

CONCEPTS AND ROLES

The School Board recognizes that money and money management comprise the foundational support of the entire school program. To make that support as effective as possible, the Board intends to:

1. Encourage advance planning through the best possible budget procedures.
2. Explore practical sources of dollar income.
3. Guide the expenditure of funds so as to derive the greatest possible educational returns.
4. Expect sound fiscal management from the administration.
5. Advocate a level of per student funding sufficient to provide quality education.

The Board desires to support the educational program with high standards of safety in the operation and maintenance of school facilities, equipment and services.

Role of The Board

The Board:

1. Solicits public input on educational needs and utilizes that information in making budget decisions.
2. Approves and adopts the annual budget and approves budget transfers.
3. Is accountable for all district funds.
4. Adopts written policies governing the purchase of supplies and equipment.
5. Monitors all expenditures by receiving statements and approving payments.
6. Reviews the annual audit of district accounts and business procedures.
7. Adopts an insurance program which complies with law and reflects prudent financial management.
8. Provides for long-range plans to acquire or dispose of sites and to add, maintain and staff new facilities.

CONCEPTS AND ROLES (continued)

9. Advocates and secures community support for additional financing when necessary.

Role of Superintendent or designee

The Superintendent or designee:

1. Prepares the detailed annual budget and presents it to the Board for adoption.
2. Administers the budget and keeps expenditures within approved limits. Is responsible for establishing controls to ensure that the Yakutat School District meets its goal of 70% Instructional for expenditures as per AS 14.17.520. Quarterly reports based on the data that is presented monthly can be used to determine if the Yakutat School District is meeting its 70% Instructional requirement, and adjustments can be made to bring expenditures in line with this goal.
3. Enforces requisition and purchase order policies and regulations.
4. Establishes control/inventory systems to account for district funds, supplies and equipment in accordance with law and Board policy.
5. Makes all financial reports required by law or Board policy and prepares reports for public release.
6. Analyzes the district's financial condition and presents the Board with proposals for meeting financial needs.
7. Provides for the annual audit of district accounts and business procedures.
8. Helps the Board to establish an adequate insurance program.
9. Maintains the district's noninstructional operations.

CONCEPTS AND ROLES (continued)

Working Relationships of the Board and Superintendent or designee

The Superintendent or designee shall recommend financial plans to the Board in accordance with the district's goals and objectives, whenever district programs may be endangered by a lack of funds or when the continuation of district programs may result in an over expenditure of district funds.

The Board desires complete information from the Superintendent or designee on all matters relating to the district's financial operations. The Board shall closely scrutinize all district financial operations so that it may fully discharge its legal responsibilities with regard to school finance.

(cf. 3460 - Financial Reports and Accountability)

Legal Reference:

ALASKA STATUTES

14.08.101 Powers (Regional School Boards)

14.08.111 Duties (Regional School Boards)

14.12.020 Support, Management and Control

14.14.060 Relationship between borough school district and borough

14.14.065 Relationship between city school district and city

14.14.090 Additional duties

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: June 29, 2010

BUDGET

Note: Pursuant to A.S. 14.12.020, Regional Educational Attendance Areas are maintained by the state. Borough and city school districts are funded through local contributions authorized by the borough assembly or city council and state apportionments based on the amount of local contributions as defined in A.S. 14.17.410. A.S. 14.17.900 requires districts to operate under a balanced budget and provides that the state is not responsible for the debts of school districts.

The School Board shall establish and maintain a balanced budget. The Board shall adopt an annual budget which is compatible with district goals and objectives.

(cf. 0200 - Goals for the School District)

(cf. 3460 - Financial Reports and Accountability)

The district budget shall be prepared annually from the best possible estimates of revenues and expenditures. The Superintendent or designee shall determine the manner in which the budget shall be prepared and shall schedule the budget adoption process in accordance with legal time requirements. A public hearing shall be held prior to the adoption of the budget or a revised budget.

Note: The following optional paragraph provides for early public input and may be revised as desired.

In order to receive public input early in the budget preparation process, a budget advisory committee, composed of members of the community and staff, shall review the proposed budget at regular intervals during its preparation and shall report its findings and recommendations to the Board.

(cf. 1220 - Citizen Advisory Committees)

Legal Reference:

ALASKA STATUTES

14.07.030 Powers of state department

14.07.170 Additional powers and duties of state board

14.12.020 Support, management and control

14.14.060 Relationship between borough school district and borough

14.14.065 Relationship between city school district and city

14.17.300 - 14.17.990 Financing of public schools

ALASKA ADMINISTRATIVE CODE

4 AAC 09.006 - 4 AAC 09.050 State Aid

4 AAC 09.110 - 4 AAC 09.990 School Operating Fund

Revised 1/03

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: February 7, 2005

BUDGET

Public Hearing and Availability of Proposed Budget

The proposed budget, showing expenditures, cash balances and all revenues, shall be made available for public inspection before the public hearing date.

The Board shall hold a public hearing on the proposed budget for the purpose of permitting any district resident to appear and speak to the budget or any item on the budget.

Adoption of the Budget

The adoption of the budget shall not take place until the public hearing is concluded. The district budget shall conform to state regulations regarding form and content.

Note: The following paragraph applies to borough and city school districts and may be expanded as appropriate. If the borough assembly /city council doesn't respond within 30 days the amount submitted is automatically approved.

By May 1, the Board shall adopt and submit an annual budget to the borough assembly/city council for approval of the local contribution of revenue to the school district. If budget revisions are necessary based on the amount of local contribution to the schools approved by the borough assembly/city council, the Board shall conduct a public hearing prior to adopting a revised budget. (A.S. 14.14.060/14.14.065)

Note: The following paragraph reflects the requirements of 4 AAC 09.110 and 4 AAC 09.120 regarding state approval of the district budget.

By July 15, the adopted budget shall be submitted to the state department of education for approval. The state commissioner may reject the district budget if it is not in the form required by the state, is not balanced, does not meet local effort requirements of law, or does not meet the requirements for minimum expenditure for instruction. If rejected by the state, a revised budget shall be submitted within twenty days of the date the notice of rejection is mailed. If the budget contains a prior year fund balance as revenue, the budget shall be revised and resubmitted if the annual audit shows the fund balance to be less than projected. (4 AAC 09.110/09.120)

Revised 1/03

TRANSFER OF FUNDS

Note: The following optional policy should be revised or deleted based on district philosophy and needs. A.S. 14.14.060 and 14.14.065 provide that the borough assembly/city council, with the consent of the borough/city school district, may by ordinance delegate to the school district responsibility for a centralized treasury and/or accounting system.

The School Board recognizes that the transfer of funds between budget categories may be necessary in order to ensure that the district maintains a balanced budget. The Superintendent or designee may authorize budget transfers under \$6,000. All transfers shall be reported to the Board and are subject to Board approval.

Legal Reference:

ALASKA STATUTES

14.08.101 Powers (Regional school boards)

14.14.060 Relationship between borough school district and borough

14.14.065 Relationship between city school district and city

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: August 10, 2009

TRANSFER OF FUNDS

Any inter-fund transfer requires prior approval by the Board.

After an interfund transfer has been budgeted, the Superintendent or designee may direct the Business Manager to transfer money, up to the budgeted amount, as required in the receiving fund. The transfer will be made by journal entry.

BUDGET REVISIONS

Periodically through the year the budget may need to be revised to reflect changes in available resources and expenditure requirements. The Superintendent or designee will collect the necessary information and present these revisions to the Board for review and action.

FUND BALANCES

The Superintendent or designee will report to the board as close to the end of the year as possible the anticipated year-end fund balance or deficit.

The School Board should take appropriate action to reserve, dedicated or otherwise allocate prior year fund balances a part of the budget planning process. Required reserves include those required by Generally Accepted Governmental Accounting Principles, as prescribed by the Governmental Accounting Standards Board, those required by federal, State and local law, and those required by contractual provisions with organizations which are not a part of the District. Examples of these include reserves for prepaid items, inventory, long-term assets such as the investment in ASIC; current year Impact Aid appropriation and encumbrances.

Business and Noninstructional Operations

BP 3200

INCOME

Effective district planning depends upon accurate projection and calculation of anticipated district income. The Superintendent or designee shall ensure that all income sources are identified and received as early as possible each year.

Legal Reference:

ALASKA STATUTES

14.07.070 Withholding state funds

14.17.080 Student count estimates

14.17.082 Fund balance in school operating fund

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997

LOCAL FUNDS

City and Borough Appropriation

Section 14.17.025 of the Compiled School Laws of Alaska require local contributions to help support city or borough school districts. The City and Borough of Yakutat provides this contribution in the form of in-kind services and cash appropriation. Although the amount of the appropriation is at the discretion of the City and Borough Assembly, the District will request an appropriation which is within the State of Alaska laws and regulations and will make the Assembly aware of the maximum and minimum allowable local effort. At no time should the appropriation requested exceed the maximum allowed by the State of Alaska under its Foundation funding program.

To provide guidelines for requesting local appropriation and increases in appropriations.

This procedure applies to all requests for general appropriations from the City and Borough of Yakutat.

Local contribution - local contribution means appropriations to the school operating fund by the city or borough, interest earnings that a district is allowed to keep and spend on school operations, out-of-district tuition payments, the value of in-kind services performed by the city of borough and 10 percent of the district's eligible federal impact aid.

Eligible federal impact aid - eligible federal impact aid for a fiscal year means the amount of federal aid received by the district as of March 1 of the fiscal year as payment for its entitlement for the application submitted during the preceding fiscal year, including advance payments, and adjustments received since March 1 of the preceding fiscal year from prior year applications. It excludes any payments which the State cannot consider local resources such as Special Education and Native land add-on appropriations.

**YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997**

Business and Noninstructional Operations

AR 3210(a)

LOCAL FUNDS

Required Local Effort

The Superintendent or designee is responsible for communicating to the board what the minimum required local effort for the subsequent year before submitting a proposed budget to the board.

Local contributions to the District shall include at least the lessor of:

- 1) The equivalent of a four mill tax levy on the full and true value of the taxable real and personal property in the district as of January 1 of the second preceding fiscal year, as determined by the Department of Community and Regional Affairs under AS 14.17.140 and AS 29.45.2110; or
- 2) 23 percent of the district's basic need for the fiscal year under AS 14.17.021(b), as adjusted under AS 14.17.225(b); or
- 3) A lower amount if the State of Alaska Department of Education reduces the maximum local contribution by regulation to keep revenue or expenditure disparities among school districts in Alaska in compliance with federal requirements.

Proposed increases in appropriations will be compared, by the Superintendent or designee, to the maximum allowed.

Business and Noninstructional Operations

AR 3210(b)

GRANT FUNDS

The Business Manager is responsible for the Internal Controls over Revenue Recognition.

There are certain grant revenues that the Yakutat School District might receive in advance of expenditures.

An example of this type of funding might be: State of Alaska funding for construction before the project has started.

The Business Manager must recognize that money was received in advance of expenditures and record the revenue as deferred revenue instead of grant revenue.

An example of this for construction would be:

505 000 000 760 (Deferred Revenue) (88,000.00) as the correct way to record revenue that is received in advance of expenditures.

505 000 000 099 (Revenue) Is an example of an incorrect way to record deferred revenue.

At fiscal end the Business Manager must assess whether there is deferred revenue on each grant. If there is deferred revenue the Business Manager will make the following journal entry.

			099	
Fund	Function	Educ/other	Object	88,000
			760	
Fund	Function	Educ/other	Object	(88,000)

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: June 29, 2010

~~CIGARETTE TAX ADMINISTRATION~~

~~All cigarette tax appropriations will be accounted for in a special revenue fund and in a separate bank account which complies with State of Alaska requirements. In addition, expenditure of cigarette tax appropriations will be authorized through resolutions from the City and Borough Assembly and the School Board.~~

~~To provide guidelines for developing resolutions to expend cigarette tax appropriations and to appropriate the expenditures.~~

~~This procedure applies to all appropriations received from the State of Alaska for Cigarette Tax distributions and earnings on unexpended funds.~~

CIGARETTE TAX ADMINISTRATION

~~Method of Appropriating Expenditures~~

~~Disbursements must be made only upon the specific authorization of the local school board and the assembly. Assembly approval must be by resolution. School Board approval is granted by both a resolution and through the budget process.~~

~~Once authorized by both the school board and assembly, the Superintendent or designee may code expenditures to be recorded in this fund as allowable expenditures as incurred.~~

~~Although allowed by regulation, cigarette tax money should not be appropriated to pay debt service because these payments will reduce the amount of debt service reimbursement payments received from the State of Alaska.~~

~~Allowable Expenditures~~

~~Cigarette tax must be appropriated and expended for rehabilitation, construction, and repair of school facilities, as used in the Cigarette Tax Act (AS 43.50.010 - 43.50.180). This includes construction and major repair projects, and debt service associated with construction and major repair projects. Cigarette tax money may not be used for projects that are properly considered as normal operating and maintenance expenses of the school district.~~

~~Other expenditures may be allowable if specifically approved by the commissioner of education. Property insurance has been determined to be allowable.~~

~~Annual Reporting~~

~~An annual audit of the cigarette tax fund must be submitted to the State of Alaska Department of Education which includes all expenditures made from the fund.~~

~~The District must also submit any other reports requested by the commissioner.~~

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Deleted: February 18, 2008

MATERIALS FEES

The School Board will make every effort to provide the instructional equipment, books and materials needed to maintain the desired instructional program so that teachers, students, and parents/guardians do not feel compelled to provide such items and school fund raising activities are minimized. The sale of any school supplies or materials must be authorized by the Superintendent or designee or the Board.

(cf. 1321 - Soliciting Funds from and by Students)

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997

**SALE AND DISPOSAL OF BOOKS, EQUIPMENT AND SUPPLIES
(PERSONAL PROPERTY)**

The School Board recognizes that the district may own personal property which is unusable, obsolete, or no longer needed by the district and that the disposal of such property may be in the best interests of the district.

The Superintendent or designee shall identify to the Board all inventoried personal property not needed by the district, together with the estimated value and recommended disposition. With Board approval, the Superintendent or designee shall arrange for the sale or disposal of district personal property in accordance with state law.

(cf. 3440- Inventories)

SALE OR LEASE OF SCHOOL FACILITIES OR REAL PROPERTY

The Board shall dispose of, or recommend to the state the disposal of, school facilities or real property whenever it is apparent the district will have no future use for it. If unused property will be needed at some future time, the Board may lease, or recommend to the state the lease of, such property. Any sale or lease of school facilities or real property will conform to the provisions of law.

(cf. 1330 - Use of School Facilities)

The School Board encourages public participation in the determination of school facility needs.

(cf. 1220 - Citizen Advisory Committees)

Legal Reference:

ALASKA STATUTES

14.07.030 Powers of state department

14.08.101 Powers (Regional school boards)

14.08.151 Land and buildings

ALASKA ADMINISTRATIVE CODE

4 AAC 32.085 Disposal of abandoned or obsolete property

GIFTS, GRANTS AND BEQUESTS

The School Board greatly appreciates the support of community members and may accept suitable donations on behalf of the district. To be acceptable, a gift must satisfy the following criteria:

1. Not begin a program which the Board would be unwilling to continue when the donated funds are exhausted.
2. Not entail undesirable or hidden costs, such as additional staff workload.
3. Place no restrictions on the school program.
4. Not be inappropriate or harmful to the best education of students.
5. Not imply endorsement of any business or product.
6. Not conflict with any provision of the Board policy or public law.
7. Have a purpose consistent with those of the district.

The Board discourages any gifts which may directly or indirectly impair its commitment to providing equal educational opportunities for all district students. Use of a gift shall not be impaired by restrictions or conditions imposed by the donor. The Board will try to follow the donor's wishes insofar as they do not conflict with district philosophy or operations.

Upon acceptance by the School Board, all gifts, grants and bequests shall become school district property. At the Superintendent or designee's discretion, a gift may be used at a particular school.

(cf. 3430 - Investing)
(cf. 3440 - Inventories)

EXPENDITURES/EXPENDING AUTHORITY

The Superintendent or designee may purchase supplies, materials and equipment in accordance with law. Prior Board approval is required for purchases over \$6,000. The Board shall approve all transactions over \$6,000.

(cf. 3310 - Purchasing Procedures)
(cf. 3311 - Bids)
(cf. 3312 - Contracts)
(cf. 3460 - Financial Reports and Accountability)

The Superintendent or designee shall not authorize any proposed expenditure which exceeds the major budget classification allowance against which the expenditure is the proper charge unless an amount sufficient to cover the purchase is available in the budget for transfer.

(cf. 3100 - Budget)
(cf. 3110 - Transfer of Funds)

The Board shall not recognize obligations incurred contrary to Board policy and administrative regulations.

Legal Reference:

ALASKA STATUTES

- 14.08.101 Powers (Regional school boards)*
- 14.08.111 Duties (Regional school boards)*
- 14.14.060 Relationship between borough school district and borough*
- 14.14.065 Relationship between city school district and city*
- 14.17.190 Restrictions governing receipt and expenditure of money from public school foundation account*
- 36.30. State Procurement Code*
- 37.05 Fiscal Procedures Act*

TRAVEL EXPENSES

Travel Arrangements and Authorization

All arrangements required for business travel are to be made through the District Secretary. The District Secretary can solicit better corporate/governmental discounts and rates for hotels, airlines, car rental agencies and travel agencies. Employees benefit because they do not have to spend their own time comparing rates and making their own arrangements.

To arrange for travel, employees complete the Travel Authorization (TA) form with all pertinent information and submit it to the District Secretary. The District Secretary estimates the cost of transportation and lodging and prepares purchase orders for lodging, airline tickets, registration, and car rental, if applicable before putting the form in the unapproved disbursement file (this is the file with purchase requisitions, check requests, travel authorization forms, payroll advance forms and other requests for disbursements which are processed on a bi-weekly basis by the Business Manager).

Employee and Board Travel and Per Diem

The Superintendent or designee approves or denies TAs and POs. Once approved or denied, the Superintendent or designee returns the form to the Business Manager who encumbers all approved TAs and the Superintendent or designee notifies staff of unapproved TAs.

On the day the disbursement file is processed, the Business Manager codes the travel on the TA in the designated area. The District Secretary prepares purchase orders for lodging, airline tickets, registration, and car rental, if applicable. The District Secretary then forwards the TA and related POs to the Superintendent or designee for approval or denial.

Once encumbered, approved TAs are returned to the District Secretary who makes travel arrangements. For maximum savings on airfares, this form should always be completed and approved at least 21 days in advance unless an emergency trip is required. The District Secretary will return a travel itinerary and any tickets or reservation forms to the employee upon receipt from the airline or travel agency.

TRAVEL EXPENSES (continued)

Because the District does not pay employees per diem for motels, hotels, or other lodging arrangements, these are authorized by Purchase Orders (POs) which authorize the vendors to direct bill the District. Charges to the room for phone call, movies, meals and other miscellaneous room charges are the responsibility of the traveler and should be paid when checking out. Before travel commences, employees will be required to sign a statement (at the bottom of the TA) which states: "Only approved expenditures will be charged to the District accounts or against a District purchase order as defined in the District's policy and procedures. All other charges are my responsibility and therefore, I authorize the District to withhold any amount necessary to reimburse these unauthorized costs from my future pay checks."

Employees may add to the approved official District travel itinerary of District business travel. The additional costs shall be paid by the traveler.

1. Employees shall take leave as required. A "Request for leave" form shall be submitted with TA through the District Secretary to the Superintendent or designee for approval.
2. Per diem will not be paid for the additions to District approved official travel.
3. Additions to the itinerary of official District travel shall be approved by the Superintendent or designee prior to the official travel taking place. The employee reimbursed for additional cost incurred.
4. The additional cost of the personal change to the travel itinerary must be paid to the District by the traveler prior to commencement of travel.

Expense Guidelines

Air Travel - The District Secretary will make airline reservations based on the following criteria:

1. Expediency: Getting the employee to their destination in an expedient way (Direct flights when possible or connecting flights if necessary for faster flight schedules).
2. Cost: Employee will fly coach class unless extenuating circumstances apply.

TRAVEL EXPENSES (continued)

3. Carrier: An employee's preferred airline can be utilized as long as expediency and cost factors are equal.

Airfare will be directly billed to the District's travel agency or airline account.

When making travel arrangements all efforts to secure the lowest price should be made.

1. Common Carrier Fare - Use of first class for any District employee travel is prohibited. The traveler may use up-grades to "first class" or upgrade to first class at the traveler's expense.
2. First Class shall be authorized only if travel is required and the District is unable to obtain any other class. Justifications for this shall be documented and filed with the District's Business Manager/Accountant.
3. Excess baggage to be paid for by the District will be limited to personal and baggage necessary to carry out official District business. Whenever possible, such baggage should be shipped via air freight.

On occasion, employees may have no alternative but to book their own flight. If this is the case, employees must use regularly scheduled airlines and obtain the lowest (discount) fare available. This may mean that employees will fly at times that are not always the most convenient for them.

Lodging - The District Secretary will make lodging arrangements based on value, convenience for the traveler and according to what is usual and customary District guidelines.

Whenever multiple employees are traveling to the same location, employees will be required to share accommodations if possible (i.e. male/male or female/female). Lodging accommodations will then be made for double rooms accordingly. If an employee is accompanied by a non-employee such as family or a friend, and therefore requires separate accommodations, the employee will be responsible for payment of any excess lodging accommodations.

Meals - Employees will generally be responsible for obtaining their own meals while traveling. Meals do not include entertaining guests which should be itemized as entertainment expenses.

Business and Noninstructional Operations

AR 3301(d)

TRAVEL EXPENSES (continued)

Meals and miscellaneous sundry items will be reimbursed according to the per diem rate adopted by the Board. The approved per diem rate is \$40/day for employees and board members.

Car Rentals - An employee may rent a vehicle if his/her travel costs by other means will exceed the cost of a car rental. Justifications for car rental shall be listed on the initial travel request and cost of a car rental. Justification for car rental shall be listed on the initial travel request and received prior approval by the Superintendent or designee. An attempt should be made first to rent a subcompact car. If one of these is not available, a mid-size car may be rented. Larger cars may be rented only if five or more adults will be occupying the car.

Supplemental auto insurance coverage offered by car rental agencies is to be declined as Liability and Collision coverage is provided by the school's insurance policy.

Personal Vehicles - An employee required to use their own automobile for business will be reimbursed at the prevailing rate per IRS tax guidelines for per-mile deductions. The employee must provide on the expense report, documentation including dates, miles traveled and purpose of each trip.

The School assumes no responsibility for personal automobiles used for school business. Further, any parking or speeding violation is the sole responsibility of the employee. Moreover, the employee must file proof of insurance with the District as discussed in the employee manual.

Taxi and limousine service - Use of taxi or limousine service has to be substantiated by a receipt in order to receive reimbursement.

Telephone - Business-related telephone charges on an itemized lodging receipt and/or telephone charge card should be itemized under telephone expense.

Business and Noninstructional Operations

AR 3301(e)

TRAVEL EXPENSES (continued)

Entertainment - it is very important to properly document entertainment expenditures and substantiate the following elements:

1. The date.
2. The place (name and location).
3. Description or type of entertainment.
4. The business purpose and the nature of the business benefit expected to be gained by the School.
5. The business relationship to the School of the persons entertained (name, occupation, title, etc.)

All entertainment costs will be approved by the Superintendent or designee prior to reimbursement.

Miscellaneous Expenses - Any additional business expenses that are not categorized above should be listed under other expenses and documented with all pertinent information to substantiate the expense.

Local Travel

Local travel is defined as travel required for District business in Yakutat.

Transportation expenses will be reimbursed by the District when substantiated by receipts, and when submitted by written request.

1. Car rental is not allowed for local travel.
2. The District will not reimburse commuting expenses as a District official business travel.

Expense Advances and Reimbursement

Travel Advances

Upon approval of the TA by the Superintendent or designee, per diem and other expenses which will not be charged against a District account or purchase order will be paid to the traveling employee by check. The check will be issued on the regularly scheduled accounts payable check run immediately following the approval and encumbrance of the travel obligation.

Business and Noninstructional Operations

AR 3301(f)

TRAVEL EXPENSES (continued)

Unearned Travel Expenditures

If an employee travels for District business and does not attend the training/conference/seminar or perform the intended business, they must report their reason for not attending to the Superintendent or designee in a travel report subsequent to returning to Yakutat. The Superintendent or designee then determines if the absence was beyond the control of the traveler (extenuating circumstances). If the traveler is the Superintendent or designee or a board member, the board determines if the absence was beyond the control of the traveler.

If the absence is beyond the control of the traveler, the cost of airfare, tuition, lodging and meals spent attempting to complete the District's business are allowable District travel costs. However, if the absence is not determined to be beyond the control of the traveler, the traveler is responsible to reimburse the District for travel costs incurred upon return to Yakutat. These costs will be deducted from the employee's following paycheck as authorized by the employee when completing the TA.

(cf. - BP 4413 - Travel Expenses)

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: February 18, 2008

ELECTRONIC FUND TRANSACTIONS

Note: The following optional policy is for use by districts utilizing an automated clearing house or “ACH.” ACH is a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system. Some federally mandated transactions require that public funds be disbursed through electronic payment, debit, or credit transfer using an ACH.

The Yakutat School District, through resolution of the Board, shall be a party to an Automated Clearing House¹ (ACH) arrangement². The Superintendent or designee and the Business Manager shall be responsible for the Yakutat School District’s ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy³. All ACH invoices are to be approved prior to payment.

The Superintendent or designee and the Business Manager shall be responsible for development and maintenance of appropriate accounting controls to monitor the use of ACH transactions⁴ made by the Yakutat School District.

Approved:

LEGAL REF: MCL 124.301-124.305

YAKUTAT SCHOOL DISTRICT
Adopted: June 16, 2008
Revised: August 10, 2009

¹ “Automated clearing house” or “ACH” - a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system (MCL 124.301(d)).

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

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

⁴ ACH transaction – an electronic payment, debit, or credit transfer processed through an automated clearinghouse (MCL 124.301(c)).

ELECTRONIC TRANSACTION OF FUNDS

For the purposes of accountability of ACH funds, the Business Manager shall submit to the Board a monthly report detailing the goods or services purchased during the preceding month. The report must contain:

- 1) The goods or services purchased and their cost;
- 2) The date of the payment;
- 3) The unit or department serviced by each payment.

Internal Accounting

ACH accounting methods shall follow the established and approved Yakutat School District accounting procedures.

Accounting Process

1. The Business Manager shall prepare a list of vendors authorized to be paid by ACH transaction and provide that list to the billing agent.
2. The Business Manager shall initiate the transaction upon receipt of an invoice included on the authorized ACH list approved by the appropriate district official. ACH invoices must be approved before payment. The Business Manager shall sign the ACH invoice, which then acts as the warrant.
3. Following approval of the Superintendent or designee, the Business Manager shall initiate the electronic transaction with the vendor, and make the actual transfer of funds.
4. The Business Manager shall retain all ACH transaction documents for audit purposes.
5. The Business Manager shall retain all invoices for audit purposes.

YAKUTAT SCHOOL DISTRICT

Adopted: June 16, 2008

Revised: August 10, 2009

Sample Resolution

For the authorization of Electronic Transactions, the Board hereby recognizes that:

Electronic payment of public funds are required for some federally mandated transactions involving public funds by electronic payment, debit, or credit transfer processed through an automated clearing house, and

The Board deems that it is in the best interest of the District to make certain District financial transactions by electronic payments.

It is therefore resolved that the Board authorizes the District to utilize electronic transactions in compliance with the written procedures and internal controls developed by the Superintendent/Chief Administrative Officer, or designee.

Moved by: _____ Seconded by: _____

Ayes: _____ Nays: _____ Abstentions: _____

Resolution Adopted: _____

Added 1/09

YAKUTAT SCHOOL DISTRICT
Adopted: August 10, 2009

PURCHASING PROCEDURES

The School Board desires to ensure that maximum value is received for money spent by the district and that records are kept in accordance with law. The Superintendent or designee may issue and sign purchase orders and shall submit them for Board approval or ratification.

(cf. 3300 - Expenditures/Expending Authority)
(cf. 3400 - Management of District Assets)
(cf. 3460 - Financial Reports and Accountability)
(cf. 9270 - Conflict of Interest)

The School Board encourages the selection of Alaskan products when such products meet the needs of the district and shall adhere to state law regarding purchasing preferences for Alaskan products.

(cf. 3311 - Bids)
(cf. 3312 - Contracts)

Legal Reference:

ALASKA STATUTES

14.08.101 Powers (Regional school boards)

14.14.060 Relationship between borough school district and borough

14.14.065 Relationship between city school district and city

14.17.190 Restrictions governing receipt and expenditure of money from public school foundation account

29.71.050 Procurement preferences for recycled Alaska products

36.30. State Procurement Code

37.05 Fiscal Procedures Act

City of Richmond v. J.A. Croson Co., 109 S.Ct. 706 (1982)

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997

PURCHASING PROCEDURES

Purchasing and Receiving Procedures, Record Keeping and Matching

Procurement of all inventory, supplies and capital equipment will be originated by each employee. Each employee will be responsible for optimizing price savings, quality or value of products, vendor working relationships. The Business Manager will assure proper inspections, once the merchandise is received, as required by District policies and all regulatory and customer contract requirements. The District will maintain sufficient records to attest to the purchase authorization, merchandise receipt and vendor payment.

To provide procedures for procurement methods and merchandise receipt, as well as for the completion of related documents.

This procedure applies to the purchase of all inventory items, supplies and capital equipment for the District. Purchases of goods and equipment from local stores with a total value of less than \$50 shall be funded through a purchase authorization sheet.

It is not acceptable for an employee to charge goods or services to the District without a purchase authorization (for goods or services costing more than \$100).

Purchases of goods and equipment (over \$50) and purchases from non-local vendors.

If sufficient unencumbered balance remains for the purchase, the employee will prepare a purchase order which describes the merchandise, price, payment terms, shipping instructions, delivery date. If the purchase price, including shipping, exceeds \$3,000, \$6,000 or \$100,000, see the following procedures.

PURCHASING PROCEDURES

If the total purchase price, including shipping, is over \$3,000, the employee must obtain three or more written quotes on the purchase. Lowest quote is a significant selection criteria, but other qualitative or quantitative factors may be considered as well. The quotes must be coupled with the Request for Purchase Order form and submitted to the Business Manager. The employee must note on the Request for Purchase Order form what vendor the employee selected.

If the total purchase price, including shipping, is over \$6,000, the purchase must be approved by School Board. The employee creates and submits a Purchase Order form to the Superintendent or designee, who determines if funds are available and make a decision whether to approve the request or not. The written quotes, gathered by the employee, must be submitted to the School Board along with the Purchase Order form. If the School Board approves the purchase order, the President (or presiding member) will indicate such approval in writing on the purchase order.

If the total purchase price on a purchase order, including shipping, is \$100,000 or greater (as required by Federal regulations), the Superintendent or designee will arrange competitive bidding procedures for the purchase. The Board will evaluate bids submitted and award the purchase to the bid found by the Board to be the most responsive. The most responsive bid will not necessarily be the bid offering the lowest price. The employee will enter the information into the computer and print a Purchase Order form.

The purchase order, purchase request and any other supporting documentation, shall be submitted to the Superintendent or designee for approval. The employee or Superintendent returns the Purchase Order to the Business Manager.

The Business Manager will enter the approved purchase order into the computer system as an encumbrance.

PURCHASING PROCEDURES

When the merchandise is received, the employee goes to the District office and compares the merchandise to the employee's copy; of the purchase order and the vendor packing slip. The employee documents the order's receipt by indicating the following on the packing slip (or employee's purchase order copy): (1) the items received and the corresponding portion of the purchase price to which the vendor is entitled; (2) date; (3) signature of person who is checking the merchandise received.

The employee will give the Business Manager the following documents that together indicate to the Business Manager that proper authorization exists to pay the vendor: (1) packing slip; (2) notations concerning receipt of merchandise (on the packing slip or employee's purchase order copy); (3) any bill of lading. The employee will not be allowed to remove the merchandise from the District office or designated receiving point until the employee has given the receiving documentation to the Business Manager.

When the receiving documentation is given to the Business Manager, the Business Manager will match the paperwork to the open purchase order. If the related vendor invoice has been received, it is matched with the receiving paperwork and the open purchase order and is stored in the bills to be paid file until the next check run is completed. If the vendor invoice has not yet been received, the open purchase order and the receiving paperwork are stored in the closed purchase order file. If the vendor requires payment from statements (rather than from invoices), the Business Manager should attach all purchase orders in support of the items described on the statement and then submit the vendor statement to the Superintendent or designee for authorization of payment.

When a check run is done by the Business Manager, all open vendor invoices will be paid. If vendors require payment from statements rather than invoices, the Business Manager will wait until the statement is received and will match all invoices to the statement.

The Business Manager will review all open purchase orders quarterly and cancel an unfilled purchase order or approve it to remain as an outstanding encumbrance. At the end of six months, employees with budgetary responsibility need to review outstanding encumbrances to approved budgets and submit budget revisions to the Superintendent or designee for review. The School Board provides the final approval of the revision (if necessary).

PURCHASING PROCEDURES

Record Keeping and Matching

When purchase orders are issued, the purchasing and accounting copies will be placed in an Open Purchase Order File until the items are received.

The Business Manager will match the receiving paperwork to the open purchase order. If the related vendor invoice has been received, it is matched with the receiving paperwork and the open purchase order and both documents are stored in the bills to be paid file until the next check run is completed. If the vendor invoice has not been received, the open purchase order and the receiving paperwork are stored in the Closed Purchase Order File. The Purchasing copy will be filed in the Closed Purchase Order File.

For partial shipments, a photocopy of the purchase order and the receiving paperwork will be forwarded to the finance department. The original purchase order will be kept open by the employee until all items are received.

BIDS

The purpose of this section of the Yakutat School District policy and procedure manual is to: provide for the fair and equitable treatment of all persons or firms involved in purchasing by the Yakutat School District; assure that supplies, services, and construction are procured efficiently, effectively, and at the most favorable prices available to the Yakutat School District; promote competition in contracting; provide safeguards for maintaining a procurement system on quality and integrity; and assure that Yakutat School District purchasing actions are in full compliance with applicable Federal standards and regulations, and State and local laws; ensure goods and materials purchased are properly stored and inventoried; develop system controls to ensure adequate safeguards to prevent loss, damage or theft of property; ensure to the greatest extent possible employment and training opportunities for residents, individuals or firms.

This section applies to all contracts for the procurement of supplies entered into by the Yakutat School District after the effective date of this section. It shall apply to purchasing irrespective of the source of funds, including contracts which do not involve an obligation of funds (such as concession contracts); however, nothing in this section shall prevent the Yakutat School District from complying with the terms and conditions of any grant, contract, gift, or bequest that is otherwise consistent with law.

The term “procurement,” as used in this section, includes both contracts and modifications (including change orders) as well as purchase, lease, or rental of supplies and equipment.

The Superintendent or designee must obtain competitive bids for all purchases of \$10,000 or more. In addition, the Superintendent or designee must receive Board approval for purchases of \$10,000 or more.

BIDS(CONTINUED)

Legal Reference:

ALASKA STATUTES

14.14.060 *Relationship between borough school district and borough*

14.14.060 (h) *Procurement of supplies and equipment*

14.14.065 *Relationship between city school district and city*

14.03.085 *Procurement preference for recycled Alaska products*

29.71.050 *Procurement preferences for recycled Alaska products*

35.15 *Construction Procedures*

36.15.020 *Use of local agricultural and fisheries products required in purchases with state money*

ALASKA ADMINISTRATIVE CODE

4 AAC 27.085 *Competitive pupil transportation proposals*

4 AAC 31.080 *Construction and acquisition of public school facilities*

FAIRBANKS NORTH STAR BOROUGH SCHOOL DISTRICT v. BOWERS, 851 P.2d 56 (AK 1992)

revised 9/93

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: _____

BIDS

Under no condition shall bids be accepted after the advertised bid opening time, regardless of whether the bids are actually opened at that time.

When two or more identical bids are received, the Board may determine by lot which bid shall be accepted.

After being opened, all advertised bids shall be made available for review by all interested parties.

(cf. 1340 - Access to District Records)

Procedures for Competitive Bidding

To assure that large purchases are made from the most responsive vendor, the District requires that competitive bidding be used for purchases above specified dollar limits.

To provide procedures for competitive bids in purchasing.

This procedure applies to all District purchases subject to the competitive bidding requirements dictated by the School Board.

These competitive bidding procedures apply to any purchase above the specified dollar limits established by the Board unless state or federal law requires the District to use a different procedure.

Notice of the time and place for letting the contract will be published once weekly for two consecutive weeks in advance of such time.

Publication of the notice will occur in such newspaper(s) as would suffice for statewide competitive bidding and in other publications at the discretion of the Superintendent or designee.

Notice of the time and place for letting the contract will also occur through posting at the District office for two consecutive weeks in advance of such time.

As bids are received, they should be filed unopened.

Business and Noninstructional Operations

AR 3311(b)

BIDS (CONTINUED)

On the date designated in the notice, the bids are opened at a public opening. The Superintendent or designee (subject to Board approval) will award the contract to the most responsive bidder. Price is only one of the factors that the Superintendent or designee and Board is free to consider in its evaluation of which bidder is most responsive.

The Superintendent or designee will issue a purchase order, contract, or memorandum of agreement to the successful bidder.

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997

CONTRACTS

The Superintendent or designee may enter into contracts on behalf of the district. All contracts must be approved or ratified by the School Board.

(cf. 3300 - Expenditures/Expending Authority)

Contracts between the district and outside agencies shall conform to standards required by law and shall be prepared under the direction of the Superintendent or designee. Contracts, where appropriate, shall be submitted to the legal advisor of the district for review and approval.

The district shall not enter into any contract with a person, agency, or organization if it has knowledge that such person, agency or organization discriminates on the basis of race, color, creed, sex, religion, ancestry, national origin, age or non job-related handicap or disability, either in employment practices or in the provision of benefits of services to students or employees.

(cf. 0410 - Nondiscrimination in District Programs and Activities)

Legal Reference:

ALASKA STATUTES
14.08.101 Powers

ALASKA ADMINISTRATIVE CODE
4 AAC 27.085 Competitive pupil transportation proposals
4 AAC 27.100 Contractor's duties
4 AAC 31.065 Selection of designers and construction managers
4 AAC 31.080 Construction and acquisition of public school facilities

PAYMENT FOR GOODS AND SERVICES

The Superintendent or designee may authorize payment only for those goods and services that have been approved or ratified by the School Board.

The Superintendent or designee may make advance payment if a decrease in cost is possible or if the material is unavailable to the district without advance payment.

The Superintendent or designee may pay invoices in excess of previously approved purchase order amounts without further Board approval when the excess amount represents sales tax, transportation charges, or charges made for the detention of a shipment during loading or unloading.

Business and Noninstructional Operations

AR 3314(a)

Payment of Recurring Expenditures

Utility payments, because of their recurring, monthly nature, should not be processed through the purchase order or the petty cash systems.

Utility payments are part of the ongoing operations of the District. Moreover, the amount due and the payment period may be readily estimate based on past experience. Therefore, utility bills do not need to be encumbered through the purchase order system.

Utility bills are generally paid by check, not cash. Therefore, petty cash is an inappropriate payment method.

The purpose of this policy is to allow for the creation of special procedures for the payment of utility bills.

Procedures: Payment Process

The utility statements are retrieved from the District post office box and are given to be Business Manager.

The Business Manager places the statements in the invoices to be paid file to be processed in the next disbursement batch.

The Business Manager keys-in the statement information into the accounting system and the checks are presented to a check signer for a signature (i.e. payment approval).

The payment checks are mailed to the corresponding utility along with the remittance slip.

The statements, along with the payment check copy, are retained in the vendor file.

The other payment check copy is put in the sequential check file.

District reimbursement for personal phone calls

The District relies on its employees to ask the Business Manager to see a copy of the phone bill. Personal phone calls are discouraged but when necessary they are noted on the bill and a reimbursement check is remitted to the District.

Business and Noninstructional Operations

AR 3314(b)

Expenditure Coding

Invoices/PO's and packing slips are sorted and matched for each purchase. If the Invoice is for a monthly service there will be no PO or packing slip.

The Accounting Clerk pulls invoices ready for payment and puts them in alphabetic order. She then gives them to the Business Manager.

The Business Manager reviews the invoices to ensure that Invoices, PO's and packing slips are in hand, and that all invoices are ready to be paid.

The Business Manager then codes each bill to the proper expenditure coding to ensure that expenditures are recorded correctly.

Each month when the Checking Accounts are reconciled a revenue and expense report is ran to ensure that nothing is recorded in a fund that is not active.

Prior to the audit an account detail for all expenses is ran so that the Business Manger can review each transaction and see if anything looks like it is out of place. If an item has been miscoded the Business Manager will need to do a journal entry to move the expense to the proper expenditure code.

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: June 29, 2010

RELATIONS WITH VENDORS

Note: The following optional policy should be revised as needed to reflect district philosophy and needs and is intended to avoid situations wherein a conflict of interest exists or appears to exist. A.S. 11.56.100-11.56.130 defines the felony offense of receiving a bribe and the misdemeanor offense of receiving unlawful gratuities. Receiving a bribe includes soliciting or receiving a benefit with the intention or understanding that a public servant's decisions or actions will be influenced. Receiving unlawful gratuities includes soliciting a benefit of any value or accepting any benefit having a value of \$50 or more for performing an official act not entitled to any special or additional compensation.

No district employee or Board member shall accept personal gifts, commissions or expense-paid trips from individuals or companies selling equipment, materials or services required in the operation of district programs. Gifts include any gift purchased specifically for an employee which is not generally offered to other buyers.

This policy does not prohibit employees from accepting promotional or advertising items such as calendars, desk pads, notebooks and other office gadgets which are offered by business concerns free to all as part of their public relations programs.

District employees who work for or serve as consultants for potential vendors shall not participate in evaluating any equipment, materials or services of that vendor or its competitors.

(cf. 6161.1 - Selection and Evaluation of Instructional Materials)
(cf. 9270 - Conflict of Interest)

This policy does not prohibit the Board from accepting materials and/or services which are of use and benefit to the district.

Universal Service Program/E-Rate Vendors

Note: The following language should be adopted by those districts receiving E-rate discounts. Effective 2011, the FCC amended its E-rate program rules and adopted gift restrictions for schools and districts participating in E-rate. The receipt of gifts by applicants from service providers and potential providers is a competitive bidding violation. The gift prohibitions are always applicable, not just during the bidding process. Relevant school district personnel may not solicit or receive any gift or other thing of value from a service provider participating in or seeking to participate in the E-rate program. There are limited exceptions, including when the value of the item is worth \$20 or less, so long as items do not exceed \$50 per year per employee from any one service provider.

The District takes advantage of federal technology funding through the universal service program known as E-rate. E-rate participants may not, at any time, solicit or accept gifts or other things of value from an existing or potential E-rate service provider. Nominal gifts and refreshments may be allowed as authorized by the Superintendent or designee.

E-rate gift prohibitions apply to the School Board and to employees, consultants or contractors involved in the District's E-rate Program who: prepare, approve, sign, or submit E-rate applications, technology plans or other E-rate forms; prepare bids, communicate, or work with E-rate service providers, E-rate consultants, or the Universal Service

Administrative Company; and those responsible for monitoring compliance with the E-rate program.

Business and Noninstructional Operations

BP 3315(b)

RELATIONS WITH VENDORS (continued)

Charitable donations by service providers in support of the schools are permitted. These contributions may not be directly or indirectly related to E-rate procurement activities or decisions.

The Superintendent or designee shall develop guidelines to implement this policy in compliance with E-rate program rules.

(cf. 3290 - Gifts, Grants and Bequests)

Legal Reference:

CODE OF FEDERAL REGULATIONS

47 C.F.R. Part 54, subpart f, Universal Service Support for Schools and Libraries

ALASKA STATUTES

11.56.100-56.130 Bribery and related offenses

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: April 4, 2011

MANAGEMENT OF DISTRICT ASSETS/ACCOUNTS

Note: 4 AAC 06.120 lists state adopted basic guides for public school accounting systems and the annual audit and requires that districts implement procedures consistent with these guides.

Accounting Systems

The Superintendent or designee shall provide ongoing internal accounting controls and a means for the accounting of income and expenditures as outlined in the adopted budget. The Superintendent or designee shall maintain a uniform system of financial bookkeeping and reporting, and shall ensure that the uniform system is fully consistent with the “generally accepted accounting principles” (GAAP) as set forth in the Governmental Accounting and Financial Reporting Standards Original Pronouncements, published annually by the Governmental Accounting Standards Board.

(cf. 3440 - Inventories)

Audits

Note: A.S. 14.14.050 requires an audit by October 1 of each year. The Board is not required to provide for an audit if an audit is conducted pursuant to A.S. 29.35.110.

The Board shall provide for an annual audit of district accounts by a public accountant who has no personal interest in district fiscal affairs. The audit shall be conducted in accordance with the requirements of state regulations.

Note: Pursuant to A.S. 14.17.505, if the state department's review of the district's audit finds that the district's unreserved portion of its school operating fund year-end balance exceeds 10% of its expenditures for that year, the amount greater than 10% is deducted from state foundation aid for the current year.

Legal Reference:

ALASKA STATUTES

- 14.08.111 Duties (Regional school boards)*
- 14.14.050 Annual Audit*
- 14.14.060 Relationship between borough school district and borough*
- 14.14.065 Relationship between city school district and city*
- 14.17.082 Fund balance in school operating fund*

ALASKA ADMINISTRATIVE CODE

- 4 AAC 06.120 Accounting and audit manuals, charts of accounts, code descriptions*
- 4 AAC 06.121 Annual financial reporting requirements*
- 4 AAC 09.130 School district audit*
- 4 AAC 09.160 Fund balance*

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: August 10, 2009
Revised: August 22, 2011

Business and Noninstructional Operations

AR 3400(a)

CHART OF ACCOUNTS

To facilitate the record keeping process for accounting, all ledger accounts will be assigned descriptive account title and account numbers which are consistent with the Uniform Chart of Accounts for School Districts as required by the State of Alaska, Department of Education.

To provide the method for assignment and maintenance of the school's chart of accounts.

This procedure applies to all ledger accounts used in the accounting department.

Chart of Accounts - A listing of all the account titles and numbers being used by an organization is called a chart of accounts.

Design of Accounts

Accounts will have titles and numbers that indicate specific ledger accounts as defined in the Uniform Chart of Accounts for School Districts.

Accounts will be arranged in the same sequence in which they appear in the financial statements.

Accounts that are not discussed in the Uniform Chart of Accounts for School Districts may be used if they are approved by the Superintendent or designee.

Once approved, the Business Manager would add the account to the District's chart of accounts.

FUND ACCOUNTING

The District uses funds and account groups to report its financial position and the results of its operations.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions.

This procedure applies to the District's entire accounting system.

Fund - a fund is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Business and Noninstructional Operations

AR 3400(b)

FUND ACCOUNTING (continued)

Account group - an account group is a financial reporting devise designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

The following fund types and account groups are used by the District and the account codes set aside for their use:

<u>Governmental Funds Types</u>	<u>Account Codes</u>
School Operating Fund	100
Food Service Special Revenue Fund	255
Other Special Revenue Funds	200 - 240
Capital Project Funds	525
<u>Fiduciary Fund Type</u>	
Pupil Activity Agency Fund	710
Pupil Transportation Special Revenue Fund	205
<u>Account Group</u>	
General Fixed Asset Account Group	N/A

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: May 5, 2008

BANK ACCOUNTS

All bank accounts opened to conduct District business must be approved by the School Board before being opened. No group or individual shall be able to open an account in the District's name without express permission of the School Board. An account operated in the District's name includes any account dedicated to the promotion of any District-related activity. The District will collateralize or insure bank deposits to the extent that the aggregate balance per bank exceeds \$100,000.

The purpose of this policy is to maintain control of bank accounts operated in the District's name. The District is potentially liable for a shortfall in an account dedicated to the promotion of District-related activity. Therefore, the District desires to limit its potential liability by being aware of all accounts operated in the District's name so that it can ensure that adequate controls exist over each account. In addition, the District wishes to help defer business risk by collateralizing or insuring aggregate deposits per bank that exceed the FDIC limit.

This policy applies to all bank accounts operated to conduct District activities.

BANK ACCOUNTS

Opening of Accounts

The need for a new bank account shall be presented by staff to the Superintendent or designee.

If the request cannot be satisfied using the existing District banking arrangement, the Superintendent or designee shall present the need for a new account to the Board for approval.

Collateralization of aggregate deposits that exceed \$100,000

The Superintendent or designee shall negotiate collateral agreements with applicable banks.

BANK RECONCILIATIONS

Errors of omissions can be made to the cash records due to the many cash transactions that occur. Therefore, it is necessary to prove periodically the balance shown on the general ledger. Cash on deposit with a bank is not available for count and is therefore proved through the preparation of a reconciliation of the District's record of cash in the bank and the bank's record of the District's cash that is on deposit.

Format

The District's format for monthly bank reconciliations, entitled Reconciliation of Bank and Book Balances to Corrected Balance (See Sample Exhibit 1), is composed of two distinct sections. One section begins with the balance as shown on the bank statement and works to a corrected balance. That is, the balance the bank statement would show if all transactions were recorded by the bank (e.g. bank charges, interest, etc.).

Preparation, Superintendent or designee approval, and reconciling items

On receipt of the monthly bank statement including cleared checks, deposit slips and any other transaction notifications, the monthly bank reconciliation will be prepared by the Business Manager. The reconciliation must be approved by the Superintendent or designee by the 20th of each month.

The first section of the monthly reconciliation will be started with the ending balance per the bank statement.

Business and Noninstructional Operations

AR 3410(b)

BANK RECONCILIATIONS (continued)

Next, any deposits in transit that were made by the District but were not yet recorded by the bank will be listed and added to the bank balance.

Next, any checks that were written on the account prior to month-end but which have not yet cleared the bank, will be listed and deducted from the bank balance.

From these steps, the “corrected” ending balance will be derived for the first section.

The second section of the monthly reconciliation will be started with the ending balance per the District’s books.

Next, any interest or any other bank credit items will be listed and added to the balance.

Next, any bank charges, transfer fees, etc. will be listed and deducted from the balance.

From these steps, the “corrected” ending balance will be derived for the second section and should equal the “corrected” balance for the first section.

Any discrepancies between these two balances will require research by the Superintendent or designee to recalculation of the bank statement for any possible errors made by the bank.

Adjustments and Journal Entries

Any book reconciling items such as interest, bank charges and any recording errors will be summarized and drafted in journal entry form for recording in the general ledger.

Further, any outstanding checks over six months old will be reviewed for disposition including write-off by journal entry.

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997

CHECK SIGNING AUTHORITY

A limited number of employees/Board Members will be authorized to sign checks and there shall be no fewer than three signers at all times. All Board Members and Superintendent must be signers on the District's bank accounts. All checks drawn on the District treasury shall be initiated by the Superintendent or designee and/or the Business Manager and cosigned by a Board Member.

All District checking accounts shall require two signatures for a check to be valid. The Board authorizes these signatures to be accomplished by means of a check-signing device, provided a hand signature of the Superintendent, and a Board Member is also included. Checks over \$6,000 require a live signature by the Treasurer or the President of the Board except for the payment of payroll liabilities and recurring expenditures. Checks over \$50,000 require two live signatures.

YAKUTAT SCHOOL DISTRICT
Adopted: July 1, 1997
Revised: May 5, 2008

CHECK SIGNING MACHINE

Adequate safeguards shall be placed on the check signing machine to prevent unauthorized usage.

The check signing machine shall be kept in the Business Manager's office and be held in the Business Manager's custody.

BLANK CHECK STOCK

Adequate safeguards shall be placed on the District's blank check stock to prevent unauthorized use.

Custody

The blank check stock shall be held in the custody of the Business Manager and shall be kept in the Business Manager's office in a locked cabinet.

VOIDED CHECKS

Voided checks shall be mutilated, noted in the District accounting system and retained in the Business Manager's sequential check file in order to prevent unauthorized usage and to provide reliable records.

The Business Manager shall mutilate the check by printing "VOID" across the signatures of the original check copy.

The voided check should be recorded in the BDS check register.

All three copies of the voided check shall be coupled and filed in the Business Manager's sequential check file.

BAD/NSF CHECKS

Checks returned by the bank and designated uncollectible are to be processed in such a manner that avoids confronting or embarrassing customers while ensuring that the funds will be collected. A \$25 fee shall be assessed to the payor for each overdraft in order to recoup the bank service charge and in-house District processing costs.

Business and Noninstructional Operations

AR 3411(b)

BAD/NSF CHECKS (continued)

This policy applies to all checks returned to the accounting department that are designated uncollectible such as “insufficient funds” or “uncollected funds”.

On notification by the bank of NSF check, the Business Manager shall notify the payor by letter of the overdraft and the \$25 District overdraft fee. The letter shall state that the payor has two weeks from the issuance of the letter to make sufficient funds available to the District for both the overdraft amount and the District overdraft fee.

If the payor does not make sufficient funds available to the District within the two week period, the Business Manager shall issue a second letter. The second letter shall be certified and state that if funds are not made available to the District for the overdraft and fee within two weeks of the issuance of the second letter, the matter shall be directed to the local police department if greater than \$50.00.

If the payor contacts the District anytime during the above process but is unable to pay the District, he/she will be directed to the Superintendent or designee, who has the authority to establish a repayment program.

YAKUTAT SCHOOL DISTRICT

Adopted: July 1, 1997

Revised: May 5, 2008

INVESTMENTS

Excess cash balances shall be invested. Investments shall be limited to the following instruments.

1. Bonds, bills, or notes of the United States or of the State of Alaska.
2. Certificates of deposit or saving deposit receipts issued by any state or national bank authorized to operate a bank in the state.
3. Other financial instruments as approved by the School Board.
4. Money market funds.

The Superintendent or designee or his designee will secure interest rate quotations from banks and compare the yield on all offerings, including treasury bills, and make such investments as will be most favorable to the District.

All earnings from investments will be allocated on a prorata basis to the fund for which the investment was made and will be reflected in the monthly report.

INVENTORIES

The Superintendent or designee shall provide for the proper control and conservation of district property. He/she shall maintain an inventory for all items currently valued in excess of \$5,000 or a lesser amount if required by state or federal grant requirements or regulations.

INVENTORY CONTROL

Proper control procedures will be followed for all capital asset acquisitions, transfers and dispositions. The Superintendent or designee is ultimately responsible and accountable for furniture, equipment, machinery and any other capital assets owned by or under the control of the District. Therefore, the Superintendent or designee will develop and maintain control procedures designed to aid in the proper classification, identification and disposition of fixed assets.

Assets may be sold or traded-in at the Superintendent or designee's discretion. However, Board approval is required for the disposition of assets have a cost basis of \$5,000 or more.

(cf. 3270 - Sale and Disposal of Books, Equipment and Supplies)

(cf. 3290 - Gifts, Grants and Bequests)

(cf. 3400 - Management of District Assets/Accounts)

Legal Reference:

ALASKA STATUTES

14.11.011 Grant applications

14.11.017 School construction grant conditions

14.14.050 Annual audit

ALASKA ADMINISTRATIVE CODE

4 AAC 06.120 Accounting and audit manuals, charts of accounts, code descriptions

4 AAC 51.300 Vocational facilities and equipment

CARL D. PERKINS VOCATIONAL EDUCATION ACT, Public Law 98-524, 99-159

34 CODE OF FEDERAL REGULATIONS, 74.132-74.140

Office of Management and Budget, Circular A-102, Attachment N, Property Management Standards

INVENTORIES

A physical inventory shall be conducted annually by each teacher. Copies of the inventory shall be kept at the business office. On an annual basis, the Business Office will reconcile the list for any acquisitions or disposals during the past year. Any discrepancies will be referred to the Superintendent or designee as soon as possible.

1. Description (with manufacturer's name and/or model number.)
2. Identification and/or serial number.
3. Date and cost of acquisition (estimate if unknown).
4. Funding source (grant source and grant title).
5. Current use, condition and location.
6. Date on which inventory information was verified.

If equipment is used for a purpose other than that for which it was originally purchased, the inventory shall include a dated statement justifying its current use.

All equipment purchased with federal funds or nonfederal matching funds shall be labeled with the district's name and an equipment or inventory control number.

The date and mode of disposal of all equipment removed from the inventory shall also be recorded.

An employee who brings tools, equipment or furniture on to the District premises must file a report with the Superintendent or designee. The purpose of this report is to establish ownership of the asset if the employee should leave employment of the District in the future. The report shall contain the following information:

1. the employee's name
2. description of the item(s)
3. identification numbers
4. explanation of the reason for bringing the asset on to the premises

INVENTORIES (CONTINUED)

Each responsible employee will be required to locate the assigned asset (with its number tag attached) whenever requested by the Superintendent or designee or Elementary Secretary.

Whenever a change in responsible employees occurs, all assigned items should be accounted for by the outgoing responsible employee. The incoming responsible employee will accept the responsibility and accountability of the asset.

Each site administrator or designee shall maintain an inventory of all equipment. The following information must be recorded:

1. Description (with manufacturer's name and/or model number).
2. Identification and/or serial number.
3. Date and cost of acquisition (estimate if unknown).
4. Funding source (grant source and grant title).
5. Purpose for which the purchase was made.
6. Current use, condition and location.
7. Date on which inventory information was verified.

If equipment is used for a purpose other than that for which it was originally purchased, the inventory shall include a dated statement justifying its current use.

All equipment purchased with federal funds or nonfederal matching funds shall be labeled with the district's name and an equipment or inventory control number.

The date and mode of disposal of all equipment removed from the inventory shall also be recorded.

FIXED ASSETS CAPITALIZATION

Note: The following policy is based on the GFOA recommended practice, “Establishing Appropriate Capitalization Thresholds for Fixed Assets” (1997) and GASB Statement No. 34.

The Board recognizes the need to establish appropriate capitalization thresholds for its fixed assets to properly account for both the financial and economic resources of the District. The Superintendent or designee shall periodically review the capitalization threshold with the District’s auditors to ensure compliance with federal and state mandates and recommendations. The capitalization threshold should be set at a level that will capture approximately 80% of all fixed assets.

The Board sets the capitalization amount at \$5,000 for purposes of capitalization of fixed assets. An asset is to have a purchase cost of \$5,000 or more and a useful life of at least two years following the date of acquisition to be treated as a capitalized asset.

Assets that fall below the capitalization threshold may still be significant for insurance, warranty service and obsolescence/replacement tracking purposes. Assets more than \$500 but less than \$5,000 will be kept on a fixed asset inventory but will not be considered capitalized assets.

(cf. 3400 – Management of District/Assets/Accounts)
(cf. 3440 - Inventories)

Legal Reference:

ALASKA STATUTES

- 14.11.011 *Grant Applications*
- 14.11.017 *School Construction Grant Conditions*
- 14.14.050 *Annual Audit*

ALASKA ADMINISTRATIVE CODE

- 4 AAC 06.120 *Accounting and audit manuals, charts of accounts, code descriptions*
- 4 AAC 51.300 *Vocational facilities and equipment*

Added 2/06

YAKUTAT SCHOOL DISTRICT
Adopted: April 17, 2006