

PHILIPSBURG PUBLIC SCHOOLS

7000 SERIES FINANCIAL MANAGEMENT

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7008

4
5 Tuition

6
7 Whenever a nonresident student is to be enrolled in the District, either by choice or by
8 placement, an attendance agreement must be filed with the Board. Terms of the agreement must
9 include tuition rate, the party responsible for paying tuition and the schedule of payment,
10 transportation charges, if any, and the party responsible for paying transportation costs.

11
12 Tuition rates shall be determined annually, consistent with Montana law and approved by the
13 Board.

14
15
16
17 Cross Reference: 3141 Discretionary Nonresident Student Attendance Policy

18
19 Legal Reference: § 20-5-314, MCA Reciprocal attendance agreement with adjoining
20 state or province
21 § 20-5-320, MCA Attendance with discretionary approval
22 § 20-5-321, MCA Attendance with mandatory approval – tuition and
23 transportation
24 § 20-5-322, MCA Residency determination – notification – appeal for
25 attendance agreement
26 § 20-5-323, MCA Tuition and transportation rates
27 10.10.301, ARM Calculating Tuition Rates
28
29
30
31

32 Policy History:

33 Adopted on:

34 Reviewed on:

35 Revised on:

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7121

4
5 Budget Adjustments

6
7 When any budgeted fund line item is in excess of the amount required, the Board may transfer
8 any of the excess appropriation to another line item(s) within the same fund.

9
10 The Board authorizes the administration to transfer line items within the same budgeted fund to
11 adjust line item overdrafts or to meet special line item needs. Line item budget transfers to adjust
12 line item overdrafts are at the discretion of the administrators.

13
14 Total budget expenditures for each fund as adopted in the final budget shall constitute the
15 appropriations of the District for the ensuing fiscal year. The Board will be limited in the
16 incurring of expenditures to the total of such appropriations.

17
18 With timely notice of a public meeting, trustees, by majority vote of those present, may declare
19 by resolution that a budget amendment (in addition to the final budget) is necessary. Budget
20 amendments are authorized for specified reasons by § 20-9-161, MCA. The resolution will state
21 the facts of the budget amendment, the estimated amount of funds needed, and the time and place
22 the Board will meet for the purpose of considering and adopting a budget amendment.

23
24 The meeting to adopt a budget amendment will be open and will provide opportunity for any
25 taxpayer to appear and be heard. Budget procedures will be consistent with statutory
26 requirements. When applicable, the District will apply for state financial aid to supplement the
27 amount to be collected from local taxes.

28		
29	Legal Reference:	§ 20-9-133, MCA
30		Adoption and expenditure limitations of final budget
31		§ 20-9-161, MCA
32		Definition of budget amendment for budgeting purposes
33		§ 20-9-162, MCA
34		§ 20-9-163, MCA
35		Authorization for budget amendment adoption
36		Resolution for budget amendment – petition to superintendent of public instruction
37		§ 20-9-164, MCA
38		§ 20-9-165, MCA
39		Notice of budget amendment resolution
40		Budget amendment limitation, preparation, and adoption procedures
41		§ 20-9-166, MCA
42		§ 20-9-208, MCA
43		State financial aid for budget amendments
44		Transfers among appropriation items of fund – transfers from fund to fund

43 Policy History:

44 Adopted on:

45 Reviewed on:

46 Revised on:

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7210

4
5 Revenues

6
7 The District will seek and utilize all available sources of revenue for financing its educational
8 programs, including revenues from non-tax, local, state, and federal sources. The District will
9 properly credit all revenues received to appropriate funds and accounts as specified by federal
10 and state statutes and accounting and reporting regulations for Montana school districts.

11
12 The District will collect and deposit all direct receipts of revenues as necessary but at least once
13 monthly. The District will make an effort to collect all revenues due from all sources, including
14 but not limited to rental fees, bus fees, fines, tuition fees, other fees and charges. Uncollectible
15 checks may be turned over to the county attorney for collection.

16
17
18
19 Legal Reference: Title 20, Chapter 9, MCA Finance
20 Title 10, Chapter 10, ARM Special Accounting Practices

21
22 Policy History:

23 Adopted on:

24 Reviewed on:

25 Revised on:

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4
5 Endowments, Gifts, and Investments

6
7 The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions
8 imposed by the donor. Neither the Board nor the Superintendent will approve any gifts that are
9 inappropriate. Except where otherwise specified by the donor, the Board may deposit the gift,
10 legacy, devise, or proceeds in any budgeted or nonbudgeted fund and may thereafter transfer any
11 portion of the gift, legacy, devise, or proceeds to any other fund at the Board’s discretion. The
12 Board may transfer any previously donated funds deposited into an endowment fund along with
13 any accumulated interest to any other budgeted or nonbudgeted fund and may spend such funds
14 at the discretion of the Board unless restricted by the donor. In the event the donor has specified
15 or imposed any conditions for the gift, legacy, or devise, the Board shall deposit the gift, legacy,
16 devise, or proceeds into an endowment fund.

17
18 The Board authorizes the Superintendent to establish procedures for determining the suitability
19 or appropriateness of all gifts received and accepted by the District.
20

21 Educational foundations which seek to promote, enhance, and enable educational opportunities
22 and school improvement activities in the District may solicit and receive tax-deductible funds
23 from donors. Educational foundations may be sanctioned by the Board but not managed or
24 directed by it. The Board may appoint nonvoting advisors to the foundation board, if the bylaws
25 of the foundation permit that action.
26

27 The Board directs that all school funds be invested in a prudent manner so as to achieve
28 maximum economic benefit to the District. Funds not needed for current obligations may be
29 invested in investment options as set out in Montana statutes, whenever it is deemed
30 advantageous for the District to do so.
31

32		
33		
34	Legal Reference:	§ 20-6-601, MCA Power to accept gifts
35		§ 20-7-803, MCA Authority to accept gifts
36		§ 20-9-212, MCA Duties of county treasurer
37		§ 20-9-213(4), MCA Duties of trustees
38		§ 20-9-604, MCA Gifts, legacies, devises, and administration of
39		endowment fund
40		

41 Policy History:

42 Adopted on:

43 Reviewed on:

44 Revised on:

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4
5 Budget Implementation and Execution

6
7 Once adopted by the Board, the operating budget shall be administered by the Superintendent's
8 designees. All actions of the Superintendent/designees in executing programs and/or activities
9 delineated in that budget are authorized according to these provisions:

- 10
11 1. Expenditure of funds for employment and assignment of staff shall meet legal
12 requirements of the state of Montana and adopted Board policies.
13
14 2. Funds held for contingencies may not be expended without Board approval.
15
16 3. A listing of warrants describing goods and/or services for which payment has been made
17 must be presented for Board ratification each month.
18
19 4. Purchases will be made according to the legal requirements of the state of Montana and
20 adopted Board policy.
21
22
23

24 Legal Reference: § 20-3-332, MCA Personal immunity and liability of trustees
25 § 20-9-213, MCA Duties of trustees
26

27 Policy History:

28 Adopted on:

29 Reviewed on:

30 Revised on:

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4
5 Purchasing

6
7 Authorization and Control

8
9 The Superintendent is authorized to direct expenditures and purchases within limits of the
10 detailed annual budget for the school year. The Board must approve purchase of capital outlay
11 items, when the aggregate total of a requisition exceeds Ten Thousand Dollars (\$10,000), except
12 the Superintendent shall have the authority to make capital outlay purchases without advance
13 approval when necessary to protect the interests of the District or the health and safety of staff or
14 students. The Superintendent will establish requisition and purchase order procedures to control
15 and maintain proper accounting of expenditure of funds. Staff who obligate the District without
16 proper authorization may be held personally responsible for payment of such obligations.

17
18 Bids and Contracts

19
20 Whenever any building furnishing, repairing, or other work for the benefit of the District or
21 purchasing of supplies for the District is necessary, the work done or the purchase made must be
22 by contract if the sum exceeds Eighty Thousand Dollars (\$80,000). The District will call for
23 formal bids by issuing public notice as specified in statute. Specifications will be prepared and
24 made available to all vendors interested in submitting a bid. The contract shall be awarded to the
25 lowest responsible bidder, except that the trustees may reject any or all bids. The Board, in
26 making a determination as to which vendor is the lowest responsible bidder, will take into
27 consideration not only the amount of each bid, but will also consider the skill, ability, and
28 integrity of a vendor to do faithful, conscientious work and to promptly fulfill the contract
29 according to its letter and spirit. Bidding requirements do not apply to a registered professional
30 engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist,
31 or other medical, dental, or health care provider; an attorney; a consulting actuary; a private
32 investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title
33 37, Chapter 50.

34
35 Advertisement for bid must be made once each week for two (2) consecutive weeks, and a
36 second (2nd) publication must be made not less than five (5) nor more than twelve (12) days
37 before consideration of bids.

38
39 The Superintendent will establish bidding and contract-awarding procedures. Bid procedures
40 will be waived only as specified in statute, such as §§ 18-2-501, 502 and 503, MCA. Any
41 contract required to be let for bid shall contain language to the following effect:

42
43 *In making a determination as to which vendor is the lowest responsible bidder, if*
44 *any, the District will take into consideration not only the pecuniary ability of a*
45 *vendor to perform the contract, but will also consider the skill, ability, and*
46 *integrity of a vendor to do faithful, conscientious work and promptly fulfill the*

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4
5 Procurement of Supplies, Materials, Equipment and Services Using Federal Funds

6
7 Procurement of all supplies, materials, equipment, and services paid for from federal funds or
8 District matching funds shall be made in accordance with all applicable federal, state, and local
9 statutes and/or regulations, the terms and conditions of the federal grant, Board policy, and
10 administrative procedures. Procurement of any supplies, materials, equipment or services not
11 using federal funds shall be subject to Board Policy 7010 and state law.

12
13 The Superintendent shall maintain a procurement and contract administration system in
14 accordance with the requirements for the administration and management of Federal grants and
15 Federally-funded programs. The District shall maintain a contract administration system that
16 requires contractors to perform in accordance with the terms, conditions, and specifications of
17 their contracts or purchase orders. Except as otherwise noted, procurement transactions shall
18 conform to the provisions of the District's general purchasing policy.

19
20 The District shall take affirmative steps to assure that minority businesses, women's business
21 enterprises, and labor surplus area firms are used when possible.

22
23 All District employees, officers, and agents who have purchasing authority shall abide by the
24 standards of conduct covering conflicts of interest and governing the actions of its employees,
25 officers, and agents engaged in the selection, award, and administration of contracts.

26 The District will avoid acquisition of unnecessary or duplicative items and shall give
27 consideration to mechanisms to obtain a more economical purchase (i.e., consolidating or
28 breaking out procurements where permitted under state law). Where appropriate, the District
29 shall conduct an analysis of lease versus purchase alternatives and any other appropriate options
30 to determine the most economical approach.

31
32 To foster greater economy and efficiency, the District may engage in cooperative purchasing
33 where appropriate for procurement or use of common or shared goods and services.

34
35 **Competition**

36
37 All procurement transactions paid for from federal funds or District matching funds shall be
38 conducted in a manner that encourages full and open competition and that is in good
39 administrative practice and sound business judgment. To promote these purposes, the District
40 shall exclude any contractor that has developed or drafted specifications, requirements,
41 statements of work, or invitations for bids or requests for proposals from competition for such
42 procurements.

43
44 Further, the District does not use statutorily or administratively imposed state, local, or tribal
45 geographical preferences in the evaluation of bids or proposals under this policy, unless (1) an
46 applicable federal statute expressly mandates or encourages a geographic preference; or (2) the

1 District is contracting for architectural and engineering services, in which case geographic
2 location may be a selection criterion provided its application leaves an appropriate number of
3 qualified firms, given the nature and size of the project, to compete for the contract.
4

5 To the extent that the District uses a pre-qualified list of persons, firms, or products to acquire
6 goods and services that are subject to this policy, the pre-qualified list shall include a sufficient
7 number of qualified sources as to ensure maximum open and free competition. The District
8 allows vendors to apply for consideration to be placed on the list at any time and they must re-
9 qualify every twenty-four (24) months in accordance with administrative procedures established
10 by the Superintendent.
11

12 **Solicitation Language**

13

14 The District shall require that all solicitations made pursuant to this policy incorporate a clear
15 and accurate description of the technical requirements for the material, product, or service to be
16 procured. Such description shall not, in competitive procurements, contain features which unduly
17 restrict competition. The description may include a statement of the qualitative nature of the
18 material, product, or service to be procured and, when necessary, shall set forth those minimum
19 essential characteristics and standards to which it shall conform if it is to satisfy its intended use.
20 Detailed product specifications will be avoided if at all possible.
21

22 When it is impractical or uneconomical to make a clear and accurate description of the technical
23 requirements, a "brand name or equivalent" description may be used as a means to define the
24 performance or other salient requirements of procurement. The specific features of the named
25 brand which shall be met by offers shall be clearly stated; and identify all requirements which the
26 offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

27 The Board shall not approve any expenditure for an unauthorized purchase or contract.
28

29 **Procurement Methods**

30

31 The District shall utilize the following methods of procurement:
32

33 *Micro-Purchases*

34 Purchases of supplies, materials, services, or equipment using federal funds less than
35 \$10,000 shall be "Micro-Purchases." The District is not required to use a formal bidding
36 process for Micro-Purchases, but it shall ensure that purchases are reasonable and equitably
37 distributed among all qualified sources. The District shall maintain all procurement
38 documentation to ensure the cost is less than \$10,000 for a Micro-Purchase.
39

40 *Small Purchases*

41 Purchases of supplies, materials, services, or equipment using federal funds between
42 \$10,000 and \$80,000 shall be considered "Small Purchases." The District is not required to
43 use a formal bidding process for Small Purchases, but it shall use a competitive process to
44 ensure fairness. For any Small Purchase, the District shall obtain at least two or more price
45 quotes. The District shall maintain all procurement documentation to ensure the cost is less
46 than \$80,000 but more than \$10,000 for a Small Purchase.

1
2 *Sealed Bids*

3 Sealed bids shall be used when the procurement lends itself to a firm fixed price contract
4 and the selection of the successful bidder can be made principally on the basis of price.
5 Sealed, competitive bids shall be obtained when the purchase of, and contract for supplies,
6 materials, or equipment (including construction projects) which exceeds \$80,000 and
7 would utilize federal funds or District matching funds.

- 8 1. Bids shall be solicited in accordance with the provisions of state law and
9 board policy. Bids shall be solicited from an adequate number of qualified
10 suppliers, providing sufficient response time prior to the date set for the
11 opening of bids. The invitation to bid shall be publicly advertised.
- 12 2. The invitation for bids will include product/contract specifications and
13 pertinent attachments and shall define the items and/or services required in
14 order for the bidder to properly respond.
- 15 3. All bids will be opened at the time and place prescribed in the invitation for
16 bids; bids will be opened publicly.
- 17 4. A firm fixed price contract award will be made in writing to the lowest
18 responsive and responsible bidder.
- 19 5. The Board reserves the right to reject any or all bids for sound documented
20 reason.

21
22 *Competitive Proposals*

23 Procurement by competitive proposal, normally conducted with more than one source
24 submitting an offer, is generally used when conditions are not appropriate for the use of
25 sealed bids.

26
27 If this method is used, the following requirements apply:

- 28 1. Requests for proposals shall be publicized and identify all evaluation factors and
29 their relative importance. Any response to the publicized requests for proposals
30 shall be considered to the maximum extent practical.
- 31 2. Proposals shall be solicited from an adequate number of sources.
- 32 3. The District shall use its written method for conducting technical evaluations of
33 the proposals received and for selecting recipients.
- 34 4. Contracts shall be awarded to the responsible firm whose proposal is most
35 advantageous to the program, with price and other factors considered. Price may
36 not be considered where procuring architectural/engineering services;
37 compensation is subject to negotiation of a fair and reasonable fee after selection.

38
39 *Noncompetitive Proposals*

40 The District may only solicit a proposal from a sole source when one or more of the following
41 circumstances apply:

- 42 1. The item is available only from a single source;
- 43 2. The public exigency or emergency for the requirement will not permit a delay
44 resulting from competitive solicitation;
- 45 3. The federal awarding agency or pass-through entity expressly authorizes
46 noncompetitive proposals in response to a written request from the District; or

1 4. After solicitation of a number of sources, competition is determined to be
2 inadequate.

3
4 **Contract/Price Analysis**

5
6 The District shall perform a cost or price analysis in connection with every procurement action in
7 excess of \$80,000, including contract modifications. A cost analysis generally means evaluating
8 the separate cost elements that make up the total price, while a price analysis means evaluating
9 the total price, without looking at the individual cost elements.

10 The method and degree of analysis is dependent on the facts surrounding the particular
11 procurement situation; however, the District shall come to an independent estimate prior to
12 receiving bids or proposals.

13
14 **Time and Materials Contracts**

15
16 The District uses a time and materials type contract only (1) after a determination that no other
17 contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at
18 its own risk. A time and materials type contract is a contract whose cost to the District is the sum
19 of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect
20 wages, general and administrative expenses, and profit.

21
22 **Suspension and Debarment**

23
24 The District will award contracts only to responsible contractors possessing the ability to
25 perform successfully under the terms and conditions of the proposed procurement. All
26 purchasing decisions shall be made in the best interests of the District and shall seek to obtain the
27 maximum value for each dollar expended. When making a purchasing decision, the District shall
28 consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of
29 past performance; and (4) financial and technical resources.

30
31 The Superintendent shall have the authority to suspend or debar a person/corporation, for cause,
32 from consideration or award of further contracts.

33
34 The District shall not subcontract with or award subgrants to any person or company who is
35 debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is
36 not debarred or suspended by verifying such status.

37
38 **Maintenance of Procurement Records**

39
40 The District maintains records sufficient to detail the history of all procurements. These records
41 include, but are not limited to the following: rationale for the method of procurement, selection
42 of contract type, contractor selection, or rejection, and the basis for the contract price (including
43 a cost or price analysis).

44
45 Legal References: § 18-1-101 et seq., MCA Public Contracts

1 § 20-9-204, MCA Conflicts of interest, letting contracts and
2 calling for bids
3 2 C.F.R. Part 180
4 2 C.F.R. 200.317
5 2 C.F.R. 200.318
6 2 C.F.R. 200.319
7 2 C.F.R. 200.320
8 2 C.F.R. 200.321
9 2 C.F.R. 200.322
10 2 C.F.R. 200.323
11 2 C.F.R. 200.324
12 2 C.F.R. 200.325
13 2 C.F.R. 200.326
14 48 C.F.R. chapter 1

16
17 Cross References: Policy 5700 Conflicts of Interest
18 Policy 7320 Purchasing

19
20 Policy History:
21 Adopted on:
22 Revised on:
23
24

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4

5 Documentation and Approval of Claims

6

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

13

14 The District business office is responsible for developing procedures and forms to be used in the
15 requisition, purchase, and payment of claims.

16

17

18

19 Policy History:

20 Adopted on:

21 Reviewed on:

22 Revised on:

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3 **FINANCIAL MANAGEMENT**

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4
5 Advertising in Schools/Revenue Enhancement

6
7 Revenue enhancement through a variety of District-wide and District-approved marketing
8 activities, including but not limited to advertising, corporate sponsorship, signage in or on
9 District facilities, etc., is a Board-approved venture. The Board may approve such opportunities
10 subject to certain restrictions in keeping with the community standards of good taste.

11 Advertising will model and promote positive values for District students through proactive
12 educational messages and not be simply traditional advertising of a product. Preferred
13 advertising includes messages encouraging student achievement and establishment of high
14 standards of personal conduct.

15
16 All sponsorship contracts will allow the District to terminate the contract on at least an annual
17 basis, if it is determined that it will have an adverse impact on implementation of curriculum or
18 the educational experience of students.

19
20 The revenue derived should:

- 21
22 1. Enhance student achievement;
23 2. Assist in maintenance of existing District athletic and activity programs; and
24 3. Provide scholarships for students participating in athletic, academic, and activity
25 programs, who demonstrate financial need and merit.

26
27 Appropriate opportunities for marketing activities include but are not limited to:

- 28
29 1. Fixed signage.
30 2. Banners.
31 3. District-level publications.
32 4. Television and radio broadcasts.
33 5. Athletic facilities, including stadiums, high school baseball fields, and high school
34 gymnasiums.
35 6. District-level projects.
36 7. Expanded usage of facilities beyond traditional uses (i.e., concerts, rallies, etc.).
37 8. The interior and exterior of a limited number of District buses, if the advertising is
38 associated with student art selected by the District. The only advertising information
39 allowed will note sponsorship of the student art by the participant. Maintenance for these
40 buses will include but not exceed normal maintenance costs.
41 9. Individual school publications (when not in conflict with current contracts).

42
43 Advertising will not be allowed in classrooms, other than corporate-sponsored curriculum
44 materials approved subject to Board policy.

45
46 The following restrictions will be in place when seeking revenue enhancement. Revenue

1
2
3
4 enhancement activities will not:

- 5
6 1. Promote hostility, disorder, or violence;
7 2. Attack ethnic, racial, or religious groups;
8 3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of
9 gender;
10 4. Be libelous;
11 5. Inhibit the functioning of the school and/or District;
12 6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any
13 bond/budget issues, or any public question submitted at any general, county, municipal,
14 or school election;
15 7. Be obscene or pornographic, as defined by prevailing community standards throughout
16 the District;
17 8. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create
18 community concerns;
19 9. Promote any religious or political organization;
20 10. Use any District or school logo without prior approval.
21
22
23
24

25 Policy History:

26 Adopted on:

27 Reviewed on:

28 Revised on:

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4 **FINANCIAL MANAGEMENT**

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5
6 Personal Reimbursements

7
8 While it is recommended that all purchases of goods or services be made within established
9 purchasing procedures, there may be an occasional need for an employee to make a purchase for
10 the benefit of the District from personal funds. In that event, an employee will be reimbursed for
11 a personal purchase under the following criteria:

- 12
13 1. It is clearly demonstrated that the purchase is of benefit to the District;
14
15 2. The purchase was made with the prior approval of an authorized administrator;
16
17 3. The item purchased was not available from District resources; and
18
19 4. The claim for personal reimbursement is properly accounted for and documented with an
20 invoice or receipt.

21
22 The District business office is responsible for developing procedures and forms to be used in
23 processing claims for personal reimbursements.

24
25
26
27 Policy History:

28 Adopted on:

29 Reviewed on:

30 Revised on:

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2
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4
5 Travel Allowances and Expenses

6
7 The District will reimburse employees and trustees for travel expenses while traveling outside
8 the District and engaged in official District business. All travel expenses must be reported on the
9 established travel expense and voucher forms and approved by the employee’s supervisor and
10 the Superintendent.

11
12 Employees are expected to use the District owned vehicle when traveling on school business. If
13 personal vehicle use is needed, the employee must request permission from the Superintendent
14 prior to the day(s) of use. If an employee is granted permission to use their personal vehicle,
15 they will be reimbursed for mileage at the current federal rate. **If prior approval has not been**
16 **requested**, the employee will not be reimbursed for the use of their personal vehicle.

17
18 The District business office is responsible for development of procedures and forms to be used in
19 connection with travel expense claims and reimbursements.

20
21
22

23	Legal Reference:	§ 2-18-501, MCA	Meals, lodging, and transportation of persons in
24			state service
25		§ 2-18-502, MCA	Computation of meal allowance
26		§ 2-18-503, MCA	Mileage – allowance

27

28 Policy History:

29 Adopted on:

30 Reviewed on:

31 Revised on:

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2
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7405

4
5 Procurement Card Use

6
7 The Board of Trustees permits the use of procurement cards for actual and necessary expenses
8 incurred in the performance of work-related duties for the District. A list of those individuals that
9 will be issued a District procurement card will be maintained in the business office and reported
10 to the Board each year at its meeting in June.

11
12 The District provides procurement cards with a credit limit not to exceed \$10,000.00 for the
13 aggregate of all cards. Procurement cards may only be used for legitimate District business
14 expenditures. The use of procurement cards is not intended to circumvent the District's policy on
15 purchasing.

16
17 Users must take proper care of District credit cards and take all reasonable precautions against
18 damage, loss, or theft. Any damage, loss, or theft must immediately be reported to the business
19 office and to the appropriate financial institution. Failure to take proper care of credit cards or
20 failure to report damage, loss, or theft may subject the employee to financial liability.

21
22 Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature, or
23 violate the intent of this policy may result in procurement card revocation and discipline of the
24 employee.

25
26 Users must submit detailed documentation, including itemized receipts for commodities,
27 services, travel, and/or other actual and necessary expenses which have been incurred in
28 connection with school-related business for which the procurement card has been used.

29
30 The Superintendent shall establish regulations governing the issuance and use of procurement
31 cards. Each cardholder shall be apprised of the procedures governing the use of the procurement
32 card, and a copy of this policy and accompanying regulations shall be given to each cardholder.

33
34 The District Clerk shall monitor the use of each procurement card every month and report any
35 serious problems and/or discrepancies directly to the Superintendent and the Board.

36
37 Cross Reference: 7320 Purchasing
38 7335 Personal Reimbursement
39 7336 Travel Allowances and Expenses

40
41 Legal Reference: §2-7-503, MCA Financial reports and audits of local government
42 entities

43 Policy History:

44 Adopted on:

45 Reviewed on:

46 Revised on:

1 **Philipsburg School District**

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3 **FINANCIAL MANAGEMENT**

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4

5 Fund Accounting System

6

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

11

12 Elementary: 101, 110, 111, 112, 113, 114, 115, 117, 121, 126, 128, 129, 150, 160, 161, 185 and
13 186 (payroll clearing)

14

15

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

17

18 Policy History:

19 Adopted on:

20 Reviewed on:

21 Revised on:

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2
3 **FINANCIAL MANAGEMENT**

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4
5 Financial Reporting and Audits

6
7 The Board directs that financial reports of all District funds be prepared in compliance with
8 statutory provisions and generally accepted accounting and financial reporting standards. In
9 addition to reports required for local, state, and federal agencies, financial reports will be
10 prepared monthly and annually and presented to the Board. Financial reports shall reflect
11 financial activity and status of District funds.

12
13 Appropriate interim financial statements and reports of financial position, operating results, and
14 other pertinent information will be prepared to facilitate management and control of financial
15 operations.

16
17 The Board directs that District audits be conducted in accordance with Montana law. Each audit
18 shall be a comprehensive audit of the affairs of the District and District funds. The audits shall
19 comply with all statutory provisions and generally accepted governmental auditing standards.

20
21
22
23 Legal Reference: §§ 2-7-501, et seq., MCA Audits of Political Subdivisions
24 § 20-9-212, MCA Duties of county treasurer
25 § 20-9-213, MCA Duties of trustees

26
27 Policy History:

28 Adopted on:

29 Reviewed on:

30 Revised on:

1 **Philipsburg School District**

2
3 **FINANCIAL MANAGEMENT**

7500

4
5 Property Records

6
7 Property and inventory records will be maintained for all land, buildings, and physical property
8 under District control and will be updated annually.

9
10 For purposes of this policy, “equipment” means a unit of furniture or furnishings, an instrument,
11 a machine, an apparatus or a set of articles which retains its shape and appearance with use, is
12 nonexpendable, and does not lose its identity when incorporated into a more complex unit. The
13 Superintendent will ensure inventories of equipment are systematically and accurately recorded
14 and updated annually. Property records of facilities and other fixed assets will be maintained on
15 an ongoing basis. No equipment will be removed for personal or non-school use except in
16 accordance with Board policy.

17
18 Property records will show, appropriate to the item recorded, the:

- 19
20 1. Description and identification
21 2. Manufacturer
22 3. Date of purchase
23 4. Initial cost
24 5. Location
25 6. Serial number, if available
26 7. Model number, if available

27
28 Equipment may be identified with a permanent tag providing appropriate District and equipment
29 identification.

30
31
32
33 Cross Reference: 7510 Capitalization Policy for Fixed Assets

34
35 Legal Reference: § 20-6-602, MCA Trustees’ power over property
36 § 20-6-608, MCA Authority and duty of trustees to insure district
37 property

38
39 Policy History:

40 Adopted on:

41 Reviewed on:

42 Revised on:

1 **Philipsburg School District**

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3 **FINANCIAL MANAGEMENT**

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4
5 Capitalization Policy for Fixed Assets

6
7 A fixed asset is a property that meets all the following requirements:

- 8
- 9 1. Must be tangible in nature;
- 10
- 11 2. Must have a useful life of longer than the current fiscal year; and
- 12
- 13 3. Must be of significant value.
- 14

15 Fixed assets may be acquired through donation, purchase, or may be self-constructed. The asset
 16 value for a donation will be the fair market value at the time of donation. The asset value for
 17 purchases will be the initial cost plus the trade-in value of any old asset given up, plus all costs
 18 related to placing the asset into operation. The cost of self-constructed assets will include both
 19 the cost of materials used and the cost of labor involved in construction of the asset.

20
21 The following significant values will be used for different classes of assets:

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

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35 Cross Reference: 7500 Property Records

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37 Policy History:

38 Adopted on:

39 Reviewed on:

40 Revised on:

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2
3 **FINANCIAL MANAGEMENT**

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4
5
6 Fund Balances

7
8 The fund balance policy establishes a framework for the management of all excess funds
9 managed by the District. It also provides guidance and direction for elected and appointed
10 officials as well as staff in the use of excess funds at year-end.

11
12 This fund balance policy applies to all funds in the custody of the Clerk of the District. These
13 funds are accounted for in the District's annual audited financial reports and include, but are not
14 limited to, the following:

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

21
22 The District shall classify its fund balances in its various funds in one or more of the following
23 five classifications: non-spendable, restricted, committed, assigned, and unassigned.

24
25 **Definitions**

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

28
29 B. *Committed fund balance*—amounts constrained to specific purposes by the District itself,
30 using its highest level of decision-making authority; to be reported as committed, amounts
31 cannot be used for any other purpose unless the District takes the same highest-level action to
32 remove or change the constraint.

33
34 C. *Assigned fund balance*—amounts a school district *intends* to use for a specific purpose; intent
35 can be expressed by the District or by an official to which the Board of Trustees delegates the
36 authority

37
38 D. *Non-spendable fund balance*—amounts that are not in a spendable form (such as inventory)
39 or are required to be maintained intact (such as the corpus of an endowment fund)

40
41 E. *Restricted fund balance*—amounts constrained to specific purposes by their providers (such
42 as grantors, bondholders, and higher levels of government), through constitutional
43 provisions, or by enabling legislation

44
45 F. *Unassigned fund balance*—amounts that are available for any purpose; these amounts are
46 reported only in the general fund.

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Minimum Fund Balance

The school district will strive to maintain a minimum unassigned general fund balance of 1% of the annual budget.

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.

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.

Assigning Fund Balance

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: District Superintendent and 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.

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:

Reviewed on:

Revised on:

1 **Philipsburg School District**

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3 **FINANCIAL MANAGEMENT**

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4
5 Independent Investment Accounts

6
7 The Board may establish independent investment accounts separate and apart from those funds
8 maintained by the county treasurer. The Board may transfer cash into an independent investment
9 account from any budgeted or non-budgeted funds. A separate account shall be established for
10 each fund from which transfers are made. The principal and any interest earned must be
11 reallocated to the fund from which the deposit was originally made.

12
13 The District may either:

- 14
15 1. Establish and use the account as a non-spending account, returning sufficient funds to the
16 county treasurer in time to pay all claims against the applicable fund; or
17
18 2. Establish a subsidiary checking account and make expenditures from the investment
19 account, provided all transactions are accounted for and reported, as required by
20 applicable accounting principles. If the District desires to establish a subsidiary checking
21 account for purposes of paying for expenditures directly from an investment account, the
22 District must enter into a written agreement with the county treasurer, in accordance with
23 § 20-9-235, MCA.

24
25
26
27 Legal Reference: § 20-9-235, MCA Authorization for school district investment account

28
29 Policy History:

30 Adopted on:

31 Reviewed on:

32 Revised on:

1 **Philipsburg School District**

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3 **FINANCIAL MANAGEMENT**

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4
5 Procurement of Supplies or Services

6
7 The Board adopts the following provisions of the Montana Procurement Act (i.e., §§ 18-4-101, et
8 seq., MCA):

- 9
10 1. § 18-4-303, MCA – Competitive sealed bidding. With the exception of construction
11 contracts, allows the District to negotiate an adjustment of the bid price with the lowest
12 responsible bidder in order to bring the bid within the amount of available funds, if, and
13 only if, all bids exceed available funds and the lowest responsible bid does not exceed
14 available funds by more than five percent (5%).
15
16 2. § 18-4-306, MCA – Sole source procurement. A contract may be awarded for a supply or
17 service item without competition when, the District determines in writing that:
18 (a) there is only one source for the supply or service item;
19 (b) only one source is acceptable or suitable for the supply or service item; or
20 (c) the supply or service item must be compatible with current supplies or
21 services.
22
23
24

25 Legal Reference: § 18-4-121, et seq., MCA Montana Procurement Act
26 2.5.604, ARM Sole Source Procurement

27
28 Policy History:

29 Adopted on:

30 Reviewed on:

31 Revised on: