

7000 Series

Financial Management



7000 Series
“FINANCIAL MANAGEMENT”
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Jefferson High School District #1

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FINANCIAL MANAGEMENT

7000

Goals

Because 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.

The Board seeks to achieve the following goals in the District's fiscal management:

1. Engage in advance planning, with staff and community involvement, to develop budgets which will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for District 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: February 2007

Revised on:

Tuition

Whenever a nonresident student is to be enrolled in the District, either by choice or by placement, an attendance agreement must be filed with the Board. Terms of the agreement must include tuition rate, the party responsible for paying tuition and the schedule of payment, transportation charges, if any, and the party responsible for paying transportation costs.

Tuition rates shall be determined annually, consistent with Montana law and approved by the Board at the regular July Board meeting.

Cross Reference: 3141 Discretionary Nonresident Student Attendance Policy

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

Policy History:

Adopted on:	February 2007
Revised on:	February 15, 2011

FINANCIAL MANAGEMENT

7110

Budget and Program Planning

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

Before presentation of a proposed budget for adoption, the Superintendent and district clerk will prepare, for the Board's consideration, recommendations (with supporting documentation) 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 before any action by the Board.

Policy History:

Adopted on: February 2007

Revised on:

FINANCIAL MANAGEMENT

7121

Budget Adjustments

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

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

Total budget expenditures for each fund as adopted in the final budget shall constitute the appropriations of the District for the ensuing fiscal year. The Board 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. 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 will provide opportunity for any taxpayer to appear and be heard. Budget procedures will be consistent with statutory requirements. When applicable, the District will apply for state financial aid to supplement the 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 fund – transfers from fund to fund

Policy History:

Adopted on: February 2007

Revised on:

FINANCIAL MANAGEMENT

7210

Revenues

The District will seek and utilize all available sources of revenue for financing its educational programs, including revenues from non-tax, local, state, and federal sources. The District will properly credit all revenues received to appropriate funds and accounts 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:	Title 20, Chapter 9, MCA	Finance
	Title 10, Chapter 10, ARM	GASB, Codification of Governmental Accounting and Financial Reporting Standards

Policy History:

Adopted on: February 2007

Revised on:

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: May 2020

Revised on:

Revision Note:

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: May 2021

Revised on:

Revision Note:

Use of Federal Title I Funds Methodology

In accordance with the Every Student Succeeds Act (ESSA), Jefferson High 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.

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

Cross Reference: 7220 – Use of Title I Funds

Legal Reference: Elementary and Secondary Education Act, Section 118(b)(1)

Policy History:

Adopted on: June 2021

Revised on:

Revision Note:

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: February 2007

Revised on:

FINANCIAL MANAGEMENT

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 non-budgeted 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. 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

Policy History:

Adopted on: February 2007

Revised on: March 2020

Revision Note: Updated for clarification

Metal Mines Tax Reserve Fund

Revenues received by the district statutorily derived from impact, proceeds or production from metal mining activities and deposited in the district's metal mines or hard rock fund account shall collectively comprise a non-budgeted special revenue metal mines tax reserve fund held by the district trustees for the benefit of the district according to the provisions of this policy.

1. Any amount in this fund may be expended for the specific purpose by affirmative majority vote of the Board of Trustees only after posting on a regular meeting agenda.
2. The Board will designate these funds as assigned for expenditure. The Board may expend any amount, up to 100% of the current balance at the time of appropriating. Authorized expenditures must be approved by the trustees for legitimate purposes consistent with supplementing or supplanting existing programs or obligations, developing new or revised curricula, pilot budget programs and projects, facilities maintenance or improvements, tax impact mitigation in budgeted funds, or other special or innovative uses that, in the opinion of the trustees enrich, enhance or improve the basic mission of the district or any other use authorized by law.
3. Any amount of annual investment earnings not appropriated for use as specified under #2 above will automatically be added to this fund.
4. Expenditure plans for this fund will be adopted by the Board as the Board sees a need for the funds.
5. Money held in the fund cannot be considered as fund balance for the purpose of reducing mill levies.

Policy History:

Adopted on: 4/10/2007

Reviewed on: April 2013

Revised on: May 2013

Revision Note: Increased amount expendable on line 11

Jefferson High School District #1

FINANCIAL MANAGEMENT

7261F
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**A RESOLUTION BY THE BOARD OF TRUSTEES
OF JEFFERSON HIGH SCHOOL DISTRICT #1**

7261F

The Board of Trustees of Jefferson High School Boulder, Montana, hereby resolves to authorize the expenditure of funds from Fund 224 Metal Mines in the amount of \$ _____ to be expended during the period of _____ to _____ for the purpose of

_____.

The motion was duly made by trustee _____.

The motion was seconded by _____.

The motion passed ____ for and ____ against.

Passed and adopted on this ____ day of _____, _____.

Signature _____ Chairman of the Board of Trustees

Attest _____ District Clerk/Business Manage

Policy History:

Adopted on: February 2007

Revised on:

Revision Note:

Distribution of Excess Senior Class Funds

The Board authorizes the school administration to distribute any excess senior class funds and monies, whether in whole or in part, to the “Angel Fund”, the following year’s class fund, and/or the activity fund if the senior class to which it belongs did not designate where the funds should be distributed by the final day of the school year.

Legal Reference:

Policy History:

Adopted on: May 2020

Revised on:

Revision Note:

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 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 Board approval.
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board ratification each month.
4. Purchases will be made according to the legal requirements of the State of Montana and adopted Board policy.

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

Policy History:

Adopted on: February 2007

Revised on:

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 the cost of any supplies, equipment, or work shall exceed 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. The Board, in making a determination as to which vendor is the lowest responsible bidder, ~~the Board~~ 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 (2nd) 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.

Purchasing will be done locally when it is in the best interest of the school district.

Legal Reference:	§§ 18-1-101, et seq., MCA	Public Contracts
	§§ 18-1-201, et seq., MCA	Bid Security
	§ 20-9-204, MCA	Conflicts of interest, letting contracts, and calling for bids
	<i>Debcon v. City of Glasgow</i> , 305 Mont. 391 (2001)	

Policy History:

Adopted on: May 6, 2002

Revised on: February 2007, November 15, 2011, December 2018, June 2019

Note: Lines 9-14, Page 2, were added based on the 2011 Legislative session.

2018 revision to clean up contradictory statements and other language.

June 2019 revision changed contradictory dollar amounts to a singular updated amount.

FINANCIAL MANAGEMENT

7325

Accounting System Design

The District accounting system will 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: February 2007

Revised on:

FINANCIAL MANAGEMENT

7326

Documentation and Approval of Claims

All financial obligations and disbursements must be documented in compliance with statutory provisions and audit guidelines. Documentation will specifically describe acquired goods and/or services, 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: February 2007

Revised on:

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 duty day) (July 1) 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 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 pay day for the pay period in which the employee left employment or within fifteen (15) days, whichever occurs first.

Cross Reference: BP 5500 Payment of Wages upon Termination

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

Policy History:

Adopted on: April 15, 2008

Reviewed on:

Revised on:

Revision Note:

PAYROLL PROCEDURES / SCHEDULES

(Deferred Wage Payment Election Form)

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

Signature

Position

Printed name

Date signed

Policy History:

Adopted on: April 15, 2008

Reviewed on:

Revised on:

Revision Note:

FINANCIAL MANAGEMENT

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 in or on District facilities, is a Board-approved venture. The Board may approve such opportunities subject to certain restrictions in keeping with the community standards of good taste. Advertising will model and promote positive values for District students through proactive educational messages and not be simply traditional advertising of a product. Preferred advertising includes messages encouraging 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. The 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 allowed will note sponsorship of the student art by the participant. 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 approved subject to Board policy.

The following restrictions will be in place when seeking revenue enhancement. Revenue

enhancement activities will not:

1. Promote hostility, disorder, or violence;
1. Attack ethnic, racial, or religious groups;
2. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
3. Be libelous;
4. Inhibit the functioning of the school and/or District;
5. 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;
6. Be obscene or pornographic, as defined by prevailing community standards throughout the District;
7. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
8. Promote any religious or political organization;
9. 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: February 2007

Revised on: December 2018

Revision Note: Language change to clarify intent of policy

FINANCIAL MANAGEMENT

7335

Personal Reimbursements

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

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

The District business office is responsible for developing procedures and forms to be used in processing claims for personal reimbursements.

Policy History:

Adopted on: February 2007

Revised on:

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: February 2007

Revised on:

Credit Card Use

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

The District shall establish a credit line not to exceed Fifteen Thousand Dollars (\$15,000) for each card issued and an aggregate credit limit of One hundred fifty Thousand Dollars (\$150,000) for all cards issued to the District.

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

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

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

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

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

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

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

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

Policy History:

Adopted on: February 2007

Revised on: August 16, 2011; November 2014, February 2018

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:

Fund 01	General Fund
Fund 10	Transportation Fund
Fund 13	Tuition Fund
Fund 50	Debt Service Fund
Fund 14	Retirement Fund
	Insurance Fund
Fund 12	School Food Service Fund
Fund 18	Traffic Education Fund
Fund 24	Metal Mines Fund
Fund 15	Miscellaneous Funds
	Internal Service Funds
Fund 21	Compensated Absences Liability Fund
Fund 27	Litigation Reserve Fund
Fund 81	Private Purpose Trust Fund (Non-Expendable principal)
Fund 82	Inter-local Agreement Fund
Fund 85	Private Purpose Trust Fund (Expendable principal)

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

Policy History:

Adopted on: February 2007

Revised on: January 11, 2012 June 2013

Revision Note: January 2012 revision added Fund 85, Jun 2013 revision added Funds 21, 27, 81 & 82

FINANCIAL MANAGEMENT

Extra- and Co-Curricular Funds

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

The Board shall follow the *Student Activity Funding Accounting* (published by the Montana Association of School Business Officials (MASBO)) in establishing accounting procedures for administration of student extra- and co-curricular funds and will appoint a fund administrator.

Specific procedures are available in the clerk's office.

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

Policy History:

Adopted on: February 2007

Revised on:

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 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 (2) years and cover the immediately preceding two (2) fiscal years, or it may be conducted annually.

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

Policy History:

Adopted on: February 2007

Revised on:

FINANCIAL MANAGEMENT

7500

Property Records

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

For purposes of this policy, “equipment” means 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 will ensure inventories of equipment are systematically and accurately recorded and updated annually. Property records of facilities and other fixed assets will be maintained on an ongoing basis. No equipment will be removed for personal or non-school use except in accordance with 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 providing 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: February 2007

Revised on:

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; and
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 for purchases 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 cost of 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 to buildings	\$5000.00 or more
Land	Any amount

Cross Reference: 7500 Property Records

Policy History:

Adopted on: February 2007

Revised on:

FINANCIAL MANAGEMENT

7515

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Fund Balances

I. PURPOSE

The fund balance policy establishes a framework for the management of all excess funds managed by the Jefferson High 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 Jefferson High School District, Boulder, 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.

VII. COMMITTING FUND BALANCE

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

VIII. ASSIGNING FUND BALANCE

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Business Manager and Superintendent. 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 Reference: Statement No. 54 of the Governmental Accounting Standards Board

Policy History:

Adopted on: June 29, 2011

Revised on:

Revision Note:

FINANCIAL MANAGEMENT

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:

1. 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
2. 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: February 2007

Revised on: March 2020

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.
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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: January 2016

Reviewed on:

Revised on:

Revision Note:

Procurement of Supplies or Services

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

1. § 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 bidder 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%).
2. § 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.
3. § 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: May 21, 2002

Revised on: February 2007, December 2018

Note: The revision included the addition of lines 15-18 for additional clarification. 2018 revision adds cancellation of bid.

Transfers for School Safety

It is the policy of the District to increase the flexibility and efficiency of the District's resources by utilizing the provision of law allowing transfers of funds to improve school safety and security.

The District may transfer state or local revenue from any budgeted or non-budgeted fund, other than the debt service fund or retirement fund, to its building reserve fund in an amount not to exceed the school district's estimated costs of improvements to school and student safety and security

The transfer of such funds can be for:

1. planning for improvements to and maintenance of school and student safety, including but not limited to the cost of services provided by architects, engineers, school resource officers, counselors, and other staff or consultants assisting with improvements to school and student safety and security;
2. programs to support school and student safety and security, including but not limited to active shooter training, threat assessments, and restorative justice;
3. installing or updating locking mechanisms and ingress and egress systems at public school access points, including but not limited to systems for exterior egress doors and interior passageways and rooms, using contemporary technologies;
4. installing or updating bullet-resistant windows and barriers; and
5. installing or updating emergency response systems using contemporary technologies.

Any transfers made under this policy and Montana law are not considered expenditures to be applied against budget authority. Any revenue transfers that are not encumbered for expenditures in compliance with the four reasons stated above, within 2 full school fiscal years after the funds are transferred, must be transferred back to the originating fund from which the revenue was transferred.

If transfers of funds are made from a District fund supported by a non-voted levy, the District may not increase its non-voted levy for the purpose of restoring the transferred funds.

Legal Reference:	20-9-503, MCA	Budgeting, tax levy, and use of building
	reserve fund.	
	20-9-236, MCA	Transfer of funds – improvements to school
	safety and security	

Policy History:

Adopted on: March 2018

Jefferson High School District #1

FINANCIAL MANAGEMENT

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- 1 Revised on: March 2020
- 2
- 3 *Revision Note:*

Intent to Increase Non-Voted Levy

The trustees shall adopt a resolution no later than March 31 whenever the trustees intend to impose an increase in a non-voted levy in the ensuing school fiscal year for the purposes of funding any of the funds listed below:

- a) Tuition fund under 20-5-324;
- b) Adult education fund under 20-7/705;
- c) Building reserve fund under 20-9-502 and 20-9-503;
- d) Transportation fund under 20-10-143 and 20-10-144; and
- e) Bus depreciation reserve fund under 20-10-147.

The trustees shall provide notice of intent to impose an increase in a non-voted levy for the ensuing school fiscal year by:

- a) Adopting a resolution of intent to impose an increase in a non-voted levy that includes, at a minimum, the estimated number of increased or decreased mills to be imposed and the estimated increased or decreased revenue to be raised compared to non-voted levies under a-e imposed in the current school fiscal year and, based on the district's taxable valuation most recently certified by the department of revenue under 15-10-202, the estimated impacts of the increase or decrease on a home valued at \$100,000 and a home valued at \$200,000, and
- b) Publish a copy of the resolution in a newspaper that will give notice to the largest number of people of the district as determined by the trustees and posting a copy of the resolution to the school district's website.

The resolution and publication of same must take place via form 7545F no later than March 31.

The Superintendent shall keep the trustees informed of any changes that may have occurred, which may have an effect on the estimated change in the mills and revenue, between the adoption of the resolution and the final adoption of the budget.

Legal Reference: SB 307, 2017 Legislative Session

Policy History:

Adopted on: March 2018

Revised on:

Revision Note:

Jefferson High School District #1

FINANCIAL MANAGEMENT

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Notice of Intent to Impose an Increase in Levies Form

As an essential part of its budgeting process, the Jefferson High School Board of Trustees is authorized by law to impose levies to support its budget. The Jefferson High School Board of Trustees estimates the following increases/decreases in revenues and mills for the funds noted below for the next school fiscal year beginning July 1, _____, using certified taxable valuations from the current school fiscal year as provided to the district:

Fund Supported	Estimated Change in Revenues*	Estimated Change in Mills*	Estimated Impact, Home of \$100,000*	Estimated Impact, Home of \$200,000*
Adult Education	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease
Bus Depreciation	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease
Transportation	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease
Tuition	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease
Building Reserve	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease
Total	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease	\$__increase/decrease

***Impacts above are based on** current certified taxable valuations from the current school fiscal year

Regarding the increase in the building reserve levy referenced above, the following are school facility maintenance projects anticipated to be completed at this time:

1. _____
2. _____
3. _____
4. _____

Legal Reference: SB 307, 2017 Legislative Session

Policy History:

Adopted on: March 2018

Revised on:

Revision Note:

Use of Enhanced Tax Credit Receipts

On receiving a donation from an enhanced tax credit, the District shall seek preapproval, in a manner prescribed by the Department of Revenue (DOR), that the amount of tax credit sought by the taxpayer is available under the aggregate limit set in statute. Upon preapproval by the DOR, the District shall issue a receipt, in a form prescribed by the DOR, to each contributing taxpayer indicating the value of the donation received and documenting the preapproval of the credit.

The District shall use the funds received from an enhanced tax credit for innovative educational programs specified in law which are defined as:

- (a) transformational learning as defined in Section 20-7-1602, MCA;
- (b) advanced opportunity as defined in Section 20-7-1503, MCA;
- (c) any program, service, instructional methodology, or adaptive equipment used to expand opportunity for a child with a disability as defined in Section 20-7-401, MCA;
- (d) any courses provided through work-based learning partnerships or for postsecondary credit or career certification under Policy 2600; and
- (e) technology enhancements, including but not limited to any expenditure incurred for purposes specified in Section 20-9-533, MCA.

Legal Reference: Title 15, Chapter 30, Part 31, MCA

Tax Credit for Qualified Education
Contributions

Policy History:

Adopted on: May 2022

Revised on:

Revision Note: