

# Wallace School District No. 393 Policy Manual

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Goals

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

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

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Equivalence in Instructional Staff and Materials

The Board directs that all schools within the District are, to the greatest extent possible, equivalent in teaching, administrative, and other staff, and in provision of curricular materials and instructional supplies so that programs and services throughout the schools of the District are substantially comparable.

In reaching this equivalency status, the Board recognizes that individual teacher salary differentials due to schedule factors will not be included in the determination of staff equivalency. Further, the District recognizes that unpredictable changes in student enrollment and personnel assignments that occur after the beginning of the school year in determining comparability of services under this policy will not be included in an analysis of equivalency.

To promote this purpose, and to comply with applicable federal law, the Superintendent, to the maximum extent possible, shall ensure the District complies with the following:

**Maintenance of effort.** To the maximum extent possible, the District shall maintain its programs and expenditures in a consistent manner from year to year, unless changes to District funding or attendance make such allocations unfeasible.

**Federal funds to supplement, not supplant, non-Federal funds.** The District may use federal funds only to supplement the funds that would, in the absence of such federal funds, be made available from State and local sources for the education of students participating in programs assisted under this part, and not to supplant such funds. To demonstrate compliance with this requirement, the District shall maintain adequate accounting records to demonstrate that the methodology used to allocate State and local funds to each school receiving assistance under this part ensures that all schools receive all of the State and local funds it would otherwise receive if it were not receiving federal funds.

**Comparability of services.** Except as provided in paragraph captioned “**Compliance**,” below, the District shall ensure that State and local funds will be used in schools receiving federal funds to provide services that, taken as a whole, are at least comparable to services in schools that are not receiving federal funds. If the District is serving all of its schools with federal funds, it must ensure that State and local funds are used to provide services that, taken as a whole, are substantially comparable in each school.

**Written assurance.** The District shall provide the State Department of Education written assurances that the District has established and implemented:

1. District-wide salary schedule;
2. A policy to ensure equivalence among schools in teachers, administrators, and other staff; and
3. A policy to ensure equivalence among schools in the provision of curriculum materials and instructional supplies.

**Procedures and records.** The Superintendent shall:

1. Develop procedures for compliance with this Policy; and
2. Maintain records that are updated biennially documenting compliance with this Policy.

**Compliance.** For the purpose of determining compliance with the requirement to supplement and not supplant state funds with federal funds, the District is permitted to *exclude* State and local funds expended for:

1. Language instruction educational programs; and
2. The excess costs of providing services to children with disabilities as determined by the Superintendent.

**Exclusion of funds.** For the purpose of complying with the requirements of comparable services, the District may exclude receipt of supplemental State or local funds expended in any school for programs that meet the intent and purpose of 20 USC § 6321.

Legal Reference:      20 U.S.C. § 6321      Fiscal Requirements, as amended by Every Student Succeeds Act of 2015

Policy History:

Adopted on: October 8, 2012

Revised on: April 9, 2018

Budget and Program Planning

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Budget Implementation and Execution

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Budget Adjustments

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

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

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

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:



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

Purpose

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

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

Authority

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

Delegation of Responsibility

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

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

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

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

Guidelines

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

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

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

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

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

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

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

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised On: October 10, 2016

Federal Grant Financial Management System

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met.

Idaho Financial Reporting Management System (IFARMS)

IFARMS provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of periodic financial reports. The uniformity of the system enables the District to fulfill state requirements and provides the flexibility to obtain program and account detail to meet management needs.

Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

1. **Identification:** The District shall identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include the information described below under “Overview of the Financial Management/Accounting System.”
2. **Financial Reporting:** Accurate, current, and complete disclosure of the financial results of each federal award or program will be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).
3. **Accounting Records:** The District shall maintain records that adequately identify the source and application of funds provided for federally-assisted activities. These records will contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by source documentation.
4. **Internal Controls:** Effective control and accountability shall be maintained for all funds, real and personal property, and other assets. The District shall adequately safeguard all such property and shall assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- A. Effectiveness and efficiency of operations;
  - B. Adequate safeguarding of property;
  - C. Assurance property and money is spent in accordance with grant program and to further the selected objectives; and
  - D. Compliance with applicable laws and regulations.
5. **Budget Control:** Actual expenditures or outlays shall be compared with budgeted amounts for each federal award.
6. **Cash Management:** The District shall maintain written procedures to implement the cash management requirements found in EDGAR. See Policy 7450.
7. **Allowable Costs:** The District shall maintain written procedures for determining allowability of costs in accordance with EDGAR. See Policy 7320 and Procedure 7320P.

#### Overview of the Financial Management/Accounting System

The District accounting system is established to present, with full disclosure, the financial position and results of the financial operations of the District in conformity with generally accepted accounting principles. The accounting system currently used is Skyward School Accounting Software. The system is in compliance with IFARMS, as required by Idaho statute. IFARMS shall be used as the basis for developing program budgets and the preparation of periodic financial reports. The District Business Manager shall be responsible for managing budgets and accounts payable. As required by 34 CFR 200.302, the District shall maintain on file award letters that include Catalog of Federal Domestic Assistance (CFDA) titles and numbers, federal award identification numbers and years, names of the federal awarding agencies, and the name of the State Department of Education (the pass-through entity), for each federal award. The funds are given unique identification numbers in the IFARMS system.

The Business Manager shall be responsible for preparing financial reports, as required for local, state, and federal agencies, for review and approval by the Board of Trustees. The financial reports shall reflect the financial activity and status of the District. These reports shall include monthly and cumulative expenditures, program budgets, and balances remaining.

#### Budgeting

**The Planning Phase: Meetings and Discussions: Before Receiving the Grant Award Notice (GAN):** The Superintendent, assisted by the Business Manager, shall be responsible for initial federal grant budget development. Initial budget development shall be based upon estimates of federal program award amounts as provided by the State Department of Education, as well as input from program and administrative staff with respect to individual program staff needs, number and assignments of paraprofessionals relative to program allocations, and need for instructional supplies and equipment. The primary considerations of initial budget development shall be the educational needs of students and the availability of existing District resources for meeting these needs.

Budgets shall be prepared and presented in a format that clearly identifies revenue sources and amounts and budgeted expenditures, in accordance with IFARMS accounting codes, and shall be open for public inspection.

The Superintendent shall present the proposed budget to the Board for final approval of the budget and the policies reflected therein, such as proposed changes or additions to instructional programs and proposed salary schedules. Consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved budget shall be included in the minutes of the Board as documentation of its acceptance and approval.

**After Receiving the GAN:** If the Superintendent determines that final program allocations necessitate revisions to program budgets, he or she, assisted by the Business Manager with input from federal programs staff, shall discuss, review, and propose budget revisions. If proposed revisions require amendment proposals, the Superintendent will follow protocols of the amendment process.

**Amending the Budget:** The Superintendent shall review and approve any necessary budget amendments and shall submit those amendments to the Board at least seven days in advance of the meeting at which the amendment will be considered. The Board shall have final approval of the amended budget and consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved amended budget shall be included in the minutes of the Board of Trustees as documentation of its acceptance and approval.

**Budget Control:** The Business Manager shall prepare monthly financial reports that monitor budget performance by comparing actual to budgeted revenues and expenditures. Monthly financial reports indicate budgeted amounts, monthly expenditures, year-to-date-expenditures and percentage of budget spent. The Superintendent shall review these reports for the preceding month prior to presentation to the Board.

#### Accounting Records

The Business Manager shall be responsible for the maintenance of accounting records. Electronic accounting records are maintained in the schools accounting system, and paper records are maintained on file in the District office. All accounting records shall be reviewed by the District Superintendent and, where appropriate and required, the Board. The District chart of accounts and financial reports shall be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and IFARMS, as required by Idaho Code. Accounting records shall be available for public inspection at any time.

#### Spending Grant Funds

In determining what items will be included in individual program budgets, the Business Manager and the Superintendent will follow the federal cost principles and individual program statutes and regulations, as the basis for determining whether individual expenditures are allowable.

While developing and reviewing the grant budget, the District will keep in mind the difference between direct costs and indirect costs.

### **Direct and Indirect Costs:**

1. **Determining Whether a Cost is Direct or Indirect:** Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

Indirect costs are those that have been incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.

Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials, and other items of expense incurred for the Federal award.

The salaries of administrative and clerical staff shall normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- A. Administrative or clerical services are integral to a project or activity;
  - B. Individuals involved can be specifically identified with the project or activity;
  - C. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
  - D. The costs are not also recovered as indirect costs.
2. **Indirect Cost Rate:** It is at the discretion of the Wallace School District to use the indirect cost rate. It is the normal policy of the District not to take indirect costs on federal awards. If the District elects to take indirect costs, it shall follow the procedures for calculating the indirect cost rate prescribed by the State Department of Education and apply the policies and procedures outlined in the federal regulations as described below.
  3. **Applying the Indirect Cost Rate:** Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award.

Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For direct grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions.

Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges.

Cross Reference: 7230      Financial Reporting and Audits

Legal Reference: 2 C.F.R § 200.300 et. seq. Post Federal Award Requirements  
2 C.F.R. § 200.56      Indirect (Facilities & Administrative (F&A)) Costs  
2 C.F.R. § 200.413      Direct Costs  
34 C.F.R. § 75.564      Reimbursement of Indirect Costs  
34 C.F.R. § 76.569      Using the Restricted Indirect Cost Rate

Policy History:

Adopted on: September 10, 2019

Revised on:

Documentation and Approval of Claims

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:



**Disclaimer:**

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

**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7225**

Financial Fraud and Theft Prevention

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

The Superintendent shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, and fiscal irregularities within the District. Every member of the District's administrative team shall be alert for any indication of fraud, financial impropriety, or irregularity within his or her areas of responsibility.

The Superintendent shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the parties and the facts. All employees involved in the investigation shall be advised to keep information about the investigation confidential. While investigating and responding to the financial fraud allegations, the Superintendent or Chair of the Board will give priority to avoiding possible retaliation or reprisals.

Staff Responsibilities

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

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

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

### Definition

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

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

### Internal Controls

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

1. **Budgetary Transfers:** The transfer of appropriations is important for the Superintendent, purchasing agent, business official, and treasurer, and all should have written confirmation of the information. The purchasing agent shall be apprised if the transfer has been approved, the treasurer shall document it and the business official shall record it;
2. **Treasurer's Receipts:** The treasurer should have receipts and numbered duplicates for everything paid out in his or her custody;
3. **Checks:** The treasurer shall keep personal custody of any signature stamps and maintain a log for every check written;
4. **Audit:** An individual not connected to the business office should audit the check register regularly;
5. **Conduct Background Checks on Potential Business Office Employees:** Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted positions; and
6. Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.

### Policy History:

Adopted on: October 8, 2012

Revised on: January 13, 2014

Financial Reporting and Audits

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

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

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

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Fiscal Accountability and IDEA Part B Funds

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

Use of IDEA Part B Funds

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

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

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

The Special Education Director and the Business Manager approve all IDEA Part B expenditures (PO, invoices) following the process described in the written procedures for determining allowability of cost (cost principles).

Time and Effort Reporting

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In order to determine if personnel costs are allowable under IDEA Part B, the District shall maintain auditable "time and effort" documentation that shows how each employee paid with IDEA Part B funds spent his or her compensated time. Such work shall be documented on the time and effort forms. The form shall be kept for employees paid in full or in part with federal funds or whose salary is used to meet a matching requirement in a federal program. Such documents are written reports of how the time was spent.

The Board directs the Superintendent to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133 and with the 4235P Written Compensation Procedure.

### Maintenance of Effort

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent to establish a means of tracking and reporting local expenditures separate from the expenditure of State funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

### Parentally-Placed Private School Children

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

The Special Education Director and the Business manager keep accurate records of all expenditures charged to the parentally-placed private school children budget. The documentation should be traceable to the financial report and available for inspection if requested.

### Property Procurement and Tracking

The Board directs the Superintendent to establish written procedures to ensure that the District's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 C.F.R. 80.36 and with Policy 7400 Procurement Management System and any related procedures. The Board also directs the Superintendent to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds.

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

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

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

Cross Reference	7400 Procurement Management System
Legal Reference:	2 C.F.R. §§200.430 Time and Effort
	34 C.F.R. §§80.36 Procurement
	34 C.F.R. §§80.42 Retention and Access Requirements for Records

34 C.F.R. §§300.132-133 Provision of Services for Parentally-Placed  
Private School Children with Disabilities  
34 C.F.R. §§300.16 Excess Costs  
34 C.F.R. §§300.202-205 Use of Amounts  
34 C.F.R. §§300, Appendix A Excess Costs Calculation  
Fiscal Accountability Checklist: For Sub-Recipients of IDEA Part B  
Funds  
OMB Circular A-87  
OMB Circular A-133

Other Reference: Idaho SDE IDEA Part B Funding Manual.

Policy History:

Adopted on: September 10, 2019

Revised on:

Reviewed on:

**Wallace School District #393  
Federal Funds Semi-Annual Certification Form**

Date\_\_\_\_\_

This is to certify that the following individuals have worked 100% of their time during the last six months.

Federally Funded Area\_\_\_\_\_

<u>Position</u>	<u>Printed Name</u>	<u>Signature**</u>
Teacher	_____	_____
Teacher	_____	_____
Teacher	_____	_____
Paraprofessional	_____	_____
Paraprofessional	_____	_____
Paraprofessional	_____	_____
Paraprofessional	_____	_____

**\*\*Signature:** This certification must be signed by the employee or a supervisory official having first-hand knowledge of the work performed by each employee in accordance with OMB Circular A-87, Attachment B, paragraph 8.h.3.

**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7235F1**

Federal Funds Semi-Annual Certification Form

Employee: \_\_\_\_\_ Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective (Program Activity)	Grant Program	Fund Code – Function Code	Distribution of Time (Percentage of Hours)

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Reviewed by supervisor: \_\_\_\_\_ Date: \_\_\_\_\_



**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7235F2**

Personnel Activity Report

LEA Name: \_\_\_\_\_ For the Month of: \_\_\_\_\_

Employee: \_\_\_\_\_ Year: \_\_\_\_\_

Position: \_\_\_\_\_

Supervisor: \_\_\_\_\_

Cost Objective or Program Activity	Grant – Fund Code	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	Total	%
Leave Time																			
TOTAL																			

Cost Objective or Program Activity	Grant – Fund Code	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	Total	%
Leave Time																		
TOTAL																		

I certify that the hours reported above are a true representation of work performed.

Employee signature: \_\_\_\_\_

Date: \_\_\_\_\_

Immediate Supervisor signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7235F3**

Multiple Cost Objective Time and Effort Certification

Employee: \_\_\_\_\_ Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective (Program Activity)	Grant Program	Fund Code – Function Code	Distribution of Time (Percentage of Hours)

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Reviewed by supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

Written Compensation Procedure (Time and Effort)

Time and Effort Standards

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. This includes an employee whose salary is paid with State or local funds but is used to meet a required “match” in a federal program. These documents, known as time and effort records, are maintained in order to charge the costs of personnel compensation to federal grants.

The District’s records will accurately reflect the work performed. These records must:

1. Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
2. Be incorporated into official records;
3. Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
4. Encompass both federally assisted and all other activities compensated by the District on an integrated basis;
5. Comply with the established accounting policies and practices of the District; and,
6. Support the distribution of the employee’s salary or wages among specific activities or costs objectives.

Time and Effort Procedures

Federal programs staff work in multiple programs and are paid from multiple federal awards. The initial budget for program personnel is determined according the relative percentage of the total of allocations of programs in which the staff member works. Each pay period, the staff member’s salary and benefits are calculated and paid according to those initial budget percentages.

At the end of each quarter, the staff member will submit a certification of actual hours worked in each federal program during that quarter. The certification will be signed by the employee and by the business manager or other District staff with after-the-fact knowledge of the employee’s activities.

The business manager will reconcile the certification of actual work performed to budgeted amounts and will make corresponding journal entries that reflect actual hours worked in and allowable activities of each federal program.

If an employee works exclusively in a single federal program, that employee will, at least semi-annually complete Form 7235F1 Federal Funds Semi-Annual Certification Form. The form must

be completed at least twice each year and signed by the employee and staff member with after-the-fact knowledge of the employee's activities.

Federal programs staffs who work in multiple programs and are paid from multiple federal awards with no fixed schedule shall complete a Form 7235F2 Personnel Activity Report.

#### Positive Time Reporting

(For Districts that have implemented a financial management system that allows positive time reporting) The District may generate a time and effort report directly from the financial management system.

Legal Reference: Idaho SDE IDEA Part B Funding Manual.

#### Procedure History:

Promulgated on: September 10, 2019

Revised on:

Reviewed on:

**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7235PF1**

**Personnel Activity Report**

Employee Name: \_\_\_\_\_

Employee SSN: *(Optional)* \_\_\_\_\_

		Percentage of Time Worked by Activity					
Month	Year	Work Activity #1	Work Activity #2	Work Activity #3	Work Activity #4	Work Activity #5	TOTAL % of Time Worked

The signature(s) below certifies this employee performed activities reflected in the attached log as distributed in the above percentages during the month specified.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

\_\_\_\_\_  
Position Title

\_\_\_\_\_  
Job Location/School Name

\_\_\_\_\_  
Signature of Supervisor *(Optional)*

\_\_\_\_\_  
Date

**This certification is in support of the Time Reporting requirements consistent with SDE Recommended Tracking: “Where employees work on multiple activities or cost objectives, a distribution of wages will be supported by personnel activity report...”**

Legal Reference: Idaho SDE IDEA Part B Funding Manual.

Procedure History:

Promulgated On: September 10, 2019

Revised On:

Reviewed On:

**Single Federal Award or Cost Objective**

This form is required to be signed twice annually by the employee(s) paid solely from a single federal fund, (for example, Title I, Title II, IDEA Part B, etc.) or who work solely on a single cost objective and should be available for audit and monitoring reviews.

SDE Recommended Tracking states “where employees are expected to work solely on a single federal award or cost objective charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on the program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee and supervisory official having first-hand knowledge of the work performed by the employee.”

I, \_\_\_\_\_, \_\_\_\_\_  
(Name) (Title)

certify that 100% of my time has been spent performing duties associated with

\*

\_\_\_\_\_

for the period of (July 1 through December 31) or (January 1 through June 30) of the current year.

*(Underline or circle the correct period)*

\_\_\_\_\_ Employee Signature Date \_\_\_\_\_

\_\_\_\_\_ Supervisor Signature Date \_\_\_\_\_

*\*Insert the name of the federal award or cost objective. Cost objectives could include special education, IDEA Part B Maintenance of Effort Preschool program, etc.*

Legal Reference: Idaho SDE IDEA Part B Funding Manual



Retention of Records Relating to Federal Grants

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

Procedures

The District shall maintain records that fully show:

1. The amount of funds under the grant or subgrant;
2. How the subgrantee uses those funds;
3. The total cost of each project;
4. The share of the total cost of each project provided from other sources;
5. Other records to facilitate an effective audit; and
6. Other records to show compliance with federal program requirements.

The District shall also maintain records of significant project experiences and results. These records and accounts shall be retained and made available for programmatic or financial audits.

In accordance with State Department of Education record retention policy 4.16.02 Administration of Federal Grant Program, the District shall maintain all fiscal and programmatic records relating to federal grants for a minimum of five years and one additional audit.

The District will destroy paper records by shredding only. In the event of the disposal of computers or electronic equipment that may contain confidential student or personnel records, the District will ensure that hard drives are appropriately “wiped” clean of information prior to disposal.

The District shall retain records based on the schedule provided in Policy 8605.

Collection and Transmission of Records

The District shall maintain electronic records in the Skyward system, and paper records shall be maintained in the District office under the supervision of the Business Manager or designee. The Clerk will have authorized access as directed. Electronic and/or paper records shall be provided to awarding agencies to meet reporting requirements and to auditors and monitors, as appropriate and required. Records that are kept electronically may be transmitted electronically as allowed by 2 CFR 200.335.

## Access to Records

The District shall provide the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

## Privacy

Access to both the Skyward system, personnel files, the Student Management System, confidential student files, Special Education IEP files shall be password protected in the case of electronically maintained records and kept in locked filing cabinets in the case of paper records. These records are maintained under the supervision of the Superintendent and the Business Manager, or Federal Programs Director with exclusive access to paper files and passwords for electronic systems. The District clerk may also have access to these records. Employees shall be trained in the requirements of the Family Educational Rights and Privacy Act (FERPA). If a request for confidential information is received from a source not having clear authority under FERPA or other statute, the District shall consult appropriate legal counsel prior to providing records.

Legal Reference: 34 C.F.R. § 76.730-.731  
34 C.F.R. § 75.730-.731  
34 C.F.R. § 75.732  
2 CFR 200.335

Other Reference: Policies and Procedures Used Template, Idaho State Department of Education, <http://www.sde.idaho.gov/sped/funding/>

### Policy History:

Adopted on: September 10, 2019

Revised on:

Student Activity Fund

The Board is responsible for the establishment and management of student activity funds. The purpose of student activity funds shall be to account for revenues, disbursements, deposits, expenditures, assets, liabilities, and fund balances of those funds raised by students through recognized student body organizations and activities, including:

1. Admission charges for interscholastic activities;
2. The sale of yearbooks and annuals;
3. Student fee collections which are used to provide more than one activity or benefit to all of the students of a school or school building; and
4. Receipt from vending machines located on school property.

The funds collected by the schools shall be maintained in accounts requiring two authorized signatures for the distribution of funds: one signature shall be by a person designated by the Board as an assistant treasurer and the other shall be a designated signatory of the building or District.

The funds shall be deposited and expended by regular check in a bank account maintained by the District for each student activity fund. The use of the student extra- and co-curricular funds is limited to the benefit of the students. All funds collected or received for school programs, activities, or student use are, by Idaho law, public monies; and the care, custody, control, and accounting for such monies is the duty and responsibility of the treasurer and the administrative officer of the District..

The management of student activity funds shall be consistent with sound business practices. Authority is delegated to the Superintendent to require each school within the District to conform to accounting procedures for the receipt, deposit, and withdrawal of funds. A report of the activity of these funds shall be submitted to the Board and Superintendent each month by the treasurer. This includes providing for the safekeeping of monies, proper accounting and administration of the funds, and compliance with the Board of Trustees policies and procedures. The Principal is responsible for the proper collection, disbursement, and control of all school activity funds.

For other activity or student funds, the Board may create a separate fund(s) and implement procedures for the accounting and control of the same.

Projects for the raising of funds shall generally contribute to the educational experience of students and shall not detract from the instructional program. All fundraising projects must have the approval of the principal. Solicitation of funds outside the school must have the approval of the Superintendent.

Legal Reference: I.C. § 33-705                      Activity Funds

Policy History:

Adopted on: October 8, 2012

Revised on:

Property Records

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

Property records of facilities and other fixed assets shall be maintained on an ongoing basis. All goods purchased using federal funds shall be delivered to the District office and received by the Business Manager. Upon receipt of goods, the Business Manager shall notify the Superintendent of fulfillment of the purchase order.

The Business Manager checks all items against the invoice to ensure accuracy of delivery. Inventory items will be recorded on the Master Inventory list. No equipment shall be removed for personal or non-school use except according to Board policy.

Property records shall show, appropriate to the item recorded, the:

1. Description and identification;
2. Manufacturer;
3. Date of purchase;
4. Initial cost;
5. Location;
6. Serial number, if available; and
7. Model number, if available

For each equipment and computing device purchased with federal funds, the following information is maintained in the Special Services office mastery inventory list. The list includes the following information:

1. Serial number or other identification number;
2. Source of funding for the property;
3. Identification of title holder
4. Who holds title;
5. Acquisition date and cost of the property;
6. Percentage of federal participation in the project costs for the federal award under which the property was acquired;
7. Location, use, and condition of the property; and
8. Any ultimate disposition data including the date of disposal and sale price of the property.

In the event the property is sold, lost, or stolen, or cannot be repaired, the item will be deducted from the master inventory list. The date of the change will be listed along with the sale price if the item is sold.

### Property Classifications

Equipment and supplies with a useful life of more than 1 year, including computing devices, will be engraved with “Property of the Wallace School District No. 393” and with appropriate equipment identification.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000.

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year that are capitalized in accordance with GAAP. Capital assets include:

1. Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
2. Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

### Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least yearly.

Each staff member will inventory property items in their room at the end of each school year. The inventory sheet is signed by the staff member taking the inventory as verification and is reviewed by the Business Manager and kept electronically. Computer and technology equipment is inventoried and recorded in an Excel spreadsheet maintained by the Business Manager or designee. Electronic equipment, such as iPads, are engraved with “Property of Wallace School District No. 393”.

Any discrepancy between physical inventory and the master inventory sheet will be researched by the Business Manager and noted on the master inventory.

## Maintenance

The District shall maintain adequate maintenance procedures and records to ensure that property is kept in good condition. If an item needs repair, the Business Manager will be notified and proper repair procedures will be determined, either in District or by sending the item to a qualified repair facility.

## Lost or Stolen Items

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property.

## Use of Equipment Purchased with Federal Funds

Equipment purchased with federal funds must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the pass-through entity.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority:

1. Activities under a federal award from the federal awarding agency which funded the original program or project; then
2. Activities under federal awards from other federal awarding agencies.

In the event that the District no longer needs real or personal or real property, it will follow the rules, policies, and procedures required by Idaho Code §33-601(4)(b) and by Policy 9100.

Cross Reference: 7210

GASB Statement 34 (Accounting System)

Legal Reference: I.C. §33-601(4)(b) Real and Personal Property—Acquisition, Use or Disposal of Same

I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds

2 C.F.R. § 200.12 Capital Assets

2 C.F.R. § 200.20 Computing Devices

2 C.F.R. § 200.33 Equipment

2 C.F.R. § 200.94 Supplies

2 C.F.R. § 200.313 Equipment

## Policy History:

Adopted on: September 10, 2019

Revised on:

## **Wallace School District No. 393**

### **FINANCIAL MANAGEMENT**

**7300**

#### Revenues

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

The District will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District will make an effort to collect all revenues due from all sources, including, but not limited to, rental fees, bus fees, fines, tuition fees, other fees and charges.

#### Policy History:

Adopted on: October 10, 2012

Revised on:

Investment of Funds

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

Policy Considerations

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:



Advertising in Schools/Revenue Enhancement

Revenue enhancement through a variety of District-wide and District approved marketing activities, including but not limited to advertising, corporate sponsorship, signage, etc., is a Board-approved venture. These opportunities are subject to certain restrictions as approved by the Board in keeping with the contemporary standards of good taste. Such advertising will seek to model and promote positive values for the students of the District through proactive educational messages and not just traditional advertising of a product. Preferred advertising includes messages that encourage student achievement and the establishment of high standards of personal conduct.

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

The revenue derived should:

1. Enhance student achievement;
2. Assist in the maintenance of existing District athletics and activity programs; and
3. Provide scholarships for students participating in athletic, academic, and activity programs who demonstrate financial need and merit.

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

1. Fixed signage;
2. Banners;
3. District-level publications;
4. Television and radio broadcasts;
5. Athletic facilities, to include stadiums, high school baseball fields, and high school gymnasiums;
6. District-level projects;
7. Expanded usage of facilities beyond traditional use (i.e., concerts, rallies, etc.);
8. Interior and exterior of a limited number of District buses only if the advertising is associated with student art selected by the District. The only advertising information will

note that the student art is sponsored by the participant in the District sponsorship. Maintenance for these buses will include but not exceed normal maintenance costs; and

9. Individual school publications (when not in conflict with current contracts).

Advertising will not be allowed in classrooms, and corporate-sponsored curriculum materials are subject to the requirements of Board policy.

The following restrictions will be in place when seeking revenue enhancement. Revenue enhancement activities will not:

1. Promote hostility, disorder, or violence;
2. Attack ethnic, racial, sexual orientation, gender identity or expression, or religious groups;
3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
4. Be libelous;
5. Inhibit the functioning of the school and/or District;
6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond or budget issues, or any public question submitted at any general, county, municipal, or school election.
7. Be obscene or pornographic as defined by prevailing community standards throughout the District;
8. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
9. Promote foods or beverages which do not meet the standards for foods sold at school described in Policy 8250. This restriction shall apply to all advertising, including signage, scoreboards, school stores, cups, packaging, vending machines, trash cans, coolers, menu boards, and food service equipment;
10. Promote any religious or political organization;
11. Use any District or school logo without prior approval; or
12. Use age-inappropriate material.

### Exception

Nothing herein shall be construed to prevent advertising in publications which are published by student organizations, PTA/PTO, booster club, or other parent groups. Funds received for approved projects involving advertising in said publications may be retained by the school-related group that is sponsoring the activity as a fund-raising event.

### Solicitations

Salespersons, representatives, or agents shall not solicit or contact pupils, teachers, or other employees in the school buildings or on school grounds without prior approval.

Cross Reference: 2100 Curriculum Development and Assessment  
2500 Library Materials  
2520 Curricular Materials  
8250 Guidelines for Food and Beverages Sales

Legal References: 7 CFR § 210.30 Local School Wellness Policy  
42 USC § 1758b, Section 204 Healthy and Hunger-Free Kids Act of 2010  
42 USC § 1771 et seq. Child Nutrition Act of 1966  
42 USC § 1751 et seq. National School Lunch Act

### Policy History:

Adopted on: October 8, 2012

Revised on: April 9, 2018

Allowable Uses for Grant Funds

Expenditures will be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the State. When determining how the District will spend its grant funds, the Superintendent and the Business Manager will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in Education Department General Administrative Regulations, referenced below, which are provided in the bulleted list below. The Business Manager and District Superintendent must consider these factors when making an allowability determination. All costs must:

1. Be necessary and reasonable for the performance of the federal award as outlined in 7320P1.
2. Be allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.
4. Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200 or in the terms and conditions of the federal award.
5. Consistent treatment. A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
6. Be adequately documented. All expenditures must be properly documented.
7. Be determined in accordance with General Accepted Accounting Principles (GAAP), unless provided otherwise in Part 200.
8. Not be included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
9. Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, and adjustments of overpayments or

erroneous charges. To the extent that such credits accruing to or received by the State relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.

Part 200's cost guidelines must be considered when federal grant funds are expended. In addition, as required by federal rules, the District will follow, as appropriate, all state and District-level requirements and policies regarding expenditures.

#### Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described in Procedures 7320P1 and P2, the Superintendent, Business Manager, and appropriate federal programs personnel can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

1. Is the proposed cost allowable under the relevant program?
2. Is the proposed cost consistent with an approved program plan and budget?
3. Is the proposed cost consistent with program specific fiscal rules? For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
4. Is the proposed cost consistent with Education Department General Administrative Regulations (EDGAR)?
5. Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the Superintendent, Business Manager, and appropriate federal programs personnel should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the Superintendent, Business Manager, and appropriate federal programs personnel should review data when making purchases to ensure that federal funds to meet these areas of concern.

Legal Reference:      2 CFR §§ 200 *et seq.* Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Funds.  
                                 2 CFR §§ 200 (Subparts E and F) Cost Principles and Audit Requirements  
                                 2 C.F.R. §200.404      Reasonable Costs  
                                 2 C.F.R. §200.405      Allocable Costs  
                                 2 C.F.R. §200.406      Applicable Credits  
                                 2 C.F.R. §§ 200.420-200.475 Considerations for Selected Items of Cost

#### Policy History:

Adopted on: October 10, 2016

Revised on: September 10, 2019

Determining Necessity and Reasonableness of Expenses

Federal grant funds may only be spent on costs which are necessary and reasonable for the performance of the federal award. District staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining the allowability of a cost under a federal program, the District shall comply with the following criteria:

1. Be necessary and reasonable for the performance of the Federal award and be allocable thereto under the following principles.
2. Conform to any limitations or exclusions set forth in the following principles or in the Federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.
4. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
5. Be determined in accordance with generally accepted accounting principles (GAAP), except, as otherwise provided for in 2 C.F.R. Subpart E – Cost Principles.
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period. See also 2 C.F.R. § 200.306(b) Cost sharing or matching.
7. Be adequately documented. See also 2 C.F.R §§ 200.300 - Statutory and national policy requirements through 200.309 - Period of performance.

When determining the reasonableness of a cost, consideration shall be given to:

1. Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award;

2. The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award;
3. Market prices for comparable goods or services for the geographic area;
4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government;
5. Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

While the relevant federal administrative rule does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, “necessary” is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it. For example, the District may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, consideration may be given to:

1. Whether the cost is needed for the proper and efficient performance of the grant program;
2. Whether the cost is identified in the approved budget or application;
3. Whether there is an educational benefit associated with the cost;
4. Whether the cost aligns with identified needs based on results and findings from a needs assessment; and
5. Whether the cost addresses program goals and objectives and is based on program data;

Legal Reference: 2 C.F.R. §§ 200.403 - .405.

Procedure History:

Promulgated on: September 10, 2019

Revised on:

Reviewed on:

Selected Items of Cost

2 CFR Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost). These cost items are listed in the chart below along with the rule where the allowability of the item is discussed. Please do not assume that an item is allowable because it is specifically listed in the regulation, as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including:

1. The express language of the regulation states the item is unallowable;
2. The terms and conditions of the grant deem the item unallowable; or
3. State/local restrictions dictate that the item is unallowable.

The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability shall be familiar with the Part 200 selected items of cost section. The Superintendent and Business Manager shall follow these rules when charging these specific expenditures to a federal grant. When applicable, the Superintendent and/or Business Manager shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules may deem a cost unallowable, and District personnel shall follow those non-federal rules as well.

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427



Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages, and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452

Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be

allowable. Accordingly, District staff shall consult federal, State, and District requirements when spending federal funds.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute and accompanying program regulations, non-regulatory guidance, and grant award notifications.

Procedure History:

Promulgated on: September 10, 2019

Revised on:

Miscellaneous Procurement Standards Management System

Procurement Generally

When making purchases with federal funds, the District will follow its procurement policies and procedures which reflect applicable State and local laws and regulations, provided that the procurement practice also conforms to applicable Federal law and the standards identified in applicable federal regulations. See Policies 7408, 7410, and 7420.

Authorization and Control

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

Micro-Purchase Procedures

Notwithstanding the process for Superintendent-approved purchases outlined in Procedure 7405P, when using federal funds, the Superintendent or designee may purchase supplies or services using simplified acquisition procedures when making aggregate purchases of \$3,000 or less, and when making such purchases shall otherwise comply with all applicable District purchase order procedures.

Simplified Acquisition Procedures

When procuring goods or services, whether with federal or state funds, the District shall comply with all requirements and procedures set forth at District Policies 7408, 7410, and 7420 and applicable Idaho law. For purchases less than the federal Simplified Acquisition Threshold (currently \$150,000), the Board may adopt small purchase procedures which do not otherwise conflict with District Policies 7408, 7410, and 7420 or applicable Idaho law. Absent such Policy, all purchases for amounts less than the simplified Acquisition Threshold, shall comply with the requirements and procedures set forth at District Policies 7408, 7410, and 7420 and applicable Idaho law.

Cooperative Purchasing

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

## Personnel Conflicts of Interest

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

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

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

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

## Violations

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

Cross Reference:	7218	Federal Grant Financial Management System
	7235	Fiscal Accountability and IDEA Part B Funds
	7237	Retention of Records Relating to Federal Grants
	7320	Allowable Uses for Grant Funds
	7320P1	Determining Necessity and Reasonableness of Expenses
	7400P	Procurement Under a Federal Award
	7405P	Procuring Public Works, Services and Personal Property
	7407	Public Procurement of Goods and Services
	7408	Entering into Professional Service Contracts with Design Professionals, Construction Managers, and Professional Land Surveyors--The Request for Qualifications Procedure
	7410	Petty Cash Funds
	7420	Personal Reimbursements

Legal Reference:	I.C. § 18-1351	Bribery and Corrupt Practices – Definitions
	I.C. § 33-316	Cooperative Contracts to Employ Specialized Personnel and/or Purchase Materials
	2 C.F.R. § 200.67	Micro-purchase

2 C.F.R. § 200.88	Simplified Acquisition Threshold
2 C.F.R. § 200.317	Procurement by States
2 C.F.R. § 200.318	General Procurement Standards
2 C.F.R. § 200.320	Methods of Procurement to be Followed

Policy History:

Adopted on: October 8, 2012

Revised on: May 22, 2014

Revised on: November 10, 2015

Revised on: October 10, 2016

Revised on: April 9, 2018

Revised on: August 20, 2018

Revised on: September 10, 2019

Federal Award Requirements

In addition to its other policies and procedures regarding procurement, the District shall adhere to the following requirements for Federal awards:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The District will identify all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
2. Prohibit the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.
3. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another position reviews the evaluation.
4. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
5. Avoid acquiring unnecessary or duplicative items;
6. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
7. Maintain a list of prequalified persons, firms, or products which are used in acquiring goods and services, and include enough qualified sources to ensure maximum open and free competition.
8. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

9. Maintain records sufficient to detail the history of procurement. These records will include:
  - A. Rationale for the method of procurement;
  - B. Selection of contract type;
  - C. Contractor selection or rejection; and
  - D. The basis for the contract price.
10. The use of a time and materials type contract is prohibited unless the District determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a District is the sum of:
  - A. The actual cost of materials; and
  - B. The direct labor hours charged at hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The District will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
11. The District will adhere to any additional procurement rules as applicable to specific federal programs, such as federal child nutrition programs.

Legal Reference: 2 C.F.R. §§ 200.300 *et seq.* Subpart D – Post Federal Award Requirements.

Procedure History:

Promulgated on: September 14, 2015

Revised on: October 10, 2016

Revised on: September 10, 2019



Procurement Methods Under a Federal Award

This procedure shall apply to purchases with federal funds not solicited through a sealed bid process.

Competitive Proposals

The technique of competitive proposals is normally conducted when more than one source submits an offer, and either a fixed price or cost-reimbursement type contract is to be awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
2. Proposals must be solicited from an adequate number of qualified sources; and
3. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. This method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

Contract/Price Analysis

The District performs a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District Superintendent must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

When performing a cost analysis, the District Superintendent negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's

investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

### Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District; or
4. After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

### Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R §200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants who are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

Legal Reference: 2 C.F.R.§§ 200.317 - .319; .323

### Procedure History:

Promulgated on: September 10, 2019

Revised on:

Reviewed on:

Requirements and Restrictions for Procurement Under a Federal Award - Competition

The following shall be required in the case of procurement under a federal grant to ensure adequate competition.

Geographical Preferences Prohibited

The District shall conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Prequalified Lists

The District shall ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District shall not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The District shall ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

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

Legal Reference:      2 C.F.R. 200.319      Competition.

Procedure History:

Promulgated on: September 10, 2019

Revised on:

Reviewed on:

General Procurement Standards for Federal Awards

Contractor Oversight

The District shall maintain oversight to ensure that its contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Conflict of Interest

The following standards of conduct define conflicts of interest and governing the performance of employees engaged in the selection, award, and administration of contracts:

1. No District employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest is present when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm or person considered for a contract.
2. District officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or service or item exceeding \$50 in value from any contractors or subcontractor. Any District employee, who solicits any gift, or who accepts an unsolicited gift with a value exceeding \$50, shall be subject to disciplinary action up to and including termination. Any District officer or agent shall be immediately terminated or separated from District service.

Efficient Purchases

The District shall use all resources and assets effectively and efficiently. Accordingly, prior to any purchase request, the requestor shall evaluate the need for the item, and shall ensure that the acquisition of unnecessary or duplicative items is avoided. In addition to the previous requirements, whenever feasible, consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Finally, where appropriate, an analysis will be made of lease versus purchase alternatives, and any similar analysis of alternatives to determine the most economical approach.

1. To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the District shall endeavor to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

2. The District shall endeavor to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
3. The District shall endeavor to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
4. The District shall award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
5. The District shall maintain records sufficient to detail the history of procurement. These records shall include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.
6. The District may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to the District is the sum of:
  - A. The actual cost of materials; and
  - B. Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

This formula generates an open-ended contract price, a time-and materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract shall set a ceiling price that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

7. The District alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law shall be referred to the local, state, or Federal authority having proper jurisdiction.

Legal Reference: 2 C.F.R. § 200.318 General Procurement Standards

Procedure History:

Promulgated on: September 10, 2019

Revised on:

## Wallace School District No. 393

### FINANCIAL MANAGEMENT

7405

#### Public Works Contracting and Procurement

No contract involving a public works project shall be let to any contractor who is not licensed as required by the laws of this State. Further, the District shall at all times adhere to the bidding requirements for public works contracting and procurement as set out in State law.

#### **Public Works Contractor Licensure Requirements**

\$0 to \$50,000	No licensure requirement	IC 54-1903(9)
\$50,000 and above	Licensure required	IC 54-1903(9)

#### **Exemptions from Public Works Contractor Licensure**

Less than \$50,000 for construction, alteration, improvement, or repair.	Single project with any number of trades	IC 54-1903(9)
Any construction, alteration, or repair due to an emergency.	Pursuant to the provision of, Chapter 10, Title 46 Idaho Code	IC 54-1903(11)

#### **Public Works Construction Bidding**

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$200,000	Semi-formal bidding: Issue written requests for bids describing the work to at least 3 licensed contractors. Allow 3 days for written response; objections 1 day prior to bid. Keep records for 6 months. <u>Accept low bid, or reject all bids.</u>	IC 67-2805(1)
\$200,000 and above	Formal bidding <b>Option A:</b>  <b>Category A</b> – Open to all licensed contractors. Publication requirements. Written objections allowed. May request bid security/bond. <u>Accept low bid, or reject all bids.</u> See code for details. (IC 67-2805(2)(a).)	IC 67-2805(2)

Legal Reference:	I.C. § 33-601	Real and Personal Property – Acquisition, Use or Disposal of Same
	I.C. § 54-1903	Unlawful to Engage in Public Works Contracting Without License - Exemptions
	I.C. § 67-2801 et seq.	Purchasing by Political Subdivisions
	I.C. § 74-401 et seq.	Ethics in Government

Other Reference: Policies and Procedures Used Template, Idaho State Department of Education,  
<http://www.sde.idaho.gov/sped/funding/>

#### Policy History:

Adopted on: October 8, 2012

Revised on: April 9, 2018

Revised on: September 10, 2019

Procuring Public Works, Services, and Personal Property

District Procurement Policy

Efficient and cost-effective procurement of goods, services, and public works construction is an important aspect of District operations. The District shall endeavor to buy goods, services, and public works construction through a publicly accountable process that respects the shared goals of economy and quality. The District shall, to the extent reasonably available, endeavor to purchase goods and services from vendors with a significant Idaho economic presence.

Authorization and Control - Generally

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

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to State purchasing and federal procurement requirements. Prior Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$10,000, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the health and safety of the staff or students. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with State and federal procurement requirements. Staff members shall not obligate the District without express authority of the Board or authorized designee. Staff members who obligate the District without proper authorization may be held personally responsible for payment of such obligations, and may also be subject to discipline, up to and including termination.

All other procurement and purchases shall be made in accordance with the State and federal laws and administrative rules and with District policies and procedures.

Procuring Public Works Construction

**Public Works Procurement, Projects Between \$50,000 and \$200,000:** When the Board contemplates procurement of public works construction valued at or in excess of \$50,000, but in an amount less than \$200,000, the following procedures shall be followed.

1. The Board or its designee shall prepare a solicitation for bids for the contemplated public works construction, and shall deliver it in writing to no fewer than three owner-designated licensed public works contractors. Delivery may be accomplished either by electronic or physical delivery. The solicitation shall describe the construction work to be

completed in sufficient detail to allow an experienced public works contractor to understand the construction project the District seeks to build.

2. In the event that it is impractical or impossible to obtain three bids for the proposed public works procurement, the District may proceed to acquire the work in any manner the Board or its designee deems best from a qualified public works contractor quoting the lowest price. When fewer than three bids are considered, a description of the District's efforts undertaken to procure at least three bids shall be documented and placed in the records of the Board, and such documentation shall be maintained for at least six months following the date of the final procurement decision.
3. The solicitation for bids shall describe the electronic or physical delivery method or methods authorized to submit a bid, the date and time by which a bid proposal must be received by the clerk, secretary, or other authorized District official, and shall provide a reasonable time to respond to the solicitation, provided that, except in the event of an emergency, such time shall not be less than three business days.
4. The solicitation shall explain that if a potential bidder has an objection to the specifications described in the solicitation, it must submit a written objection to the District. The objection must be received by the District's clerk, secretary, or other authorized person no later than one business day before the date and time of the bidders' deadline to submit bids.
5. When written bids have been received by the District, by either physical or electronic delivery, they shall be submitted to the Board or its designee, who shall present the lowest responsive bid to the Board for approval or, if the Board's designee is so authorized, approve the bid. The Board or the Board's designee is required to either approve the responsive bid proposing the lowest procurement price, or reject all bids and publish notice for bids, as before.
6. In the event two or more price quotations offered by different licensed public works contractors are the same and represent the lowest responsive bid, the Board or its authorized designee may, in the exercise of its discretion to promote the best interests of the District, accept the one it chooses.

**Public Works Procurement, Projects greater than \$200,000:** When the Board contemplates procuring public works construction valued in excess of \$200,000, the following procedures shall apply. The purchase of construction services shall be made pursuant to a competitive sealed bid process. The purchase shall be made from the qualified public works contractor submitting the lowest bid price complying with bidding procedures and meeting the pre-qualifications, if any are required, established by the bid documents. Competitive bidding procedures shall be open to all any licensed public works contractor desiring to bid upon a public works project. For all Category A bids, the Board may consider only the amount bid, the bidder's compliance with administrative requirements of the bidding process, and whether the bidder holds the requisite license. When considering bids meeting these requirements, the Board shall award the bid to the qualified bidder submitting the lowest responsive bid.



1. The District's request for bids for a Category A procurement shall set a date and place for the public opening of bids. The District shall publish two notices soliciting bids in the District's official newspaper. The first notice shall be published at least two weeks before the date for opening bids, with the second notice to be published in the succeeding week at least seven days before the date that bids are scheduled to be opened. The notice shall succinctly describe the project to be constructed. Copies of specifications, bid forms, bidder's instructions, contract documents, and general and special instructions shall be created by the Board or its designee and shall be made available upon request by any interested bidder which also submits payment of a reasonable plan copy fee.
2. The solicitation shall explain that in the event a bidder has an objection to project specifications or bidding procedures, it must submit a written objection in writing which must be received by the Board or its designee at least three business days before the date and time the bids are scheduled to be opened. The Board or its designee shall respond to all objections in writing and shall provide written copies of the objection and the response to the objecting bidder, and deliver copies to all other bidders known to the District at that time. The Board or its designee may adjust the bidding timeframes if necessary.
3. All bids shall be delivered under sealed cover to the clerk of the Board or other designee identified in the bid solicitation documents provided to bidders by the District. On the cover of the sealed bid, the bidder must include a concise statement generally identifying the project for which the bid is submitted.
4. In the event the Board deems it to be in the best interest of the District to require bidders to provide bid security, it may do so in an amount equal to at least five percent of the amount bid. If the Board requires bid security, no bid may be considered unless it includes adequate bid security in one of the following forms designated by the Board:
  - A. Cash;
  - B. A cashier's check made payable to the District;
  - C. A certified check made payable to the District; or
  - D. A bidder's bond executed by a qualified surety company, made payable to the District.
5. Once submitted to the District, no bid may be withdrawn after the passing of date and time set in the notice for opening of the bids. When sealed bids have been received, they shall be opened in public at a designated place and time, thereafter to be compiled and submitted to the Board for award to the lowest responsive bidder, or, if a designee had been authorized to select the lowest bid, for approval of the award.
6. In the event the successful bidder fails to execute the contract, at the sole discretion of the Board, the bidder's security may be forfeited to the District and the proceeds shall be deposited in a designated fund from which the expenses of procuring substitute performance are paid.

7. In the event the successful bidder refuses or fails to execute the contract, the District may award the contract to the qualified bidder which had submitted the next lowest responsive bid. If the Board awards the contract to the next lowest qualified bidder, the District may apply the lowest qualified bidder's security to the difference between the lowest responsive bid and the next lowest responsive bid. The surplus, if any, shall be returned to the lowest bidder if cash or check is used, or to the surety on the bidder's bond if a bond is used. The District may retain reasonable administrative costs not to exceed 25% of the amount of the bidder's security.
8. In its discretion, the Board may reject all bids presented and decide to re-bid the project. Alternatively, the Board may, after finding it to be a fact, pass a resolution declaring that the project sought to be accomplished by the expenditure can be performed more economically by purchasing goods and services on the open market because the project is not a public works project.
9. If the Board chooses to award a competitively bid contract involving the procurement of public works construction to a bidder other than the apparent low bidder, the Board shall, in open session at a duly noticed Board meeting, declare its reason or reasons on the record and shall communicate such reason or reasons in writing to all bidders that submitted a competing bid.
10. In the event a participating bidder objects to the award of the project to a bidder other than the lowest responsive bidder, such bidder shall, within seven calendar days of the date of the Board's award notice, deliver to the Board clerk or designee its written objection to the Board's award, setting forth the express reason or reasons that the Board's award decision is in error. Upon receipt of such objection, the Board shall immediately stay performance of the project until after the Board addresses the contentions raised by the objecting bidder(s). To address the objection(s), the Board shall review its decision and determine whether to affirm its prior award, to modify the award, or to re-bid the project, setting forth its reason or reasons therefor. The Board's review cannot be delegated. After completion of the review process, the Board may proceed as it deems to be in the public's best interest.
11. If two or more identical bids are received, the Board may select the bidder it prefers.
12. If no bids are received, the Board may complete the project by selecting a licensed public works contractor without further competitive bidding procedures.

#### Procuring Services or Personal Property, Purchases between \$50,000 and \$100,000

When the Board contemplates an expenditure to purchase or lease personal property or to procure services, other than personal property or services excluded pursuant to section Idaho Code § 67-2803, valued at or in excess of \$50,000 but not to exceed \$100,000, the procurement procedures of this policy shall apply.

1. The Board or its designee shall solicit bids from no fewer than three vendors by written means, either by electronic or physical delivery. The solicitation shall describe the personal property or services to be purchased or leased in sufficient detail to allow a vendor dealing in such goods or services to understand what the District seeks to procure.
2. The solicitation for bids shall describe the electronic or physical delivery method or methods authorized to submit a bid, the date and time by which a bid proposal must be received by the Board or its designee, and shall provide a reasonable time to respond to the solicitation, provided that, except in the event of an emergency, such time shall not be less than three business days.
3. The solicitation shall explain that a vendor's objections to specifications or bid procedures must be in writing and received by the Board or its designee at least one business day before the date and time upon which bids are scheduled to be received.
4. All timely written bids received by the District, whether submitted electronically or by physical delivery, shall be compiled and submitted to the Board or its designee who shall approve the responsive bid proposing the lowest procurement price, or shall reject all bids and publish notice for bids, as before.
5. In the event the Board determines that it is impractical or impossible to obtain three bids for the proposed procurement, the Board may acquire the property or services in the manner the Board deems to be in the District's best interest from a qualified vendor quoting the lowest price. When fewer than three bids are considered, a description of the Board's efforts to procure at least three bids shall be documented in the Board's official records and such documentation shall be maintained for at least six months following the date of the procurement. In the event two or more bids are the same and the lowest responsive bids, the Board or its designee may exercise its discretion and select the bid it deems to be in the District's best interest.

#### Procuring Services or Personal Property, Purchases greater than \$100,000

When the Board contemplates a purchase or lease of personal property or the hiring of services, other than personal property or services excluded pursuant to Idaho Code § 67-2803, valued in excess of \$100,000, the following procurement procedures shall apply.

1. The purchase or lease shall be made pursuant to an open competitive sealed bid process with the procurement to be made from the qualified bidder submitting the lowest bid price that complies with bidding procedures and meets the specifications for the goods and/or services sought to be procured.
2. The request for bids shall set a date, time, and place for the opening of bids. Two notices soliciting bids shall be published in the official newspaper of the District. The first notice shall be published at least two weeks before the date for opening bids, with the second notice to be published in the succeeding week at least seven days before the date that bids are scheduled to be opened. The notice shall succinctly describe the personal property and/or services to be procured. Copies of specifications, bid forms, bidder's instructions,

contract documents, as well as general and special instructions shall be made available upon request by any interested bidder.

3. The notice shall explain that written objections to specifications or bidding procedures must be received by the Board or its designee at least three business days before the date and time upon which bids are scheduled to be opened.
4. If the Board deems it to be in the District's best interest, it may require all bidders to provide bid security in an amount equal to at least 5% of the amount bid. If so required, a bid shall not be considered unless one acceptable form of security is enclosed with it, and it is submitted in a form which substantially complies with the form provided by the District. The Board may require that bid security be provided by means of the following:
  - A. Cash;
  - B. A cashier's check made payable to the District;
  - C. A certified check made payable to the District; or
  - D. A bidder's bond executed by a qualified surety company, made payable to the District.
5. No bid received by the District after the time set in the notice for opening of bids may be withdrawn. When sealed bids have been received, they shall be opened in public at a designated place and time. Thereafter the bids are compiled and submitted to the Board for award or, if a designee had been authorized, for approval of the designee's award.
6. In the event the successful bidder fails to execute the contract, the amount of the bidder's security may be forfeited to the District at the sole discretion of the Board. Thereafter the proceeds may be deposited in a designated fund out of which reasonable expenses incurred in procuring substitute performance are paid.
7. The Board may, on the refusal or failure of the successful bidder to execute the contract, award the contract to the next lowest qualified bidder. If the Board awards the contract to the next lowest qualified bidder, the amount of the lowest qualified bidder's security may be applied by the Board to the difference between the lowest responsive bid and the next lowest responsive bid, and the surplus, if any, shall be returned to the lowest bidder if cash or check is used, or to the surety on the bidder's bond if a bond is used. The Board may retain a reasonable administrative cost not to exceed 25% of the amount of the bidder's security.
8. In its discretion, the Board or its designee may reject all bids presented and re-bid or, after finding it to be a fact; the Board may pass a resolution declaring that the subject goods or services can be procured more economically on the open market.
9. If the Board chooses to award the contract for delivery of personal property or services to a bidder other than the apparent low bidder, the Board shall first declare in open session at a duly noticed public meeting its reason or reasons for the award and shall

communicate such reason or reasons in writing to all bidders that responded to the District's solicitation for bids.

10. The solicitation shall explain that if any participating bidder objects to the Board's award to a bidder other than the lowest apparent bidder, such bidder shall, within seven calendar days of the date of transmittal of the notice, object in writing to the award and specifically identify the reason or reasons that the Board's award is in error. Thereafter, the Board shall stay performance of the award until after the Board reviews and addresses the bidder's objections. The Board shall then review its decision and determine whether to affirm its prior award, modify the award, or choose to re-bid and will identify its reason or reasons therefor. The Board shall not delegate this responsibility. After completion of the review process, the Board may proceed as it deems to be in the public's best interest.
11. If two or more bids are the same and the lowest responsive bids, the Board or its designee may accept the one it deems to be in the public's best interest.
12. In its discretion, when the Board purchases goods, it may forgo the above request for bids procedure and may preauthorize the purchase of goods (but not services) at a public auction.

**Requests for Proposals:** The Board may utilize a request for proposal process as set forth below as an alternative to the competitive bidding process required by the Procuring Services or Personal Property policy subsection set forth above, when the Board contemplates a procurement of goods or services for which the Board determines one or more of the following is true:

1. The submission of fixed specifications by the Board may prevent the discovery of a more cost-effective solution;
2. The specific need to be satisfied by the procurement is amenable to more than one solution; or
3. Factors other than price will determine the best option for the District to satisfy or solve the District's specific need.

**Factors to be Considered:** When the Board utilizes the request for proposal process, it may consider the following factors when evaluating the vendor's responses to the request:

1. An innovative solution that is offered;
2. Unique product features;
3. Price;
4. Vendor experience in the market;
5. Financial stability of a vendor;
6. Differences among vendors in their ability to perform contract requirements in a timely or efficient manner;
7. Ability to meet product specifications;
8. Product quality;
9. Product performance records;

10. Past performance by a vendor;
11. Future product maintenance or service requirements; and
12. Product warranties.

#### Requirements of a Request for Proposals

At a minimum, a request for proposals shall:

1. State the instructions of the process;
2. Identify the scope of work for the goods or services contemplated;
3. Identify the selection criteria;
4. Identify the contract terms; and
5. Identify the scoring methodology applying relative weights to factors considered.

Notification, solicitation, and consideration of objections to an award of a procurement contract pursuant to a request for proposal. The notification, solicitation, and consideration of contests concerning the award of a procurement contract pursuant to a request for proposal shall be in accordance with the same procedures and requirements set forth in the policy subsection pertaining to Procuring Services or Personal Property, subject to the selection criteria established by the Board at the outset of each such procurement. After the procurement recommendation is made to the Board under the Request for Proposal process described above, the documents and records compiled in the scoring process shall be made available for public inspection.

#### Procedure History:

Promulgated on: September 10, 2019

Revised on:

Reviewed on:

## Wallace School District No. 393

### FINANCIAL MANAGEMENT

7407

#### Public Procurement of Goods and Services

The District shall at all times adhere to the bidding requirements for the procurement of goods and services as set out in State law.

\$0 to \$50,000	No bidding requirements	IC 67-2803(2)
\$50,000 to \$100,000	Semi-formal bidding: Issue written requests for bids describing goods or services desired to at least three vendors. Allow three days for written response, unless an emergency exists; One day for objections. Keep records for six months. <u>Accept low bid, or reject all bids.</u>	IC 67-2806(1)
\$100,000 and above	Formal bidding: Publish bid notice at least two weeks in advance of bid opening. Make bid specifications available; written objections allowed. May request bid security/bond. Can reject all if able to purchase more economically in the open market.	IC 67-2806(2)

#### **Exemptions to Public Procurement of Goods and Services Bidding**

Personal Property	Already competitive bid (piggy-backing)	IC 67-2803(1)
Less than \$50,000	Contracts or purchases of goods or services	IC 67-2803(2)
Any Amount	Payments of Wages	IC 67-2803(3)
Any Amount	Personal or professional services performed by an independent contractor. (Refer to info on qualifications in I.C. 67-2320)	IC 67-2803(4)
Any Amount	Procurement of an interest in real property – lease or purchase	IC 67-2803(5)
Any Amount	Procurement of insurance	IC 67-2803(6)
Any Amount	Costs of Joint Powers participation	IC 67-2803(7)
Any Amount	Procurement of used personal property	IC 67-2803(8)
Any Amount	Procurement from federal government general services administration (GSA) schedules or federal multiple award schedules (MAS)	IC 67-2803(9)
Any Amount	Procurement of personal property or services through contracts entered into by the division of purchasing of the department of administration of the state of Idaho	IC 67-2803(10)
Any Amount	Procurement of goods for direct resale	IC 67-2803(11)
Any Amount	Procurement of travel and training;	IC 67-2803(12)
Any Amount	Procurement of goods and services from Idaho correctional industries	IC 67-2803(13)

Any Amount	Procurement of repair for heavy equipment	IC 67-2803(14)
Any Amount	Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law	IC 67-2803(15)
Any Amount	Procurement of public utilities	IC 67-2803(16)
Any Amount	Procurement of food for use in jails or detention facilities	IC 67-2803(17)
Any Amount	Procurement of used equipment at an auction if authorized by the governing board	IC 67-2803(18)
Any Amount	Emergency Expenditures	IC 67-2808(1)

Legal Reference: I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History:

Adopted on: October 8, 2012

Revised on: April 9, 2018



Entering into Professional Service Contracts with Design Professionals, Construction Managers, and Professional Land Surveyors—The Request for Qualifications Procedure

Selection of Public Works Professionals to be Based on Qualifications

Notwithstanding any other provision of Idaho law to the contrary, it shall be the policy of the Board that it shall make selections for all professional engineering, architectural, landscape architecture, construction management, and professional land surveying services on the basis of qualifications and demonstrated competence. The Board shall negotiate contracts or agreements for such services on the basis of demonstrated competence and qualifications for the type of services required at fair and reasonable prices.

Procedures to Select Public Works Professionals for Contracts Greater than \$25,000

In carrying out this policy the Board shall use the following guidelines when securing contracts for engineering, architectural, landscape architecture, construction management, and land surveying services on projects for which the professional service fee is anticipated to exceed the total sum of \$25,000. These guidelines do not apply to professional services contracts previously awarded for an associated or phased project for which the expenditure is otherwise exempt from the bidding process provided by law:

1. The Board or its designee will encourage persons or firms engaged in the services being solicited to submit statements of qualifications and performance data.
2. The Board or its designee will establish and make available to the public the criteria and procedures used by the District for the selection of qualified persons or firms to perform such services.
3. The Board shall select the persons or firms it determines to be best qualified to provide the required services, ranked in order of preference, pursuant to the District's established criteria and procedures.
4. The Board or its designee shall then negotiate with the highest ranked person or firm for a contract or agreement to perform such services at a price determined by the Board to be reasonable and fair to the District after considering the estimated value, the scope, the complexity, and the nature of the services provided.
5. In the event the Board or its designee is unable to negotiate a satisfactory contract or agreement with the highest ranked person or firm, it shall formally terminate such negotiations and proceed to undertake negotiations with the next highest ranked person or firm, following the procedure prescribed in Item 4, above.

6. If the Board or its designee is unable to negotiate a satisfactory contract or agreement with any of the selected persons or firms, it shall continue with the selection and negotiation process provided in this policy until a contract or agreement is reached.
7. When the Board solicits requests for qualifications and proposals for engineering, architectural, landscape architecture, construction management or land surveying services for which the professional service fee is anticipated to exceed the total sum of \$25,000, the Board or its designee shall publish public notice in the same manner as required for the bidding of public works construction projects set forth at Policy 7410.
8. In fulfilling the requirements of Items 1 through 7 of this policy, the Board may limit its selection from a list of three persons or firms selected and preapproved for consideration by the public agency or political subdivision. In establishing a preapproved list the Board shall publish notice as set forth in Item 7 of this policy. When selecting from such list, no notice shall be required.
9. In fulfilling the requirements of Items 1 through 7 of this policy, the Board may request information concerning a person's or firm's rates, overhead and multipliers, if any, however such information shall not be used by the Board or its designee for the purpose of ranking in order of preference as described in Paragraph 3 of this policy.

#### Approvals for Phased Projects

When the Board has previously awarded a professional services contract to a person or firm for an associated or phased project, the Board may, at its discretion, negotiate an extended or new professional services contract with the previously selected person or firm.

Cross References:      Procedure 7405P      Procuring Public Works, Services, and Personal Property

Legal References:      I.C. § 67-2320

Other Reference:      Policies and Procedures Used Template, Idaho State Department of Education, <http://www.sde.idaho.gov/sped/funding/>

#### Policy History:

Adopted on: September 10, 2019

Revised on:

Reviewed on:

FINANCIAL MANAGEMENT

7409

Acquisition of Real and Personal Property

Procurement of Public Works, Goods or Services

Except for the purchase of curricular materials as defined at Idaho Code § 33-117A, all contracts for the construction, repair, or improvement of any real property, or the acquisition, purchase or repair of any equipment, or other personal property necessary for the operation of the School District shall be entered into in accordance with the provisions of Procedure 7405P.

Purchase of Real Property

When purchasing real property for District use, the Board may designate and purchase any real property which it finds is necessary for school purposes or for the operation of the District. After making such determination and to accomplish the purchase of the designated real property, the Board will:

1. Not more than one year prior to any purchase of real property, have such property appraised by an appraiser certified in the state of Idaho. This appraisal shall be entered into the records of the Board and shall be used to establish the value of the real property
2. Determine the size of the site necessary for school purposes. The site shall be located within the incorporated limits of any city within the District; However, if the Board finds that it is not in the best interests of the electors and the students of the District to locate the site within the incorporated limits of a city, the Board may designate a site located elsewhere within the District. The Board may do so by duly adopting a resolution setting forth the reasons for its finding. **[If applicable: In elementary school districts, except upon removal for highway purposes, a site may be designated or changed only after approval of 2/3 or more of the electors voting at the annual meeting.]**
3. In purchasing such real property, the Board shall comply with the prohibition against indebtedness set forth at Section 3, Article VIII of the Idaho Constitution:
  - A. By purchasing such real property with cash; or
  - B. By obtaining 2/3 voter approval to incur indebtedness in accordance with Section 3, Article VIII of the Idaho Constitution; or
  - C. Through issuance of voter approved bond financing as set forth at Idaho Code § 33-1103.

Cross References:      Procedure 7405P      Procuring Public Works, Services, and Personal Property

Legal References:      I.C. § 33-601      Real and Personal Property—Acquisition, Use, or Disposal of Same  
I.C. § 33-1103      Definitions—Bonds—Limitation on Amount—Elections to Authorize Issuance

Policy History:

Adopted on: September 10, 2019

Revised on:

Petty Cash Funds

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of \$50, postage, delivery charges, and freight. Individual personal reimbursements which exceed \$50 should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, and the total dollar amount of each petty cash account will be limited to \$200 for secondary schools and \$100 for elementary schools and school offices and departments.

Each administrator of a school or department with a petty cash fund account may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies which are not specifically petty cash monies shall not be co-mingled with the petty cash fund. At the conclusion of each school year, all petty cash funds must be closed out and the petty cash vouchers and cash on hand returned to the business office for processing.

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Personal Reimbursements

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

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

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

Policy History:

Adopted on: October 8, 2012

Revised on:

Travel Allowances and Expenses

Every District employee and Board Member will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. All travel expenses must be reported on the District-approved travel voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Superintendent. The District will adhere to the State Travel Policy, which can be found at <https://goo.gl/eDiSGc>.

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

Types of Travel

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

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

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

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

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

Documentation of Expenses

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

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

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

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

### Travel Costs Under Federal Award

**General:** Travel costs are the expenses for transportation, lodging, subsistence ~~food~~, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, or on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies.

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

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

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

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

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

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

1. Require circuitous routing;
2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or

5. Offer accommodations not reasonably adequate for the traveler's medical needs.

Legal Reference: I.C. § 33-701      Fiscal Year – Payment and Accounting of Funds  
                          2 C.F.R. § 474      Travel Costs

Policy History:

Adopted on: October 8, 2012

Revised on: October 10, 2016

Revised on: September 10, 2019



District Credit Cards

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

All credit cards will be in the name of the School District. Credit cards may only be used for legitimate District business expenditures. The use of credit cards is not intended to circumvent the District's policy on purchasing. Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature, or violate the intent of this policy may result in credit card revocation and discipline of the employee.

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

Credit Card Users

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

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

Credit Card Limits

The District shall establish a credit line for each card issued and an aggregate credit limit for all cards issued to the district.

Return of Credit Card

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

Misuse and/or Unauthorized Use

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

policy, he or she shall be subject to disciplinary action as determined by the Board and shall be reported to local law enforcement.

#### Additional Procedures

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

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

#### Policy History:

Adopted on: October 8, 2012

Revised on: October 8, 2018

**Wallace School District No. 393**

**FINANCIAL MANAGEMENT**

**7440F**

District Credit Card Holder Agreement

By my signature I hereby acknowledge that I have read and understand the Wallace School District's credit card policy. Furthermore, I affirm that I will not use the credit card for personal reasons. I understand that a violation of this agreement may result in disciplinary action up to and including termination, and possible legal action.

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Signature

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Position

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Printed Name

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Date Signed

Federal Cash Management Policy

All responsible District employees shall comply with applicable methods and procedures for payment that minimize the time elapsing between the District's receipt of federal funds and their disbursement by the District, as required by and in accordance with the Cash Management Improvement Act of 1990. Generally, the District receives payment of federal funds from the State Department of Education on a reimbursement basis.

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

Payment Methods

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

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

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

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

Reimbursements of actual expenditures do not require interest calculations.

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

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

Interest shall be calculated quarterly. Total federal grant cash balances shall be calculated on cash balances per grant and applying the District’s actual interest rate. Within 30 days of the end of the quarter, the District shall remit interest earned. The District may retain up to \$500 of interest earned per year.

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

Legal Reference:	2 CFR § 200.305	Payment
	31 CFR § 205	Rules and Procedures for Efficient Federal-State Funds Transfers
	31 U.S.C. § 6503	Intergovernmental financing (Cash Management Improvement Act of 1990)

Policy History:

Adopted on: October 10, 2016

Revised on: September 10, 2019

## Wallace School District No. 393

### FINANCIAL MANAGEMENT

7450P1

#### Timely Obligation of Funds

#### When Obligations are Made

Obligations are orders placed for property and services, contracts, and subawards made, and similar transactions during a given period that require payment by the District during the same or a future period.

Funds received under a federal grant shall be considered to be obligated according to the standards provided in 34 C.F.R. § 75.707 or 34 C.F.R. § 76.707, as applicable. The following table illustrates when funds are determined to be obligated under federal regulations:

<b>If the obligation is for:</b>	<b>The obligation is made:</b>
Acquisition of property	On the date on which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E- Cost Principles.	On the first day of the project period.

#### Period of Performance of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the Grant Adjustment Notice (GAN). Further, certain grants have specific requirements for carryover funds that must be adhered to.

**State-Administered Grants:** As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the “Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

**Direct Grants:** In general, the period of availability for funds authorized under direct grants is identified in the GAN.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

#### Carryover

**State-Administered Grants:** As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to “carry over” any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

Any carryover in individual federal programs is determined in an annual audit performed each year according to GAAP and State statutes. After carryover amounts are determined, they are reported and administered according to specific federal award requirements as outlined in the individual program applications.

#### Procedure History:

Promulgated on: September 10, 2019

Revised on:

Program Income

Definition

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant's period of performance.

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principle and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income.

Use of Program Income

The default method for the use of program income for the District is the deduction method. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through entity. The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award.

While the deduction method is the default method, the District shall always refer to the GAN prior to determining the appropriate use of program income.

It is the policy of the District that no program income will be generated in federal programs. If program income is generated, the Business Manager will account for it in accordance with the District's normal accounting procedures, utilizing the special revenue accounting codes of IFARMS, and track as program income attributable to a specific federal program.

Procedure History:

Promulgated on: September 10, 2019

Revised on:



Federal Debarment and Suspension

For all District programs receiving federal funds, the District shall comply with all applicable Federal regulations that restrict or prohibit transactions using Federal funds with all persons or entities that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

This limitation is directed by Executive Order 12549 which provides that “a person who is debarred or suspended shall be excluded from Federal financial and nonfinancial assistance and benefits under Federal programs and activities.” Thus, the District shall refrain from entering into any transaction with a person or entity which has been suspended or debarred by the U.S. Department of Education, or other federal agency from which the District has received federal funds.

Covered Federal Non-Procurement Transactions

Federal funds received by the District that are covered by this policy include, but are not necessarily limited to funds received from the following transactions:

1. Grants;
2. Cooperative agreements;
3. Scholarships;
4. Fellowships;
5. Contracts of assistance;
6. Loans;
7. Loan guarantees;
8. Subsidies;
9. Insurances;
10. Payments for specified uses; and
11. Donation agreements.

District’s Covered Transactions with Third Parties

This Policy applies to circumstances where the District enters into a procurement contract with a third party for goods and/or services, and intends to use covered federal funds to partially or fully purchase such goods and/or services, as more specifically described below:

A contract for goods or services is a “covered transaction” if any of the following applies:

1. The contract is awarded to the District pursuant to a nonprocurement transaction listed above and the amount of the contract is expected to equal or exceed \$25,000; or

2. The contract requires the consent of an official of a federal agency. In that case, the contract, regardless of the amount, is always considered a covered transaction, and it does not matter who awarded it. For example, it could be a subcontract awarded by a contractor at a tier below the District's nonprocurement transaction; or
3. The contract is for Federally-required audit services.

In addition, a subcontract is also a covered transaction if:

1. It is awarded by a participant in a procurement transaction under a nonprocurement transaction of a Federal agency that extends the coverage of Item 1 above, under "District's Covered Transactions with Third Parties"; and
2. The value of the subcontract is expected to equal or exceed \$25,000.

#### District Responsibilities before Entering Into Covered Transactions - Prohibition

Prior to entering into a "covered transaction" with a third party, the District shall verify the person or entity with whom it intends to do business is not excluded or disqualified by performing any one of the following:

1. Checking the Excluded Parties List System (EPLS);\*
2. Collecting a certification from that person; or
3. Adding a clause or condition to the covered transaction with that person.

*\* The General Services Administration maintains the EPLS and makes it available to requesting parties. When a Federal agency takes an action to exclude a person under the nonprocurement or procurement debarment and suspension system, the agency enters the information about the excluded person into the EPLS. The EPLS may be accessed online at: <http://epls.arnet.gov> or <http://www.epls.gov>. If the District has a question about any person or entity on the EPLS, it should contact the point of contact for the federal agency that placed the person's name into the EPLS. The agency's point of contact is identified in the EPLS.*

In the event the third party is on the EPLS, the District shall not enter into the contemplated transaction unless and until the federal agency responsible for providing the District with the Federal funds grants a written exception.

Legal Reference: 2 CFR § 200.213	Suspension and debarment
2 CFR § 180	Guidelines to Agencies on Government-Wide Debarment and Suspension (Nonprocurement)
31 U.S.C. § 6503	Intergovernmental financing (Cash Management Improvement Act of 1990)

#### Policy History:

Adopted on: February 17, 2020

Revised on:

Reviewed on:

New Fees or Increase of Fees

The Superintendent or designee shall review annually fees assessed to determine if an increase, decrease, new fee, or other change is necessary. The Superintendent or designee shall report the fee findings to the Board at least annually.

In the event a fee increase of four percent or less from the prior fee amount is necessary, the Board can review and vote on such a fee increase. However, in the event a fee increase of five percent or more from the prior fee amount is necessary, the Board shall hold a hearing upon such proposed fee increase at a regular or special meeting of the Board.

The Board shall provide notice of the meeting according to Idaho Code § 63-1311A. Meeting notice shall include the reason for the meeting, (i.e. the Board is considering a fee increase that is in excess of five percent of the amount of fees last collected prior to such decision). If the Board is considering assessing a new fee, the meeting notice shall indicate such.

Cross Reference:     3440   Student Fees, Fines & Charges  
                             7300   Revenues

Legal reference:    I.C. § 33-603     Payment of Fees or Returning of Property  
                             I.C. § 60-106     Qualifications of Newspapers Printing Legal Notices  
                             I.C. § 63-1311A   Advertisement of and Hearing on Fee Increases

Policy History:

Adopted on: October 8, 2012

Revised on:

Declaration of Financial Emergency

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

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

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

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

Policy History:

Adopted on: March 11, 2013

Revised on:

Declaration of Financial Emergency Resolution

**DECLARATION OF FINANCIAL EMERGENCY**

**WHEREAS**, the Board of Trustees of the Wallace School District No. 393 met on \_\_\_\_\_ (*insert date*) to review the financial state of the District;

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

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

**WHEREAS**, pursuant to paragraph (d) of subsection 33-522(2), Idaho Code, the Board of Trustees has determined that the amount of property tax revenue to be collected by the District that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year, and the amount of said reduction represents more than 1½ percent of the District's general fund budget for combined State and local revenues from the prior fiscal year;

**WHEREAS**, pursuant to paragraph (e) of subsection 33-522(2), Idaho Code, the Board of Trustees has determined that the District's general fund has decreased by at least 1½ percent from the previous year's level due to a decrease in funding or natural disaster, but not as a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, or a change in the emergency levy; and

**WHEREAS**, the State Department of Education has certified that the conditions set forth in paragraph (f) of section 33-522(2), Idaho Code, have been met in that the District's unrestricted general fund balance, which excludes funds restricted by State or federal law and considering both anticipated expenditures and revenue, is less than 5½ percent of the District's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared;

**NOW, THEREFORE BE IT RESOLVED**, on \_\_\_\_\_ (*insert date*) that the Board of Trustees of the Wallace School District No. 393 declares a financial emergency pursuant to Idaho Code Section 33-522 for the Fiscal Year \_\_\_\_\_ (*insert year*).

Declaration of Financial Emergency Procedure

Financial Emergency Declaration Requirements

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

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

Negotiations

Upon the declaration of financial emergency, the Board shall have the power to reopen the salary and benefits compensation aspects of the negotiated agreement, including the length of the

certificated employee contracts and the amount of compensation and benefits. And, if the parties to the negotiated agreement mutually agree, the Board shall also have the power to reopen the other matters contained within the negotiated agreement directly affecting the financial circumstance in the District.

The Board and the local education association will meet and confer in good faith for the purpose of reaching agreement on such issues. If an agreement has not been reached, the Board may impose its last, best offer following the outcome of the due process hearing.

### Due Process Hearing

If the Board takes action after the declaration of a financial emergency and such action is directed at more than one certificated employee and if mutually agreed to by both parties, the Board shall use the following procedure to conduct a single, joint due process hearing for all affected certificated employees within 67 days of the declaration of financial emergency or on or before June 22, whichever shall occur first. The due process hearing shall not be required if the Board and the local education association reach an agreement.

1. The Superintendent or any other duly authorized administrative officer of the District may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the Board written notice specifying the purported reasons for such changes.
2. Upon receipt of such notice, the Board acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the Board prior to any determination by the Board.
3. The hearing shall be scheduled to take place not less than six days nor more than 14 days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
4. The hearing shall be open to the public.
5. All testimony at the hearing shall be given under oath or affirmation. Any member of the Board, or the clerk of the Board, may administer oaths to witnesses or affirmations by witnesses.
6. The employees may be represented by legal counsel and/or by a representative of a local or State education association.
7. The Chair of the Board, or the designee of the Chair, shall conduct the hearing.
8. The Board shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or stenotype notes of all the testimony at the

hearing. A transcript of the hearing shall be provided at cost by the Board upon request of the employee.

9. At the hearing the Superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
10. The employees may produce evidence to refute the reduction. Any witness presented by the Superintendent or by the employees shall be subject to cross-examination. The Board may also examine witnesses and be represented by counsel.
11. The affected employees may file written briefs and arguments with the Board within three days after the close of the hearing or such other time as may be agreed upon by the affected employees and the Board.
12. Within seven days following the close of the hearing, the Board shall determine and, acting through its duly authorized administrative official, shall notify the employees in writing whether the evidence presented at the hearing established the need for the action taken.

#### Length of Financial Emergency

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

#### Annual Meeting and Notice Requirements

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

#### Contract Date Impact

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

#### Procedure History:

Promulgated on: March 11, 2013

Revised on: March 10, 2014

Revised on: July 14, 2014



Bond Account

Creation, Purpose, and Maintenance of Bond Account

Payment of principal and interest due on bonds shall be made by the District from an account (the “bond account”) established under the resolution(s) authorizing bonds (“bond resolution(s)”). As required by the bond resolution, the bond account shall be maintained separate and apart from any other accounts of the District. A separate subaccount under the bond account shall be established for each series of bonds. All bond tax receipts and bond levy subsidy payments, hereinafter defined, shall be credited to the bond account separate and apart from the funds for the payment of principal or interest on any other series of bonds, and separate and apart from any non-bond levy revenues of the District, as hereinafter defined.

The bond account shall be monitored by the District’s Business Manager. Unless otherwise provided by District resolutions, agreements entered into in connection with the issuance of bonds, or any tax certificate with respect thereto, the Business Manager shall maintain records and shall prepare regular, periodic statements regarding the investments, deposits, and disbursements involving funds held in the bond account.

Definitions

“Bond Guaranty Programs” mean collectively the programs of the State of Idaho pursuant to the Idaho School Bond Guaranty Act, Title 33, Chapter 53, Idaho Code, and the School District Bond Credit Enhancement Program under Title 57, Chapter 7, Idaho Code.

“Bond Levy Subsidy Payments” mean subsidy payments received by the District from the State of Idaho bond levy equalization fund under Sections 33-906, 33-906A, and 33-906B, Idaho Code or any successor provision.

“Bond Tax Receipts” mean funds derived from the District’s general obligation bond levy under the applicable Bond Resolution, levied, assessed, certified, extended, and collected by the District or on behalf of the District by the county or counties annually at the time when and in the manner in which other general taxes of the District are levied, upon all the taxable property within the limits of the District, in addition to all other authorized taxes and assessments in the amount specified by Sections 33-802 and 33-802A, Idaho Code.

“Investment Securities” means such investments as shall be legal investments for such funds under Idaho law as then in effect.

“Non-Bond Levy Revenues” mean revenues, including but not limited to, property tax revenues and operating levy property tax revenues, State funds in replacement of property tax revenues,

sales tax revenue sharing funds, or other funds collected on the District's behalf by the Counties and then disbursed to the District.

#### Deposit of Funds into Bond Account; Payment of Bonds

There shall be deposited into the applicable subaccount under the bond account no later than five days of receipt:

1. Bond tax receipts;
2. Bond levy subsidy payments; and
3. Such other funds as the District shall designate as irrevocably available to pay principal and interest on the applicable bonds.

These deposits shall be in amounts sufficient to meet the payments of principal and interest on bonds as the same mature, as provided in the applicable bond resolution. Non-bond levy revenues shall not be deposited into the bond account.

The District shall pay debt service on bonds from funds held in the bond account pursuant to the provisions of the applicable bond resolution, but nothing herein contained shall be construed to prevent the District from paying the interest on or the principal of bonds from any other funds in its hands and available for that purpose.

#### Investment of Funds in Bond Account

Moneys held in the bond account and subaccounts thereunder shall be invested and reinvested by the District to the fullest extent practicable in investment securities which mature not later than such times as shall be necessary to provide moneys when needed for payment of debt service on bonds. All investment earnings shall be retained in the bond account.

For purposes of investment of funds in the bond account, the District may consider earnings on funds held in the bond account which are not expected to be used to pay principal and interest on bonds to be held for the purpose of paying principal and interest on other bonds issued or to be issued by the District or to be used for any lawful purpose of the District.

#### State Guaranty Programs

In the event bonds are guaranteed by the Bond Guaranty Programs, and pursuant to the applicable bond resolution, the District shall transfer moneys from the bond account to the paying agent sufficient for the scheduled debt service payment on the bonds at least 15 days before each principal or interest payment date for the bonds, pursuant to the provisions of the applicable bond resolution.

#### Use of Funds in Bond Account

The District shall use the funds held in the bond account for the timely payment of principal (including any redemption premium) and interest on the District's bonds, and related expenses, and for no other purposes. Upon payment in full of the bonds, remaining funds in the bond

account may be applied by the District in the manner provided by law.

Legal Reference:	Title 33 Chapter 53	Idaho School Bond Guaranty Act
	I.C. § 33-802 et. seq.	Budget and Tax Levy
	I.C. § 33-906 et. seq.	School Funds
	I.C. § 57-728	Credit Enhancement Program for School District Bonds

Policy History:

Adopted on: February 13, 2017

Revised on:

Bond Continuing Disclosure and Certification Requirements

Designation of Administrator

The District hereby designates the Business Manager (the “Administrator”) to have the primary responsibility to ensure compliance with the applicable securities laws and rules relating to issued bonds. The Administrator shall review these procedures annually. The Administrator will consult with Bond Counsel and/or the District's legal counsel and advisors, as necessary, to ensure that the District complies with the Bond Disclosure Agreement. This will include, without limitation, consultation in connection with any potential changes in ratings of the bonds or changes in finances or operations of the District.

The Administrator will actively participate in the preparation of all primary disclosure materials. The Administrator will review and prepare all post-issuance disclosure materials, including, without limitation, the materials for the District’s financial statements and the information described in the Required Annual Filings, and events required to be disclosed under the rule known as the Material Event Filings, and any other voluntary or required disclosure to the market.

The Administrator will review all primary and post-issuance disclosure materials and consult with all officers, employees, directors, agents, and officials of the District as necessary to ensure that such materials do not contain materially false information or omit material information that investors would want to know in making an informed investment decision about the bonds.

The Administrator will also obtain appropriate training in the issuance of municipal bonds, securities law disclosure, proficiency in the use of Electronic Municipal Market Access (EMMA), and update such training on an annual basis or as new developments arise.

Duties of the Administrator

Upon the issuance of any bonds, or annually in the absence of such issuance, the Administrator shall update Required Annual Filings to reflect the requirements of the Disclosure Agreements of the District and the requirements thereof.

Within the time specified under each Disclosure Agreement, the Administrator will submit, or cause to be submitted through a disclosure agent if one has been appointed, the District’s Required Annual Filing to the Municipal Securities Rulemaking Board (MSRB) via EMMA.

Not more than five days after the submission of the Required Annual Filing to the MSRB, the Administrator shall provide to the Superintendent and the Board of Trustees written confirmation that the Annual Required Filing has been submitted and filed properly with the MSRB through

EMMA. The Administrator shall independently verify by access to EMMA that the Required Annual Filing has been filed and properly appears on EMMA.

In the event that the Required Annual Filing is not completed in time to submit the Required Annual Filing to the MRSB through EMMA within the time specified, the Administrator will file a notice of occurrence of such event in accordance with the policy and procedures set forth below under “Reporting of Events,” and in accordance with the Rule, and submit the Required Annual Filing as soon as it is available.

### Reporting of Events

The Administrator will make, or cause to be made through a disclosure agent if one has been appointed, all required Material Event Filings via EMMA consistent with the requirements of the Rule.

The occurrence of certain events, including payment defaults, requires a Material Event Filing without the need for a materiality determination (*i.e.* they are deemed material under the rule). These include:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security. **[Note: A routine IRS audit is reportable because it could lead to an adverse tax opinion.]**
6. Defeasances;
7. Rating changes;
8. Bankruptcy, insolvency, receivership, or similar event of the obligated person;
9. Other events, such as non-payment related defaults, must be analyzed to determine if the event is material and if so, a Material Event Filing is required. The Administrator will consult with Bond Counsel regarding any questions as to whether an event has occurred and what filings are required. These include:
  - A. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated

person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

- B. Nonpayment-related defaults, if material.
- C. Modifications to rights of security holders, if material.
- D. Bond calls, if material, and tender offers.
- E. Release, substitution or sale of property securing repayment of the securities, if material.
- F. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Administrator shall establish appropriate procedures within the District such that officers and employees of the District who have access to material information of the kind that would be required to be disclosed under a Material Event Filing are aware of the requirements of the Disclosure Agreement, and that such officers and employees will report such events to the Administrator in a timely manner. As soon as the Administrator learns of the occurrence of an event that is either deemed material or that knowledge of such an event would be material under applicable securities law, the Administrator will prepare and file, or cause to be filed, in a timely manner not in excess of ten business days of the occurrence, a Material Event Filing via EMMA. Not more than five days after the submission of a Material Event Filing to the MRSB, the Administrator shall independently verify by access to EMMA that the Material Event Filing has been filed and properly appears on EMMA.

Nothing in a Disclosure Agreement prevents the District from making a voluntary filing with the MSRB of other material information in addition to the events that give rise to a Material Event Filing under the rule and the Disclosure Agreement.

#### Failure to File

In the event the Administrator fails to make any Required Annual Filing or Material Event Filing, the Administrator shall immediately notify the officer of the District to whom the Administrator reports of such failure to file and will cooperate fully to consider whether the District should engage a Disclosure Agent if one has not already been engaged, or take other action to ensure future filings are made on a timely basis.

#### Correspondence from Securities and Exchange Commission (SEC)

Upon receipt of any correspondence from the SEC, the Administrator will immediately notify the District, provide the District with a copy of such correspondence, and develop a plan of action to respond to the SEC inquiry.

## Record-Keeping Requirements

Unless otherwise specified in applicable District resolutions or tax certificates, the District shall maintain the following documents for the term of each issue of bonds (including refunding bonds, if any) plus at least an additional three years:

1. A copy of the bond closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of bonds;
2. A copy of all material documents relating to capital expenditures financed or refinanced by bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with bond proceeds, and records identifying the assets or portion of assets that are financed or refinanced with bond proceeds;
3. A copy of all contracts and arrangements involving private use of bond-financed assets or for the private use of output or throughput of bond-financed assets; and
4. Copies of all records of investments, investment agreements, arbitrage reports, and underlying documents, including trustee statements.

Legal Reference: Municipal Securities Rulemaking Board Rule Book (Updated October 1, 2016)  
<http://www.msrb.org/msrb1/pdfs/MSRB-Rule-Book-PDF-Current-Quarter.pdf>

### Policy History:

Adopted on: February 13, 2017

Revised on: