

GOALS

7000

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

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

The Board seeks to achieve the following fiscal management 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.
4. Establish efficient procedures in all areas of fiscal management.

Legal Reference: Title 20, Chapter 9, MCA Finance

Adopted:
Revised: 3/19/07

TUITION

7008

Whenever a pupil who does not reside in the District is to be enrolled in the District, either by choice or by placement, an attendance agreement must be filed with the District. The terms of the agreement must include tuition rate, the party responsible for paying tuition and the schedule of payment, transportation charges, if any, and the party responsible for paying transportation costs.

Tuition rates shall be determined consistent with Montana law and approved by the Board annually.

Cross Reference: 3141 Discretionary Nonresident Student Attendance Policy

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

Adopted: 2/19/01

Revised: 3/19/07

BUDGET AND PROGRAM PLANNING

7110

A district's annual budget is evidence of the Board's commitment to the objectives of the instruction programs. The budget supports the 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 Administration 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 the community prior to action by the Board.

Adopted: 2/19/01

Revised:

BUDGET PREPARATION AND ADOPTION

7120

Final budget § 20-9-115 MCA

The Board shall meet at their regular place of meeting on the second Monday of August, each year, for the purpose of adopting a final budget. A notice of said meeting shall be published in a newspaper of general circulation two weeks prior to the said meeting. At the final budget meeting, the Board shall make any changes or corrections deemed necessary and appropriate to the budget. The resulting budget shall constitute the final budget of the District for the current fiscal year. After the final budget is adopted, it shall be forwarded to the Yellowstone County Superintendent of Schools.

Adopted: 8/00/96

Revised: 2/19/01

BUDGET ADJUSTMENTS

7121

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

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

Total budget expenditures for each fund as adopted in the final budget shall constitute the appropriations of the District for the ensuing fiscal year. The Board shall be limited in the incurring of expenditures to the total of such appropriations.

Under special circumstances, the Board may declare by resolution that a budget amendment (in addition to the final budget) is necessary.

Legal Reference:	§ 20-9-133, MCA	Adoption and expenditure limitations of final budget
	§ 20-9-161, MCA	Definition of budget amendment for budgeting purposes
	§ 20-9-162, MCA	Authorization for budget amendment adoption
	§ 20-9-163, MCA	Resolution for budget amendment
	§ 20-9-164, MCA	Notice of budget amendment resolution
	§ 20-9-165, MCA	Budget amendment limitation, preparation and adoption procedures
	§ 20-9-166, MCA	State financial aid for budget amendments
	§ 20-9-208, MCA	Transfer among appropriation items of a fund

Adopted: 2/19/01

Revised:

REVENUES

7210

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 Montana school districts.

The District will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District will make an effort to collect all revenues due from all sources including, but not limited to, rental fees, lunch fees, bus fees, fines, tuition fees, and other fees and charges. Uncollectible checks may be turned over to the county attorney for collection.

Legal Reference: Title 20, Chapter 9, MCA Finance
Title 10, Chapter 10, ARM GASB, Codification of Governmental
Accounting and Financial Reporting
Standards

Adopted: 2/19/01
Revised: 3/19/07

ACCEPTANCE OF OUT-OF-DISTRICT STUDENTS/TUITION

7212

Canyon Creek School is required to accept out of district students as required by MCA §20-5-320 .

Canyon Creek School may accept other out-of-district students if state class size standards are not adversely affected; additional aides or teachers are not required; and that documentation be provided showing a history of acceptable deportment, attendance, and grades.

The administration of the tuition procedures applying to non-resident students of the school district shall be in accordance and compliance with Montana law.

Tuition rates, if applied, shall be determined consistent with Montana law.

Adopted:

Revised:

RENTAL OR LEASE OF SCHOOL DISTRICT PROPERTY

7250

The Board of trustees through the superintendent or his/her designee shall be authorized to rent or lease the real and personal property of the school district. Such property shall be rented or leased for lawful purposes only. The rental or lease shall be in the best interest of the school district and shall not interfere with the conduct of the District's educational program and related activities. Appropriate insurance requirements per policy #4330 will be made of the renter. Proceeds from the rental or lease of property shall be deposited and expended according to statutory provisions.

The Board of trustees will establish the procedures and the rental fees for the rental and leasing of school district real and personal property and review them annually.

Adopted:

Revised:

DISPOSAL OF SCHOOL DISTRICT PROPERTY

7251

The Board is authorized to dispose of a site, building, or any other real or personal property of the District, that is or is about to become abandoned, obsolete, undesirable, or unsuitable for school purposes.

To affect proper disposal, the Trustees shall follow the procedures set forth in Montana Law.

Legal Reference: § 20-6-604, MCA Sale of property when resolution passed after hearing — appeal procedure

Adopted: 3/19/01

Revised:

ENDOWMENTS, GIFTS, AND INVESTMENTS

7260

The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions imposed by the donor. Endowments received by the District will be deposited to an endowment fund as an expendable or non-expendable trust.

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

The Board directs that all school funds be invested in a prudent manner so as to achieve maximum economic benefit to the District. Funds not needed for current obligations may be invested in investment options as set out in Montana statutes whenever it is deemed advantageous to the District to do so.

Legal Reference:	§ 20-6-601, MCA	Power to accept gifts
	§ 20-7-803, MCA	Authority to accept gifts
	§ 20-9-212, MCA	Duties of county treasurer
	§ 20-9-213(4), MCA	Duties of trustees
	§ 20-9-604, MCA	Gifts, legacies, devises, and administration of endowment fund

Adopted: 2/19/01

Revised: 3/19/07

BUDGET IMPLEMENTATION AND EXECUTION

7310

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

1. Expenditure of funds for the employment and assignment of staff shall meet the legal requirements of the state of Montana and adopted Board policies.
2. Funds held for contingencies may not be expended without approval from the Board.
3. A listing of expenditures describing goods and/or services must be presented for Board ratification each month.
4. Purchases shall be made according to the legal requirements of the state of Montana and adopted Board policy.

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

Adopted:
Revised: 3/19/07

FINANCIAL MANAGEMENT

Purchasing: Authorization and Control

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds Five Thousand Dollars (\$5,000), 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 and Business Manager shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds. Staff who obligate the District without proper authorization may be held personally responsible for payment of such obligations. Nothing shall be purchased for personal use using the District's name.

Purchasing: Bids and Contracts

Whenever the cost of any supplies, equipment or work shall exceed Fifty Thousand Dollars (\$50,000), formal bids shall be called for by issuing public notice as specified in statute. 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 bids. The bidding requirements do not apply to: a registered professional engineer, surveyor, real estate appraiser or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title 37, Chapter 50.

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

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

In making a determination as to which vendor is the lowest responsible bidder, if any, the District will take into consideration not only the pecuniary ability of a vendor to perform the contract, but will also consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and promptly fulfill the contract according to its letter and spirit. References must be provided and will be contacted. The District further reserves the right to contact others with whom a vendor has conducted business, in addition to those listed as references, in determining whether a vendor is the lowest responsible bidder. Additional information and/or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.

Cooperative Purchasing

The District may enter into cooperative purchasing contracts with one or more districts for procurement of supplies or services. Such contracts must be awarded to the lowest responsible bidder, except that the trustees may reject all bids.

Legal Reference: §20-9-204, MCA Conflicts of interest, letting contracts and calling for bids
§18-1-101, et seq., MCA Public Contracts
§18-1-201, et seq., MCA Bid Security
§37-71-203, MCA Bids to show bidder is licensed and not beyond a contract time
Debcon v. City of Glasgow, 305 Mont. 391 (2001)

Adopted: March 19, 2001

Revised: November 19, 2007

ACCOUNTING SYSTEM DESIGN

7325

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. The accounting system shall be able to demonstrate compliance with finance-related legal and contractual provisions.

Adopted: 6/25/01

Revised:

PETTY CASH FUNDS

7329

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of One Hundred Dollars (\$100), postage, delivery charges, and freight. Individual personal reimbursements which exceed One Hundred Dollars (\$100) should not be made from petty cash funds. The petty cash account will be maintained as cash on hand, and the total dollar amount of the petty cash account will be limited to Seven Hundred Fifty Dollars (\$750).

Monies which are not specifically petty cash monies shall not be co-mingled with the petty cash fund. At the conclusion of each school year, all petty cash funds must be closed out.

The District Business Manager shall be responsible for establishing the procedures involving the use and management of petty cash funds.

Adopted: 6/25/01

Revised: 3/19/07

PAYROLL PROCEDURES/SCHEDULES

7330

The District will establish one (1) or more days in each month as fixed paydays for payment of wages in accord with District practice. Employees may choose to have their salaries paid in full upon the last pay date following completion of their assignments or may annualize their pay. Employees who choose to receive payment of wages beyond the period in which the wages were earned (deferred payment) will be subject to Internal Revenue Service (IRS) penalties unless they provide a written election of such deferral prior to the first duty day of the year of deferral. Forms for such deferral shall be made available. Any change to the election must be made prior to the first duty day of the fiscal year of the deferment.

When a District employee quits, is laid off, or is discharged, wages owed will be paid on the next regular pay day for the pay period in which the employee left employment or within fifteen (15) days, whichever occurs first.

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

Adopted: June 13, 2008

PERSONAL REIMBURSEMENTS

7335

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

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

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

Adopted: 3/19/07

Revised:

TRAVEL ALLOWANCES AND EXPENSES

7336

Every District employee and trustee MAY be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. District employees who are not exempted by another policy or contract will be reimbursed according to the current State levels pursuant to Montana law. All travel expenses must be reported on the established forms and approved by the administration.

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

Legal Reference:	§ 2-18-501, MCA	Meals, lodging and transportation of persons in state service
	§ 2-18-502, MCA	Computation of meal allowance
	§ 2-18-503, MCA	Mileage - allowance

Adopted: 6/25/01

Revised:

CREDIT CARD USE

7400

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. 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 meeting in August. All credit cards will be pre-approved by the Board and will be in the name of the District.

The District shall establish a credit line not to exceed \$7,000.00 for each card issued and an aggregate credit limit of \$7,000.00 for all cards issued to the 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.

Users must take proper care of District credit cards and take all reasonable precautions against damage, loss, or theft. Any damage, loss, or theft must immediately be reported 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.

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

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

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

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

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

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

Adopted: 3/19/07
Revised:

FUND ACCOUNTING SYSTEM

7410

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The accounts of the District are maintained on the modified accrual basis of accounting. The following funds are maintained by the District:

- General Fund
- Transportation Fund
- School Food Fund
- Tuition Fund
- Retirement Fund
- Miscellaneous Fund
- Adult Education Fund
- Technology Fund
- Flexibility Fund
- Debt Service Fund
- Building Fund
- Extracurricular Fund
- Claims Clearing Fund
- Interest Clearing Fund

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

Adopted: 6/25/01

Revised:

EXTRA-CURRICULAR FUNDS

7425

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

The Business Manager/Clerk shall adopt accounting procedures for administration of the student extra-curricular funds and shall administer the funds.

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

Adopted: 12/18/00

Revised:

FINANCIAL REPORTING AND AUDITS

7430

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 Montana law. 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. Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal years, or it may be conducted annually.

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

Adopted: 6/25/01
Revised:

PROPERTY RECORDS

7500

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.

Cross Reference: 7510 Capitalization Policy for Fixed Assets

Legal Reference: § 20-6-602, MCA Trustees' power over property
§ 20-6-608, MCA Authority and duty of trustees to insure district property

Adopted: 6/25/01

Revised:

CAPITALIZATION POLICY FOR FIXED ASSETS

7510

A fixed asset is a property that meets all of the following requirements.

1. Must be tangible in nature.
2. Must have a useful life of longer than the current fiscal year.
3. Must be of significant value.

Fixed assets may be acquired through donation, purchase or construction.

The following significant values will be used for different classes of assets:

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Equipment and machinery	\$5000.00 or more
Buildings - Improvements	\$5000.00 or more
Improvements other than buildings	\$5000.00 or more
Land	Any amount

Cross Reference: 7500 Property Records

Adopted: 6/25/01

Revised: 8/16/04

FUND BALANCES

7515

[Note: The provisions of this policy include the provisions of Statement No. 54 of the Governmental Accounting Standards Board (GASB).]

I. Purpose

The fund balance policy establishes a framework for the management of all excess funds managed by the Canyon Creek School District. The policy is in accordance with GASB Statement 54; management of fund balance. It also provides guidance and direction for elected and appointed officials as well as staff in the use of excess funds at year-end.

II. Scope

This fund balance policy applies to all funds in the custody of the School District Business Manager/Clerk of the Canyon Creek School District, Billings, Montana. These funds are accounted for in the District's annual audited financial reports and include, but are not limited to, the following:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Any new funds created by the District, unless specifically exempted by the governing body; in accordance with state law or GASB pronouncements.

III. Classification Of Fund Balances

The school district shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

IV. Definitions

A. *Fund balance*---means the arithmetic difference between the assets and liabilities reported in a school district fund.

B. *Committed fund balance*—amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest-level action to remove or change the constraint

C. *Assigned fund balance*—amounts a school district *intends* to use for a specific purpose; intent can be expressed by the District or by an official to which the Board of Trustees delegates the authority

D. *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund)

E. *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation

F. *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

V. Order of Resource Use

If resources from more than one fund balance classification could be spent, the school district will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

VI. Committing Fund Balance

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

VII. Assigning Fund Balance

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the Business Manager/Clerk. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board.

An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

VIII. Review

The school board will conduct, at a minimum, an annual review of the sufficiency of the minimum unassigned general fund balance level.

Legal References: Statement No. 54 of the Governmental Accounting Standards Board

Policy History:

Adopted on: January 16, 2012

Reviewed on:

Revised on:

PROCUREMENT OF SUPPLIES OR SERVICES

7530

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

1. § 18-4-303, MCA – Competitive sealed bidding. With the exception of construction contracts, allows the District to negotiate an adjustment of the bid price with the lowest responsible bidder in order to bring the bid within the amount of available funds, if, and only if, all bids exceed available funds and the lowest responsible bid does not exceed available funds by more than five percent (5%).

Legal Reference: § 18-4-121, et seq., MCA Montana Procurement Act
2.5.604, ARM Sole Source Procurement

Adopted: 3/19/07

Revised: