

FISCAL MANAGEMENT

File	Policy Title
DA	Fiscal Management Goals
DBA	Budgeting System
DBD	Budget Planning
DBE	Determination of Budget Priorities
DBG	Budget Hearing
DBH	Budget Adoption
DBJ	Budget Implementation
DBK	Line Item Transfer Authority
DD	Federal Funding Proposals and Application
DFAA	Investment of Surplus Funds
DFD	Rental and Leasing of School Property
DFE	Gate Receipts and Admission
DFG	Gifts, Grants, Bequests
DFH	Sale of School Property
DG	Depository of Funds and Authorized Signatures
DGA	Security of Buildings and Grounds – Keys
DI	Fiscal Accounting and Reporting
DIBA	Internal Accounts
DIC	Fixed Asset Management
DID	Inventories
DIE	Annual Audit
DJA	Purchasing
DJB	Petty Cash Accounts
DJB-R	Regulation – Petty Cash Accounts
DJC-R	Regulation – Purchasing Card Guidelines
DJF-R	Regulation – Purchasing Guidelines
DJG	Vendors’ Representatives
DJGC	Employee and Board Member Purchases Through the School
DK	Payment Procedures
DKA	Electronic Transaction of Funds
DL	Payroll Procedures and Schedules
DLC	Reimbursement of Expenses

FISCAL MANAGEMENT GOALS

School business management exists for the sole purpose of facilitating the achievement of the basic objectives of the school: to provide an education for the school district's students.

The Board of Education, therefore, recognizes that sound fiscal management comprise the foundational support of the entire school program. To make that support as effective as possible, the Board intends:

1. To encourage advance planning through the best possible budget procedures
2. To explore all practical and legal sources of dollar income
3. To guide the expenditure of funds so as to achieve the greatest educational returns
4. To require maximum efficiency in accounting and reporting procedures
5. To make every effort to maintain a level of per pupil expenditure needed to provide high quality education

As the trustee of community, state and federal funds allocated for use in local education, the school board has the responsibility to protect the funds and use them wisely.

BUDGETING SYSTEM

Under the laws of the State of Michigan, the school district is required to adopt an annual budget (General Appropriations Act) for each fund of the school district, except trustee or agency funds and building and site funds. This budget shall express the financial interpretation of the school district's educational program and shall support that program to the extent possible within limitations imposed by financial resources. The budget shall also serve as the legal basis for the establishment of tax levies. In all stages of the budget process, the Board will adhere to all statutes and regulations imposed by the state.

The budget shall set forth the amounts needed to defray expenses and meet the liabilities of the district and shall estimate the revenues to be raised or received by other sources.

The budget shall be a balanced budget in relationship to estimated expenditures including an accrued deficit and the total estimated revenues including available unappropriated surplus. It shall be consistent with the chart of accounts established by the Department of Education.

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

The fiscal year of the district shall be from July 1 through June 30.

LEGAL REF: Constitution of Michigan, Article 9-6
General School Laws, 380.1211,
380.1213 and 380.1218
Michigan compiled Laws
141.411-141.414, 141.aa- 141.aa,
211.209-211.210

BUDGET PLANNING

The Board of Education delegates the responsibility of budget planning and preparation to the Superintendent of Schools. It is expected that the Superintendent shall involve administrators and staff members of various buildings and departments in the development and review of those budget areas which affect them.

Except in emergencies or for reasons of economy, the purchase of major pieces of equipment shall be scheduled so that annual budgetary appropriations for capital purposes either will be of similar size or will show a continuous trend without severe fluctuations.

The Superintendent will keep the Board informed during the budget development process and will secure input from the Board through informal discussion of budget proposals.

The preliminary budget for the district shall be submitted by the Superintendent to the Board for consideration prior to May 1. The tentative budget shall serve as a guideline for expenditures until the budget has final approval.

The public hearing on the budget shall be held in June and the budget shall be adopted prior to July 1. Changes in the budget may be made after final adoption as detailed information concerning income and expenditures becomes available. At its discretion, the Board may hold a second hearing if, in its judgment, major changes in the budget make such a hearing advisable.

LEGAL REF: Michigan Compiled Laws, 211.209-211.210
141.412-141.413
141.421a-141.440a
General School Laws, 380.1213-180.1214

DETERMINATION OF BUDGET PRIORITIES

The Superintendent shall be responsible for making recommendations to the Board as to which programs and expenditures should receive priority in determining the final budget. Recommendations shall be accompanied by background information, alternatives and rationale for the establishment of the priorities to assist the Board in its deliberations.

The Board shall make the final decision as to which budget items shall be given priority status. In so doing, the Board must take into consideration its commitment to employees, mandatory requirements as imposed by law, requirements of accrediting agencies and the welfare and educational opportunities to be provided to all students in the district.

LEGAL REF: Michigan Compiled Laws, 141.421a-440a,
Act 621 of the Public Acts of 1978

BUDGET HEARING

The Board of Education shall set the date, time and place of the annual budget hearings required by law. The Board and Superintendent shall explain the proposed budget and invite questions and discussion relative to items in the budget from those attending the hearing. The President of the Board shall preside.

The Board shall give proper notice at least six days prior to the hearing by publication in a newspaper of general circulation in the district, and shall indicate in the notice the time and place of the hearing and the location at which copies of the proposed budget are available for inspection. The hearing shall be held prior to July 1.

No public vote on the budget is require.

LEGAL REF: Michigan Compiled Laws, 141.441-141.415
141-421a-141.440a
Act 621 of the Public Acts of 1978

BUDGET ADOPTION

The Board of Education, after the public hearing on the budget, shall hold further deliberations, taking into consideration the questions and discussions at the hearing as well as other recommendations of Board members and the Superintendent. The Board shall make changes and modifications in the preliminary budget as it deems advisable.

After modifications are made, the Board shall adopt the final budget as the document to guide the spending of the school district during the fiscal year. The Board shall approve a General Appropriations Act to implement the budget. The budget shall be approved prior to July 1.

LEGAL REF: Michigan Compiled Laws, 388.1502, 141.421a-141.440a
PA 621 of the Public Acts of 1978

BUDGET IMPLEMENTATION

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

The Superintendent shall be authorized to proceed with making financial commitments, purchases and other expenditures within limits provided in the budget, limitations provided in Board of Education policies and legal authority as expressed in state statutes.

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

If, during the fiscal year it appears to the Superintendent that actual revenues are less than the estimate upon which the appropriations from the fund were based, the Superintendent shall present recommended amendments to the General Appropriations Act to the Board. Recommendations shall recognize the requirements of state law and provisions of collective bargaining agreements.

LEGAL REF: Michigan Compiled Laws, 414.421a-441a
PA 621 of the Public Acts of 1978

LINE ITEM TRANSFER AUTHORITY

Transfers between line item budget categories shall not affect the validity of the budget, even after final adoption by the Board.

The Superintendent is authorized to approve minor adjustments and/or transfers within line items of the operating budget adopted by the Board not to exceed \$1,000 or 10%, whichever is the lesser, without Board approval. Such adjustments and transfers shall be reported to the Board at its next regular meeting. The authorization shall be included annually in the General Appropriations Act.

Adjustments and/or transfers of more than 10% or \$1,000 shall be presented to the Board for approval before being made.

All budget adjustments or transfers shall be recorded in the Board minutes.

LEGAL REF: Michigan Compiled Laws, 141.421a-141-440a
P.A. 621 of the Public Acts of 1978

FEDERAL FUNDING PROPOSALS AND APPLICATION

In order to offer the best educational opportunities possible for the students of the district, the Board will seek and consider as many sources of revenue as possible to supplement the funds received through local taxation and state aid.

The Superintendent shall assume the responsibility of keeping the Board apprised of such revenues available from state and federal sources which might enhance the educational program or operation of the school and for which the district may be eligible and make recommendations to the Board for action.

Apprised of such information, the Board may, from time to time, authorize the Superintendent to proceed with the development and submission of proposals in application for such funds.

INVESTMENT OF FUNDS**Section 1. PURPOSE**

The purpose of this Policy is to set forth the investment objectives and parameters for the management of public funds of Spring Lake Public Schools. This investment policy is designed to safeguard funds on behalf of the District, to assure the availability of operating and capital funds when needed, and provide an investment return competitive with comparable funds and financial market indices.

Section 2. SCOPE

In accordance with The Revised School Code of Michigan, Act 451 380.622, 380.1221 and 380.1223, this investment policy applies to all cash and investments held or controlled by the Board on behalf of the District. This policy does not apply to funds related to the issuance of debt where there are other indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with this Investment Policy and funds held or controlled by Federal or State agencies (e.g., Department of Revenue), are not subject to the provisions of this policy.

Section 3. INVESTMENT OBJECTIVES

The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield.

A. Safety of Principal.

The foremost objective of this investment program is the safety of the principal of funds. Investment transactions shall be undertaken in a manner to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.

- i. Credit Risk (Custodial Credit Risk and Concentration Credit Risk)
The District will minimize Custodial Credit Risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities listed in Section 9 of this Investment Policy; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business in accordance with Section 7 of this Investment Policy.

The District will minimize Concentration of Credit Risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

ii. Investment Rate Risk

The District will minimize Interest Rate Risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

iii. Foreign Currency Risk

The District is not authorized to invest in investments which have this type of risk.

B. Maintenance of Liquidity.

The funds shall be managed such that they are available to meet reasonably anticipated cash flow requirements.

C. Yield/Return on Investment.

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. It is understood that return on investment is of secondary importance when compared to the safety and liquidity objectives described above.

Section 4. MANAGEMENT OF INVESTMENTS

The Board shall establish an Investment Officer to oversee the day-to-day management of District investments. The Investment Officer shall be responsible for the transferring of appropriate funds to affect investment transactions, for the investment of operating funds, operating reserves funds, and bond proceeds, consistent with this policy and actions of the Board. Should the Board elect to select an outside investment advisor, such advisor or firm must be registered under the Investment Advisor's Act of 1940.

Section 5. STANDARDS OF PRUDENCE

The standard of prudence to be used by the Investment Officer shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. The Prudent Person standard states;

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment."

Section 6. ETHICS AND CONFLICTS OF INTEREST

The Investment Officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair one's ability to make impartial investment decisions. Also, the Investment Officer shall disclose to the Board any material financial interests in Qualified Institutions that conduct business with the Board or the District, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the District's investment program.

Section 7. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Only firms meeting one of the following requirements shall be eligible to serve as Authorized Institutions:

- A. The firm must comply with all of the following requirements.
 - i. Primary and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule);
 - ii. Capital of no less than \$10,000,000;
 - iii. Registered as a dealer under the Securities Exchange Act of 1934;
 - iv. A member of the National Association of Securities Dealers (NASD);
 - v. Registered to sell securities in Michigan; and vi. The firm and assigned broker have been engaged in the business of effecting transactions in U.S. government and agency obligations for at least five (5) consecutive years; or,
- B. Public Depositories qualified in accordance with MCL 380.1221, The Revised School Code of Michigan.

All brokers, dealers and other financial institutions deemed to be Authorized Institutions shall be provided with current copies of this investment policy and shall provide in return to the Board, certification of having read, understood and agreement to comply with this investment policy.

Section 8. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS

The Investment Officer shall obtain bids from at least two (2) brokers or financial institutions on all purchases of investment instruments on the secondary market. Overnight sweep investment instruments shall not be subject to this section.

Section 9. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION

Investments and Depositories are restricted to those complying with MCL 380.622, 380.1221 and 380.1223. These include:

- A. United States Government Securities.
- B. United States Government Agencies.
- C. Federal Instrumentalities (United States Government-Sponsored Enterprises).
- D. Certificates of Deposit.
- E. Repurchase Agreements.
- F. Commercial Paper.
- G. Bankers' Acceptances.
- H. Registered Investment Companies (Money Market Mutual Funds).
- I. Investment pools, as authorized by the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118, composed entirely of instruments that are legal for direct investment by an intermediate school district.

Section 10. POLICY CONSIDERATIONS

- A. Any investment held at the time of the implementation of this policy that meets the requirements of MCL 380.622, 380.1221, and 380.1223 but does not meet the guidelines of this policy, shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.
- B. Amendments.
This policy shall be reviewed from time to time. The District Board of Education must adopt any changes to this policy.

RENTAL AND LEASING OF SCHOOL PROPERTY

The board expects that school facilities shall be available for community use when such use does not conflict with or confine the regular school program. Priority shall be given to school-related groups and activities and traditional requests.

The Superintendent shall set, with Board approval, appropriate rental or lease rates for such use, based on heat lights, materials, and custodial time.

The leaser shall be reputable and the use of the building compatible with community standards and expectations.

When school property is leased to persons for commercial or farming purposes, the person leasing the property shall be required to pay any taxes which may be assessed against said property.

GATE RECEIPTS AND ADMISSION

It shall be the policy of the Board to consider and act upon admission charges to athletic contests upon recommendation of the Superintendent. Such charges shall not be changed unless authorized by the Board.

All specially priced tickets, such as season tickets, all sports tickets, etc., as well as free passes, shall have the approval of the Board before implementation.

GIFTS, GRANTS, BEQUESTS

Gifts, grants, and bequests will be gratefully accepted by the Board subject to the following limitations:

Acceptance of conditional gifts must be by Board action and must be consistent with the school programs, must not imply any endorsement, and must not be in conflict with school code or public law.

All gifts, grants, and bequests exceeding \$200 must be reported to the Board.

SALE OF SCHOOL PROPERTY

No sale of school owned equipment or miscellaneous items should occur without prior knowledge of the Director of Business and the approval of the Superintendent of Schools.

Transactions involving cash are to be minimized with payment by check advisable. All such sales should be documented and receipts should be provided.

DEPOSITORY OF FUNDS AND AUTHORIZED SIGNATURES

The Board of Education and/or its designee(s) are responsible for the control of all funds of the school system, including internal funds.

Annually at its organizational meeting the Board shall designate the banks or trust companies in which the funds of the school district shall be deposited and the proportion of funds to be deposited in each. Banks authorized to do business in Michigan whose combined capital and surplus exceeds \$50,000 shall be eligible to receive deposits of funds in an amount not more than double the combined capital and unimpaired surplus of the bank. The Board shall further designate those persons authorized to sign checks, notes, order or transfers drawn upon the various accounts of the school district.

The board shall authorize the Superintendent or the Director of Business to invest funds in the best interest of the school system through an eligible bank, trust company, credit union, or investment brokerage firm composed entirely of instruments that are legal according to the state code for direct investment by a school district: such as, insured certificates of deposit, U.S. Government securities, U.S. Agency securities, commercial paper rated A1-P1. All investments must be made with a fixed maturity date within such time frames that the proceeds shall be needed to meet expenditures for which such monies were obtained and provided.

The Treasurer shall deposit or cause to be deposited funds of the district in banks as designated by the Board and in proportion determined by the Board.

The Board shall, annually at the organizational meeting, authorize the signature of those persons who may sign checks upon the various accounts of the school district. Facsimile signatures may be used as authorized by the Board.

LEGAL REF: General School Laws, 380.1221-380.1222

CROSS REF: File BD (Organizational Meeting)

SECURITY OF BUILDINGS AND GROUNDS-KEYS

All keys used in the school district shall be the responsibility of the Chief of Plants. Requests for permanent issuance of keys shall be made only in those instances where the employee regularly needs a key in order to carry out normal activities necessitated by the position held. When need for a particular key is of a temporary nature, a key shall be issued on that basis and shall be returned immediately following termination of the need for its use.

All keys shall be issued through the office of each principal or the immediate supervisor. A receipt showing the number of the key and the room(s) or building(s) which it opens shall be signed by the person to whom the key is issued. This receipt shall be filed in lieu of the key and shall be returned to the employee upon return of the key .

The Chief of Plants shall set up a key control system with a record of the number of each key filed. Principals and supervisors should maintain a record of keys for their area of responsibility.

The person issued a key shall be responsible for its safekeeping. Duplicate keys are obtained only through the Chief of Plants and/or principal or supervisor.

Keys shall be used only by authorized employees and shall never be loaned to pupils.

FISCAL ACCOUNTING AND REPORTING

The Superintendent or a designee shall be responsible for maintaining the books and records of the district in auditing form. The Superintendent shall prepare or cause to be prepared all fiscal reports, keep necessary records to control adequately the financial transactions of the district, and prepare financial statements.

The accounting system used shall conform with requirements of the state and with good accounting practices, providing for the appropriate separation of accounts, funds, and special monies. The Board shall annually consider the auditor's recommendations concerning practices which might improve the accounting and business practices of the district.

The Board shall receive monthly financial statements from the Superintendent or a designee showing the financial condition of the district and the status of the various accounts.

Such other financial statements as may be determined necessary by either the Board or administration shall be presented in order to keep the Board informed concerning the various funds for which it has responsibility. The frequency of such reports shall be determined by the Board in consultation with the Superintendent.

LEGAL REF: General School Laws, 380.1215
Michigan Compiled Laws, 388.1418

INTERNAL ACCOUNTS

Certain school service funds and trust and agency funds, though not a part of the general fund operating budget, are the responsibility of the Board of Education. The Board shall provide the necessary supervision and control in order to insure proper management of these funds.

The raising and expending of activity funds by student groups can have only one basic end in view: To promote the general welfare, education, and morale of all the pupils and to finance the normal legitimate extracurricular activities of the student body organization.

FIXED ASSET MANAGEMENT

The Business Manager shall maintain a fixed asset management system with sufficient information to permit the preparation of year-end financial statements in accordance with generally accepted accounting principals and adequate insurance coverage.

Fixed assets are defined as those tangible assets of Spring Lake Public Schools with a useful life in excess of one (1) year and an initial cost equal to or exceeding five thousand dollars (\$5,000.00). All band instruments, computers (including monitors and printers), TVs, VCRs, data projectors, digital cameras, etc. shall be identified as controlled assets that, although they do not meet all the fixed asset criteria, are to be monitored in the fixed asset management system.

The fixed assets to be monitored shall be classified as follows:

- A. Land
- B. Buildings
- C. Improvements other than buildings (i.e. parking lots)
- D. Machinery and equipment (to include vehicles)
- E. Construction in process

Fixed assets that are leased/purchased and assets that are jointly owned shall be identified and recorded in the fixed asset system.

Current board policies and procedures shall be followed in regards to proper purchasing, transfer and disposal of fixed assets as defined in this policy.

The following information shall be maintained for all fixed assets:

- A. Asset number
- B. Description
- C. Asset classification (i.e. land, building, equipment)
- D. Location
- E. Date of purchase
- F. Purchase price
- G. Serial number and model number
- H. Estimated life of asset
- I. Fund number
- J. Disposal or trade-in value of asset

INVENTORIES

The Superintendent shall be responsible for developing and implementing procedures for maintaining an inventory of materials and equipment in the school system.

ANNUAL AUDIT

The accounting records including internal accounts of the school district shall be audited annually by an independent Certified Public Accountant in accordance with prescribed standards and legal requirements.

The audit report shall be reviewed and approved by the Board at a public meeting each year. The management letter and recommendations of the auditor shall be brought to the attention of the Board, along with recommendations of the Superintendent as to the feasibility of implementing the recommendations. The Superintendent shall be responsible for the filing of audited information and reports with all appropriate authorities as prescribed by law or regulation.

The auditing firm selected to conduct the annual audit shall be recommended by the Superintendent and approved by the Board at the organizational meeting.

LEGAL REF: Michigan Compiled Laws, 388.1418

CROSS REF: File BCGA (Duties of the Auditor)

PURCHASING

The purchasing objective of the Board of Education shall be to provide services, materials, and supplies which offer district personnel the most effective and efficient means to perform their tasks. The policy of the Board will be to acquire these at a minimum possible cost, but taking into consideration the best interests of the school district. The Superintendent or a designee shall serve as the purchasing agent for the school system.

It is recognized that the Board does rely upon the Superintendent and Business Office staff to administer the business operations of the schools. Because the Board cannot relinquish its responsibility and accountability as an agent of the State and the citizenry of the district, the following guidelines are established with regard to purchasing procedures:

General Guidelines

1. In awarding purchases or contracts for services, the Superintendent or a designee shall consider the following: (a) price; (b) quality of product; (c) service, delivery, and maintenance of product; (d) suitability of product; (e) conformance to specifications; (f) past performance to the school district; and (g) vendor reliability.
2. The Board directs that all purchases from all funds under its control and responsibility be made after proper written documentation is secured to support such purchases, excluding purchases of a minor or emergency nature.
3. The Board will have a fully operative purchase order system as a means of budgetary control.
4. Vendor competition in purchasing shall be practiced whenever possible.
5. The selection of textbooks will not be contingent upon competitive bidding. However, comparative pricing will be considered and Board approval will be required prior to purchase.
6. Sufficient amounts must have been budgeted in appropriate accounts and sufficient funds be available in said accounts, or line item transfer approval given by the Superintendent or Board according to transfer authority provided in the General Appropriations Act (budget) approved by the Board.
7. The Superintendent shall make available to the Board, upon request, the price quotations or competitive bids obtained from vendors for goods or services. These copies are to be retained by the Superintendent until the audit for a fiscal year has been formally accepted by the Board.

8. The lowest responsible bidder submitting a competitive price quotation or bid ordinarily shall be awarded the contract. However, the Board reserves the right to accept or reject any bid which it feels is in the best interest of the district and delegates this authority to those responsible for purchases not coming before the Board.

Non-Negotiatory Purchases

Non-negotiatory purchases can be made when there is only one supply source, provided the amount does not exceed bidding requirement limitations.

Informal Quotations

Informal quotation (verbal information of price on equal products or services), secured in person or by telephone, may be used in obtaining the many small purchases for routine supplies used by the school district.

Formal Competitive Quotations

The Superintendent or a designee is authorized to purchase any item, or group of items in a single transaction, costing more than \$10,000 upon the receipt of at least three written quotations or bids. The Superintendent or a designee shall use discretion in deciding whether such purchases are made on the basis of requested quotations or through advertising for bids.

Competitive Bids

Competitive bids shall be obtained for goods and non-teaching services performed by other than the district's employees according to the state bid requirement guidelines. Board approval of the purchase is required.

Such bids shall be opened at a specific time and place as stated in the bid advertisement or in the invitation to bid. Bids may be opened by the Superintendent and/or a designee at the time and place as stated, and analyzed and brought to the Board at a regular or special meeting with recommendations as to which bids should be accepted.

The Board shall have discretion in determining the responsibility of the bidders and generally shall award the contract to the lowest responsible bidder, provided specifications are fully met. The Board may also consider available services and delivery in determining the successful bidder. The Board may reject any or all bids.

All bids received after the date and time specified shall be returned to the bidder unopened. Changes in the amount or condition of the bid will not be allowed once the bid has been received.

Competitive Bids on Building Construction, Renovation, and Repairs

Prior to commencing construction of a new building, or additions to or repair or renovation of an existing building, for amounts described in the state bid requirement guidelines, the Board shall obtain competitive bids on all material and labor to be required to complete the proposed construction, addition, repair, or renovation. Repair work normally done by school district employees is excepted from this bidding requirement.

The Board shall advertise for bids in a newspaper of general circulation in the area where the building or addition is to be constructed, or where the repair or renovation of the building is to take place.

Bids shall be opened and examined by the Board at a public meeting. The Board may reject any or all bids, and shall readvertise in the event all bids are rejected, in the manner provided by law and this policy.

Voluntary alternates submitted by bidders shall not be considered in determining low bids. However, such alternates may be negotiated after the successful bidder has been determined.

Each bidder shall be required to file security with the Board, in the amount of 5% of the amount of the bid, conditioned to secure the school district from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance if the bid is accepted by the Board.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process. Such emergencies may arise as a result of an accident or other unforeseen occurrence which could affect the life, health, welfare, or safety of the school district's children or employees.

Purchasing Rules and Regulations

The superintendent shall develop the necessary rules and regulations to implement this policy, including requisition and approval procedures, verification of purchases, and verification that goods have been received in an acceptable condition and services performed in an acceptable manner.

LEGAL REF: General School Laws 380.623a, 380.1274, and 380.1267

PETTY CASH ACCOUNTS

In order to facilitate refunds and minor purchases, the Superintendent may establish a small petty cash fund in each school, in the Central Office, or in any division or department in which he/she determines there is a need.

Expenditures against this fund must be carefully itemized by the principals or person in charge of the account and turned in to the business office for reimbursement.

The Superintendent shall issue regulations as to the use of these funds.

PETTY CASH ACCOUNTS

1. Petty cash funds shall not exceed \$50 per building.
2. Petty cash funds are to be used for the following purposes:
 - A. Miscellaneous postage
 - B. Collect deliveries
 - C. Small disbursements under \$15
 - D. Refunds of a minor nature under \$15
3. Petty cash funds are not to be used for the following purposes:
 - A. Travel, meals or conference expenditures
 - B. Salaries or casual labor
 - C. School supplies in excess of \$15
 - D. Items costing more than \$15
 - E. Telephone
 - F. Any other expenditure exceeding \$15
 - G. Loans or advances to staff
4. Petty cash funds will be replenished only upon presentation, by the principal or Superintendent, of an itemized statement on a form to be provided by the Administration Office, supported by invoices, receipts or other acceptable verification.
5. Petty cash funds must be reconciled and accounted for whenever the fund is depleted.
6. Principals or persons in charge of the account are responsible for the funds and shortages of funds, should this occur.

PURCHASING CARDS GUIDELINES**OVERVIEW**

The Superintendent or designee shall be responsible for the issuance, accounting, monitoring, retrieval, and generally overseeing the use of district purchasing cards by employees. The Purchasing Card Program is intended to streamline and simplify the Purchasing and Accounts Payable functions. The Purchasing Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage. The Purchasing Card Program is designed as an alternative to a variety of processes including petty cash, check requests, and low dollar purchase orders. The Purchasing Card Program is not intended to avoid or bypass current payment procedures. Rather, the Program complements the existing processes. Some minimal record keeping is essential to ensure the successful use of the Purchasing Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

PLEASE REMEMBER THAT YOU ARE COMMITTING DISTRICT FUNDS EACH TIME YOU USE THE PURCHASING CARD. You are the person responsible for all charges made to the card, which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The card will have no impact on your personal credit. Although the card lists an individual's name, the card is actually issued to the School District.

OBTAINING A CARD

Only employees of the School District are eligible to receive a Purchasing Card. Contractors or temporary employees are not eligible. You are responsible for the security of the card and all transactions made against the card. You will be required to sign a Purchasing Card Cardholder Agreement as part of the Purchasing Card application.

When you receive your Purchasing Card, IMMEDIATELY SIGN the back of the card and always keep it in a secure place. Although the card is issued in your name, it is the property of the School District and is only to be used for district purchases as defined in this guide.

PURCHASING CARD RESTRICTIONS

The Purchasing Card IS NOT to be used for personal purchases, cash transactions such as money orders, ATM, travelers' checks, or wire transfers.

DO NOT SPLIT A TRANSACTION into separate receipts to bypass your single purchase limit. Contact the Director of Business if you find that your single purchase limit is set too low.

USING THE CARD

YOU MUST HAVE A RECEIPT FOR ALL ITEMS YOU PURCHASE. Purchases, with necessary approval, are initiated using your assigned card. Be sure your purchases are within your budget. You may use the purchasing card wherever it is accepted. It is required at the time of purchase that you receive a receipt. You may also order by phone or mail using your purchasing card. When you place your order, ask that a receipt be included with the goods when the product is shipped to you. This receipt is the only original documentation. Your name and [type of card] must appear on the packing slip and external shipping label. The supplier will ask for your Purchasing Card number, expiration date and the "ship to" address. It is important that the name of your card (i.e. Visa, MasterCard, etc.) and your name appear on the invoice. Companies that are frequently used by the District already have the School District Accounts Payable Department in their computer and will likely forward the invoice there. Accounts Payable will forward to you – IF YOUR NAME appears on the face of the invoice; if it does not, Accounts Payable will have no idea where to direct the invoice when it arrives. You may also purchase on-line. After you send the order, print off the e-mail confirmation as proof of purchase for reconciliation purposes.

SALES TAX

Sales tax SHOULD NOT be paid on any purchases made with the Purchasing Card. The School District is tax-exempt. The tax-exempt identification number appears on the face of your card. A blanket tax-exempt certificate, issued by the Michigan Department of Treasury, is issued to you at the time you receive training. While we do not have reciprocal agreements with other states, it is always good to ask for the tax-exempt status. Many times your request will be honored.

RECONCILING YOUR ACCOUNT

Every week you must print a Statement of Account. The statement will identify each transaction made against the Purchasing Card during the billing cycle. This statement must be immediately reconciled against your receipts for accuracy. Sign the statement, staple all receipts to the back of the statement, and forward to your supervisor for approval. After review/approval your supervisor will forward to the Business Office.

Your account(s) must be reconciled by Friday of the following week.

If you make telephone purchases, it is helpful to keep a Transaction Log as a tool to help maintain purchase information and to help reconcile your account. If the Statement of Account arrives before you receive the invoice, you can use the following as evidence of purchase: 1) the packing list to verify receipt of goods and 2) the catalog order form to verify purchase price.

RESOLVING ERRORS AND DISPUTES

In case of an error, contact the supplier to reach an agreement. Most disputes can be resolved between you and the supplier directly. If you are unable to reach an agreement with the supplier, call the Business Office. You will be asked to complete a Statement of Questioned Item Form. The bank will flag your account pending an investigation. ALL DISPUTES MUST BE SUBMITTED IN WRITING TO THE BANK WITHIN 60 DAYS OF THE STATEMENT DATE.

PAYING THE BILL

All district purchasing card invoices shall have appropriate administrator approval prior to payment. Your purchases will be charged directly to your general ledger account.

LOST OR STOLEN CARDS

Your Purchasing Card must be secured, just as you would secure your personal credit cards. If your card is lost or stolen, immediately contact the bank via their toll free number. Also notify the School's Director of Business.

REFUSAL OF CARD OR ACCOUNT

If your purchase is declined, the vendor will not know why the sale did not go through. Turn your card over and call the customer service number. The representative will tell you why the sale was declined.

DEPARTMENTAL CHANGES

If you transfer or resign your position, IMMEDIATELY RETURN YOUR CARD TO THE DIRECTOR OF BUSINESS.

PURCHASING CARD AUDIT ACTIVITY

Your purchasing card activity is subject to random audits by the Business Office and/or the district auditing firm to help ensure adherence to the program's policies and procedures.

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

disciplinary action as determined by the Board.

MERCHANTS THAT DO NOT ACCEPT THE CARD

Merchants are encouraged to become involved in the Purchasing Card Program so that you can use the Program most effectively. Merchants may contact their local bank or financial institution to become credit card capable. For those merchants that are unwilling to participate in the Program, alternative sources should be found.

LEGAL REF: PA 266 OF 1996

PURCHASING GUIDELINES

In order to ensure that expenditures are kept within approved budgetary guidelines and proper accounting procedures are used, it is required that the following procedures be observed.

PURCHASE ORDERS

No employee of the school system may obligate the board for a purchase without having gone through the regular, approved routine involving requisition forms and purchase orders and approved by the superintendent and/or director of business.

PROCEDURE

Proper procedure prior to ordering any item is to submit a completed purchase order to the Central Office for final authorization and numbering. Purchase orders will NOT be recognized, approved and/or numbered for items already received. Purchases made without following the above procedure will be the sole responsibility of the individual purchaser, not that of Spring Lake Public Schools.

CONTENT

Each purchase order must include the account code and the price of each item. (If actual price is not known, estimate.) Each purchase order must also be totaled. If there are two or more account codes on a purchase order there must be a sub total for each account code.

APPROVAL AND DISTRIBUTION

The purchase order must be approved and initialed by the building principal or supervisor and forwarded to the Central Office for final approval, numbering and mailing. Copies of the numbered and approved purchase order are distributed as follows:

- WHITE Vendor's Copy
- YELLOW Alphabetical File Copy
(Central Office)
- PINK Numerical File Copy
(Central Office)
- GREEN Receiving Copy
When items ordered are received, each item must be marked as received on this copy, signed and dated by the administrator, supervisor or his/her designee and forwarded to the Central Office with packing slip(s) attached.

In the event of PARTIAL shipments, a photocopy of the green purchase order, with proper annotations regarding the material received as previously indicated, should be forwarded to the Central Office along with the packing slips for items received. The green purchase order should be retained in files of the administrator or supervisor and forwarded to the Central Office when the order is complete.

The Central Office will inform the administrator or supervisor as to which items have been canceled or other irregularities, according to information shown on the invoice, by sending a copy of the invoice. This invoice copy should be retained with the green purchase order and become a part of the administrator's or supervisor's file.

The green copy of the purchase order becomes a part of the Central Office files when all items have been accounted for.

BLUE

Principal's/Supervisor's File Copy

This copy will be returned to the principal or supervisor with the notation of date(s) paid, invoice price and/or other invoice information.

INVOICE PAYMENT

No invoice will be processed for payment until the green copy of the purchase order is received in the Central Office.

IRREGULARITIES AND RETURNS

It will be the responsibility of the administrator or supervisor or his/her designee to make all contacts with the vendors regarding irregularities in shipments, unless the items in question have been ordered through a purchasing co-op. In this instance, written notice should be promptly submitted to the Central Office detailing specific irregularities; the Central Office will be responsible for follow up on co-op purchases. A copy of all correspondence regarding purchase orders and/or invoices should be sent to the Central Office.

When purchased items are returned, the administrator or supervisor must submit to the Central Office the R.M.A. (Returned Material Authorization) number and a copy of the shipping documents.

EXCEPTIONS

Small items which may be handled out of petty cash for small purchases (limit \$10.00) at local stores. These must be cash purchases and reimbursed through petty cash.

Wages, contracted or hourly, which have been previously approved.

VENDORS' REPRESENTATIVES

The sale of merchandise within schools or on school grounds by agents or representatives of commercial or business firms is prohibited without prior approval of the superintendent. The use of teachers' time during the school day by agents or salesmen is prohibited unless prior approval is granted by the building principal.

EMPLOYEE AND BOARD MEMBER PURCHASES THROUGH THE SCHOOL

Employees of the school district or Board members shall not be allowed to make purchases through the school or school organizations for their personal use. Under no circumstances shall the name of the school or one's position as an employee of the school be used in such a manner as to secure discounts or cost preferences to a school employee.

Purchasing of supplies or equipment by the school for resale to employees, without Board approval, is expressly prohibited.

The Superintendent shall be responsible for notifying all employees of this policy and provide for means of enforcement.

The policy does not apply to purchases from school organizations when such purchases are made through authorized fund raising projects.

PAYMENT PROCEDURES

All demands for payment from district funds shall be processed by the Superintendent or his/her designee, who shall submit for payment:

- Invoices properly supported by approved purchase orders
- Properly submitted vouchers
- Salaries in accordance with salaries and salary schedules set by the Board.

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

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

Invoices, statements and vouchers shall be available for inspection by Board members.

The Superintendent or his/her designee shall assume responsibility for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

In order that the district may take advantage of discounts for prompt payment of invoices, the Superintendent may authorize payment of such invoices prior to Board approval if proper procedures have been followed and if the expenditure is within the limitations provided in the budget. Invoices paid in advance shall be presented along with accounts payable with an indication that they have been prepaid.

ELECTRONIC TRANSACTION OF FUNDS

Spring Lake Public Schools, through resolution of the Board, shall be a party to an Automated Clearing House ¹ (ACH) arrangement ². The Superintendent (*or other appropriate designee*) shall be responsible for Spring Lake Public School's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy ³. All ACH invoices are to be approved prior to payment.

Internal Accounting

The Superintendent (*or other appropriate designee*) shall be responsible for development and maintenance of appropriate accounting controls to monitor the use of ACH transactions ⁴ made by Spring Lake Public Schools.

LEGAL REF: MCL 124.301-124.305

1 "Automated clearing house" or "ACH" – a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the Federal Reserve System (MCL 124.301(d)).

2 ACH arrangement – the agreement between the originator of the ACH transaction and the receiver of an ACH transaction (MCL 124.301(a)). Under Act 738 of 2002, MCL 124.301, an ACH arrangement is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101, or to provisions of law or charter concerning the issuance of debt by a local unit.

3 ACH policy - the procedures and internal controls as determined under this written policy developed and adopted by the Superintendent (MCL 124.301 (b)).

4 ACH transaction – an electronic payment, debit, or credit transfer processed through an automated clearinghouse (MCL 124-301 (c)).

PAYROLL PROCEDURES AND SCHEDULES

All salaries, supplements and payments for extra duties shall be paid from the payroll account through the district's business office. No payments shall be made directly to any school personnel for services rendered from any supplementary school fund. If payment for services is to be paid from such funds, the fund shall make payment to the payroll account and authorize the payment which shall be included in the next payroll check.

Personnel covered by this policy include cafeteria workers, custodial and maintenance personnel, substitute teachers and employees, summer school and adult educational personnel, as well as others.

The Superintendent or his/her designee is authorized to certify payrolls.

All employees shall be paid according to a specific schedule which shall be determined annually. Payments will be made on the earned amount less deductions, to be deposited in a checking account unless otherwise requested by the employee.

No employee shall be paid in advance for services rendered. Personnel receiving extra pay for extracurricular activities which are ongoing throughout the school year shall have the salary prorated in equal amounts in each pay check. Personnel receiving extra pay for extra curricular activities which are seasonal shall be paid in full at the completion of the activity or on a prorated basis over the remaining pay periods at the option of the employee.

Building principals or program supervisors shall be responsible for submitting the following information to the payroll department according to a schedule determined by the business office prior to each pay day:

1. Authorization for overtime payments.
2. Authorization for payment of substitutes
3. Authorization for payment for extracurricular assignments completed.
4. Days to be deducted for absences not covered by approved leave policies.

Payroll deductions are mandatory for federal income tax, social security, and Michigan income tax. Such deductions are computed on a calendar year basis and shall be computed in accordance with the law.

Payroll deductions for organizational membership dues associated with employment may be made pursuant to a written request of an individual employee and subject to individual determination and validation by the organization involved, provided they are in compliance with provisions of master agreements with the various employee organizations.

Except for deductions for absence not covered by paid leave, required by law or contract salary, deductions shall be subject to Superintendent or Board approval and voluntary on the part of the employee.

FISCAL MANAGEMENT

File: DL (Cont.)

Deduction plans other than listed above shall be available upon the approval of the Superintendent.

All deductions not mandated by law shall require authorization by the employee through the Superintendent's office. Adjustments for any overpayment to an employee shall be made in the next paycheck.

LEGAL REF: General School Laws, 380.1224 and 380.1255

CONTRACT REF: SLEA Contract
AFL-CIO Contract

REIMBURSEMENT OF EXPENSES

District personnel and officials who incur expenses in carrying out their authorized duties shall be reimbursed by the district to the extent approved or provided in duly negotiated agreements upon submission of a properly filled out and approved voucher and such supporting receipts as may be approved and incurred in line with budgetary allocations for the specific type of expense.

Employees traveling at the district’s expense will be expected to look into the most economical mode of transportation, i.e., personal car vs. rental car. When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the current IRS reimbursement rate. For employees covered by flat allowance per month or per year, the mileage rate shall apply when the employee uses his/her personal automobile on authorized school business outside the designated region.

According to the Attorney General, State of Michigan, it is illegal for any school district personnel and/or official to request reimbursement or charge for expenses incurred for spouses of employees and/or members of the Board of Education.

Conference expenses will be limited as follows:

1. Registration

Registration fees will be paid when they are part of the conference fee

2. Rooms

Actual expenses will be paid for room charges up to the cost of a single room. When possible and appropriate, staff members will be expected to share rooms to reduce expenses. Room expenses for spouses or other family members will not be allowed.

3. Travel

Reimbursement will cover mileage at the current IRS reimbursement rate, based on mileage on official Michigan road map. When two or more staff members attend the same conference, they will be expected to share transportation (maximum of four (4) persons per automobile required).

4. Meals

Actual expense up to a maximum allowance for meals will be as follows:

Breakfast	\$ 5.00
Lunch	8.00
Dinner	15.00

An exception will be made for conference luncheons or banquets where the meal cost is part of registration and is set by the conference organizers.

Pre-registration forms for approved conferences requiring a check and deposits to hold reservations on motels may be secured by presenting forms, etc., to the Superintendent's Office.

In case of hardship, an advance for expenses can be made with an adjustment upon return. Advances will not usually cover all expenses.

LEGAL REF: General School Laws 380.1254
 Attorney General's Opinion No. 5272