

7000 SERIES—FINANCIAL MANAGEMENT

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**Avery School District
#394
FINANCIAL MANAGEMENT**

Goals

7001

Since educational programs are dependent on adequate funding and the proper management of those funds, District goals can best be attained through efficient fiscal management. As Trustee of local, State, and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the purposes intended.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the District must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of District management and operation.

In the District's fiscal management, the Board seeks to achieve the following goals:

1. Engage in advance planning, with staff and community involvement, to develop budgets that will achieve the greatest educational returns in relation to dollars expended;
2. Establish levels of funding which shall provide superior education for the District's students;
3. Provide timely and appropriate information to staff who have fiscal responsibilities; and
4. Establish efficient procedures in all areas of fiscal management.

Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School Districts

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Budget and Program Planning

7100

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

Prior to presentation of the proposed budget for adoption, the Superintendent shall prepare, for the Board's consideration, recommendations with supporting documentation, which shall be designed to meet the needs of students within the limits of anticipated revenues.

Program planning and budget development shall provide for staff participation and the sharing of information with patrons prior to action by the Board.

Policy History:

Adopted on: 3/12/18

Avery School District
#394
FINANCIAL MANAGEMENT

Budget Implementation and Execution

7110

Once adopted by the Board, the operating budget shall be administered by the Superintendent and his or her designees. All actions of the Superintendent or designees in executing the programs and/or activities delineated in that budget are authorized according to these provisions:

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the State of Idaho and adopted Board policies;
2. Funds held for contingencies may not be expended without approval from the Board;
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board approval each month; and
4. Purchases shall be made according to the legal requirements of the State of Idaho and adopted Board policy.

Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Budget Adjustments

7120

Any person(s) proposing a budget amendment must provide written notice of the same to each Board Member at least seven days in advance of the meeting at which such budget amendment will be proposed.

Prior to the final vote on a budget amendment proposal, notice shall be posted and published once in the manner prescribed by Idaho law. The meeting to adopt a budget amendment shall be open and shall provide opportunity for any taxpayer to appear and be heard. Budget procedures shall be consistent with statutory requirements.

With timely notice of a public meeting, Trustees, by 60 percent of the members of the Board of Trustees, may declare by resolution that a budget amendment is necessary to reflect the availability of funds and the requirements of the District. Budget amendments are specifically authorized by I.C. § 33-701.

Revenue derived from maintenance and operation levies made pursuant to I.C. § 33-802(2) are excluded from budget adjustments.

Budget amendments shall be submitted to the State Superintendent of Public Instruction.

Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds
I.C. § 33-802(2) School Levies

Policy History:

Adopted on: 3/12/18

Avery School District
#394
FINANCIAL MANAGEMENT

Accounting System Design

7200

The District accounting system shall be established to present with full disclosure the financial position and results of the financial operations of the District funds and account groups in conformity with generally accepted accounting principles. The accounting system must be in compliance with the accounting system requirements established by legislative action. It shall be possible to demonstrate the accounting system's compliance with finance-related legal and contractual provisions.

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Fixed Assets and Management Discussion and Analysis (GASB Statement 34)

7215

Purpose

The Board recognizes the need to implement the required accounting and financial reporting standards set out in Governmental Accounting Standards Board Statement 34 (“GASB 34”)

The primary objectives of implementing the GASB 34 are to assure compliance with State requirements, to properly account for both the financial and economic resources, and to provide new and additional information to users of District financial statements.

Authority

Participation and reporting shall be in accordance with Board policy, State of Idaho Fiscal Policy manuals as prepared by the office of the State of Idaho Controller’s Office, and GASB 34.

Delegation of Responsibility

The responsibility to coordinate the compilation and preparations of all information necessary to implement this policy is delegated to the Superintendent in cooperation with the District accountant.

The designated individual shall be responsible for implementing the necessary procedures to establish and maintain a fixed asset inventory, including depreciation schedules. Depreciation shall be computed on a straight-line basis over the useful lives of the assets, using an averaging convention. Normal maintenance and repairs shall be charged to expense as incurred; major renewals and betterments that materially extend the life or increase the value of the asset shall be capitalized. A schedule of accumulated depreciation shall be consistent from year to year. The basis for depreciation, including groups of assets and useful lives, shall be in writing and submitted for review to the Board of Trustees.

The Superintendent in Cooperation with the District’s Accountant shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval prior to publication.

Prior to submission of the MD&A for Board approval, the independent auditors shall review the MD&A, in accordance with SAS No. 52, “Required Supplementary Information.”

Guidelines

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. Any

assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.

For all other assets not acquired by debt proceeds, the dollar value of any single item for inclusion in the fixed assets accounts shall be not less than \$5,000.

The capitalization threshold shall be set at a level that will capture at least 80 percent of all fixed assets.

The assets listed below do not normally individually meet capitalization threshold criteria:

1. Library books;
2. Classroom texts;
3. Computer equipment; and
4. Classroom furniture.

These asset category costs shall be capitalized and depreciated as groups when that group's acquisition cost exceeds the capitalization threshold in any given fiscal year.

For group asset depreciation purposes, the estimated useful life of the group may be based on the weighted average or simple average of the useful life of individual items, or on an assessment of the life of the group as a whole. Periodically, the intermediate unit shall review the estimated life of groups of assets and adjust the remaining depreciation life of the group.

Assets that fall below the capitalization threshold for GASB 34 reporting purposes may still be significant for insurance, warranty service, and obsolescence/replacement policy tracking purposes. The intermediate unit may record and maintain these non-GASB 34 asset inventories in subsidiary ledgers.

Legal Reference: Governmental Accounting Standards Board ("GASB") Statement No. 34

Policy History:

Adopted On: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Fund Accounting System (GASB Statement 54)

7215

To enhance the usefulness of fund balance information, the District will provide clear fund balance classifications and use fund type definitions consistently.

The policy is designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District should maintain adequate fund balances and reserves in order to:

1. Provide sufficient cash flow for daily financial needs;
2. Secure and maintain investment grade bond ratings;
3. Offset significant economic downturns or revenue shortfalls; and
4. Provide funds for unforeseen expenditures related to emergencies.

Fund Types

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 following funds are maintained by the District:

1. The General Fund is used to account for all financial resources not accounted for and reported in another fund;
2. 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;
3. Debt Service Funds are used to account for all financial resources restricted, committed, or assigned to expenditure for principle and interest;
4. Capital Projects Funds or Plant Facilities Funds are used to account for all financial resources restricted, committed, or assigned to expenditure for the acquisition or construction of capital assets.
5. Permanent Funds are used to account for resources restricted to the extent that only earnings, and not principle, may be used for purposes that support the District's purposes.

Note: The above list is not comprehensive and the District may have other funds.

Fund Balance Reporting in Governmental Funds

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.

1. **Non-spendable Fund Balance:** Includes amounts that cannot be spent because they are either:
 - A. Not in spendable form; or
 - B. Legally or contractually required to be maintained intact.
2. **Restricted Fund Balance:** Includes amounts that can be spent only for the specific purposes stipulated by District policy, external resource providers, or through federal regulations or State laws or rules.
3. **Committed Fund Balance:** Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.
4. **Assigned Fund Balance:** Includes amounts intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed.

Authority to Assign - The Board delegates to the Superintendent or 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.

5. **Unassigned Fund Balance:** Includes the residual classification for the District'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.

Prioritization of Fund Balance Use

The Board's primary role in adopting this policy is to identify the order of spending unrestricted resources and to acknowledge that the Board is the ultimate decision making authority with regard to committing balances upon recommendation of the Superintendent or designee.

If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing restricted, then committed, then assigned, then unassigned fund balances will be used.

Guidelines

Classifying Fund Balance Amounts: Fund balance classifications depict the nature of the net resources that are reported in a fund. An individual 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 above.

[OPTIONAL]

Minimum Unassigned Fund Balance: The District will maintain a minimum unassigned fund balance 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.

Note: These percentages may be adjusted to meet District needs.

Replenishing Deficiencies: When the fund balance falls below the minimum range, the District will replenish the shortage or deficiency using the budget strategies and timeframes described below.

The following budgetary strategies shall be utilized by the District to replenish funding deficiencies:

1. The District will reduce recurring expenditures to eliminate any structural deficit; or
2. The District will increase revenues or pursue other funding sources; or
3. Some combination of the two options above.

Minimum fund balance deficiencies shall be replenished within the following time periods:

1. Deficiency resulting in a minimum fund balance between **(12.5 percent)** and **(15 percent)** shall be replenished over a period not to exceed one year;
2. Deficiency resulting in a minimum fund balance between **(10 percent)** and **(12.5 percent)** shall be replenished over a period not to exceed three years; and
3. Deficiency resulting in a minimum fund balance of less than **(10 percent)** shall be replenished over a period not to exceed five years.

Surplus fund balance: Should unassigned fund balance of the General Fund ever exceed the range, the District will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

Implementation and Review: The Board authorizes the Superintendent to establish any standards and procedures which may be necessary for its implementation. The Superintendent shall review this policy and any procedures regarding its implementation annually or as needed and make any recommendations for changes to the Board.

The Superintendent or designee shall provide accounting procedures for the receipt, deposit, expenditure and withdrawal of such moneys and procedures for monthly reporting to the Board of the transactions, assets, liabilities, and fund balance for each such fund.

Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District
I.C. § 33-901 et seq. School Funds
Governmental Accounting Standards Board (“GASB”) Statement No. 54

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Documentation and Approval of Claims

7220

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

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

Policy History:

Adopted on: 3/12/18

Disclaimer:

District Financial Fraud or Theft is a criminal matter and covered by State laws. This policy is merely a guideline so that all District employees understand the possible repercussions of such actions. If you have questions regarding fraud and/or theft, please contact your District legal counsel and/or your local law enforcement agency.

**Avery School District
#394
FINANCIAL MANAGEMENT**

Financial Fraud and Theft Prevention

7225

All District employees, Board Members, consultants, vendors, contractors, and other parties maintaining a business relationship with the District shall act with integrity and due diligence in matters involving District fiscal resources.

The Superintendent shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, and 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 or her areas of responsibility.

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. While investigating and responding to the financial fraud allegations, the Superintendent or Chair of the Board will give priority to avoiding possible retaliation or reprisals.

Staff Responsibilities

Any employee who suspects that financial fraud, impropriety, or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Superintendent or designee who shall have the primary responsibility for initiating necessary investigations. Additionally, the Superintendent shall coordinate investigative efforts with the District's legal counsel, auditing firm, and other internal or external departments and agencies, including the county prosecutor's office and law enforcement officials, as the Superintendent may deem appropriate.

An employee who believes they have suffered reprisal, retaliation, or discrimination for a report under this policy shall report the incident(s) to the Superintendent or designee. The Board will attempt to ensure that no employee who makes such a report will suffer any form of reprisal, retaliation, or discrimination for making the report. Employees are prohibited from preventing or interfering with those who make good faith disclosures of misconduct. This policy shall not apply when an employee knowingly makes a false report.

In the event the concern or complaint involves the Superintendent, the concern shall be brought to the attention of the Chair of the Board who is hereby empowered to contact the District's legal counsel, auditing firm, and any other agency to investigate the concern or complaint.

Definition

As used in this policy, "fraud" refers to intentionally misrepresenting, concealing, or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

1. Behaving in a dishonest or false manner in relation to District assets, including theft of funds, securities, supplies, or other District properties;
2. Forging or altering financial documents or accounts illegally or without proper authorization;
3. Improper handling or reporting of financial transactions;
4. Personally profiting as a result of insider knowledge;
5. Disregarding confidentiality safeguards concerning financial information;
6. Violating Board conflict of interest policies; and
7. Mishandling (destroying, removing, or misusing) financial records of District assets.

Internal Controls

The following internal controls shall be a regular practice of the District in an effort to prevent the possibility of fraud:

1. **Budgetary Transfers:** The transfer of appropriations is important for the Superintendent, purchasing agent, business official, and treasurer, and all should have written confirmation of the information. The purchasing agent shall be apprised if the transfer has been approved, the treasurer shall document it and the business official shall record it;
2. **Treasurer's Receipts:** The treasurer should have receipts and numbered duplicates for everything paid out in his or her custody;
3. **Checks:** The treasurer shall keep personal custody of any signature stamps and maintain a log for every check written;
4. **Audit:** An individual not connected to the business office should audit the check register regularly;
5. **Conduct Background Checks on Potential Business Office Employees:** Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted positions; and

6. Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Financial Reporting and Audits

7230

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

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

The Board directs that District audits shall be conducted in accordance with Idaho Code § 67-450B. Each audit shall be a comprehensive audit of the affairs of the District and the District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards, as defined by the United States Government Accountability Office. Within ten days after receiving the audit from the District's independent auditor, the School District shall file two copies of the completed audit report with the legislative counsel at:

Idaho Legislative Services Office
Legislative Services Audit
Staff of Legislative Counsel
P.O. Box 83720
Boise, Idaho 83720-0054

The report shall be filed with the State Department of Education after its acceptance by the Board of Trustees not later than November 10.

Legal Reference: I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds
 I.C. § 67-450B Independent Financial Audits by Government Entities

Policy History:
Adopted on: 3/12/18

Avery School District
#394
FINANCIAL MANAGEMENT

Fiscal Accountability and IDEA Part B Funds

7235

The District must ensure fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B funds. The purpose of this policy is to ensure that the District complies with the State Department of Education requirements described in the Idaho State Department of Education IDEA Funding Manual.

Use of IDEA Part B Funds

The District shall use IDEA funds only to pay excess costs of providing special education and related services to children with disabilities. A cost is determined to be an excess cost of providing special education only if it meets each of the following criteria:

1. The cost would not exist in the absence of special education needs;
2. The cost is not also generated by students without disabilities; and
3. If the cost is specific to a particular child, it is documented if that child is on an Individual Education Plan (IEP).

The Board directs the Superintendent to establish procedures and internal controls to ensure that IDEA Part B funds are used only for allowable, excess costs of providing special education and that these costs are accounted for in the proper function/program codes described in 34 CFR 300.202-205. These procedures and controls shall also ensure the accuracy of the District's Excess Cost Calculation, as required by 34 C.F.R. 300.16 and Appendix A to 34 C.F.R.300.

Time and Effort Reporting

In order to determine if personnel costs are allowable under IDEA Part B, the District shall maintain auditable "time and effort" documentation that shows how each employee paid with IDEA Part B funds spent his or her compensated time. Such documents are written reports of how the time was spent.

The Board directs the Superintendent to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133.

Maintenance of Effort

[ONLY REQUIRED FOR DISTRICTS THAT USE ONLY LOCAL FUNDS FOR THE CALCULATION OF MAINTENANCE OF EFFORT]

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent to establish a means of tracking and reporting local expenditures separate from

the expenditure of State funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

Parentally-Placed Private School Children

The District must ensure that it is providing the appropriate portion of IDEA Part B funds to children receiving special education at private schools within the boundaries of the District. To accomplish this, the Board directs the Superintendent to establish procedures to accurately track and report expenditures for services provided to parentally-placed private school children.

Property Procurement and Tracking

The Board directs the Superintendent to establish written procedures to ensure that the District's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 C.F.R. 80.36. The Board also directs the Superintendent to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds.

Property records in the inventory management system should include, at a minimum:

1. Property description;
2. Identification number;
3. Source of funding;
4. Acquisition date and cost;
5. The location, use, and condition of the property; and
6. Any ultimate disposition data including the date of disposal and sale price of the property.

In addition to the above information, the inventory management system should ensure that all source documents in support of the above information are maintained throughout the life and disposition of the equipment. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.

Retention of Records

The Board directs the Superintendent to ensure that fiscal records are retained for a minimum of three years from the obligation of funds. These records shall be available for inspection if required.

Legal Reference: 34 C.F.R. §§80.36 Procurement
 34 C.F.R. §§80.42 Retention and Access Requirements for Records
 34 C.F.R. §§300.132-133 Provision of Services for Parentally-Placed
 Private School Children with Disabilities
 34 C.F.R. §§300.16 Excess Costs
 34 C.F.R. §§300.202-205 Use of Amounts
 34 C.F.R. §§300, Appendix A Excess Costs Calculation

Fiscal Accountability Checklist: For Sub-Recipients of IDEA Part B
Funds
OMB Circular A-87
OMB Circular A-133

Policy History:

Adopted On: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Federal Impact Funds

7240

It is the intent of the District that all American Indian children of school age have equal access to all programs, services, and activities offered in the District.

It is also the intent of the District to fully comply with the requirements of Title VIII (Impact Aid Program) of the Elementary and Secondary Education Act and regulations relating thereto. To that end, the District shall:

1. Provide tribal officials and parents of Indian children an opportunity to comment on the participation of Indian children on an equal basis in all programs and activities offered by the District;
2. Annually assess the extent to which Indian students are participating on an equal basis in the educational programs and activities of the District;
3. If and when necessary, modify its educational programs to ensure that Indian children participate on an equal basis with non-Indian children served by the District;
4. Disseminate annually the following materials to tribal officials and Indian parents:
 - A. Title VIII application;
 - B. Evaluation of programs assisted by Title VIII funds; and
 - C. Program plans and information related to the education programs of the District.

Such materials will be provided to tribal officials and parents of Indian children in sufficient time to allow tribal officials and parents of Indian children an opportunity to review the materials and make recommendations on the needs of Indian children and provide input on how the District might help those children realize the benefits of the District's educational programs and activities.

5. Solicit information from tribal officials and parents of Indian children on Indian views, including information on the frequency, location, and time of meetings;
6. Notify tribal officials and parents of Indian children of the locations and times of meetings;
7. Consult and involve tribal officials and parents of Indian children in the planning and development of the District's educational programs and activities;

8. Modify its Indian policies and procedures, if and when necessary, based upon the results of the assessments referenced below.

Assessments

Tribal officials and parents of Indian children are encouraged to assess the effectiveness of their input regarding the participation of Indian children in the District's educational programs and activities and the development and implementation of the District's Indian policies and procedures and share the results of such assessment with the District.

Legal Reference: 20 U.S.C.S. 7701, et seq. The Impact Aid Program Statute (Title VIII of the Elementary and Secondary Education Act of 1965)
34 CFR 222.94 What Provisions Must be Included in a Local Educational Agency's Indian Policies and Procedures?

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

**(Background)
7240 B**

Federal Impact Funds

A policy and procedure of this nature is necessary in order to be eligible to receive Title VIII funds to provide programs for eligible Indian students.

When submitting the Impact Aid application for federal assistance, the District must provide assurance that it has established the required policies and procedures. In addition to submitting the policies and procedures, the District must ensure that:

1. Tribes and parents were informed, consulted, and involved;
2. A statement indicating that the District has on file a list of names and addresses of parents that participated in hearings or other such meetings is also provided;
3. Dates when proposed policies were considered by the Board (first reading, second reading, etc.) are also provided;
4. That policies and procedures reflect the views of parents of Indian children; and
5. That policies and procedures have been disseminated to the tribes and parents.

While the amendments provide for the involvement of parents of Indian children, such recommendations are advisory only. The Board has the final authority on policy decisions of the District.

Avery School District
#394
FINANCIAL MANAGEMENT

Federal Impact Funds

7240P

The Board adopts the following procedures as required by Title VIII (Impact Aid Program) of the Elementary and Secondary Education Act:

1. The Superintendent and/or his or her designee will meet at least two times annually with tribal officials and parents of Indian children. The purpose of the meetings will be to give tribal officials and parents of Indian children an opportunity to comment on whether Indian children are participating on an equal basis with other children in the District in the educational programs and activities offered by the District. The dates and times of these meetings will be sent to tribal officials and parents of Indian children at the beginning of each school year. In addition to the meetings, tribal officials and parents of Indian children are encouraged to contact the Superintendent at any time to provide comments or concerns regarding Indian children's equal participation in the education programs of the District.
2. Each year the Board will review this procedure and the District's Policy 7240 Impact Aid.
3. The Superintendent and/or designee will review school data and the comments and/or concerns of tribal officials, parents of Indian children, the community, and staff members regarding the assessment and extent of Indian students' participation and progress in the educational programs and services of the District.
4. When assessment data indicate Indian students are not participating on an equal basis with non-Indian students or making adequate progress, tribal officials and parents of Indian children will be asked to make recommended changes.
5. The complete Title VIII application will be sent to tribal officials (and the Indian Education Center, if appropriate) and a summary prepared for all Indian parents in conjunction with the January Title VIII public hearing. Review of new or continuing programs is an ongoing process of the Board. Agendas will be regularly forwarded to Tribal officials. An annual summary will be provided at the January Title VIII public hearing. Additional information is available upon request. A Board meeting will be held, usually in January, for the discussion of the disseminated material as part of a regular Board agenda. Tribal officials and Indian parents and staff will be notified at least ten days prior to the meeting. Notice will be posted in the school's District office and school offices and will be sent to the Tribal Council and Education Center for posting.
6. At the Board meeting described in 5 above, members of the Indian community will be afforded the opportunity to comment and suggest alternatives to the regularly scheduled times, locations, and frequency of pertinent meetings.

7. Tribal officials, Indian parents, the Title IX Indian Parent Committee, the IPP Committee, and Indian Education Center staff will be notified as to the location and times of meetings in the same manner as that provided for the January Board meeting. Notice will be posted in the school's District office, at school offices, and will also be sent to the Tribal Council and the Tribal Education Center for posting.
8. The Title VIII application will be made available for review by the Title IX Parent Committee and/or the IPP Committee and other interested members of the Indian community, prior to the public meeting generally held in January.

A Board meeting to discuss equal participation of Indian students will generally be held in January.

The Title IX Parent Committee and/or the IPP Committee and interested Indian parents and tribal officials will review assessment data to develop or modify educational programs or services to allow participation of Indian students on an equal basis. These findings and recommendations will be presented to the Board in March or as required by federal guidelines.

Members of the Indian community, tribal officials, members of the Parent Committee and/or the IPP Committee, and staff will be notified of modifications to programs or services as provided in 5, above.

Procedure History:

Promulgated on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Property Records

7270

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

For purpose of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, and does not lose its identity when incorporated into a more complex unit. The Superintendent shall ensure that inventories of equipment are systematically and accurately recorded and are updated annually. Property records of facilities and other fixed assets shall be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy.

Property records shall 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; and
7. Model number, if available

Equipment may be identified with a permanent tag that provides appropriate District and equipment identification.

Cross Reference: 7210

GASB Statement 34 (Accounting System)

Legal Reference: I.C. § 33-701

Fiscal Year – Payment and Accounting of Funds

Policy History:

Adopted on: 2/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Revenues

7300

The District will seek and utilize all available sources of revenue for financing its educational programs. This includes revenues from non-tax, local, State, and federal sources. All revenues received for the District will be properly credited to the appropriate fund and account as specified by federal and State statute and the accounting and reporting regulations for Idaho 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.

Policy History:

Adopted on: 2/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Investment of Funds

7305

Pursuant to Idaho Code §33-701, the Board authorizes the Superintendent to invest all or part of any plant facilities reserve fund, or any fund accumulated for the payment of interest on, and the redemption of, outstanding bonds, or other obligations of the District. The Superintendent shall develop criteria and procedures for appropriate investments which shall be reviewed by the Board. A progress report of investments shall be made to the Board on a regular basis.

Policy Considerations

The investment policy shall be reviewed annually by the Superintendent or designee and recommended changes will be presented to the Board for consideration.

Investments may be made only in those instruments approved by, and in a method in conformity, with State law including any instrument permitted by law for the investment of State moneys.

Legal Reference:	I.C. § 33-701	Fiscal Year - - Payment & Accounting of Funds
	I.C. § 67-1210	Investment of Idle Moneys

Policy History:

Adopted on: 2/12/18

Avery School District
#394
FINANCIAL MANAGEMENT

Allowable Uses for Grant Funds

7320

When determining how the District will spend its grant funds, the **[Federal Programs Office]** will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in Education Department General Administrative Regulations, which are provided in the bulleted list below. All costs must:

1. Be necessary and reasonable for the performance of the federal award;
2. Be allocable to the federal award;
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District;
4. Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200 or in the terms and conditions of the federal award;
5. Be treated consistently;
6. Be adequately documented;
7. Be determined in accordance with General Accepted Accounting Principles (GAAP), unless provided otherwise in Part 200;
8. Not be included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.

Legal Reference:	2 CFR § Part 200	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
	2 CFR § Part 3474	Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Policy History:
Adopted on: 2/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Purchasing

7400

Authorization and Control

It will be the policy of this District to conduct its purchasing program in a manner to assure the best utilization of District funds. The Board, or its designee, reserves the right to determine what is in the best interest of the District.

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to State purchasing and federal procurement requirements. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$2,500, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with State purchasing and federal procurement requirements. Staff members shall not obligate the District without express authority. Staff members 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 construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property necessary for the effective operation of the District exceeds \$25,000, formal bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. Specifications shall be prepared and be 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 bid, reject all bids, and publish notice for bids once again. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

In determining what bid is the lowest responsible bidder, the District will not only take into consideration the amount of the bid. The District will also consider the skill, ability, and integrity of a bidder to do faithful and conscientious work and promptly fulfill the contract according to the letter and spirit. References for the bidder should be contacted.

The Superintendent shall establish bidding and contract awarding procedures that align with State purchasing and federal procurement requirements.

Cooperative Purchasing

The District may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the District provided that the purchasing cooperative follows state purchasing and federal procurement requirements.

Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the District from any private business, contractor, or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any private business or venture in which any employee of this District has a direct or indirect financial or ownership interest will be made on a competitive bid basis strictly in accordance with the following procedures:

1. The interested employee, the business, the contractor, or the vendor will fully disclose, in writing, the employee's exact relationship to the business, the contractor, or the vendor;
2. The affected business, the contractor, or the vendor may submit a bid in compliance with the specifications outlined by the District;
3. The interested employee will not be involved in any part of bidding process, including but not limited to, preparing specifications, advertising, analyzing, or accepting bids; and
4. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the District.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the District nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

Procurement Under a Federal Award

In addition to the conflicts of interest outlined above, no employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee, officer, or agent;
2. Any member of his or her immediate family, including spouses, children, and parents;
3. His or her partner. For the purposes of this policy, "partner" shall mean an adult of the same sex or different sex with whom the employee, officer, or agent shares a non-marital

intimate relationship and a common residence and with whom they mutually affirm that they share responsibility for each other's common welfare; or

4. An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

1. The purchase during the school day of any food or service from a District contractor or vendor for individual use;
2. The removal of any food, supplies, equipment, or school property without proper authorization;
3. Individual sales by District personnel of any school property, including used items.

Violations

Any District officer, employee, or agent who violates this policy may be subject to disciplinary action, including but not limited to a fine, suspension, or termination. Violations of law will be referred to the local, State, or federal authority having proper jurisdiction.

Cross Reference: 7400P Procurement Under a Federal Award
7407 Public Procurement of Goods and Services

Legal Reference: I.C. § 18-1351 Bribery and Corrupt Practices – Definitions
I.C. § 33-316 Cooperative Contracts to Employ Specialized Personnel
and/or Purchase Materials
I.C. § 33-402 Notice Requirements
I.C. § 33-601 Real and Personal Property – Acquisition, Use or Disposal
of Same.
I.C. § 74-401 et seq. Ethics in Government
2 C.F.R. § 200.317 Procurement by States
2 C.F.R. § 200.318 General Procurement Standards
2 C.F.R. § 200.320 Methods of Procurement to be Followed

Policy History:

Adopted on: 2/12/18

Revised On: 2/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Personal Reimbursements

7420

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 resources within the District; and
4. The claim for personal reimbursement is properly accounted for and documented with an invoice/receipt.

The District business office will be responsible for the development of the procedures and forms to be used in processing claims for personal reimbursements.

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Travel Allowances and Expenses

7430

Every District employee and Board Member will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. All travel expenses must be reported on the established travel expense and voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Superintendent.

The District business office will be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

Types of Travel

In District Expenses: District employees and Board Members shall be reimbursed for actual and necessary expenses incurred within the District while attending to District business. Actual mileage driven for pre-approved in District travel shall be reimbursed. It is the responsibility of the Board to review travel within the District by the Superintendent or by Board Members.

Meals incurred inside the District shall not be reimbursed, except for banquets attended to represent the District.

Out of District Travel: Travel outside of the District must be pre-approved. Board Members shall obtain Board approval prior to incurring out of District expenses, and employees shall obtain prior approval from their supervisor and the Superintendent.

Actual monies spent for food while on out of District trips requiring an overnight stay shall be reimbursed.

District employees and Board Members shall be reimbursed for actual and necessary expenditures incurred outside the District.

Documentation of Expenses

Expenses not in compliance with this policy shall not be reimbursed or paid by the Board.

Prior to reimbursement of actual and necessary expenses, the District employee or Board Member must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim item and any appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees shall submit their receipts, travel expense forms, and voucher forms to the Superintendent. The Superintendent and Board Members shall submit such documentation to the Board. Failure to provide a detailed receipt will make the expense non-reimbursable.

In exceptional circumstances, the Board may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the District's record of the claim.

The Board directs the Superintendent to promulgate procedures specifying which expenses shall be reimbursable for travel of different distances and durations.

Travel Costs Under Federal Award

General: Travel costs are the expenses for transportation, lodging, food, and related items incurred by employees who travel on official business under a federal award. Such costs may be charged on an actual cost basis, or on a per diem mileage basis, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip.

Lodging and subsistence: Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations. If these costs are charged directly to the federal award, the District will maintain documentation justifying the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are consistent with this policy and any related procedures.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences are allowable provided that:

1. The costs are a direct result of the individual's travel for the federal award;
2. The costs are consistent with this policy and any related procedures; and
3. Are temporary, lasting only during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the federal awarding agency.

Commercial air travel: Airfare costs in excess of the basic, least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would:

1. Require circuitous routing;
2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or
5. Offer accommodations not reasonably adequate for the traveler's medical needs.

Legal Reference: I.C. § 33-701
2 C.F.R. § 474

Fiscal Year – Payment and Accounting of Funds
Travel Costs

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

District Credit Cards

7440

The Board of Trustees permits the use of District credit cards by certain school officials to pay for actual and necessary expenses incurred in the performance of work-related duties for the District.

All credit cards will be in the name of the School District. Credit cards may only be used for legitimate District business expenditures. The use of credit cards is not intended to circumvent the District's policy on purchasing. 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.

The Superintendent shall monitor monthly the use of each credit card by reviewing credit card expenditures and reporting any serious problems and/or discrepancies directly to the Board.

Credit Card Users

A list of those individuals that will be issued a District credit card will be maintained in the Business Office and reported to the Board each year at its reorganizational meeting in July. Credit card users must take proper care of the credit card(s) 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 failure to report damage, loss, or theft may subject the employee to financial liability.

Users must submit detailed documentation, including itemized receipts for services, travel, and/or other actual and necessary expenses which have been incurred in connection with school-related business for which the credit card has been used. Failure to provide a proper receipt can make the employee responsible for expenses incurred.

Credit Card Limits

The District shall establish a credit line not to exceed \$45,000 for all cards issued to the District.

Return of Credit Card

A District employee who is no longer employed by the District shall return the credit card upon termination to the Superintendent no later than five calendar days after termination.

Misuse and/or Unauthorized Use

An employee who violates a provision of this policy shall have his or her credit card revoked immediately and shall be subject to disciplinary action as determined by the Superintendent and shall be reported to local law enforcement. If the Superintendent violates a provision of this policy, he or she shall be subject to disciplinary action as determined by the Board and shall be reported to local law enforcement.

Additional Procedures

The Superintendent, in consultation with the Assistant Superintendent and/or Business Manager, may establish additional procedures governing the issuance and use of District credit cards that do not contradict any part of this policy. Each cardholder shall be apprised of the procedures governing the use of the credit card and a copy of this policy and accompanying procedures shall be given to each cardholder.

Legal Reference: I.C. § 18-5701 Misuse of Public Money by Officers
 I.C. § 18-5703 Definitions

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Federal Cash Management

7450

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act. Generally, the District receives payment from the State Department of Education on a reimbursement basis.

However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses.

According to guidance from the U.S. Department of Education (USDE), when calculating the interest earned on USDE grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the District.

Payment Methods

1. Reimbursements: The District will initially charge federal grant expenditures to nonfederal funds.

The District Grant Accountant or Business Manager will request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests will be submitted on a District form to the State Department of Education.

The Superintendent or his or her designee shall promulgate a procedure specifying any further requirements.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

2. Advances: To the extent the District receives advance payments of federal grant funds; the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District shall attempt to expend all drawn downs of federal funds within 72 hours of receipt.

The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will begin to calculate interest earned on cash balances once funds are deposited into the District's account.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's [**choose one: actual/average**] interest rate. Within 30 days of the end of the quarter, the District will remit interest earned. The District may retain up to \$500 of interest earned per year.

The Superintendent or his or her designee shall promulgate a procedure specifying the process for remitting interest.

Legal Reference: 2 CFR § 200.305
31 CFR § 205

Payment
Rules and Procedures for Efficient Federal-
State Funds Transfers

Policy History:
Adopted on: 3/12/18

Avery School District
#394
FINANCIAL MANAGEMENT

Declaration of Financial Emergency

7600

This section and related Board policies shall apply in the instance of a financial emergency. However, any subsequently enacted statute or amendment to existing statutes shall have control over this policy and replace this policy as well as all other related policies, procedures, and forms.

The Board of Trustees is dedicated to sound and efficient financial management. Recognizing the limitations and fluctuations in funding and the potential negative impact on the District's fiscal status due to historical revenue and/or expenditure issues, the District must take specific action to ensure education remains the primary goal and responsibility of the District. In the event that the financial situation of the District necessitates such action, the Board will consider a declaration of financial emergency.

Prior to declaring a financial emergency, the Board shall hold a public meeting for the purpose of receiving input concerning possible solutions to the financial problems facing the District.

Legal reference:	I.C. § 33-402	Notice Requirements
	I.C. § 33-515	Issuance of Renewable Contracts
	I.C. § 33-522	Financial Emergency
	I.C. § 33-801	School District Budget

Policy History:

Adopted on: 3/12/18

**Avery School District
#394
FINANCIAL MANAGEMENT**

Declaration of Financial Emergency Resolution

7600 FA

DECLARATION OF FINANCIAL EMERGENCY

WHEREAS, the State Department of Education has certified that conditions *(a) (b) and/or (c)* *(include all that have been met)* of Idaho Code Section 33-522 (2) have been met;

WHEREAS, the Board of Trustees of Avery School District No. 394 met on _____ *(insert date)* to review the financial state of the District;

WHEREAS, the Board of Trustees posted notice on _____ *(insert date)* of a public meeting to gather input concerning possible solutions to the financial emergency facing the District;

WHEREAS, the Board of Trustees held a public meeting on _____ *(insert date)* to gather input concerning possible solutions to the financial emergency facing the District pursuant to Idaho Code Section 33-522(1); and

WHEREAS, the Board of Trustees project that the District's general fund balance, excluding funds restricted by State or federal law and considering both anticipated expenditures and revenue is less than 5 ½ percent of the District's unrestricted general fund budget pursuant to Idaho Code Section 33-522(2)(f) and thus the District has determined that the required condition in paragraph (f) of Idaho Code Section 33-522(2) has been met;

NOW, THEREFORE BE IT RESOLVED, on _____ *(insert date)* that the Board of Trustees of _____ School District No. ___ declares a financial emergency pursuant to Idaho Code Section 33-522 for the Fiscal Year ____ *(insert year)*.

**Avery School District
#394
FINANCIAL MANAGEMENT**

Declaration of Financial Emergency Procedure

7600P

Financial Emergency Declaration Requirements

If the State Department of Education certifies that one or more of the conditions below in paragraphs 1, 2, or 3 are met, then the Board of Trustees may declare a financial emergency if it determines that the condition in paragraph 6 is also met. Alternatively, the Board may declare a financial emergency if it determines that either of the conditions in paragraph 4 or 5 of this subsection are met and the State Department of Education certifies that the condition set forth in paragraph 6 is also met.

1. Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by 1½ percent or more from any prior fiscal year.
2. The minimum instructional salary provision in section 33-1004E, Idaho Code, is reduced by 1½ percent or more from any prior fiscal year.
3. The amount of total general fund money appropriated per support unit is reduced by greater than 3 percent from the original general fund appropriation per support unit of any prior fiscal year.
4. The amount of property tax revenue to be collected by the District that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than 1½ percent of the District's general fund budget for combined State and local revenues from the prior fiscal year.
5. The District's general fund has decreased by at least 1½ percent from the previous year's level due to a decrease in funding or natural disaster, but not a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy.
6. The District's unrestricted general fund balance, which excludes funds restricted by State or federal law and considering both anticipated expenditures and revenue, is less than 5½ percent of the District's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared.

Due Process Hearing

If the Board takes action after the declaration of a financial emergency and such action is directed at more than one certificated employee and if mutually agreed to by both parties, the

Board shall use the following procedure to conduct a single, joint due process hearing for all affected certificated employees within 67 days of the declaration of financial emergency or on or before June 22, whichever shall occur first. The due process hearing shall not be required if the Board and the local education association reach an agreement.

1. The Superintendent or any other duly authorized administrative officer of the District may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the Board written notice specifying the purported reasons for such changes.
2. Upon receipt of such notice, the Board acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the Board prior to any determination by the Board.
3. The hearing shall be scheduled to take place not less than six days nor more than 14 days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
4. The hearing shall be open to the public.
5. All testimony at the hearing shall be given under oath or affirmation. Any member of the Board, or the clerk of the Board, may administer oaths to witnesses or affirmations by witnesses.
6. The employees may be represented by legal counsel and/or by a representative of a local or State education association.
7. The Chair of the Board, or the designee of the Chair, shall conduct the hearing.
8. The Board shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or stenotype notes of all the testimony at the hearing. A transcript of the hearing shall be provided at cost by the Board upon request of the employee.
9. At the hearing the Superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
10. The employees may produce evidence to refute the reduction. Any witness presented by the Superintendent or by the employees shall be subject to cross-examination. The Board may also examine witnesses and be represented by counsel.
11. The affected employees may file written briefs and arguments with the Board within three days after the close of the hearing or such other time as may be agreed upon by the affected employees and the Board.

12. Within seven days following the close of the hearing, the Board shall determine and, acting through its duly authorized administrative official, shall notify the employees in writing whether the evidence presented at the hearing established the need for the action taken.

Length of Financial Emergency

A financial emergency shall be effective for one fiscal year unless the District qualifies in subsequent years due to additional reductions or applicable conditions.

Annual Meeting and Notice Requirements

If a financial emergency has been declared, the notice of annual meeting and the notice of the annual budget hearing shall be posted for not less than five days, and by such further notice as shall provide reasonable notice to the patrons of the District if publication in a newspaper is not feasible. If the District has declared a financial emergency, no later than 14 days prior to its annual meeting, the Board shall have prepared a budget, and held a public hearing.

Contract Date Impact

The time requirements of sections 33-514(2) and 33-515(2), Idaho Code, shall not apply in the event a financial emergency is declared.

Procedure History:

Promulgated on:

Revised on: