

NONINSTRUCTIONAL OPERATIONS AND BUSINESS SERVICES

Series 700

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PURPOSE OF NONINSTRUCTIONAL AND BUSINESS SERVICES

This series of the board policy manual is devoted to the goals and objectives for the school district's noninstructional services and business operations that assist in the delivery of the education program. These noninstructional services include, but are not limited to, transportation, the school lunch program and child care. The board, as it deems necessary, shall provide additional noninstructional services to support the education program.

It is the goal of the board to provide noninstructional services and to conduct its business operations in an efficient manner.

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DEPOSITORY OF FUNDS

Each year at its annual meeting, the board shall designate by resolution the name and location of the Iowa located financial depository institution or institutions to serve as the official school district depository or depositories. The maximum deposit amount to be kept in the depository shall be stated in the resolution. The amount stated in the resolution must be for all depositories and include all of the school district's funds.

It is the responsibility of the board secretary to include the resolution in the minutes of the meeting.

Legal Reference: Iowa Code §§ 12C; 279.33 (2013).

Cross Reference: 210.1 Annual Meeting
206.4 Treasurer
704.1 Local - State - Federal - Miscellaneous Revenue

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TRANSFER OF FUNDS

When the necessity for a fund has ceased to exist, the balance may be transferred to another fund or account by board resolution. School district monies received without a designated purpose may be transferred in this manner. School district monies received for a specific purpose or upon vote of the people may only be transferred, by board resolution when the purpose for which the monies were received has been completed. Voter approval is required to transfer monies to the general fund from the capital projects fund and debt service fund.

It is the responsibility of the board secretary to make recommendations to the board regarding transfers and to provide the documentation justifying the transfer.

Legal Reference: Iowa Code §§ 24.21-.22; 279.8; 298A (2012).

Cross Reference: 701.3 Financial Records
703 Budget
704.2 Sale of Bonds

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FINANCIAL RECORDS

Financial records of the school district are maintained in accordance with generally accepted accounting principles (GAAP) as required or modified by law. School district monies are received and expended from the appropriate fund and/or account. The funds and accounts of the school district will include, but not be limited to:

Governmental fund type:

1. General fund
2. Special revenue fund
 - Management levy fund
 - Physical plant and equipment levy fund
 - Public education and recreation levy fund
 - Student activity fund
3. Capital projects fund
4. Debt service fund

Proprietary fund type:

5. Enterprise fund
 - School nutrition fund
 - Child care fund
6. Internal service fund

Fiduciary funds:

7. Trust or agency funds
 - Expendable trust funds
 - Nonexpendable trust funds
 - Agency funds
 - Pension trust funds

Account groups:

8. General fixed assets account group
9. General long-term debt account group

As necessary the board may, by board resolution, create additional funds within the governmental, proprietary and fiduciary fund types. The resolution shall state the type of fund, name of the fund and purpose of the fund.

The general fund is used primarily for the education program. Special revenue funds are used to account for monies restricted to a specific use by law. Proprietary funds account for operations of the school district operated similar to private business, and they account for the costs of providing goods and services provided by one department to other departments on a cost reimbursement basis. Fiduciary funds are used to account for monies or assets held by the school district on behalf of, or in trust for, another entity. The account groups are the accounting records for fixed assets and long-term debt.

It is the responsibility of the superintendent to implement this policy and bring necessary changes in the maintenance of the school district's financial records to the attention of the board.

Legal Reference: Iowa Code §§ 11.23; 298A (2013).

Cross Reference: 704 Revenue
705 Expenditures

Approved: 11/23/09

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GOVERNMENTAL ACCOUNTING PRACTICES AND REGULATIONS

School district accounting practices will follow state and federal laws and regulations, generally accepted accounting principles (GAAP) and the uniform financial accounting system provided by the Iowa Department of Education. As advised by the school district's auditor, determination of liabilities and assets, prioritization of expenditures of governmental funds and provisions for accounting disclosures shall be made in accordance with governmental accounting standards.

In Governmental Accounting Standards Board (GASB) Statement No. 54, the board identifies the order of spending unrestricted resources applying the highest level of classification of fund balance - restricted, committed, assigned, and unassigned - while honoring constraints on the specific purposes for which amounts in those fund balances can be spent. A formal board action is required to establish, modify and or rescind a committed fund balance. The resolution will state the exact dollar amount. In the event, the board chooses to make changes or rescind the committed fund balance, formal board action is required.

The Board authorizes the superintendent and the board secretary to assign amounts to a specific purpose in compliance with GASB 54. An 'assigned fund balance' should also be reported in the order of spending unrestricted resources, but is not restricted or committed.

It is the responsibility of the superintendent to develop administrative regulations implementing this policy. It is also the responsibility of the superintendent to make recommendations to the board regarding fund balance designations.

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2013).

Cross Reference: 701.3 Financial Records
703 Budget
704 Revenue

Approved: 08-4-11

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CASH IN SCHOOL BUILDINGS

The amount of cash that may be kept in the school building for any one day shall be sufficient for that day's operations. Funds raised by students shall be sent to the Central Office for deposit.

A minimal amount of cash shall be kept in the central administration office at the close of the day. Excess cash shall be deposited in the authorized depository of the school district.

It shall be the responsibility of the superintendent to determine the amount of cash necessary for each day's operations and to comply with this policy.

Legal Reference: Iowa Code § 279.8 (2013).

Cross Reference: 701.1 Depository of Funds
704 Revenue

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Regulation for Handling Money

Hot Lunch Funds Including A La Cart: All breakfast and lunch money, including a la cart, will be receipted in by the building secretary on three part receipts. The first receipt will go to Central Office, the second to the purchaser and the third will stay in the building. All receipts will be in numerical order. All hot lunch funds will be come a part of the “larger” deposit which will be prepared by the building secretary for deposit in the bank. The “larger” deposit will be sent to Central Office in a locked bag which will be taken directly to the bank for deposit.

Vending Machine Money: The money, from vending machines which school employees take care of, will be enclosed in one-way plastic bags provided by Central Office for deposit in the bank. The bank will note that the bag arrived at the bank in an un-tampered with condition. The contents will be counted by the bank and then deposited. The school will receive a copy of the deposit slip for record purposes. The deposit will be credited to the school’s activity account. Product for the vending machine will be paid for by check from the buildings activity account upon receipt by the Business Manager of an invoice from the vendor.

Registration Funds: All registration funds will be receipted in by the building secretary on three part receipts. The first receipt will go to Central Office, the second to the purchaser and the third will stay in the building. All receipts will be in numerical order. All registration funds will become a part of the “larger” deposit which will be readied by the building secretary for deposit in the bank. The “larger” deposit will be sent to Central Office in a locked bag which will be taken to the bank for deposit.

Athletic Concessions Funds: Anyone responsible for concessions at athletic events, football, basketball, wrestling, volleyball, track, baseball and softball, is to make sure that the money is counted by two adults responsible for running the concession stand. The Money Counter Report Form is to be signed by those two adults. The money may be held in the high school office for transport to Central Office the next business day. The money is to be readied for bank deposit by the Business Manager’s secretary.

Athletic Gate Receipts: High School football and basketball admissions is the responsibility of the Athletic Boosters. The person responsible for running the booth is to make sure the money is counted by two adults responsible for selling admissions. The Money Counter Report Form is to be signed by those two adults. The money may be held in the school office for transport to Central Office the next business day. The money is to be readied for bank deposit by the Business Manager’s secretary.

High School Annual Book and Ad Sales Funds: High School Annual book and ad sales are the direct responsibility of the Annual Advisor. He/she is to fill out the Money Counter Report form and sign it, declaring the sum. The money and a copy of the form is to be taken to the office. All annual funds will become a part of the “larger” deposit which will be readied by the building secretary for deposit in the bank. The “larger” deposit will be sent to Central Office in a locked bag which will be taken to the bank for deposit.

Fruit Sales Funds: Fruit sales are the direct responsibility of the FFA Advisor. He/she is to count the money, fill out the Money Counter Report form, and sign it, declaring the sum. The money and a copy of the report is to be taken to the office. All fruit sale funds will become a part of the "larger" deposit which will be readied by the building secretary for deposit in the bank. The "larger" deposit will be sent to Central Office in a locked bag which will be taken to the bank for deposit.

All Fund Raisers: All fund raisers are the direct responsibility of the head of the organization responsible for the fund raiser. He/she is to count the money, fill out the Money Counter Report Form and sign it, declaring the sum. The money and a copy of the form is to be taken to the office. It will be receipted in using the three part receipts. All fund raiser funds will become a part of the "larger" deposit which will be prepared by the building secretary for deposit in the bank. The "larger" deposit will be sent to Central Office in a locked bag which will be taken to the bank for deposit.

Any Activity Which Collects Money: Any activity sponsored by any staff member/school/district for which money is collected and which is not covered in the directives above shall be covered by the following. If there are expenses which are paid by the sponsor, a purchase order with receipts attached are to be submitted for payment. All funds collected for the event are to be sent to Central Office to be deposited in the buildings activity account. The funds are to be counted by the person responsible for the activity and he/she is to fill out the Money Counter Report form, and sign it, declaring the sum. The money and a copy of the form is to be taken to the office. The funds will become a part of the "larger" deposit which will be prepared by the building secretary for deposit in the bank.

Latchkey Fees: The Latchkey Coordinator shall use a three part receipt book. When receiving fees from parents the coordinator shall give the parent the second copy of the receipt. The original receipt shall be given to the building secretary with the fees. The building secretary shall receipt in the funds, giving the second copy of the receipt to the coordinator, the original to Central Office (with the original copy of the individual Latchkey receipts be attached) and the third will be kept in the building. All Latchkey Fees will be come a part of the "larger" deposit which will be prepared by the building secretary for deposit in the bank. The "larger" deposit will be sent to Central Office in a locked bag which will be taken directly to the bank for deposit.

Larger Deposit Procedure: The "larger" deposit shall be a merging of all of the funds that are receipted in to the building. The various part of the "larger" deposit shall be accounted for with the second part of the three part receipts that have been written. On a document that will be called, "Deposit Report", the funds will be designated to individual accounts. The total on the "Deposit Report" shall equal the sum of the attached receipts. All of the funds in the "larger" deposit shall be accounted for on the bank deposit slip. The funds along with the Deposit Report and attached receipts, and the bank deposit slip shall be placed in a lock bank bag which will be transported unopened to Central Office and then to the bank.

Send Money To Central Office As Soon As Possible: Minimal funds are to be kept in the building. Money is to be removed to Central Office for deposit in the bank no later than the next business day after it has been received.

Lock Bags To Be Used: All buildings will be supplied with a minimum of two lock bags which will be used to transport money to Central Office.

BUDGET PLANNING

Prior to certification of the budget, the board shall review the projected revenues and expenditures for the school district and make adjustments where necessary to carry out the education program within the revenues projected.

A budget for the school district is prepared annually for the board's review. The budget shall include the following:

1. the amount of revenues from sources other than taxation;
2. the amount of revenues to be raised by taxation;
3. an itemization of the amount to be spent in each fund; and,
4. a comparison of the amount spent and revenue received in each fund for like purposes in at least two prior fiscal years.

It is the responsibility of the Business Manager to prepare the budget for review by the board prior to the April 15 deadline each year.

Prior to the adoption of the proposed budget by the board, the public is apprised of the proposed budget for the school district. Prior to the adoption of the proposed budget by the board, members of the school district community shall have an opportunity to review and comment on the proposed budget. A public hearing for the proposed budget of the board is held each year in sufficient time to file the adopted budget no later than April 15.

The proposed budget filed by the board with the board secretary and the time and place for the public hearing on the proposed budget is published in a newspaper designated for official publication in the school district. It is the responsibility of the board secretary to publish the proposed budget and public hearing information at least 10 but no more than 20 days prior to the public hearing.

The board shall adopt and certify a budget for the operation of the school district to the county auditor by April 15. It is the responsibility of the board secretary to file the adopted and certified budget with the county auditor and other proper authorities.

The board may amend the budget for the fiscal year in the event of unforeseen circumstances. The amendment procedures shall follow the procedures for public review and adoption of the original budget by the board outlined in these policies.

It is the responsibility of the superintendent and the board secretary to bring any budget amendments necessary to the attention of the board to allow sufficient time to file the amendment with the county auditor no later than May 31 of each year.

Legal Reference: Iowa Code §§ 24; 257; 279.8; 297; 298; 618 (2013).

Cross Reference: 214 Public Hearings
703 Budget
704 Revenue
705 Expenditures

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SPENDING PLAN

The budget of the school district is the authority for the expenditures of the school district for the fiscal year for which the budget was adopted and certified. It is the responsibility of the superintendent to operate the school district within the budget.

Legal Reference: Iowa Code § 24.9 (2013).

Cross Reference: 703 Budget
704 Revenue

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LOCAL - STATE - FEDERAL - MISCELLANEOUS REVENUE

Revenues of the school district are received by the board treasurer. Other persons receiving revenues on behalf of the school district shall promptly turn them over to the board treasurer.

Revenue, from whatever source, is accounted for and classified under the official accounting system of the school district. It is the responsibility of the board treasurer to deposit the revenues received by the school district in a timely manner. School district funds from all sources shall not be used for private gain or political purposes.

Tuition fees received by the school district are deposited in the general fund. The tuition fees for kindergarten through twelfth grade during the regular academic school year are set by the board based upon the superintendent's recommendation in compliance with current law. Tuition fees for summer school, driver's education and adult education are set by the board prior to the offering of the programs.

The board may charge materials fees for the use or purchase of educational materials. Materials fees received by the school district are deposited in the general fund. It is the responsibility of the superintendent to recommend to the board when materials fees will be charged and the amount of the materials fees.

Rental fees received by the school district for the rental of school district equipment or facilities are deposited in the general fund. It is the responsibility of the superintendent to recommend to the board a fee schedule for renting school district property.

Proceeds from the sale of real property are placed in the schoolhouse fund. The proceeds from the sale of other school district property are placed in the general fund.

The board may claim exemption from the law prohibiting competition with private enterprise for the following activities:

1. Goods and services directly and reasonably related to the educational mission;
2. Goods and services offered only to students, employees or guests which cannot be provided by private enterprise at the same or lower cost;
3. Use of vehicles for charter trips offered to the public, full- or part-time, or temporary students;
4. Goods and services which are not otherwise available in the quantity or quality required by the school district;
5. Telecommunications other than radio or television stations;
6. Sponsoring or providing facilities for fitness and recreation;
7. Food service and sales; and,
8. Sale of books, records, tapes, software, educational equipment, and supplies.

It is the responsibility of the superintendent to bring to the board's attention additional sources of revenue for the school district.

Legal Reference: Iowa Code §§ 12C; 23A; 257.2; 279.8; 282.2, .6, .24; 291.12, .13; 297.9-.12, .22; 301.1 (2013).

Cross Reference: 701.1 Depository of Funds
703 Budget
803 Selling and Leasing
905 Use of School District Facilities & Equipment

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DEBT MANAGEMENT POLICY

DEBT LIMITS

Credit Ratings

The school district seeks to maintain the highest possible credit ratings for all categories of short- and long-term debt that can be achieved without compromising the delivery of services and the achievement of adopted objectives. The school district recognizes that external economic, natural, or other events may from time to time affect the creditworthiness of its debt. Nevertheless, the school district is committed to ensuring that actions within their control are prudent.

Debt Limits

For general obligation debt, the school district's outstanding debt limit shall be no more than five percent (5%) of the actual value of property within the school district's boundaries, as prescribed the Iowa constitution and statutory restrictions.

For revenue debt, the school district's goal is to provide adequate debt service coverage of at least 1.20 times the annual debt service costs.

In accordance with Iowa law, the school district may not act as a conduit issuer or issue municipal securities to raise capital for revenue-generating projects where the funds generated are used by a third party ("conduit borrower") to make payments to investors.

PURPOSES AND USES OF DEBT

Capital Planning

To enhance creditworthiness and prudent financial management, the school district is committed to systematic capital planning, intergovernmental cooperation and coordination and long-term financial planning.

Capital Financing

The school district may issue long-term debt for capital projects as authorized by Iowa law, which include, but are not limited to, the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, and movable pieces of equipment. Capitalized interest may be included in sizing any capital project debt issue. The types of debt instruments to be used by the school district include:

- General Obligation Bonds
- General Obligation Capital Loan Notes
- Bond Anticipation Notes
- Revenue Anticipation Notes
- School Infrastructure Sales, Services and Use Tax Revenue Bonds
- Lease Purchase Agreements, including Certificates of Participation

Working Capital Financing

The school district may issue debt for working capital for operations after cash flow analysis has determined that there is a mismatch between available cash and cash outflows. The school district shall strive to repay working capital debt by the end of the fiscal year in which the debt was incurred. A Working Capital Reserve may be included in sizing any working capital debt issue.

DEBT MANAGEMENT POLICY

Refundings

Periodic reviews of all outstanding debt will be undertaken to determine if refunding opportunities exist. Refunding will be considered (within federal tax law restraints) if and when there is a net economic benefit of the refunding or if the refunding is otherwise in the best interests of the school district, such as to release restrictive bond covenants which affect the operations and management of the school district.

In general, advance refundings for economic savings will be undertaken when a net present value savings exceeds three percent of the refunded debt can be achieved. Current refundings, which produce a new present value savings of less than three percent will be considered on a case by case basis taking into consideration bond covenants and general conditions. Refundings with negative savings will not be considered unless there is a compelling public policy objective for doing so.

DEBT STANDARDS AND STRUCTURE

Length of Debt

Debt will be structured for the shortest period consistent with a fair allocation of costs to current and future beneficiaries or users. Long-term debt will not be issued for periods exceeding the useful life or average useful lives of the project or projects to be financed. All debt issued will adhere to state and federal law regarding the length of time the debt may be outstanding.

Debt Structure

Debt will be structured to achieve the lowest possible net cost to the school district given market conditions, the urgency of the capital project, the type of debt being issued, and the nature and type of repayment source. To the extent possible, the school district will design the repayment of its overall debt to rapidly recapture its credit capacity for future use.

Generally, the school district will only issue fixed-rate debt. In very limited circumstances, the school district may issue variable rate debt, consistent with the limitations of Iowa law and upon a finding of the board that the use of fixed rate debt is not in the best interest of the school district and a statement of the reasons for the use of variable rate debt.

All debt may be structured using discount, par or premium coupons, and as serial or term bonds or notes, or any combination thereof, consistent with Iowa law. The school district should utilize the coupon structure that produces the lowest True Interest Cost (TIC) taking into consideration the call option value of any callable maturities.

The school district will strive to structure their debt in sinking fund installments for each debt issue that achieves, as nearly as practicable, level debt service within an issue or overall debt service within a particular classification of debt.

Derivatives (including, but not limited to, interest rate swaps, caps, collars, corridors, ceiling and floor agreements, forward agreements, float agreements, or other similar financing arrangements), zero-coupon or capital appreciation bonds are not allowed to be issued consistent with State law.

Decision Analysis to Issue Debt

Whenever the school district is contemplating the issuance of debt, information will be developed concerning the following four categories commonly used by rating agencies assessing the school district's credit worthiness, listed below.

Debt Analysis – Debt capacity analysis; purpose for which debt is proposed to be issued; debt structure; debt burden; debt history and trends; and adequacy of debt and capital planning.

DEBT MANAGEMENT POLICY

Financial Analysis – Stability, diversity, and growth rates of tax or other revenue sources; trend in assessed valuation and collections; current budget trends; appraisal of past revenue and expenditure trends; history and long-term trends of revenues and expenditures; evidences of financial planning; adherence to GAAP; audit results; fund balance status and trends in operating and debt funds; financial monitoring systems and capabilities; and cash flow projections.

Governmental and Administrative Analysis – Government organization structure; location of financial responsibilities and degree of control; adequacy of basic service provision; intergovernmental cooperation/conflict and extent of duplication; and overall planning efforts.

Economic Analysis – Geographic and location advantages; population and demographic characteristics; wealth indicators; types of employment, industry and occupation; housing characteristics; new construction; evidences of industrial decline; and trend of the economy.

DEBT ISSUANCE

Credit Enhancement

Credit enhancements (i.e., bond insurance, etc.) may be used but only when the net debt service on the debt is reduced by more than the costs of the credit enhancement.

Costs and Fees

All costs and fees related to issuing the debt will be paid out of debt proceeds and allocated across all projects receiving proceeds of the debt issue.

Method of Sale

Generally, all school district debt will be sold through a competitive bidding process. Bids will be awarded on a TIC basis providing other bidding requirements are satisfied.

The school district may sell debt using a negotiated process in extraordinary circumstances when the complexity of the issue requires specialized expertise, when the negotiated sale would result in substantial savings in time or money, or when market conditions of school district credit are unusually volatile or uncertain.

Professional Service Providers

The school district will retain external bond counsel for all debt issues. All debt issued by the school district will include a written opinion by bond counsel affirming that the school district is authorized to issue the debt, stating that the school district has met all Iowa constitutional and statutory requirements necessary for issuance and determining the debt's federal income tax status. The bond counsel retained must have comprehensive municipal debt experience and a thorough understanding of Iowa law as it relates to the issuance of the particular debt.

The school district will retain an independent financial advisor. The financial advisor will be responsible for structuring and preparing all offering documents for each debt issue. The financial advisor retained will have comprehensive municipal debt experience, experience with diverse financial structuring and pricing of municipal securities.

The treasurer shall have the authority to periodically select other service providers (e.g., escrow agents, verification agents, trustees, arbitrage consultants, rebate specialist, etc.) as necessary to meet legal requirements and minimize net debt costs. These services can include debt restructuring services and security or escrow purchases.

DEBT MANAGEMENT POLICY

Compensation for bond counsel, financial advisor and other service providers will be as economical as possible and consistent with industry standards for the desired qualification levels.

DEBT MANAGEMENT

Investment of Debt Proceeds

The school district shall invest all proceeds received from the issuance of debt separate from the school district's consolidated cash pool unless otherwise specified by the authorizing bond resolution or trust indenture.

Investments will be consistent with those authorized by Iowa law and the school district's Investment Policy to maintain safety of principal and liquidity of the funds.

Arbitrage and Record Keeping Compliance

The treasurer shall maintain a system of record-keeping, reporting and compliance procedures with respect to all federal tax requirements which are currently, or may become applicable through the lifetime of all tax-exempt or tax credit bonds.

Federal tax compliance, record-keeping, reporting and compliance procedures shall include not be limited to:

- 1) post-issuance compliance procedures (including proper use of proceeds, timely expenditure of proceeds, proper use of bond financed property, yield restriction and rebate, and timely return filing);
- 2) proper maintenance of records to support federal tax compliance;
- 3) investments and arbitrage compliance;
- 4) expenditures and assets;
- 5) private business use; and
- 6) designation of primary responsibilities for federal tax compliance of all bond financings.

Financial Disclosure

The school district is committed to full and complete financial disclosure, and to cooperating fully with rating agencies, institutional and individual investors, other levels of government, and the general public to share comprehensible and accurate financial information. The school district is dedicated to meeting secondary disclosure requirements on a timely and comprehensive basis, as promulgated by the Securities and Exchange Commission.

The Official Statements accompanying debt issues, Annual Audits, and Continuing Disclosure statements will meet the standards articulated by the Municipal Securities Rulemaking Board (MSRB), the Government Accounting Standards Board (GASB), the Securities and Exchange Commission (SEC), Generally Accepted Accounting Principles (GAAP) and the Internal Revenue Service (IRS). The treasurer shall be responsible for ongoing debt disclosure as required by any Continuing Disclosure Certificate for any debt issue and for maintain compliance with disclosure standards promulgated by state and federal regulatory bodies

Legal Reference Iowa Code §§ 74-76; 278.1; 298; 298A (2013).

Cross Reference: 701 Financial Accounting System
 704 Revenue

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POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

1. Role of Compliance Coordinator/Board Treasurer

The board treasurer shall:

- a) Be responsible for monitoring post-issuance compliance;
- b) Maintain a copy of the transcript of proceedings or minutes in connection with the issuance of any tax-exempt obligations and obtain records that are necessary to meet the requirements of this regulation;
- c) Consult with bond counsel, a rebate consultant, financial advisor, IRS publications and such other resources as are necessary to understand and meet the requirements of this regulation;
- d) Seek out training and education to be implemented upon the occurrence of new developments in the area and upon the hiring of new personnel to implement this regulation.

2. Financing Transcripts' Filing and Retention

The board treasurer shall confirm the proper filing of an IRS 8038 Series return and maintain a transcript of proceedings and minutes for all tax-exempt obligations issued by the school district including, but not limited to, all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained until 11 years after the tax-exempt obligation documents have been retired. The transcript shall include, at a minimum:

- a) Form 8038;
- b) Minutes, resolutions and certificates;
- c) Certifications of issue price from the underwriter;
- d) Formal elections required by the IRS;
- e) Trustee statements;
- f) Records of refunded bonds, if applicable;
- g) Correspondence relating to bond financings; and
- h) Reports of any IRS examinations for bond financings.

3. Proper Use of Proceeds

The board treasurer shall review the resolution authorizing issuance for each tax-exempt obligation issued by the school district and the school district shall:

- a) Obtain a computation of the yield on such issue from the school district's financial advisor;
- b) Create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) into which the proceeds of issue shall be deposited;
- c) Review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) Determine whether payment from the Project Fund is appropriate and, if so, make payment from the Project Fund (and appropriate sub-fund, if applicable);
- e) Maintain records of the payment requests and corresponding records showing payment;
- f) Maintain records showing the earnings on, and investment of, the Project Fund;
- g) Ensure that all investments acquired with proceeds are purchased at fair market value;

POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

- h) Identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-restricted funds to ensure that the yield on such investments do not exceed the yield to which such investments are restricted;
- i) Maintain records related to any investment contracts, credit enhancement transactions and the bidding of financial products related to the proceeds.

4. Timely Expenditure and Arbitrage/Rebate Compliance

The board treasurer shall review the Tax-Exemption Certificate (or equivalent) for each tax-exempt obligation issued by the school district and the expenditure records provided in Section 2 of this regulation, above and shall:

- a) Monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in such certificate;
- b) Monitor and ensure that the proceeds are spent in accordance with one or more of the applicable exceptions to rebate as set forth in such certificate if the school district does not meet the "small issuer" exception for said obligation;
- c) Not less than 60 days prior to a required expenditure date, confer with bond counsel and a rebate consultant, if the school district will fail to meet the applicable temporary period or rebate exception expenditure requirements of the Tax-Exemption Certificate. In the event the school district fails to meet a temporary period or rebate exception:
 - 1. Procure a timely computation of any rebate liability and, if rebate is due, file a Form 8038-T and arrange for payment of such rebate liability;
 - 2. Arrange for timely computation and payment of yield reduction payments (as such term is defined in the Code and Treasury Regulations), if applicable.

5. Proper Use of Bond Financed Assets

The board treasurer shall:

- a) Maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets;
- b) Monitor and confer with bond counsel with respect to all proposed bond financed assets;
 - 1. management contracts;
 - 2. service agreements;
 - 3. research contracts;
 - 4. naming rights contracts;
 - 5. leases or sub-leases;
 - 6. joint venture, limited liability or partnership arrangements;
 - 7. sale of property; or
 - 8. any other change in use of such asset.
- c) Maintain a copy of the proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets; and
- d) Contact bond counsel and ensure timely remedial action under IRS Regulation Sections 1.141-12 in the event the school district takes an action with respect to a bond financed asset, which causes the private business tests or private loan financing test to be met.

POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

6. General Project Records

For each project financed with tax-exempt obligations, the board treasurer shall maintain, until three years after retirement of the tax-exempt obligations or obligations issued to refund those obligations, the following:

- a) Appraisals, demand surveys or feasibility studies;
- b) Applications, approvals and other documentation of grants;
- c) Depreciation schedules;
- d) Contracts respecting the project.

7. Advance Refundings

The board treasurer shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds. The board treasurer shall:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel and a financial advisor;
- b) Identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to structuring any advance refunding;
- c) Review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure;
 - (1) that the proposed refunding is permitted pursuant to applicable federal tax requirements if there has been a prior refunding of the original bond issue;
 - (2) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded bonds;
 - (3) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become "arbitrage bonds"; and
 - (4) that the proposed issuance will not result in the issuer's exploitation of the difference between tax exempt and taxable interest rates to obtain an financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes;
- d) Collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the board treasurer shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied;
- e) Whenever possible, purchase State and Local Government Series (SLGS) to size each advance refunding escrow. The financial advisor shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Board treasurer shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations;

POST-ISSUANCE COMPLIANCE REGULATION FOR TAX-EXEMPT OBLIGATIONS

- f) Ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations to the extent as issuer elects to the purchase of a guaranteed investment contract;
- g) In determining the issue price for any advance refunding issuance, obtain and retain issue price certification by the purchasing underwriter at closing;
- h) After the issuance of an advance refunding issue, ensure timely identification of violations of any federal tax requirements and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

8. Continuing Disclosure

The board treasurer shall assure compliance with each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The board treasurer will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than 10 business days after the day of the occurrence of the event. Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- d) Unscheduled draws on credit enhancements relating to the bonds reflecting financial difficulties;
- e) Substitution of credit or liquidity providers, or their failure to perform;
- f) 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-exempt status of the bonds, or material events affecting the tax-exempt status of the bonds;
- g) Modifications to rights of Holders of the Bonds, if material;
- h) Bond calls (excluding sinking fund mandatory redemptions), if material and tender offers;
- i) Defeasances of the bonds;
- j) Release, substitution, or sale of property securing repayment of the bonds, if material;
- k) Rating changes on the bonds;
- l) Bankruptcy, insolvency, receivership or similar event of the Issuer;
- m) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, 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; and
- n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Legal Reference: Iowa Code §§ 257.31(4); 279.8; 297.22-.25; 298A (2013).
<http://www.irs.gov/taxexemptbond/article/0,,id=243503,00.html>

Cross Reference: 704 Revenue
 707 Fiscal Reports

INVESTMENTS

School district funds in excess of current needs are invested in compliance with this policy. The goals of the school district's investment portfolio in order of priority are:

1. To provide safety of the principal;
2. To maintain the necessary liquidity to match expected liabilities; and
3. To obtain a reasonable rate of return.

In making investments, the school district shall exercise the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to meet the goals of the investment program.

School district funds are monies of the school district, including operating funds. "Operating funds" of the school district are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt. When investing operating funds, the investments must mature within three hundred and ninety-seven days or less. When investing funds other than operating funds, the investments must mature according to the need for the funds.

The board authorizes the treasurer to invest funds in excess of current needs in the following investments.

1. Interest bearing savings, money market, and checking accounts at the school district's authorized depositories;
2. Iowa Schools Joint Investment Trust Program (ISJIT); and,
3. Certificates of deposit and other evidences of deposit at federally insured Iowa depository institutions.

It is the responsibility of the treasurer to oversee the investment portfolio in compliance with this policy and the law.

The treasurer is responsible for reporting to and reviewing with the board at its regular meetings the current investments.

It is the responsibility of the superintendent to deliver a copy of this policy to the school district's depositories, auditor and outside persons doing investment business with the school district.

It shall also be the responsibility of the superintendent, in conjunction with the treasurer, to develop a system of investment practices and internal controls over the investment practices. The investment practices are designed to prevent losses, to document the officers' and employees' responsibility for elements of the investment process and address the capability of the management.

Legal Reference: Iowa Code §§ 11.2, .6; 12.62; 12B.10; 12C; 22.1, .14; 28E.2; 257; 279.29; 283A; 285; 502.701; 633.123 (2013).

Cross Reference: 206.4 Treasurer
704 Revenue

Approved: 11/23/09
Reviewed: 12-11-14
Revised:

GIFTS - GRANTS - BEQUESTS

The board believes gifts, grants, and bequests to the school district may be accepted when they shall further the interests of the school district. The board shall have sole authority to determine whether the gift furthers the interests of the school district.

Gifts, grants, and bequests under a value of \$5,000 shall be approved by the Superintendent and his/her designee. Gifts of a value of \$5,000 or higher shall be approved by the board. Once it has been approved by the board, a board member or the superintendent may accept the gift on behalf of the school district.

Gifts, grants, and bequests once accepted on behalf of the school district become the property of the school district. Gifts, grants, and bequests are administered in accordance with terms, if any, agreed to by the board.

The naming of any portion of district buildings, facilities or grounds after a donor, benefactor or school patron shall require prior approval by the board.

Legal Reference: Iowa Code §§ 279.42; 565.6 (2013).

Cross Reference: 221 Gifts to Board of Directors
402.4 Gifts to Employees
508.1 Class or Student Group Gifts

Approved: 12/10/09

Reviewed: 12-11-14

Revised:

STUDENT ACTIVITIES FUND

Revenue raised by students or from student activities is deposited and accounted for in the student activities fund. This revenue is the property of and is under the financial control of the board. Students may use this revenue for purposes approved by the building principal or activities director.

Whether such revenue is collected from student contributions, club dues, and special activities or result from admissions to special events or from other fund-raising activities, all funds shall be under the jurisdiction of the board and under the specific control of the building principal or activities director. They shall be deposited in a designated depository and shall be disbursed and accounted for in accordance with instructions issued by the superintendent.

It is the responsibility of the Business Manager to keep student activity accounts up-to-date and complete.

Any unencumbered class or activity account balances shall automatically revert to the activity fund when a class graduates or an activity is discontinued.

Students involved shall be made aware of this policy by the administration, and may, prior to graduation, make a recommendation as to the disposition of the balance of funds.

Legal Reference: Iowa Code §§ 11.23; 279.8 (2013).

Cross Reference: 504 Student Activities
701 Financial Accounting System

Approved: 11/23/09

Reviewed:

Revised: 12-11-14

ADMISSION FEES TO SCHOOL EVENTS

The board has the right to charge admission fees for school events. These events include, but are not limited to, athletic, musical and drama events.

The revenue generated by admission fees at school events shall be used to offset the costs associated with the operation of the school events or activities.

School booster groups may be employed to collect admission fees. Remuneration to the booster group for this service shall be determined by the administration.

It shall be the responsibility of the superintendent to develop a fee schedule for the board's approval and to develop administrative regulations regarding this policy.

The board believes that it is highly desirable for board members and staff members to attend school events. To facilitate attendance, the board will issue complimentary staff and board member passes annually that may be used at all school events except those as designated on the fee schedule.

Legal Reference: Iowa Code §§ 279.8 (2003)

Cross Reference: 702 Cash in Buildings
701.1 Depository of Funds

Approved: 11-23-09

Reviewed:

Revised: 12-11-14

PURCHASING – BIDDING

The board supports economic development in Iowa. Purchases by the school district will be made in Iowa for Iowa goods and services from a locally-owned business located within the school district or from an Iowa-based company which offers these goods or services if the cost and other considerations are relatively equal and they meet the required specifications.

Prior to August 15 of each year and after analyzing the school district's anticipated procurement level for the current fiscal year, the school board will set a goal of ten percent of the anticipated procurement level to be purchased from certified targeted small businesses. In determining the procurement level, the cost of utilities (heat, electricity, telephone and natural gas) and employees' costs will not be included. After the goal has been established, the superintendent will file the required Targeted Small Business Procurement form with the Department of Education by August 15.

By July 31 of each year, the superintendent will file a report with the Department of Education outlining purchases of goods and services from targeted small businesses for the previous fiscal year.

The school board and superintendent will encourage targeted small businesses which are not certified with the Department of Inspections and Appeals to become certified targeted small businesses.

It is the responsibility of the superintendent to approve purchases, except those authorized by or requiring direct board action. The superintendent may coordinate and combine purchases with other governmental bodies to take advantage of volume price breaks. Joint purchases with other political subdivisions will be considered in the purchase of equipment, accessories or attachments with an estimated cost of \$50,000 or more.

The superintendent will have the authority to authorize purchases without competitive bids for goods and services costing under \$5,000 without prior board approval. Competitive sealed bids are required for purchases, other than emergency purchases, for goods and services that cost \$40,000 or more, including construction contracts and school buses.

The purchase will be made from the lowest responsible bidder based upon total cost considerations including, but not limited to, the cost of the goods and services being purchased, availability of service and/or repair, delivery date, the targeted small business procurement goal and other factors deemed relevant by the board.

The board and the superintendent will have the right to reject any or all bids, or any part thereof, and to re-advertise. If it is determined that a targeted small business which bid on the project may be unable to perform the contract, the superintendent will notify the Department of Economic Development. The board will enter into such contract or contracts as the board deems in the best interests of the school district.

Legal Reference:Iowa Code §§ 18.6(9); 23A; 28E.20; 72.3; 73; 73A; 285.10(3), .10(7); 301 (2012).

261 I.A.C. 54.
281 I.A.C. 43.25.
481 I.A.C. 25.
1984 Op. Att'y Gen. 115.
1974 Op. Att'y Gen. 171.

Cross Reference: 705 Expenditures
 801.4 Site Acquisition
 802 Maintenance, Operation and Management
 803 Selling and Leasing

Approved: 12/10/09

Reviewed: 12-11-14

Revised:

PURCHASING ON BEHALF OF EMPLOYEES

Generally, the school district shall not purchase items on behalf of employees. The school district may in unusual and unique circumstances do so. It is within the discretion of the board to determine when unique and unusual circumstances exist.

No purchase is made unless the employee has paid the school district prior to the order being placed and the employee has agreed to be responsible for any taxes or other expenses due.

Legal Reference: Iowa Code § 279.8 (2013).

Cross Reference: 703 Budget

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

PAYMENT FOR GOODS AND SERVICES

The board authorizes the issuance of warrants for payment of claims against the school district for goods and services. The board shall allow the warrants after the goods and services have been received and accepted in compliance with board policy and the claims audited by the board.

Claims for payment of freight, drayage, express, postage, printing, water, lights, telephone, rents, and payment of salaries pursuant to the terms of a written contract may be paid by the Business Manager prior to formal audit and approval by the board. In addition the Business Manager, upon approval of the board president, may issue warrants for approved registrations, claims offering a discount for early payment, approved travel expenses, approved goods and services delivered C.O.D. and other verified bills filed with the Business Manager when the board is not in session prior to payment of these claims and prior to audit and approval by the board. The Business Manager shall examine the claims and verify bills.

The Business Manager shall determine to the Business Manager's satisfaction that the claims presented to the board are in order and are legitimate expenses of the school district. It is the responsibility of the secretary to bring claims to the board.

The Board President and Business Manager may sign warrants by use of an electronic signature or rubber stamp. If the board president is unavailable to personally sign warrants, the vice president may sign warrants on behalf of the president.

It is the responsibility of the superintendent to develop the administrative regulations regarding this policy.

Legal Reference: Iowa Constitution, Art. III § 31.
Love v. City of Des Moines, 210 Iowa 90, 230 N.W. 373 (1930).
Iowa Code §§ 279.8, .29, .30, .36; 291.12; 721.2(5) (2013).
281 I.A.C. 12.3(1).
1980 Op. Att'y Gen. 102, 160, 720.
1976 Op. Att'y Gen. 69.
1972 Op. Att'y Gen. 130, 180, 392, 456, 651.
1936 Op. Att'y Gen. 375.

Cross Reference: 705 Expenditures

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

PAYROLL PERIODS

The payroll period for the school district is monthly. Employees are paid on the 4th day of each month. If this day is a holiday or weekend, the payroll is paid on the last working day prior to the holiday or weekend.

It is the responsibility of the Business Manager to issue payroll to employees in compliance with this policy.

The requirements stated in the Master Contract between employees in a certified collective bargaining unit and the board regarding payroll periods of such employees shall be followed.

Legal Reference: Iowa Code §§ 20.9; 91A.2(4), .3 (2013).

Cross Reference: 706.2 Payroll Deductions

Approved: 11/23/09

Reviewed:

Revised: 12-11-14

PAYROLL DEDUCTIONS

Ease of administration is the primary consideration for payroll deductions, other than those required by law. Payroll deductions are made for federal income tax withholdings, Iowa income tax withholdings, social security, Medicare, Iowa Public Employees' Retirement System, and other deductions as required by law.

Employees may elect to have payments withheld for professional dues, district-related and mutually agreed upon group insurance coverage, flexible spending accounts and/or tax sheltered annuity programs. Requests for these deductions shall be made in writing to the Business Manager. Requests for purchase or change of tax-sheltered annuities may be made if completed by the 15th of the month.

It is the responsibility of the superintendent to determine which additional payroll deductions shall be allowed.

The requirements stated in the Master Contract between employees in a certified collective bargaining unit and the board regarding payroll deductions of such employees shall be followed.

Legal Reference: Iowa Code §§ 91A.2(4), .3; 294.8-.9, .15-.16; 422 (2013).

Cross Reference: 406.6 Licensed Employee Tax Shelter Programs
412.4 Classified Employee Tax Shelter Programs
706.1 Payroll Periods

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

PAY DEDUCTIONS

The district provides leaves of absences to allow employees to be absent from work to attend to important matters outside of the workplace. As public employers, school districts are expected to record and monitor the work that employees perform and to conform to principles of public accountability in their compensation practices.

Consistent with principles of public accountability, it is the policy of the district that, when an employee is absent from work for less than one work day and the employee does not use accrued leave for such absence, the employee's pay will be reduced or the employee will be placed on leave without pay if:

- the employee has not sought permission to use paid leave for this partial-day absence,
- the employee has sought permission to use paid leave for this partial-day absence and permission has been denied,
- the employee's accrued paid leave has been exhausted, or,
- the employee chooses to use leave without pay.

In each case in which an employee is absent from work for part of a work day, a deduction from compensation will be made or the employee will be placed on leave without pay for a period of time which is equal to the employee's absence from the employee's regularly scheduled hours of work on that day.

Legal Reference: 29 U.S.C. Sec. 2 13(a) (2012)
 29 C.F.R. Part 541 (2012)

Cross References: 409.8 Licensed Employee Unpaid Leave
 414.8 Classified Employee Unpaid Leave

Approved 12-11-14

Received:

Revised

SECRETARY'S REPORTS

The board secretary shall report to the board each month about the receipts, disbursements and balances of the various funds. This report shall be in written form and sent to the board with the agenda for the board meeting.

Legal Reference: Iowa Code §§ 279.8; 291.7 (2013).

Cross Reference: 206.3 Secretary
211.1 Annual Meeting
707 Fiscal Reports

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

TREASURER'S ANNUAL REPORT

At the annual meeting, the treasurer shall give the annual report stating the amount held over, received, paid out, and on hand in the general and schoolhouse funds. This report is in written form and sent to the board with the agenda for the board meeting. The treasurer shall also furnish the auditor with a sworn statement from each depository showing the balance then on deposit.

It is the responsibility of the treasurer to submit this report to the board annually.

Legal Reference: Iowa Code §§ 279.31, .33 (2013).

Cross Reference: 206.4 Treasurer
211.1 Annual Meeting
707 Fiscal Reports

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

PUBLICATION OF FINANCIAL REPORTS

Each month the schedule of bills allowed by the board is published in a newspaper designated as a newspaper for official publication. Annually, the total salaries paid to employees regularly employed by the school district shall also be published in a newspaper designated as a newspaper for official publication.

It is the responsibility of the board secretary to publish these reports in a timely manner.

Legal Reference: Iowa Code §§ 279.35, .36; 618 (2013).
1952 Op. Att'y Gen. 133.

Cross Reference: 206.3 Secretary

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

AUDIT

To review the funds and accounts of the school district, the board shall employ an auditor to perform an annual audit of the financial affairs of the school district. The superintendent shall use a request for proposal procedure in selecting an auditor. The administration shall cooperate with the auditors.

Legal Reference: Iowa Code § 11.6 (2013).

Cross Reference: 701 Financial Accounting System
707 Fiscal Reports

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

INTERNAL CONTROLS

The Board expects all board members, employees, volunteers, consultants, vendors, contractors, students and other parties maintaining any relationship with the school district to act with integrity, due diligence, and in accordance with all laws in their duties involving the school district's resources. The board is entrusted with public dollars and no one connected with the school district should do anything to erode that trust.

Internal control is the responsibility of all employees of the school district. The superintendent, business manager and board secretary shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety, or fiscal irregularities within the school district subject to review and approval by the board. Administrators shall be alert for any indication of fraud, financial impropriety, or irregularity within the administrator's area of responsibility.

Any employee who suspects fraud, impropriety, or irregularity shall report their suspicions immediately to his/her immediate supervisor, and the superintendent. The superintendent shall have primary responsibility for any necessary investigations and shall coordinate investigative efforts with the board's legal counsel, auditing firm, and other internal or external departments and agencies, including law enforcement officials, as the superintendent may deem appropriate.

Employees bringing forth a legitimate concern about a potential impropriety will not be retaliated against and those who do retaliate against such an employee will be subject to disciplinary action up to, and including, discharge.

In the event the concern or complaint involves the superintendent, the concern shall be brought to the attention of the board vice-president, or vice-president who shall be empowered to contact the board's legal counsel, insurance agent, auditing firm, and any other agency to investigate the concern or complaint.

Upon approval of the board, the superintendent, or vice-president or president, may contact the State Auditor or elect to employ the school district's auditing firm or State Auditor to conduct a complete or partial forensic/internal control/SAS99 audit annually or otherwise as often as deemed necessary. The superintendent is authorized to order a complete forensic audit if, in the superintendent's judgment, such an audit would be useful and beneficial to the school district. The superintendent, or vice-president or president, shall ensure the State Auditor is notified of any suspected embezzlement or theft pursuant to Iowa law. In the event, there is an investigation, records will be maintained for use in the investigation. Individuals found to have altered or destroyed records will be subject to disciplinary action, up to, and including termination.

Legal References: American Competitiveness and Corporate Accountability Act of 2002, Pub. L. No. 107-204.
Iowa Code ch. 11, 279.8 (2013).

Cross References: 707.6 Audit Committee

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

AUDIT COMMITTEE

The board recognizes that it is charged with raising tax revenues and related expenditures to maintain the educational program for the school district. Public funds are held in trust by the board to be spent appropriately on the educational program. To further ensure funds are spent appropriately, the board establishes an audit committee to assist the board on internal financial matters and with the annual audit.

The audit committee is comprised of:

[List members that may include board members, administrators and public members. It's recommended that there be a balance between internal and external members.]

The audit committee chair is selected by *[either the board or the audit committee – insert appropriate process.]*

The major responsibilities of the audit committee are to:

- Recommend an auditor to the board *[insert frequency, every three years, annually, etc.]*.
- Oversee the selection of the independent auditor and the resolution of audit findings including compliance with the mandatory request for proposal process.
- Act as a liaison between the board and the auditor during the audit process.
- Annually report to the board about the annual audit.
- Recommend internal changes that may need to be made to ensure appropriate internal controls are being implemented.

(insert other duties as desired by the board)

The audit committee will meet as directed by its chair. The audit committee is subject to the open meetings law.

NOTE: For more detailed discussion of this issue, see IASB's Policy Primer, Vol. 19 #4- May 24, 2006.

Legal References: American Competitiveness and Corporate Accountability Act of 2002, Pub. L. No. 107-204.
Iowa Code ch. 11, 279.8 (2013).

Cross References: 208 Ad Hoc Committees
707.5 Internal Controls

Approved 11-23-09

Revised

Reviewed 12-11-14

CARE, MAINTENANCE AND DISPOSAL OF SCHOOL DISTRICT RECORDS

School district records shall be housed in the central administration office of the school district. It shall be the responsibility of the superintendent to oversee the maintenance and accuracy of the records. The following records shall be kept and preserved according to the schedule below:

1.	Secretary's financial records	Permanently
2.	Treasurer's financial records	Permanently
3.	Minutes of the Board of Directors	Permanently
4.	Annual audit reports	Permanently
5.	Annual budget	Permanently
6.	Permanent record of individual pupil	Permanently
7.	Records of payment of judgments against the school district	20 years
8.	Bonds and bond coupons	10 years
9.	Written contracts	10 years
10.	Cancelled warrants, check stubs, bank statements, bills, invoices, and related records	5 years
11.	Recordings of closed meetings	1 year
12.	Program grants	As determined by the grant
13.	Nonpayroll personnel records	7 years
14.	Payroll records	3 years

Employees' records shall be housed in the central administration office of the school district. The employees' records are maintained by the superintendent, the building administrator, the employee's immediate supervisor, and the board secretary.

An inventory of the furniture, equipment, and other nonconsumable items of a value at \$2500 or higher other than real property of the school district at a value of \$2500.00 or higher is conducted annually under the supervision of the superintendent. This report is filed with the board secretary.

The permanent and cumulative records of students currently enrolled in the school district are housed in the central administration office of the attendance center where the student attends. Permanent records must be housed in a fireproof vault. The building administrator is responsible for keeping these records current. Records of students who have graduated or are no longer enrolled in the school district are housed in the central office vault. These records will be maintained by the superintendent or his/her designee.

The superintendent may store in an electronic form school district records and may destroy paper copies of the records if they are more than three years old. A properly authenticated reproduction of an electronic record meets the same legal requirements as the original record.

Legal Reference: City of Sioux City v. Greater Sioux City Press Club, 421 N.W.2d 895 (Iowa 1988).

City of Dubuque v. Telegraph Herald, Inc., 297 N.W.2d 523 (Iowa 1980).

Iowa Code §§ 22.3, .7; 279.8, .15, .16; 304 (2007).
281 I.A.C. 12.3(6).

Cross Reference: 206.3 Secretary
215 Board of Directors' Records
401.5 Employee Records
506 Student Records
901 Public Examination of School District Records

Adopted: 12/10/09

Reviewed:

Revised: 12-11-14

INSURANCE PROGRAM

The board shall maintain a comprehensive insurance program to provide adequate coverage against major types of risk, loss, or damage, as well as legal liability. The board shall purchase insurance for the replacement values, when possible, after reviewing the costs and availability of such insurance. The comprehensive insurance program shall be reviewed once every three years.

The school district shall assume the risk of property damage, legal liability, and dishonesty in cases in which the exposure is so small or dispersed that a loss would not significantly affect the operation of the education program or financial condition of the school district.

Insurance of buildings, structures, or property in the open shall not generally be purchased to cover loss exposures below \$1000 unless such insurance is required by statute or contract.

The board may retain a private organization for fixed assets management services.

Administration of the insurance program, placing the insurance coverage and loss prevention activities shall be the responsibility of the superintendent. The business manager shall be responsible for maintaining property appraisals and inventories, processing claims and maintaining loss records.

Legal Reference: Iowa Code §§ 20.9; 85.2; 279.12, .28; 285.5(6), .10(6); 296.7; 517A.1; 670.7 (2013).

1974 Op. Att'y Gen. 171.

1972 Op. Att'y Gen. 676.

Cross Reference: 205 Board Member Liability
804 Safety Program

Approved: 12-10-09

Reviewed:

Revised: 12-11-14

SCHOOL FOOD PROGRAM

The school district shall operate a school lunch and breakfast program. The school food program services shall include hot lunches through participation in the National School Lunch Program and supplementary foods for students during the school day. Students may bring their lunches from home and purchase milk or juice and other incidental items.

School food service facilities are provided to serve students and employees when school is in session and during school-related activities. They may also be used under the supervision of the administration for food service to employee groups, parent-teacher meetings, civic organizations meeting for the purpose of better understanding the schools, and senior citizens in accordance with board policy.

The school food program is operated on a nonprofit basis. The revenues of the school food program shall be used only for paying the regular operating costs of the school food program. Supplies of the school food program shall only be used for the school food program.

The board shall set, and periodically review, the prices for school lunches, breakfast and special milk programs. It is the responsibility of the superintendent to make a recommendation regarding the prices of school lunch, breakfast and milk.

It is the responsibility of the business manager and each building principal to administer the program and to cooperate with the superintendent and head cook for the proper functioning of the school food program.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (2004).
 7 C.F.R. Pt. 210 *et seq.* (2004).
 Iowa Code ch. 283A (2013).
 281 I.A.C. 58.

Cross Reference: 710 School Food Services
 905 Use of School District Facilities and Equipment

Approved: 12/10/09

Reviewed:

Revised: 12-11-14

FREE OR REDUCED COST MEALS ELIGIBILITY

Students enrolled and attending school in the school district, who are unable to afford the special milk program, the cost or a portion of the cost of the school lunch, breakfast and supplemental foods, shall be provided the school food program services at no cost or at a reduced cost.

It is the responsibility of the building principal to determine if a student qualifies for free or reduced cost school food services. Students, whom the principal believes are improperly nourished, shall not be denied the school food program services simply because the paperwork has not been completed.

Employees, students and others shall be required to purchase tickets for meals consumed.

It is the responsibility of the superintendent to develop administrative regulations for implementing this policy.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (1994).
7 C.F.R. Pt. 210 *et seq.* (2004).
Iowa Code ch. 283A (2013).
281 I.A.C. 58.

Cross Reference: 710 School Food Services

Approved: 12/10/09

Reviewed: 12-11-14

Revised:

VENDING MACHINES

Food served or purchased by students during the school day and food served or purchased for other than special circumstances is approved by the superintendent. Vending machines in the school building are the responsibility of the building principal. Purchases from the vending machines will reflect the guidelines in the Wellness policy 507.10.

It is the responsibility of the superintendent to develop administrative regulations for the use of vending machines and other sales of food to students.

Legal Reference: 42 U.S.C. §§ 1751 *et seq.* (2004).
7 C.F.R. Pt. 210 *et seq.* (2004).
Iowa Code ch. 283A (2013).
281 I.A.C. 58.

Cross Reference: 504.5 Student Fund Raising
710 School Food Services

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

STUDENT SCHOOL TRANSPORTATION ELIGIBILITY

Elementary and middle school students living more than two miles from their designated school attendance centers and high school students living more than three miles from their designated attendance centers are entitled to transportation to and from their attendance center at the expense of the school district.

Pick-up and drop-off locations located within the city-limits of Keota may be established by the school board.

Transportation of students who require special education services shall generally be provided as for other students, when appropriate. Specialized transportation of a student to and from a special education instructional service is a function of that service and, therefore, an appropriate expenditure of special education instructional funds generated through the weighting plan.

Transportation of a student to and from a special education support service is a function of that service, and is specified in the individualized education program or the individualized family service plan (IFSP). When the IEP team determines that unique transportation arrangements are required and the arrangements are specified in the IEP or IFSP, the school district shall provide one or more of the following transportation arrangements for instructional services and the AEA for support services:

1. Transportation from the student's residence to the location of the special education and back to the student's residence, or child care placement for students below the age of six.
2. Special assistance or adaptations in getting the student to and from and on and off the vehicle, en route to and from the special education.
3. Reimbursement of the actual costs of transportation when by mutual agreement the parents provide transportation for the student to and from the special education.

The school district is not required to provide reimbursement to parents who elect to provide transportation in lieu of agency-provided transportation.

A student may be required, at the board's discretion, to meet a school vehicle without reimbursement up to three-fourths of a mile. The board may require the parent to transport their children up to two miles to connect with school bus vehicles at the expense of the school district when conditions deem it advisable. It is within the discretion of the board to determine such conditions. Parents of students who live where transportation by bus is impracticable or unavailable may be required to furnish transportation to and from the designated attendance center at the expense of the school district. Parents, who transport their children at the expense of the school district, are reimbursed at the rate per mile set by the state.

Transportation arrangements made by agreement with a neighboring school district shall follow the terms of the agreement. Students, who choose to attend a school in a school district other than their resident school district, will provide transportation to and from the school at their own expense.

Legal Reference: 20 U.S.C. §§ 1401, 1701 *et seq.* (2004).
 34 C.F.R. Pt. 300 *et seq.* (2004).
 Iowa Code §§ 256B.4; 285; 321 (2013).
 281 I.A.C. 41.98; 43.

Cross Reference: 501.16 Homeless Children and Youth
 507.8 Student Special Health Services
 603.3 Special Education
 711 Transportation

Approved: 11/23/09
Reviewed:
Revised: 11/3/11

VEHICLE USAGE

School owned vehicles are for the convenience of the school district and are to be used for school purposes only.

The transportation director will assign all vehicles and will maintain a log of their use.

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

STUDENT CONDUCT ON SCHOOL TRANSPORTATION

Students utilizing school transportation shall conduct themselves in an orderly manner fitting to their age level and maturity with mutual respect and consideration for the rights of the school vehicle driver and the other passengers. Students who fail to behave in an orderly manner shall be subject to disciplinary measures.

The driver shall have the authority to maintain order on the school vehicle. It is the responsibility of the driver to report misconduct to the building administrator and transportation director.

The building principal, in conjunction with the transportation director, shall have the authority to suspend transportation privileges of the student or impose other appropriate discipline.

It is the responsibility of the superintendent, in conjunction with the building principals, Transportation Director, with the additional input from the bus drivers, to develop administrative regulations regarding student conduct and discipline when utilizing school district transportation.

Legal Reference: Iowa Code §§ 279.8; 285; 321 (2013).

Cross Reference: 503 Student Discipline
506 Student Records

Adopted: 12/10/09

Reviewed: 12-11-14

Revised:

STUDENT TRANSPORTATION FOR EXTRACURRICULAR ACTIVITIES

The board in its discretion may provide school district transportation for extracurricular activities including, but not limited to, transporting student participants and other students to and from extracurricular events.

Students participating in extracurricular events, other than those held at the school district facilities, may be transported to the extracurricular event by school district transportation vehicles or by another means approved by the superintendent. Students attending extracurricular events, other than those held at the school district facilities may be transported to the extracurricular event by school district transportation vehicles.

Students, who are provided transportation in school district transportation vehicles for extracurricular events, shall ride both to and from the event in the school vehicle unless arrangements have been made with the building principal prior to the event. A student's parent may personally appear and request to transport the student home from a school-sponsored event in which the student traveled to the event on a school district transportation vehicle.

It is the responsibility of the superintendent to make a recommendation to the board annually as to whether the school district shall provide the transportation authorized in this policy. In making the recommendation to the board, the superintendent shall consider the financial condition of the school district, the number of students who would qualify for such transportation, and other factors the board or superintendent deem relevant.

Legal Reference: Iowa Code §§ 256B.4; 285.1-4; 321 (2013).
281 I.A.C. 41.98; 43.

Cross Reference: 504 Student Activities
711 Transportation

Adopted: 11/23/09

Reviewed: 12-11-14

Revised:

SUMMER TRANSPORTATION SERVICE

The school district may use school vehicles for transportation to and from summer extracurricular activities. The superintendent shall make a recommendation to the board annually regarding their use.

Transportation to and from the student's attendance center for summer school instructional programs is within the discretion of the board. It is the responsibility of the superintendent to make a recommendation regarding transportation of students in summer school instructional programs at the expense of the school district. In making the recommendation to the board, the superintendent shall consider the financial condition of the school district, the number of students involved in summer school programs, and other factors deemed relevant by the board or the superintendent.

Legal Reference: Iowa Code § 285.10 (2013).
281 I.A.C. 43.10.

Cross Reference: 603.2 Summer School Instruction
711 Transportation

Approved: 11/23/09

Reviewed: 12-11-14

Revised

TRANSPORTATION OF NONRESIDENT AND NONPUBLIC SCHOOL STUDENTS

The board has sole discretion to determine the method to be utilized for transporting nonresident and nonpublic students. Nonresident students paying tuition may be, and resident students attending a nonpublic school accredited by the State Department of Education, shall be transported on an established public school vehicle route as long as such transportation does not interfere with resident public students' transportation. Nonresident and nonpublic school students shall obtain the permission of the superintendent prior to being transported by the school district.

Parents of resident students who provide transportation for their children attending a nonpublic school accredited by the Iowa Department of Education shall be reimbursed at the established state rate if bus service is not provided. This reimbursement is paid only if the school district receives the funds from the state. If less than the amount of funds necessary to fully reimburse parents of the nonpublic students is received by the school district, the funds shall be prorated.

The charge to the nonresident students is determined based on the students' pro rata share of the actual costs for transportation. The parents of these students are billed for the student's share of the actual costs of transportation. The billing is according to the schedule developed by the superintendent. It is the responsibility of the superintendent to determine the amount to be charged and report it to the board secretary for billing.

Continued transportation of nonresident and nonpublic school students on a public school vehicle route shall be subject to resident public school students' transportation needs. The superintendent shall make a recommendation annually to the board regarding the method to be used. In making a recommendation to the board, the superintendent shall consider the number of students to be transported, the capacity of the school vehicles, the financial condition of the school district and other factors deemed relevant by the board or the superintendent.

Nonresident and nonpublic school students are subject to the same conduct regulations as resident public students as prescribed by board policy, and to other policies, rules, or regulations developed by the school district regarding transportation of students by the school district.

Legal Reference: Iowa Code §§ 285.1-.2, .10, .16 (2013).

Cross Reference: 711 Transportation

Adopted: 11/23/09

Reviewed: 12-11-14

Revised:

TRANSPORTATION OF NONSCHOOL GROUPS

School district vehicles may be available to local nonprofit entities, which promote cultural, educational, civic, community, or recreational activities for transporting to and from non-school-sponsored activities within the state as long as the transportation does not interfere with or disrupt the education program of the school district and does not interfere with or delay the transportation of students. The local nonprofit entity must pay the cost of using the school district vehicle as determined by the superintendent. Prior to making the school district transportation vehicle available to the local nonprofit entity, the "school bus" signs shall be covered and the flashing warning lamps and the stop arm made inoperable.

It is the responsibility of the superintendent to develop administrative regulations for use of school district transportation vehicles to transport students and others to school-sponsored events within the state and for application for, use of, and payment for using the school district transportation vehicles by local nonprofit entities for a non-school-sponsored activity.

Legal Reference: Iowa Code §§ 285.1(21), .10(9), (10) (2013).
281 I.A.C. 43.10.

Cross Reference: 711 Transportation
900 Principles and Objectives for Community Relations

Approved: 11/23/09

Reviewed: 12-11-14

Revised:

SCHOOL BUS SAFETY INSTRUCTION

The school district shall conduct school bus safe riding practices instruction and emergency safety drills twice a year for students who utilize school district transportation.

Each school bus vehicle shall have, in addition to the regular emergency safety drill, a plan for helping those students who require special assistance to safety during an emergency. This will include, but not be limited to, students with disabilities.

School district vehicle drivers are required to attend each safety drill.

Employees are responsible for instructing the proper techniques to be followed during an emergency, as well as safe riding practices. It is the responsibility of the superintendent to develop administrative regulations regarding this policy.

Legal Reference: Iowa Code §§ 279.8; 321 (2013).
281 I.A.C. 43.40.

Cross Reference: 503 Student Discipline
507 Student Health and Well-Being
804.2 Warning System and Emergency Plans

Adopted: 11/23/09

Reviewed: 12-11-14

Revised:

TRANSPORTATION IN INCLEMENT WEATHER

School district may operate buses in times of reduced visibility when caused by fog, snow or other weather conditions. School shall not be canceled solely due to temperature and wind chill. Because weather conditions may vary around the school district and may change quickly, the best judgment possible shall be used with the information available.

The decision to postpone or cancel school shall be made as early as possible prior to the school day. Information gathered from weather reports, road reports, transportation director and lead bus driver and any other information may be used to make a final decision. If school is canceled or delayed, a notice will be given to commercial radio and television to announce and be posted on the Iowa School Alert System.

When the weather deteriorates during the day after school has begun, information shall be gathered from various points in the district. Should it be determined that students need to be sent home early, cancellation notices will be announced by commercial radio and television and using Iowa School Alert System. Students will be returned to their regular drop-off sites unless weather conditions prevent it. In that case, students shall be kept at or returned to school until they are picked up by the parents or conditions improve sufficient enough that buses can operate.

In the event that roads other than hard surfaced roads become impassable, emergency bus routes may be used. In this case, parents shall be required to bring students to a designated pick-up point on a hard surfaced road. When emergency routes will be used it will be announced by commercial radio and television and posted on the Iowa School Alert System. When emergency routes are used, they shall be used on both AM and PM routes for that day.

The final judgment as to when conditions are unsafe to operate buses or use emergency routes shall be made by the superintendent. The superintendent shall be assisted by the transportation director.

In the event that buses can not operate, school shall be closed in all attendance centers.

Legal Reference: Iowa Code §279.8 (2007)

Cross Reference: 601.2 School Day

Approved 11-23-09

Reviewed:

Revised: 12-14-11

District Vehicle Idling

The board recognizes that it has a role in reducing environmental pollutants and in assisting students and others be free from pollutants that may impact their respiratory health. Unnecessary vehicle idling emits pollutants and wastes fuel. The board directs the superintendent, in conjunction with the Director of Transportation, to work on administrative regulations to implement this policy and reduce school vehicle idling time.

Legal References: Iowa Code §279.8 (2013).

Cross References: 403 Employee Health and Well-Being
507 Student Health and Well-Being
711 Transportation

Approved: 11/23/09

Reviewed: 12-11-14

Revised: