fund shall have a District employee, recommended by the building Principal, and approved by the Superintendent, in charge of said fund. The custodian of the fund shall be responsible for making reports of the student activity fund to the Superintendent as requested, but in no event, less than once per semester. The Superintendent shall share the information with the Board.

The report shall show opening and closing balances of each fund, the total amount of deposits, and an itemized list of expenditures.

All payments from student activity funds shall be made from purchase orders signed by the custodian of the fund.

The District shall assume control of all inactive activity organization funds and disburse those funds to the activity account selected or expend the funds as directed by the Board in the best interests of students.

Section 3000 – Fiscal Management

3900 Surplus Books, Equipment and Supplies

3900

The Superintendent is authorized to dispose of surplus obsolete books, equipment, and supplies.

Approved: June 19, 2006
LEGAL REF: MCL 380.11a

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3900-R Surplus Books, Equipment and Supplies

3900-R

Obsolete books, equipment, or supplies that cannot be sold may, at the discretion of the Superintendent, be donated to charitable organizations or discarded in an acceptable manner.

A record shall be maintained by the Superintendent of all properties disposed of consistent with state and/or federal regulations.

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3950 Surplus Land or Buildings

3950

The sale or disposal of District land or buildings shall require Board authorization. The Board shall determine the method and procedure of disposal.

Approved: June 19, 2006
LEGAL REF: MCL 380.11a

Section 3000 – Fiscal Management

3950-R Surplus Land or Buildings

3950-R

Whenever any land or buildings owned by the District are placed on the market for sale, public notification shall be made and all interested parties shall be given an equal opportunity for purchase.

An appraisal of District owned property shall be requested from at least two independent appraisers. However, the Board may set a price, which in its judgment, is fair and may reject any or all offers relative to such sale.

Before a sale is completed, the potential use of the property shall be considered, particularly as it may affect the neighborhood in which it is located. The sale of the property for educational use shall be given priority.

Money resulting from the sale of property shall be deposited in the general fund of the District unless otherwise directed by the Board or by law.

Revenues from School Owned Real Estate

The funds received from sale of District-owned property be applied in the following manner:

1. Funds necessary to retire all liens and debts attributable to the property sold will be paid out of necessary reserves established.
2. Funds necessary to pay other debts attributable to the property sold will be paid.
3. Funds not necessary to pay #1 and #2 above will be paid to the general fund of the District.