

Section 400

Fiscal Management

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483.1 Capitalization and Depreciation

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**PRAIRIE DU CHIEN AREA SCHOOLS
BOARD POLICIES – SECTION 400**

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FISCAL MANAGEMENT GOALS

As trustee of local, state, and federal funds allocated for use in public education, the Prairie du Chien Area School Board will be vigilant in fulfilling its responsibility to see that these funds are used wisely for achievement of the purposes to which they are allocated. The Board recognizes that money and money management comprise the basic support of the whole school program. To make that support as effective as possible, the Board intends:

1. To encourage advance planning through the best possible budget procedures.
2. To establish levels of funding which will provide high quality education for the district's students within the ability of the community to pay.
3. To explore all practical sources of dollar income.
4. To guide the expenditures of funds so as to extract the greatest educational returns.
5. To expect top quality procedures in accounting and reporting and in all other areas of fiscal management.
6. To provide timely and appropriate information to all staff with fiscal management responsibilities.

Adopted: 3/11/2002

FUND BALANCE

The General Fund is the District's operating fund and is used to account for all District financial resources except those required to be classified in other funds. The General Fund (Fund 10) does not include revenues and expenditures for the Special Education Fund (Fund 27). However, when there are shortages in Special Education - Fund 27, a transfer will be made from General Fund--Fund 10 to cover those expenditures.

The Board recognizes the need for carrying an operating reserve in the General fund to:

1. Provide adequate working capital sufficient to meet the District's cash flow requirements;
2. Function as a safeguard to fund unanticipated expenses; and,
3. Demonstrate fiscal responsibility and maintain District bond rating.

The District's Goal is to maintain the District General Fund balance with sufficient working capital and a margin of safety to address emergencies without borrowing.

In September of each year, the Business Manager shall calculate the percentage of General Fund balance as compared to the general fund operating expenditures and transfers from the prior year's audit report. Should the General Fund Balance be less than 20% of general fund expenditures and transfers, the Board shall adopt a four-year plan to obtain the minimum 20% General Fund balance as outlined above.

All unexpended funds at year end which are not included within another Fund Balance classification will be allocated to the General Fund.

Two separate motions shall be required for an allocation from the General Fund Balance and then only in the event of an emergency or a combined "deficit budget" between the General (Fund 10) and Special Education Fund (Fund 27). A "deficit budget" occurs when the budgeted expenditures exceed budgeted revenues for the fiscal year. The first motion must identify the amount of dollars to be budgeted from General Fund balance to the operating budget. A second motion must identify the purpose of the expenditure. Both motions shall be approved by a two-thirds vote of a quorum of the Board.

When the Business office personnel determines that budgeted expenditures are likely to exceed budgeted revenues for any District fund, the Business office shall inform the Board President and place the notice on the agenda for the next regularly scheduled monthly board meeting. Any use of the General Fund Balance to fund such a deficit must be approved by a two-thirds majority vote of a quorum of the Board.

Adopted: 12/11/1995; 5/11/2015

Revised: 3/11/2002

PLANNING OF THE BUDGET

The school district budget is a document that specifies the planned expenditures and anticipated revenues of a school district in a given fiscal year, along with other past and projected data and information relating fiscal elements to the educational mission, organization policies, programs, and outcomes of the district. The budgeting process is the sequence of activities involved in planning the district's educational programs, estimating the needed expenditures and revenues to implement these programs, gaining the necessary approval, and using the budget to assist in managing the district's operations.

The guiding principles of the budget process are:

- Use a vision and knowledge of service needs
- Develop policies, goals, priorities, programs, and resource utilization plans
- Prepare and adopt a budget that integrates vision, policies, goals, strategies, and available resources
- Monitor and control utilization and how well goals are being met'
- Involve stakeholders

Adopted: 3/11/2002

PUBLICATION AND ADOPTION OF THE BUDGET

The procedures in which Prairie du Chien Area School District, a unified district, should follow in formulating a budget, holding a public hearing and adopting a budget are set forth in s. 65.90, Wis. Stats. The steps involved in these required procedures are as follows:

A budget is developed by the staff and school board indicating actual revenues, expenditures, and fund balances for the two fiscal years preceding the budgeted fiscal year and the estimated revenues, expenditures and ending fund balances of the ensuing budget year. Budget detail is based upon the Wisconsin Elementary and Secondary School Accounting System (WESSAS) hierarchy of accounts. A class 1 notice (one publication) is published which contains a summary of the information described above, notice of where the detailed budget may be examined and notice of the time and place where a public hearing will be held on the proposed budget. Unified school districts must publish the class 1 notice at least 15 days prior to the public hearing. The public hearing is held at which residents are provided the opportunity to be heard on the budget. Except for alterations made pursuant to the public hearing, the school board officially adopts the proposed budget as the school district's annual budget and approves the corresponding property tax.

Section 120.12(3)(a) and (c) require that on or before November 1, a school board must determine if the tax voted is sufficient to operate and maintain the schools for the school year. If the amount is not sufficient, the school board shall raise the tax. The board may lower the tax if the amount so determined exceeds requirements. The taxes levied must be certified to municipalities on or before November 6.

Adopted: 3/11/2002

BUDGET IMPLEMENTATION

The Prairie du Chien Area School Board places the responsibility for administering the operational budget, once adopted, with the District Administrator. The Board also delegates to the District Administrator the responsibility for establishing such a system of fiscal control to govern the expenditure of funds. In establishing such a system, the District Administrator will implement the following:

1. The budget will be administered in accordance with requirements of the State of Wisconsin as well as federal regulations. The District Administrator will ascertain the legality of all expenditures before recommending them to the Board for approval.
2. The school and each department must operate under budget controls established by the District Administrator.

LEGAL REFS: Wis. Stat. 65.90
67.11

Adopted: 3/11/2002

TRANSFER OF FUNDS BETWEEN CATEGORIES

All transfer of monies between funds and within funds must be approved by the District Administrator. The district administrator will provide complete information regarding monies available, the proposed expenditures and reserves.

LEGAL REF: Wis. Stat. 67.11

Adopted: 3/11/2002

REVENUES FROM INVESTMENTS

Frequently there will be a cash balance in a school district fund which, though allocated to a specific use, is temporarily not needed.

Any temporary balance in a school district fund that will remain unspent for a reasonable period shall be invested as permitted by law. The district Director of Business is authorized to invest school district funds local financial institutions and other Board approved programs.

LEGAL REF: Wis. Statute 34.01
66.04 (2)

Adopted: 3/11/2002

GATE RECEIPTS AND ADMISSIONS

Admissions receipts of all school events shall be accounted for.

The Director of Business Affairs is responsible for the administration and the Building Principal is responsible for the supervision of all phases of school events for which an admission is charged.

Admission to those major school events for which an admission is charged shall be by serially numbered tickets only. However, persons presenting season, faculty, or special passes will be admitted to all events. Adequate records shall be maintained to provide chronological and accounting data.

Adopted: 11/13/1989

Revised: 3/11/2002

GRANTS FROM PRIVATE SOURCES

The Board may accept and use any bequest or gift of money or property for a purpose deemed by the Board to be consistent with the law and district goals.

The District Administrator shall recommend the acceptance of gifts, and the procedure for examining and evaluating offers of gifts to the district.

LEGAL REF: Wis. Stat. 118.27

Adopted: 3/11/2002

DEPOSITORY OF FUNDS

The depository of funds for the general fund, debt service fund, and for the activity fund shall be deposited in one or more public depositories as may be designated by the Board from time to time.

LEGAL REF: Wis. Statute 34.01
66.04 (2)

Adopted: 3/11/2002

AUTHORIZED SIGNATURES

(Use of Facsimile Signatures)

Signatures, including facsimile signatures of the Board President, Clerk, and Treasurer are to be used on checks, drafts, warrant-checks, vouchers, or other orders on all public funds deposited in designated depositories. Each officer shall authorize said depository banks to honor any such instrument bearing his or her facsimile signature as fully as though it bore a manually written signature. Instruments so honored shall be wholly operative and binding in favor of said depository bank although such facsimile signature shall have been affixed without authority. Possession and application of the signatures on these documents will be the responsibility and function of the Administrative Secretary.

LEGAL REF: Wis. Stat. 120.16 (2)
66.042 (3)

Adopted: 3/11/2002

STUDENT ACTIVITY FUNDS MANAGEMENT

All funds generated from fundraising activities by students for the activity fund shall be the property of the district. Student activity funds shall be under the control of the Board and used and distributed at the discretion of the Board through the administrative staff.

Funds shall be used to finance a program of extracurricular activities that augment but not replace the activities provided by the district. Funds shall be expended in such a way as to benefit those students who have contributed to the accumulation of funds, except as otherwise provided.

Funds derived from the student body as a whole shall be expended in such a way as to benefit the student body as a whole. The Board believes student body representation is as important factor in the democratic management of funds raised by the student body as a whole and expended for its benefit and shall encourage such representation whenever possible.

The principals shall be responsible for supervising the management of student activity.

Disbursements of student activity funds may be made only with the approval of the faculty advisor, principal, the District Administrator, and the Director of Business Affairs. Proper documentation must accompany each request.

To help the Board fulfill this obligation:

1. A faculty advisor will be assigned to each student group that wishes to raise funds for its activities.
2. The faculty advisor will get approval from the Principal in advance for each fund raising activity and disbursement of activity funds.

LEGAL REF: Wis. Stat. - 120.12 (1), 34.105, 66.042

Adopted: 3/14/1994

Revised: 2/12/2001; 3/11/2002; 8/11/2014

PETTY CASH FUND

In order to facilitate minor purchases, postage stamps, and newsletter mailing expense in the Prairie du Chien Area School District, the School Board shall establish a petty cash fund in the administrative office. A petty cash custodian should be designated by the Director of Business Affairs. The custodian will be responsible for paying cash out, obtaining the necessary documentation, and reconciling the petty cash fund as needed.

Individual petty cash expenditures may not exceed ten dollars (\$10.00) with the exception of postage stamps and monthly newsletter mailings, or unless the petty cash custodian requests permission and receives approval from the Director of Business Affairs.

Each school building office will have a petty cash fund that is started and replenished by the district office petty cash fund. The petty cash funds shall be as follows:

District Office:	\$100.00
School Building:	\$50.00

The school secretary shall send receipts to the District Office for replenishment as needed.

Cash plus receipted expenditures shall always equal the original approved petty cash. Petty cash expenditures shall be receipted whenever possible. If a receipt cannot be obtained, a note signed by the petty cash custodian shall be attached to the expenditure verifying its accuracy.

Petty cash from the school building offices shall be returned to the District Office at the end of each school year and the petty cash fund is to be reconciled and replenished at the close of the fiscal year (June 30) for auditing purposes.

Adopted: 3/11/2002

SCHOLARSHIP FUND

The Scholarship Fund is a segregated fund with two accounts, one expendable and one non-expendable, with all expenditures approved by the board and the fund to be audited on an annual basis.

The Prairie du Chien Area School Board places the responsibility for administering the Scholarship Fund with the District Administrator. An established system of fiscal control to govern expenditure of funds will be delegated to the Director of Business Affairs.

Adopted: 3/11/2002

BONDED EMPLOYEES AND OFFICERS

The Prairie du Chien Area School District shall purchase a Public Employees Blanket Position Bond for all Board Members, employees, and volunteers to protect against the loss of any public funds.

LEGAL REF: Wis. Stat. 120.13 (23)
120.49 (13)

Adopted: 3/11/2002

MONIES IN THE SCHOOL BUILDING

Monies collected by school district employees and by students treasurers will be handled with good and prudent business procedures, both to demonstrate the ability of the school system employees to operate in that fashion and to teach procedures to students.

All monies collected will be receipted, accounted for, and directed without delay to the proper location for deposit. Bank accounts required for this purpose will be pre-authorized by the Director of Business. The district and/or its designated auditing firm will keep complete records of all transactions for purposes of supporting audits.

In no event are monies to be left in classrooms or teacher offices, but are to be turned into each building office each day to be secured. The staff can be held personally liable for any funds that are lost or stolen.

LEGAL REFERENCE: Wis. Stat. 120.16 (5)

Adopted: 3/11/2002

BOARD MEMBER - EXPENSE REIMBURSEMENT

1. Board members shall submit expense reimbursement requests to the Board president for approval. Reimbursement requests must be made on the appropriate District form. When Board members submit requests for reimbursement for attendance at Board in-service and development activities and other activities approved by the Board, they will be compensated as follows:

President	\$75/Month
All Others	\$50/Month
Add'l Full Day Meeting	\$30
Add'l Half Day Meeting	\$15

2. Board members shall submit their reimbursement requests to the District Administrator, or his/her designee, on the dates established by the Business Office.
3. Board members shall receive a reimbursement check within 30 days.

Adopted: 7/13/1993

Revised: 3/11/2002

PURCHASING

A primary public duty of the district administration is to secure the best possible education for the students in the district for the resources expended.

The administration owes allegiance solely to the taxpayers in the district and must establish purchasing procedures which make the best use of the tax dollar. Within the framework of applicable laws and regulations, purchases and use of materials and manpower shall be accomplished in accordance with good business practices, with the primary purpose of serving the program of instruction.

In an effort to obtain the most favorable purchase prices, the school district, whenever practical, shall seek opportunities for quantity purchasing. This may be done in cooperation with other school districts or through a consolidation of needs within the local district.

Whenever practical, competitive bids or quotations shall be sought on purchases where quantity or cost involved warrant such handling. It is the intention of the Board that all bidding is done in such a manner that all qualified suppliers have an equal opportunity insofar as manufacturing or product differences will allow. The school district reserves the right to accept or reject any or all bids and will be the only judge of the quality, construction, and suitability of the products offered.

In the bidding or quotation process, the lowest price may be rejected if:

1. There is a question or doubt if the vendor or agent can meet the commitment.
2. The vendor or agent has failed to fulfill purchase agreements in the past.
3. The goods or services do not meet specifications or do not provide the best value for the tax dollars expected.
4. The lowest bidder cannot offer the most efficient or reliable service.
5. The bidder cannot show acceptable financial responsibility.

In the event that bid prices, product specifications, and all services are equal or nearly equal, the school district will give preference to agents, vendors, or manufacturers residing in the school district who have a proven record of quality service. The school district reserves the right to pre-qualify bidders, agents, or vendors, and to determine whether or not the designation of a local business is met.

Responsible quotations will be obtained (three if possible) on all equipment purchases of goods or services where the estimated cost exceeds \$5,000, and on all construction the estimation of which exceeds \$10,000. The purchase of goods and services not to exceed \$5,000, which are included in the annual school budget, will be made by the District Administrator and district staff using such methods as will ensure the best interests of the school district and the Board.

The Board will waive bidding procedures when in its opinion an emergency condition exists.

Employees will follow the directions of the school district purchasing agent when working with vendors. District employees will be responsible to provide sales persons and vendors with the correct purchasing practices of the district as described by the purchasing agent.

If there is conflict of interest, the district will not purchase supplies or materials from a staff member, nor from a member of the Board of Education or from a member of his or her household or from a firm in which he or she holds a major interest.

LEGAL REFERENCE: Wis. Stat. 946.13

Adopted: 3/11/2002

REQUESTING GOODS & SERVICES

(Requisitions)

Request for purchase shall be prepared on the forms provided by and forwarded to the Business Office.

Request for purchase shall include full information, including quantity (unit), description, catalog number, brand number, date needed, price, and other information indicated on the purchase order form.

Requests for purchase must be approved by the Building Principal or supervisor before being processed for purchase.

All requests for purchases must be approved prior to placing an order. Purchases made without proper approval will be the responsibility of the employee.

Adopted: 3/11/2002

ORDERING GOODS & SERVICES

(Purchase Orders)

The order must be approved by the Principal/ Supervisor group before a purchase order will be processed.

Purchase orders shall be processed for all approved orders and signed by the District Administrator and the Director of Business Affairs. An original purchase order shall be mailed or delivered to the vendor; a copy shall be filed with the Business Office with a copy of the original order attached. Employees should make their own copies before submitting the orders for approval. The packing slip should be used to certify to the Business Office that delivery of goods or services has been received.

Adopted: 3/11/2002

COOPERATIVE PURCHASING

It is the policy of the Board of Education to insure the most competitive purchasing practices possible and hereby authorize the administration to cooperate with the Cooperative Education Service Agency in taking bids, letting contracts for cooperative purchasing, and authorizing payment of invoices for said supplies.

All other cooperative buying ventures will be submitted to the Board for approval and authorization will be on an individual basis.

Adopted: 3/11/2002

LOCAL PURCHASING

Because local merchants are in business in the same manner as are other purveyors of goods and/or services and because they support the school district with tax monies as do other citizens, the Board hereby issues the following directive in reference to the purchase of goods and service.

In so far as is practical and in the best interests of the school district, materials and services are to be ordered from local merchants when possible. However, it must be understood that such materials and services must be equal to the requirements for price and quality as imposed upon other vendors.

This policy shall in no way be interpreted to bind the school district to the purchasing of goods and services totally from local vendors. However, it shall be interpreted as a meaningful directive to those with purchasing authority to give full and complete consideration to local merchants.

Adopted: 9/9/1996

Revised: 3/11/2002

PAYING FOR GOODS & SERVICES

The Business Office will audit all invoices and requests for payment prior to vouchering for payment. Bills failing to conform to legal requirements or to established procedures for vouchering shall be referred to the District Administrator, and will be processed in the manner he/she considers appropriate before payment is made.

All payments of school obligations shall be made by a sequential numbering system. All payments shall be supported by proper invoices and/or other substantiating information.

All payments of school obligation should be audited monthly by a Board of Education Member. The assignment shall take place on a rotating basis and shall make recommendation to the Board for appropriate payment.

Adopted: 3/11/2002

FINANCIAL REPORTS AND STATEMENTS

The Board shall receive monthly financial statements showing the financial condition of the school district as of the last day of the proceeding month. Such statements will include a balance sheet along with revenue and expenditure statements. The statements will contain budgeted amounts, amounts received, expended and encumbered. Such other financial records as may be determined necessary by either the Board or the Administration shall be presented periodically.

The District Administrator and the Director of Business will make such fiscal reports to the Department of Public Instruction as are required by law.

LEGAL REF: Wis. Stat. 115.30

Adopted: 3/11/2002

INVENTORIES

The District Administrator or designee shall be responsible for maintaining an accurate inventory of materials and equipment in the school system. The district will maintain inventories and its records in accordance with the Governmental Accounting Standard Board Statement 34 (GASB 34).

Under GASB 34, the school district's general capital assets (GCAs) will be reported and depreciated on the new statement of net assets and statement of activities. Supporting detail will be provided in the financial statement note disclosures, such as acquisitions, retirements, and ending balances by type. These statements will be included in the annual district financial audit.

Adopted: 3/11/2002

CAPITALIZATION AND DEPRECIATION

This capitalization and depreciation policy is established to safeguard assets, enhance accountability and provide for more accurate and uniform financial reporting in compliance with accounting principles generally accepted in the United States of America (GAAP) and GASB 34.

1. All fixed asset purchases in excess of \$10,000 for items or groups of items (i.e.: computers) with useful life of more than one year shall be capitalized.
2. Certain categories of assets costing less than \$10,000 shall be inventoried and tracked, although not in the general ledger. These items will not be depreciated.
3. In accordance with GAAP, assets must be depreciated over their estimated useful lives.
 - a. Computer Equipment 5 years
 - b. Vehicles and Busses 8 years
 - c. Other Equipment 5 to 15 years
 - d. Site Improvements 20 years
 - e. Buildings 50 years
 - f. Subsequent Modernization to Buildings 20 years
4. For depreciation purposes only, the salvage value of assets is estimated to be immaterial. Therefore, assets will be depreciated at 100% of cost.
5. The “half-year” convention will be utilized whereby one-half of depreciation is recorded in the fiscal year of acquisition and the fiscal year of disposition.
6. Straight-line depreciation will be calculated for a depreciable property.

Adopted: 11/03/2003

Revised: 8/9/2004, 7/11/2015

FINANCIAL AUDIT

Annually, the administration will open the District's records and financial accounts to an independent certified public accountant that will conduct an audit in conformance with standard accounting procedures and legal requirements. The District will select the certified public accountant and pay for the audit with the School District funds.

The audit and management letter, when completed, shall be presented to the Board of Education for formal acceptance.

The District Administrator shall be responsible for filing copies of the audit with the proper authorities as prescribed by law.

LEGAL REFERENCE: Wis. Stat. 120.14 (2); 120.14 (3)

Adopted: 3/11/2002

RETENTION OF FINANCIAL RECORDS

The period of time a school district record shall be kept before destruction shall be not less than seven years, unless a shorter period of time is fixed by the Public Records and Forms Board. For all financial records the district will follow the guidelines and the schedule listed in the Wisconsin Records Retention Schedule for School Districts (1990- Wisconsin Department of Public Instruction).

For any record for that indicates a retention period of less than seven years, the school district may destroy the record if the school district has retained the record for at least the period of time indicated on the schedule.

LEGAL REF: Wis. Stat. 19.21(6)

Adopted: 3/11/2002

SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES

The District Administrator shall be authorized to dispose of useless equipment and materials and/or sell obsolete equipment to the highest bidder. Principals, in consultation with the district administrator, will be responsible for culling and disposing of obsolete supplies in their building. The district administrator will report such activity to the business office in order to properly document the disposal of a fixed asset. The district administrator shall keep the board informed of all pending items to be disposed.

Adopted: 3/11/2002