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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.

The Board may approve a special committee to work with the Superintendent in determining budget priorities.

Approved: May 14, 2007
LEGAL REF: MCL 141.434 (1); 141.422b (3) (c); 141.422d (1) (c) (d); 380.1133; 380.1218; 380.1281

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 may 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 may involve staff members, parent(s)/guardian(s), and students where appropriate, in developing a budget plan for each school,
5. Principals may use a variety of methods to elicit opinions from staff, parent(s)/ guardian(s), and students,
6. Each Principal will present the recommended budget to the Superintendent for review,
7. The Board will schedule public hearings at which time each the Director of Business Affairs will present the budget plan emphasizing the following:
   a. Program changes,
   b. Procedures used to elicit recommendations from staff, parent(s)/guardian(s), and students, and
   c. Spending priorities as decided upon by the staff, parent(s)/guardian(s), and students.
8. The Board will review the full budget at a public hearing according to law.

3100 Annual Operating Budget 3100

The District's budget shall be prepared by the Superintendent in cooperation with selected District employees 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.

l. The Board places the responsibility of administering and controlling the budget, once adopted, with the Superintendent.

2. Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members adequately informed as to the status of the budget and overall financial condition of the District.

3. Included with monthly financial reports will be an estimated fund equity amount for the end of the fiscal year.

4. If, during the fiscal year, it appears to the Superintendent that at the year's end the estimated revenues less estimated expenditures will lower the fund equity estimate adopted in the preliminary budget by over 10 percent, the Superintendent shall present recommended amendments to maintain the previously adopted equity estimate. Otherwise, an amendment approved by the entire Board is needed to lower the fund equity.

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-range basis.

Deadlines and Schedules

In order for the District's budget preparation to proceed in an orderly fashion, the Board shall establish deadlines and time schedules.

Encumbrances

Encumbrances shall be made 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.

Hearings and Reviews

The Board shall conduct budget hearings according to state law.

Approved: May 14, 2007
LEGAL REF: MCL 141.411; 141.421a-440a; 211.209-210; 380.1213-1214; 380.1216; 380.1218; 388.1702

Preliminary Adoption Procedures

The preliminary budget shall include expenditure and revenue data for the most recently completed fiscal year and the amount of surplus or deficit that has accumulated from prior fiscal years. The budget shall contain estimates needed for deficiency, contingency or emergency purposes. The debt fund budgets shall include the amounts needed to pay the Principal and interest from each fund for that fiscal year.

Details of expenditures and revenues for capital improvement projects from the general fund shall be projected for a period of three years. An informational summary of projected expenditures and revenues for the building and site funds of the District shall be included in the budget document with a projection of such expenditures and revenues for three full years beyond the fiscal year covered by the budget.

Recommendations

All recommendations of the Superintendent and staff shall be presented to the Board no later than the regular Board meeting in June.

Hearings and Reviews

All budget reports, explanatory letters and copies of the draft budget shall be available to interested patrons after being made available to the Board. The Board shall set the date, time and location of the annual budget hearing.

Encumbrances

The Superintendent shall make all encumbrances.

Priorities

The Board shall make the final decision for the priority status of various budget items.

Adoption

The Board shall approve the budget according to current law.

Purpose: The following policy has been adopted by the Montague Area Public Schools (the District) Board of Education in order to address the implications of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. This policy will ensure that the District maintains adequate fund balances and reserves in order to:

a. Provide sufficient cash flow for daily financial needs,
b. Secure and maintain investment grade bond ratings,
c. Offset significant economic downturns or revenue shortfalls, and
d. Provide funds for unforeseen expenditures related to emergencies.

This policy and the procedures promulgated under it supersede all previous regulations regarding the District's fund balance and reserve policies.

Fund type definitions. The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

The general fund is used to account for all financial resources not accounted for and reported in another fund.

Special revenue funds are used to account and report the proceeds of *specific revenue sources* that are *restricted* or *committed* to expenditure for *specific purposes* other than debt service or capital projects.

Debt service funds are used to account for all financial resources restricted, committed or assigned to expenditure for principal and interest.

Capital projects funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Permanent funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's purposes.

Fund balance reporting in governmental funds. Fund balance will be reporting in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

Non-spendable fund balance

Definition – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact.
Classification – Non-spendable amounts will be determined before all other classifications and consist of the following items (as applicable in any given fiscal year):

- The District will maintain a fund balance equal to the balance of any long-term outstanding balances due from others (including other funds of the government)
- The District will maintain a fund balance equal to the value of inventory balances and prepaid items
- The District will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained in-tact
- The District will maintain a fund balance equal to the balance of any land or other nonfinancial assets held for sale

Restricted fund balance

Definition – includes amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.

Committed fund balance

Definition – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Authority to Commit – Commitments will only be used for specific purposes pursuant to a formal action of the Board of Education. A majority vote is required to approve a commitment and a two-thirds majority vote is required to remove a commitment.

Assigned fund balance

Definition – includes amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Authority to Commit - The Board of Education delegates to the Superintendent or his/her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned fund balance

Definition – includes the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Operational guidelines. The following guidelines address the classification and use of fund balance in governmental funds:

Classifying fund balance amounts – Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental fund may include non-spendable resources and amounts that are restricted, committed, or

assigned, or any combination of those classifications. The general fund may also include

an unassigned amount.

Encumbrance reporting – Encumbering amounts for specific purposes for which resources have already been restricted, committed or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth in GASB Statement No. 54.

Prioritization of fund balance use – When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Montague Area Public Schools to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Montague Area Public Schools that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum unassigned fund balance – The District will strive to maintain a minimum fund balance of five (5) percent of its budgeted expenditures in its General fund. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Implementation and review. Upon adoption of this policy the Board of Education authorizes the Superintendent and/or his/her designee to establish any standards and procedures which may be necessary for its implementation. The Superintendent shall review this policy at least annually and make any recommendations for changes to the Board of Education.

Approved: May 19, 2014

3170 Line Item Transfer Authority 3170

The Superintendent is authorized to approve adjustments and/or transfers within line items of the Board adopted operating budget not to exceed $30,000 without Board approval. Such adjustments and/or transfers shall be reported to the Board at the next regular meeting of the Board. Authorization for such adjustments and/or transfers shall be included annually in the general appropriations act.

Approved: May 14, 2007
LEGAL REF: MCL141.421a-440a

3170-R Line Item Transfer Authority 3170-R

Prior to any line item transfers within a building or division budget, authorization 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.

3200 State and Federal Funding Proposals and Applications 3200

The Board 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: May 14, 2007
LEGAL REF: MCL 3.541; 3.542; 388.801; 380.1210

3230 Budgeting Other than General Fund Income – Non-Supplanting 3230

Programs funded by county, state or federal agencies, foundation grants, or other public or private agencies, will be placed in the same budget categories and will be accounted for in the same manner as the general fund budget of the District.

The Board shall adopt, publicize and implement these programs through similar budgetary procedures as are used for the general fund budget.

Federal Funds – Non-Supplanting

Participation in programs funded in whole or in part by federal funds requires that the District demonstrate that the District meets the requirement of comparability between schools that receive federal funding and those that do not receive such funding. Therefore, the District shall provide for equivalency of access to District staffing, equipment, and materials by all District schools, based on student per-capita allocations and individual schools' needs analyses. In addition, all schools and programs shall have equivalent access to District support operations including but not limited to maintenance, transportation, and warehousing operations support.

Budgets for staffing, textbooks, equipment, supplies, and services for District schools will be provided for at all schools without use of special funding provided from any source with non-supplanting requirements.

Expenditures budgets for schools participating in Title I and other state or federally funded or supported programs will be provided for on the same per-capita basis as budgets for schools not participating in the program.

Carryover Funds

The Board, in order to foster financial responsibility at the building level, and to ensure that funds allocated by the Board to the individual buildings will be spent in a wise and prudent manner, shall permit unexpended school building funds to be carried over from one year to the next.

The Superintendent shall promulgate appropriate administrative rules to assure that the intent and purpose of this policy are met.

Approved: April 27, 2009

The Superintendent hereby directs the Executive Director of Finance and his/her designees to ensure that the District does in fact comply with mandates for comparability and equivalency of access and all non-supplanting requirements for the period of any grant under which such funds are received.

The Executive Director of Finance shall develop appropriate procedures, forms, or reporting methods for an annual internal review of all expenditures and budgeting practices for schools participating in Title I and other state or federally funded or supported programs with non-supplanting requirements.

All building Principals in buildings where Title I or other state or federally funded programs exist shall be responsible and accountable at their level for enforcing and following all requirements set forth by the Executive Director of Finance to assure that any non-supplanting requirements are being met.

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 condition of these accounts.

Approved: May 14, 2007
LEGAL REF: MCL 380.1356

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 all of the District's annual school property taxes unless otherwise dictated by law.

Approved: May 14, 2007
LEGAL REF: MCL 380.1613

3300 Investment of Funds (Cf. 3310) 3300

Annually, the Board shall pass a resolution authorizing the Treasurer to invest surplus funds of the District. The Treasurer, with the authorization of the Board, may delegate day-to-day duties involving the investment of funds to the Superintendent and/or the Director of Business Affairs.

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: May 14, 2007
LEGAL REF: MCL 380.622; 380.1221; 380.1223; GASB Bulletin 40

3300-R Investment of Funds 3300-R

The Treasurer, or Superintendent if delegated by the Treasurer and approved by the Board, is responsible for maximizing the interest earnings of the District. 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.
2. Certificates of deposit issued by any state or national bank organized and authorized to operate 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.
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. 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.

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.

When appropriate, banks having accounts of the District, or those from whom the District has recently secured loans, shall be given preference for the investment of funds.

The Board authorizes the Superintendent to open passbook savings 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, assistant Superintendent, and/or the executive Secretary are 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 patterns for all funds in order to determine the availability of funds for investment. The Superintendent shall report monthly to the Board on the status of all investments.

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: May 14, 2007
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.*

3310-R Reporting of Investment Risks 3310-R

The administrator responsible for Business Management shall comply with the disclosure requirements of Statement No. 40 of the Governmental Accounting Standards Board (GASB). Pursuant to the Statement, disclosures will be organized by investment type. Disclosure of risks in investments and deposits shall appear in the District financial statement, including, but not limited to, the information described in the paragraphs that follow.

Credit Risk

Credit risk information about investments in debt securities shall be disclosed in District financial statements by repeating the credit quality ratings of the investments made by nationally recognized rating organizations. Credit quality ratings of "…external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed income securities…" must be disclosed. Obligations of the U.S. Government and obligations that may be guaranteed by the U.S. Government do not require disclosure of credit quality.

Where the investments issued by a single source constitute 5% or more of the total investment, information concerning the concentration of credit risk must be disclosed in the District's financial statement. Information concerning the interest rate risk of investments, or the terms of investments with values that are sensitive to interest rate changes must also be disclosed, using one of the methods described in GASB Statement No. 40.

3340 Fees, Payments and Rentals (Cf. 9250) 3340

Proceeds from fees for building or equipment use or rental shall be credited to a fund specified by the Board.

Rental and Leasing of District Property

The Board may authorize the rental or lease of District property not used for instructional purposes.

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.

Non-Sufficient Fund Checks

In the event the District should receive a check for any purpose that is returned due to non-sufficient funds (NSF) the District will assess a charge of $25.00 to the issuer of the check to cover the administrative and clerical costs of dealing with the matter. If the issuer fails to "make good" for the original check within 10 days of the date of the check being returned for NSF, the District reserves the right to file criminal charges and to refuse checks in the future from the issuer.

Approved: May 14, 2007
LEGAL REF: MCL 380.11a; 380.1141

Rental and Leasing of District Property

Prior to leasing District property, the Board shall make known the availability of such property to the patrons of the District. The lessee shall be reputable and the use of the buildings shall be compatible with community standards.

In all cases, the lessee shall be responsible for the maintenance of the property and payment of utilities. The Board annually shall be informed of the name, address and telephone number of the individual designated as liaison with the Board. The lessee shall be required to pay any taxes that may be assessed against said property.

All lease agreements shall be prepared or reviewed by legal counsel prior to Board approval. In all cases, the amount received from the lease shall cover all expenses of operation that may accrue to the District.

Gate Receipts and Admissions

No fees shall be charged unless first approved by the Board. All special tickets, i.e., season tickets, all sports tickets, and free passes, etc. shall have prior approval of the Board.

Free Admissions

Senior citizens, age 62 years and older, may be given a guest pass, upon application to the Superintendent, which shall permit them to attend all activities of the District, including athletic events, and one adult education course per semester, free of charge.

Income from Sales and Service

All projects undertaken by students and staff shall avoid competition with local businesses to the best extent possible.

The following rules and procedures shall apply to projects undertaken in the District's shops and facilities:

1. Priority for Service:
   a. Students enrolled in the course
   b. District and school District organizations
   c. District affiliated organizations
   d. City public agencies and non-profit organizations
   e. Parent(s)/Guardian(s) of students enrolled in class
   f. Area senior citizens
   g. Students enrolled in high school
   h. Individuals including school District employees
2. Customers shall sign the necessary application and release forms provided by the school,
3. If an automobile is to be wrecked, the registration must be checked,
4. In auto shop, the welding of gasoline tanks and installation of glass is prohibited,
5. Tipping for services is prohibited,
6. All individuals and outside groups shall pay an estimated cost of materials and parts before the work begins. Adjustments shall be made at the time of final billing,
7. Payment for all parts or materials and services shall be made before releasing the product to the client,
8. Invoices for all charges shall be issued through the business office and all payment made to the business office or immediately submitted to said office by the person making the collection. To the extent possible, payments should be made by check, and
9. Employees or students shall not realize any financial benefit because of work projects undertaken.

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 institutions[2] 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.

Approved: May 14, 2007
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.

3405 Electronic Transaction of Funds 3405

The Montague Area Public School District, through resolution of the Board, shall be a party to an Automated Clearing House[3] (ACH) arrangement.[4] The Superintendent shall be responsible for the Montague Area 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 shall be responsible for development and maintenance of appropriate accounting controls to monitor the use of ACH transactions[6] made by the Montague Area Public School District.

Approved: May 14, 2007
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)).

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, and
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 Montague 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 clerk.
2. The 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 clerk shall sign the ACH invoice, which then acts as the warrant.
3. The clerk shall present the warrants, a list of bills for payment, and a separate list of the electronic payments for Board approval. The Board shall approve all transactions prior to disbursement.
4. Following Board approval, the Treasurer shall sign the ACH warrant, initiate the electronic transaction with the vendor, and make the actual transfer of funds.

5. The Superintendent shall retain all ACH transaction documents for audit purposes.
6. The clerk shall retain all invoices for audit purposes.

Sample Resolution

For the authorization of Electronic Transactions under PA 738 of 2002, MCL 124.301, the Board hereby recognizes that:

- Electronic payment of public funds are required for some federally mandated transactions involving public funds by electronic payment, debit, or credit transfer processed through an automated clearing house, and
- The Board deems that it is in the best interest of the District to make certain District financial transactions by electronic payments as described in PA 738 of 2002.

It is therefore resolved, that the Board authorizes the District to utilize electronic transactions in compliance with the written procedures and internal controls developed by the Superintendent.

Moved by: _____ Seconded by: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution Adopted: _____

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: May 14, 2007

3420 Monies in School Buildings 3420

The Superintendent shall establish procedures to permit daily deposit of monies collected which will not require monies to be left in school buildings overnight. The District will not be responsible for monies remaining in school buildings overnight.

Approved: May 14, 2007

3420-R Monies in School Buildings 3420-R

In order to assure the safekeeping of monies collected by employees, student Treasurer or officer of a school building, the following procedures shall be followed:

1. All monies shall be properly receipted, accounted for, and directed immediately to the proper location for deposit.
2. No money shall be left overnight in desks, lockers, or other such repositories.
3. All money left overnight in buildings shall be placed in a locked container in the school safe.
4. A designated employee shall arrange to make a daily deposit of funds after banking hours.
5. The building Secretary's will verify all activity account deposits. A deposit slip will be prepared. The money and the deposit slip will be placed in a bank deposit bag and locked.
6. Deposits will be made daily.
7. If the counted deposit is the same as the deposit slip, the bank will issue a receipt along with the unlocked bag.
8. If the counted deposit is not the same as the deposit slip, the bank teller and designated employee will reconcile the deposit immediately.
9. The locked bag will be returned to the building Secretary and request the deposit to be recounted.

3430 Surety Bonds – Employees and Board Treasurer (Cf. 3520) 3430

The Board shall purchase a surety or "blanket" bond for school employees as recommended by the Superintendent. The Board shall prescribe the amount of the bond based on the recommendation of the Superintendent after his/her consultation with the District's accounting firm.

A surety bond for $25,000.00 is required for the Treasurer of the Board.

Approved: May 14, 2007

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: May 14, 2007
LEGAL REF: Governmental Accounting Standards Board, Statement No. 34

For the purposes of accountability of school-owned property, the Superintendent, or administrator in charge of Business Services, shall develop an inventory record system. Annually, all inventory records shall be updated showing deletions and additions of District-owned property, the estimated value, estimated original cost, date of purchase, serial numbers (where available) and location and condition of each piece of property.

Fixed Asset Accounting System

The administration shall maintain a fixed asset accounting system in accordance with law, governmental regulations and District needs. The fixed asset accounting system shall maintain sufficient information to permit the following:

A. The preparation of year-end financial statements in accordance with law, governmental rules and generally accepted accounting principles,

B. Adequate insurance coverage, and

C. Control and accountability.

The Superintendent, or administrator in charge of Business Services, shall be responsible for the development and maintenance of the fixed asset accounting system. He/She shall develop procedures to ensure compliance with all fixed asset accounting policies, law or governmental regulation. Each building Principal shall be assigned fixed asset responsibilities.

"Fixed assets" are defined as at least 80% of those tangible assets of the District with a useful life in excess of one year and an initial cost equal to or exceeding $5,000.00.

In making this determination, the Superintendent, or administrator in charge of Business Services, generally will use the recognized and accepted "standard useful life table" as published by the Association of School Business Officials International Accounting, Auditing and Budgeting Committee, Subcommittee on GASB Statement No. 34 Implementation. Additionally, the services of a professional property appraisal firm may be used to perform the asset inventory, to provide estimated historical cost information, and to give an objective estimate of the asset's useful life that will generally be acceptable to auditors.

In determining what assets are to be accounted for in District inventories, the Superintendent, or administrator in charge of Business Services, will consider the following information sources:

- Original purchase records,
- Bond documents,
- Professional appraisal or other services, such as insurance appraisals, and
- The total amount of original debt issuance, where appropriate, to help determine some assets' historical cost.

Periodically, the Superintendent, or administrator in charge of Business Services, will review the estimated remaining life of specific fixed assets or groups of assets and adjust the remaining depreciable life accordingly.

Some items may be identified by the Superintendent, or administrator in charge of Business Services, as "controlled" assets that, although they do not meet all fixed asset criteria, will be recorded on the fixed asset system to maintain control.

Each building Principal has the responsibility of taking an inventory of District-owned property in all buildings under his/her supervision. The Superintendent, or administrator in charge of Business Services, will develop inventory forms and procedures. The custodian of records in that building will file one copy of each inventory taken in an attendance center, and one copy shall be filed in the central office.

Additional administrative regulations may be developed at the departmental level by the Superintendent, or administrator in charge of Business Services, as required to implement policy 3490. Upon request, any such rules, regulations, procedures or forms will be shared with the Board for their information.

3500 Audits (Cf. 3520) 3500

The accounting records, including internal accounts, of the District shall be audited annually by an independent certified public accountant in accordance with prescribed standards and legal requirements.

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.

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. All District employees shall cooperate fully with the auditors.

Approved: May 14, 2007
LEGAL REF: MCL 388.1618

3520 Fraud Prevention and Investigation 3520

(Cf. 3430, 3490, 3500, 5040, 5203, 8700)

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 employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor and/or the Superintendent. 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 Muskegon 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 Vice-President of the Board who shall be empowered to contact the District's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

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: May 14, 2007

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

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

Fraud, financial improprieties, or irregularities include, but are not limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other assets.
4. Impropriety in the handling of money or reporting of financial transactions.
5. Profiteering because of "insider" information of District information or activities.
6. Disclosing confidential and/or proprietary information to outside parties.
7. Accepting or seeking anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the District.
8. Destroying, removing, or inappropriately using District records, furniture, fixtures, or equipment.
9. Failing to provide financial records to authorized state or local entities.
10. Failure to cooperate fully with any financial auditors or investigators.
11. Any other dishonest or fraudulent act involving District monies or resources.

The Superintendent shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential.

(Cf. 3430, 3490, 3500, 5040, 5203, 8700)

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent, or Board Vice-President if the investigation centers on the Superintendent, shall issue a report to appropriate personnel and to the Board. The final disposition of the matter and any decision to file or not file a criminal complaint or to refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with District legal counsel. The results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know until the results are made public.

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: May 14, 2007

Use of Facsimile Signatures

Any school Board member or officer of the District may use, at his/her discretion, a facsimile signature in the execution of checks or documents which they are authorized to execute by action of the Board. The Superintendent is also authorized to use facsimile signatures of the Board President, Secretary and Treasurer as may be required for checks or documents approved by the Board.

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.

After a budget item is exhausted, no expenditure against this item may be made, even from the petty cash fund. The Superintendent shall issue regulations as to the use of these funds.

Approved: May 14, 2007

3570-R Petty Cash Accounts 3570-R

The Superintendent may establish a petty cash account not to exceed $120.00 in the central office and in each building not to exceed $200.00. 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 and such reports submitted to the Board at the regular monthly meeting. Petty cash funds shall not be used for the following purposes, by way of illustration and not limitation: Travel, meals, conference expenditures, and salaries, school supplies, telephone, loans, or advances to staff or the cashing of personal checks.

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.

Approved: May 14, 2007
LEGAL REF: MCL 380.1224

No employee shall be paid in advance of services rendered. Personnel receiving extra pay for extracurricular activities that are on going throughout the school year shall have the salary pro-rated in equal amounts in each paycheck or as designated on the signed schedule B form. Personnel receiving extra pay for extracurricular activities that are seasonable shall be paid in full at the completion of the activity or on a pro-rated basis over the remaining pay periods, at the option of the employee.

A payroll deduction for organizational membership dues associated with employment may be made pursuant to a written request of an individual employee and validation by the organization involved, provided it complies with the provisions of master agreements with the employee organization.

Except for deductions for absences not covered by paid leave, required by law or contract, all salary deductions shall be subject to the Superintendent's or Board's approval. All deductions not mandated by law shall require authorization by the employee through the Superintendent's office.

3590 District Expenditures of Funds 3590

School District funds or other public funds under the control of the District may not be used for purchase of any of the following.

- Alcoholic beverages
- Jewelry
- Gifts
- Fees for golf
- Any item that the purchase or possession of which is illegal

Public funds may be used for purchasing the following for the recognition of an employee, volunteer, or pupil, if the value of the purchase does not exceed $128 per recipient:

- Plaque
- Medal
- Trophy
- Other awards

The $128 monetary threshold amount is adjusted for inflation each year and announced by the Department of Education on or before December 15 of each year.

As used in this policy, "public funds" means funds generated from taxes levied under this act, state appropriations of state or federal funds, or payments made to the District for services by a constituent District or any other person, but does not include voluntary contributions made for a specific purpose by a District member, a District employee, another individual, or a private entity.

Approved: August 24, 2015
LEGAL REF: MCL 380.1814.

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.

When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate currently approved by the Board. For employees covered by a flat allowance per month, the mileage rate shall apply when the employee uses his/her personal automobile on authorized school business outside Muskegon and Oceana Counties.

Approved: May 14, 2007
LEGAL REF: MCL 15.321-330; 129.221 et. seq.; 129.241 et. seq.

When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate currently approved by the Board. For authorization to be granted, all employees must first have checked about the availability of District vehicles, prior to using their own vehicle for transport. The master list of available vehicles is accessible at the central office. 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.

Credit/Procurement Card

If District personnel are issued a District credit/procurement card for direct billing, it is the responsibility of the individual to indicate on the credit slip the kind of activity that is being charged. Upon returning to the District, all charge slips are to be submitted to the business office as soon as possible, along with the credit/procurement card.

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

Reimbursement will not 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.

1. A Conference Request Form must be submitted no later than five school days prior to the meeting; and
2. Estimated expenses must be within appropriate budget allocations.

An Approval of Request Form signed by the Superintendent shall constitute certification for authorized travel. Certain employees shall be authorized by the Superintendent to travel locally in the performance of their duties and submit expense vouchers for reimbursement.

Methods of Travel

1. Travels by Common Carrier:

   When a common carrier is authorized as the means of travel, the business office shall obtain reservations and tickets for the individual unless precluded by an emergency. Round-trip tickets for coach, tourist or economy class rates over the same or a permissible substitute route are to be purchased whenever they will lower the total cost, unless authorized travel to several points precludes the use of a round-trip ticket.

2. Travels by Private Automobile:

   a. Reimbursement for travel by private car should generally be authorized only under the following circumstances, with the reason indicated on the authorization form:

      1) When common carrier service is not available without undue loss of time or unless common carrier use would be more expensive to the District. If the traveler makes the choice, maximum reimbursement shall be limited to the lower of the mileage or common carrier cost,

      2) When two or more persons are eligible for similar authorized travel and riding together would mean a saving to the District. The Superintendent is responsible for making such a determination before approving the travel request,

3) When use of an automobile will permit the traveler to make stops en route and perform his/her duties more effectively, and prior authorization has been granted after determining no District vehicle is available for the necessary travel, and

4) When the use of an automobile will not require the traveler to be away from his/her duties for a substantially longer period than travel by common carrier.

b. Driving Extra Cars: Where two or more staff members could ride together on authorized travel, but choose to drive separately, any mileage reimbursement for which one of them might be eligible under (1) above, should be split among them. The toll and parking charges for the extra car or cars are not reimbursable.

3. Use of District-Provided Vehicles:

A. Official District Travel

When authorized, travelers shall be reimbursed for all expenses in connection with the use of District cars and trucks, provided the claim for such expenses is supported by receipts.

B. Travel to Professional Meetings

Approval may be given to qualified staff or Board members for the use of District-owned vehicles for travel to professional meetings when other methods of travel are unsuitable or when the trip can be made at less expense to the District. A qualified staff member or Board member, must drive.

4. Travels by Rented Vehicles:

Under certain circumstances, the use of a rental car may be necessary. The Superintendent must approve rental car service at the site of a conference to which a person travels by common carrier.

In requesting such use, rationale must be presented which will justify the necessity of such use or its advantage to the District.

5. Travels by Charter Air Service:

The use of charter air service may be authorized when it is to the advantage of the District measured by both comparative travel costs and the time of the travelers.

Drivers of District-Provided Vehicles

Qualifications:

1. Qualified full-time staff members or Board members may drive these vehicles when engaged in official District business, provided they have a licensed and have adequate experience in driving the type of vehicle assigned,
2. The staff member to whom a District vehicle is assigned is the District's representative in full charge of the trip, and
3. Students may not drive District-owned vehicles unless driving is part of driver education programs.

Reimbursable Expenses

1. Lodging (actual room cost),
2. Meals (not to exceed $40/day),
3. Conference registration fees,
4. Parking and tolls,
5. Common carrier transportation within limitations above,
6. Use of private vehicle within limitations above,
7. Postage, telephone and fax charge for business purposes, and
8. Charge for baggage service, tips (not to exceed 15 percent).

Advances

Request for an advance to pay expenses at a conference shall be made at the time application is made and shall be approved by the Superintendent. A maximum of 80 percent of the estimated cost may be advanced.

Immediately upon return, a financial accounting, including documentation, shall be made to the business office and any unused funds returned. Expenditures not documented shall not be reimbursed by the District. Petty cash funds may not be used for cash advances.

Daily Travel

Local travel as authorized under these regulations is to be recorded on a daily basis and submitted to the business office 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 business office by June 15 of that year.

3605 District Credit/Procurement Cards (Cf. 1162, 1168, 3600) 3605

The Superintendent shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District credit or procurement cards for Board members and employees.

Issuance

A Board member may be issued a District credit or procurement card for actual and necessary expenses incurred because of attendance at Board-approved workshops, seminars, conferences, or conventions.

District employees may be issued a District credit or procurement card that shall be used solely for the purchase of goods and/or services needed for official business of the District.

Documentation

When a Board member or employee uses a District credit or procurement card, documentation shall be provided the Superintendent within 10 calendar days detailing the goods or services purchased, the cost of such goods or services, the date of purchase, and the purpose for which such goods or services were purchased.

Lost Credit/Procurement Cards

Each Board member or employee issued a credit/procurement card is responsible for the protection and custody of the District credit/procurement card. If a District credit/procurement card is lost or stolen, the Superintendent shall be notified immediately.

Return of Credit/Procurement Cards

A Board member who leaves the Board or a District employee who is no longer employed by the District shall return the credit/procurement card upon termination to the Superintendent, but no later than five calendar days after termination.

3605 District Credit/Procurement Cards (Cf. 1162, 1168, 3600) 3605-2

Payment

The Board shall approve all District credit/procurement card invoices prior to payment. Such payments shall be made no later than 60 days after receipt of the initial statement date.

Misuse and Unauthorized Use

A Board member who violates a provision of this policy shall have his/her use of that card revoked by the Board. An employee who violates a provision of this policy shall be subject to disciplinary action as determined by the Superintendent.

If the Superintendent violates a provision of this policy, he/she shall be subject to disciplinary action as determined by the Board.

Other Provisions

The total combined authorized credit limit of all credit/procurement cards issued by the District shall not exceed 5% of the total budget of the District for the current fiscal year.

Approved: May 14, 2007
LEGAL REF: MCL 15.321-330; 129.221 et. seq.; 129.241 et. seq.; 380.1254

3605-R District Credit/Procurement Cards (Cf. 1162, 1168, 3600) 3605-R

The District may include in its budget and pay the balance due on any credit/procurement cards, including the annual fees and interest.

There shall be a system of internal accounting controls to monitor the use of credit/procurement cards.

The Superintendent or administrator in charge of business/finance is authorized and encouraged to develop categories of the type of credit/procurement card purchases that may be made by District employees.

3610 Purchasing Goods and Services 3610

The Superintendent and the Director of Business Affairs shall be purchasing agents for the District.

Purchasing from District Employees

The Board shall not purchase equipment, supplies, or services from an employee of the District, nor from a member of a household of an employee, nor from any firm in which an employee or member of his/her household holds a 10 percent or greater financial interest.

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: April 27, 2015
LEGAL REF: MCL 15.321-330; 380.1216; 380.1274

3610-R Purchasing Goods and Services 3610-R

In order to properly oversee the purchasing function and protect the resources of the District, the following administrative rules shall apply to policy 3610. These rules shall apply equally to all employees of the District regardless of assignment.

1. No employee has authority to sign any contract for the purchase of any goods or services, nor encumber the District with any debts or obligations beyond the amount of $500.00 without the specific, written permission of the Superintendent of Schools or the Director of Business Affairs. Should he/she so desire, the Superintendent might issue written authorizations annually to certain District employees that authorizes expenditures of more than $500.00 on a limited basis and for specific reasons.
2. Any expenditure for goods or services of $500.00 or less is authorized only if such expenditures are chargeable, specifically, to an appropriate budget line item in the budget adopted by the Board of Education.
3. The Superintendent, or a person designated specifically by 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.
4. 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.

5. All vendors doing business with the District, or seeking to do business with the District, will be informed of these rules. Any vendor who seeks to circumvent or violate these rules might be barred, permanently, from doing business with the District.

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: May 14, 2007

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: May 14, 2007

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 by the District's purchasing agent.

The purchasing agent 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. The purchasing agent shall review all bid lists annually.

A copy of this policy shall be given to all bidders upon creation of bid lists and upon request.

All bids and supporting documentation shall be retained in the District office with the Superintendent 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.

Bid Specifications

The District's purchasing agent 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: May 14, 2007
LEGAL REF: MCL 380.1267; 380.1274

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

Verbal quotations of price on equal products or services secured in person or by telephone may be used in purchases for routine supplies used by the District.

The Superintendent shall make available to the Board, upon request, the price quotations, or competitive bids obtained from vendors for goods or services.

Formal Bid Quotations

The Superintendent is authorized to purchase any item, or group of items in a single transaction, costing no more than 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 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.

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, read aloud, and examined by the Board at the public meeting specified in the advertisement for bids. 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 the purchasing agent or other person designated by the Board 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.

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.

3690 Local Purchasing (Cf. 3660) 3690

The Board shall purchase school equipment and supplies from local vendors whenever possible, providing that price, quality, and service of the local vendor compare favorably with those from non-local vendors. Bids shall be solicited from non-local vendors in order to establish a fair market price for equipment and supplies.

Local vendors shall be given preference if their bid or quoted price is within five percent of the low bid or quoted price, not to exceed a maximum of $100.00, if all other matters are equal. Local purchases shall be divided among several local vendors when appropriate. The Superintendent shall make all authorized purchases, as he/she deems best after carefully weighing all matters.

Approved: May 14, 2007

3730 Vendor Relations 3730

Vendors shall make contacts through the Superintendent or his/her designee. Vendors shall not contact other administrators or school employees directly unless such contact is approved or authorized by the Superintendent.

Approved: May 14, 2007

3730-R Vendor Relations 3730-R

The Superintendent or his/her designee 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 nominal value advertising 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.

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: May 14, 2007

3750-R Payment Procedures 3750-R

Bills shall be presented in as clear a form as possible and accompanied by a complete list showing budgetary classifications. Actual invoices, statements and vouchers shall be available for Board inspection.

The Board shall authorize payment for goods and services which are:

1. Contracted for within budget limitations,
2. Purchased according to purchasing policies and regulations, and
3. Certified by the person responsible for purchasing that the goods were received in acceptable condition or services rendered in an acceptable manner and that proper and accurate invoices or verification has been received.

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.

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.

Door-to-Door Sales

Students less than 12 years of age shall not sell school fund raising items or other school related materials door-to-door unless under the direct supervision and observation of a responsible adult (preferably parent(s)/guardian(s) or District staff member.)

School-sponsored student organizations shall not have more than two fundraising events a year, and no more than one event in a semester, that would involve going into the community through door-to-door sales or solicitations unless approved by the building Principal after consultation with the Superintendent. Cards, letters, or other identifying literature shall be provided to all students authorized for door-to-door sales in the general community.

Written parent(s)/guardian(s) permission must be signed and returned to the school before elementary students can sell door-to-door.

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 or the solicitation of funds in a door-to-door campaign and/or 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 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 through 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 laws[7] and regulations.

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.

Fundraising by Coaches

Coaches who initiate fund raisers to benefit their respective team(s) must deposit all profits in the School Activity Account. Coaches may request an itemized accounting of their fund-raising monies from the school office.

Approved: September 27, 2010
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.

[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.

Door-to-Door Sales

Safety Training

Prior to any door-to-door sale or solicitation, the students involved, regardless of age, shall be given proper safety training and orientation by the staff member(s) responsible for the student group. Such training should include, by example, precautions against entering a home (even if invited), precautions against acceptance of food or drink from any homeowner or resident, instruction in evasive actions to take if a "customer" should attempt to grab or touch the student, cautions about aggressive animals that might be in or about the residence, precautions against accepting any offers of transportation, and the like.

Door-to-door solicitations or sales by students, regardless of age, shall be discontinued after nightfall or after 8:00 p.m. whichever comes sooner.

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.

3850 Fund Raising and Athletics 3850

Montague Area Public Schools will permit athletic advertising. The superintendent is directed to develop guidelines to be followed.

Approved: May 24, 2010

3850 Fund Raising and Athletics 3850-R

1. Profit be split 75-25% between the team/sport that arranges advertising (75%) and the athletic program (25%)
2. Should the high school administration or athletic department administration be approached by a vendor to advertise for athletic programs or contests or solicit advertising themselves, the funds would be dispersed within the athletic program at the discretion of the athletic director.
3. Advertising be limited to flexible/movable signage no greater than 4X6' to be removed after each contest at the discretion of administration
4. No student names will be displayed on advertising.
5. Agreements are to be signed with the district with rules/stipulations indicated
6. Agreements available for multiple sports and multiple seasons within a year. No agreements for longer than one year.
7. Fee structures to be set by administration to allow for uniformity (e.g. 2X2' sign less than 4x6' sign)
8. Bartering must be agreed upon by administration (e.g. "if we can advertise at your event we will supply the team with shoes")
9. Advertising must be placed at the event at the discretion of administration (e.g. does not restrict spectator views or create a visual distraction to players)
10. The number of agreements with vendors be limited by administration
11. The district maintains the right of refusal to vendors (e.g. no alcoholic beverage companies, tobacco companies, etc.)
12. There will be no exclusivity in advertising (e.g. "I will advertise with you but I want to be the only insurance company.")

13. Audible advertising at games will be limited to:
    a. 3 times per game per advertiser
    b. Factual information about location, type of products, hours of operation, etc. will be permitted
    c. Time limit of 10 seconds per spot/announcement
14. No website advertising permitted

3900 Surplus Books, Equipment and Supplies 3900

The Superintendent is authorized to dispose of surplus obsolete books, equipment, and supplies. All transactions shall be reported to the Board and an equal opportunity for any purchases shall be given to everyone.

Approved: May 14, 2007
LEGAL REF: MCL 380.11a

3900-R Surplus Books, Equipment and Supplies 3900-R

Annually, prior to June 30, the administrator of each building shall supply the Superintendent with a list of books, equipment, or other saleable items that may be considered obsolete. The Superintendent shall verify said list.

The Superintendent shall determine the means of sale and provide notification of materials to be sold and the method of sale to the general public and those parties, which in his/her estimation, would be interested in such items. A public notice shall be circulated at least 10 days before the sale and the items for sale fully described. Monies realized from such sales shall be credited to the appropriate fund account.

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

The sale of a single item or items in aggregate, whose estimated value exceeds $500, shall be approved by the Board and sold by sealed bid.

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

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: May 14, 2007
LEGAL REF: MCL 380.11a

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 unless there is a bond issue outstanding on the facilities, in which case the receipts from the sale shall be deposited in the debt retirement fund established for that building project.