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

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

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

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



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

Policy History:

ADOPTED: 8/11/14

ISBA

REVISED:

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

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

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

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

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

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

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

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

Procedures and records. The Superintendent or designee shall: (1) develop procedures for

compliance with this Policy; and (2) maintain records that are updated biennially documenting compliance with this Policy.

Compliance. For the purpose of determining compliance with the requirement to supplement and not supplant state funds with federal funds, the District is permitted to *exclude* State and local funds expended for: (1) language instruction educational programs; and (2) the excess costs of providing services to children with disabilities as determined by the Superintendent.

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



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

Policy History:

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16
1/8/18

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

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

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



Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

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



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

Policy History:

ADOPTED: 8/11/14

ISBA

REVISED:

Any person(s) proposing a budget amendment must provide written notice of the same to each Board member at least seven (7) days in advance of the meeting at which such budget amendment will be proposed.

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

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

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

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



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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

Employee: _____ Position: _____

Reporting Period: _____

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

Employee's Signature: _____ Date: _____

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

Reviewed by supervisor: _____ Date: _____

Purpose

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

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

Authority

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

Delegation of Responsibility

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

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

The Superintendent in cooperation with the Director of Fiscal Affairs shall prepare the required Management Discussion and Analysis (MD&A). The MD&A shall be in the form required by GASB Statement 34 and shall be submitted to the Board for approval.

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

Guidelines

In order to associate debt with acquired assets, and to avoid net asset deficits, any asset that has been acquired with debt proceeds shall be capitalized, regardless of the cost of the asset. Any assets capitalized should be depreciated using their estimated useful life, not their amortization schedule.

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

\$3,000 for state reporting in the Annual Report.
\$25,000 for audit report purposes.

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

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

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

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

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

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



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

Policy History

ADOPTED: 8/11/14
ISBA
REVISED: 8/10/15
9/12/16

To enhance the usefulness of fund balance information the District will provide clear fund balance classifications and use fund type definitions consistently.

The policy is designed to encourage consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. The District should maintain adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Secure and maintain investment grade bond ratings,
- c. Offset significant economic downturns or revenue shortfalls, and
- d. Provide funds for unforeseen expenditures related to emergencies. Fund Types

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The following funds are maintained by the District:

The General Fund is used to account for all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

Debt Service Funds are used to account for all financial resources restricted, committed or assigned to expenditure for Superintendent and interest.

Capital Projects Funds/Plant Facilities Funds are used to account for all financial resources restricted, committed or assigned to expenditure for the acquisition or construction of capital assets.

Permanent Funds are used to account for resources restricted to the extent that only earnings, and not Superintendent, may be used for purposes that support the District's purposes.

Note: The above list is not comprehensive and the District may have other funds such as an Activities Fund.

Fund Balance Reporting in Governmental Funds

The following definitions will be used in reporting activity in governmental funds across the District. The District may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

Non-spendable Fund Balance

Includes amounts that cannot be spent because they are either:

Not in spendable form; or

Legally or contractually required to be maintained intact.

Restricted Fund Balance

Includes amounts that can be spent only for the specific purposes stipulated by District policy, external resource providers, or through federal regulations or State laws or rules.

Committed Fund Balance

Includes amounts that can be used only for the specific purposes determined by a formal action of the Board.

Assigned Fund Balance

Includes amounts intended to be used by the District for specific purposes, but do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed.

Authority to Assign - The Board delegates to the Superintendent or designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

Unassigned Fund Balance

Includes the residual classification for the District's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Prioritization of Fund Balance Use

The Board's primary role in adopting this policy is to identify the order of spending unrestricted resources and to acknowledge that the Board is the ultimate decision making authority with regard to committing balances upon recommendation of the Superintendent or designee.

If the Board chooses not to adopt a policy addressing the order of spending, the default approach of reducing restricted, then committed, then assigned, then unassigned fund balances will be used. Guidelines

Classifying Fund Balance Amounts

Fund balance classifications depict the nature of the net resources that are reported in a fund. An individual fund may include non-spendable resources and amounts that are restricted, committed, or assigned, or any combination of those classifications. The general fund may also include an unassigned amount.

Encumbrance Reporting

Encumbering amounts for specific purposes for which resources have already been restricted, committed, or assigned should not result in separate display of encumbered amounts. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed, or assigned, will be classified as committed or assigned, as appropriate, based on the definitions and criteria set forth above.

Minimum Unassigned Fund Balance

The District will strive to maintain a minimum unassigned fund balance in its General Fund ranging from 5 percent to 15 percent of the subsequent year’s budgeted expenditures. This minimum fund balance is to protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment.

Replenishing deficiencies - when fund balance falls below the minimum range, the District will replenish shortages/deficiencies using the budget strategies and timeframes described below.

The following budgetary strategies shall be utilized by the District to replenish funding deficiencies:

- The District will reduce recurring expenditures to eliminate any structural deficit; or
- The District will increase revenues or pursue other funding sources; or
- Some combination of the two options above.

The district will strive to build a minimum fund balance within the following time periods:

A minimum fund balance of less than 5 percent shall be replenished over a period not to exceed five years.

A minimum fund balance between 7 percent and 8.5 percent shall be replenished over a period not to exceed three years.

A minimum fund balance between 8.5 percent and 10 percent shall be replenished over a period not to exceed one year.

Surplus fund balance - Should unassigned fund balance of the General Fund ever exceed the range, the District will consider such fund balance surpluses for one-time expenditures that are nonrecurring in nature and which will not require additional future expense outlays for maintenance, additional staffing, or other recurring expenditures.

Implementation and Review

The Board authorizes the Superintendent to establish any standards and procedures which may be necessary for its implementation. The Superintendent shall review this policy and any procedures regarding its implementation at least annually and make any recommendations for changes to the Board.

The Superintendent or designee shall provide accounting procedures for the receipt, deposit, expenditure and withdrawal of such moneys and procedures for monthly reporting to the Board of the transactions, assets, liabilities and fund balance for each such fund.



Legal Reference: I.C. § 33-701 et seq. Fiscal Affairs of School District
I.C. § 33-901 et seq. School Funds

Governmental Accounting Standards Board (“GASB”) Statement No. 54

Policy History:

ADOPTED: 8/11/14

ISBA

REVISED: 8/10/15

9/12/16

1/09/17

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

Idaho Financial Reporting Management System (IFARMS)

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

Financial Management Standards

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

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

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

- A. Effectiveness and efficiency of operations;
- B. Adequate safeguarding of property;

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

Overview of the Financial Management/Accounting System

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

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

Budgeting

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

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

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

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

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

Budget Control: The Director of Fiscal Affairs shall be responsible for monthly financial reports that monitor budget performance by comparing actual to budgeted revenues and expenditures. Monthly financial reports indicate budgeted amounts, monthly expenditures, year-to-date-expenditures and percentage of budget spent. The Superintendent or designee shall review these reports for the preceding month prior to presentation to the Board.

Accounting Records

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

Spending Grant Funds

In determining what items will be included in individual program budgets, the Director of Fiscal Affairs and Superintendent or designee will follow the federal cost principles and individual program statutes and regulations, as the basis for determining whether individual expenditures are allowable.

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

Direct and Indirect Costs:

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

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

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

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

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

- A. Administrative or clerical services are integral to a project or activity;
 - B. Individuals involved can be specifically identified with the project or activity;
 - C. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
 - D. The costs are not also recovered as indirect costs.
2. **Indirect Cost Rate:** It is at the discretion of the Twin Falls School District #411 to use the indirect cost rate. It is the normal policy of the District not to take indirect costs on federal awards. If the District elects to take indirect costs, it shall follow the procedures for calculating the indirect cost rate prescribed by the State Department of Education and apply the policies and procedures outlined in the federal regulations as described below.
 3. **Applying the Indirect Cost Rate:** Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award.

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

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



Cross Reference: 7230 Financial Reporting and Audits

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

Policy History:

ADOPTED: 12/10/18

ISBA

REVISED:

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

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



Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

Disclaimer:

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

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

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

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

Staff Responsibilities

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

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

In the event the concern or complaint involves the Superintendent, the concern shall be brought to the attention of the Chairman of the Board of Trustees who is hereby empowered

to contact the District's legal counsel, auditing firm and any other agency to investigate the concern or complaint.

Definition

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

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

Internal Controls

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

Budgetary Transfers. The transfer of appropriations is important for the Superintendent, purchasing agent, business official and treasurer, and all should have written confirmation of the information. The purchasing agent shall be apprised if the transfer has been approved, the treasurer shall document it and the business official shall record it.

Treasurer's Receipts. The treasurer should have receipts and numbered duplicates for everything paid out in his/her custody.

Checks. The treasurer shall keep personal custody of any signature stamps and maintain a log for every check written.

Audit

An individual not connected to the business office should

Audit the check register regularly;

Conduct background checks on potential business office employees;

Check all possible references, not just those offered, and perform criminal background checks on key business officials and other warranted positions'; and

Segregate functions within the business office so as to avoid the opportunity for fraud without collusion.



Policy History:

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16

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

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

The Board directs that District audits shall be conducted in accordance with Idaho code § 67-450B. Each audit shall be a comprehensive audit of the affairs of the District and the District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards, as defined by the United States Government Accountability Office. Within ten (10) days after receiving the audit from the District's independent auditor, the school district shall file two (2) copies of the completed audit report with the legislative counsel at:

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

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



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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

Use of IDEA Part B Funds

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

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

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

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

Time and Effort Reporting

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

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

Maintenance of Effort

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent to establish a means of tracking and reporting local expenditures separate from

the expenditure of State funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

Parentally-Placed Private School Children

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

The Director of Support Services and the ~~Business Manager~~ Director of Fiscal Affairs keep accurate records of all expenditures charged to the parentally-placed private school children budget. The documentation should be traceable to the financial report and available for inspection if requested.

Property Procurement and Tracking

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

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

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

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



Cross Reference: 7400 Procurement Management System

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

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

Other Reference: Idaho SDE IDEA Part B Funding Manual. ~~Policies and Procedures Used
Template, Idaho State Department of Education,
<http://www.sde.idaho.gov/sped/funding/>~~

Policy History

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16
12/10/18

Employee: _____ Position: _____

Reporting Period: _____

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

Employee's Signature: _____ Date: _____

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

Reviewed by supervisor: _____ Date: _____

Sample Personnel Activity Report

LEA Name: _____ For the Month of: _____

Employee: _____ Year: _____

Position: _____

Supervisor: _____

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

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

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

Employee signature: _____

Date: _____

Immediate Supervisor signature: _____

Date: _____

Multiple Cost Objective Time and Effort Certification

Employee: _____ Position: _____

Reporting Period: _____

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

Employee’s Signature: _____ Date: _____

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

Reviewed by supervisor: _____ Date: _____

Time and Effort Standards

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

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

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

Time and Effort Procedures

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

At the end of each quarter, the staff member will submit a certification of actual hours worked in each federal program during that quarter. The certification will be signed by the employee and by the building administrator.

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

If an employee works exclusively in a single federal program, that employee will, at least semi-annually complete Form 7235F1 Federal Funds Semi-Annual Certification Form. The form must be completed at least twice each year and signed by the employee and staff member with after-the-fact knowledge of the employee’s activities.

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

Positive Time Reporting

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



Legal Reference: Idaho SDE IDEA Part B Funding Manual.

Procedure History

ADOPTED: 12/10/18

ISBA

REVISED:

Sample Personnel Activity Report

7235PF1

Employee Name: _____

Employee SSN: *(Optional)* _____

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

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

Signature of Employee

Date

Position Title

Job Location/School Name

Signature of Supervisor *(Optional)*

Date

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



Legal Reference: Idaho SDE IDEA Part B Funding Manual.

Procedure History:
Adopted On: 5/13/19
Revised On:

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

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

I, _____, _____
(Name) (Title)

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

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

_____ Employee Signature Date _____

_____ Supervisor Signature Date _____

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

Legal Reference: Idaho SDE IDEA Part B Funding Manual

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

Procedures

The District shall maintain records that fully show:

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

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

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

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

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

Collection and Transmission of Records

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

Access to Records

The District shall provide the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also

includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

Privacy

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



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

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

Policy History

ADOPTED: 12/10/18

ISBA

REVISED:

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

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

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

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

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

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

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



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

Policy History

ADOPTED: /11/16

ISBA

REVISED: 8/10/15

9/12/16

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

For purpose of this policy, "equipment" shall mean a unit of furniture or furnishings, an instrument, a machine, an apparatus or a set of articles which retains its shape and appearance with use, is nonexpendable and does not lose its identity when incorporated into a more complex unit. The Superintendent shall ensure that inventories of equipment are systematically and accurately recorded and are updated annually. Property records of facilities and other fixed assets shall be maintained on an ongoing basis. No equipment shall be removed for personal or non-school use except according to Board policy.

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

1. description and identification
2. manufacturer
3. date of purchase
4. initial cost
5. location
6. serial number, if available
7. model number, if available

Equipment may be identified with a permanent tag that provides appropriate District and equipment identification.



Cross Reference: 7210 GASB Statement 34 (Accounting System)

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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

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



Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

Policy Considerations

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

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



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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

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

The revenue derived should:

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

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

1. Fixed signage;
2. Banners;
3. District-level publications;
4. Television and radio broadcasts;
5. Athletic facilities, to include stadiums, high school baseball fields, and high school gymnasiums;
6. District-level projects;
7. Expanded usage of facilities beyond traditional use (i.e., concerts, rallies, etc.);
8. Interior and exterior of a limited number of District buses only if the advertising is associated with student art selected by the District. The only advertising information will note that the student art is sponsored by the participant in the District sponsorship. Maintenance for these buses will include but not exceed normal maintenance costs; and
9. Individual school publications (when not in conflict with current contracts).

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

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

1. Promote hostility, disorder, or violence;

2. Attack ethnic, racial, sexual orientation, gender identity or expression, or religious groups;
3. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
4. Be libelous;
5. Inhibit the functioning of the school and/or District;
6. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond or budget issues, or any public question submitted at any general, county, municipal, or school election.
7. Be obscene or pornographic as defined by prevailing community standards throughout the District;
8. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
9. Promote any religious or political organization;
10. Use any District or school logo without prior approval; or
11. Use age-inappropriate material.

Exception

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

Solicitations

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



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

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

Policy History

ADOPTED: 8/11/14
 ISBA
REVISED: 9/12/16
 3/17/17

Expenditures will be aligned with approved budgeted items. Any significant changes or variations (10 percent or more) from the state-approved budget and grant application need prior approval from the State. When determining how the District will spend its grant funds, the Superintendent or designee will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in Education Department General Administrative Regulations, referenced below. The District Superintendent or designee must consider these factors when making an allowability determination. All costs must:

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

relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.

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

Helpful Questions for Determining Whether a Cost is Allowable

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

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

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

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



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

~~2 CFR § Part 3474 — Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards~~

Policy History

ADOPTED: 9/12/16

ISBA

REVISED: 12/10/18

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

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

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

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

1. Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award;
2. The restraints or requirements imposed by factors such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award;
3. Market prices for comparable goods or services for the geographic area;

4. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government; and
5. Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

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

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

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



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

Procedure History

ADOPTED: 12/10/18

ISBA

REVISED: 5/13/19

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

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

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

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

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

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430

Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages, and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455

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

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, District staff shall consult federal, State, and District requirements when spending federal funds.

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



Procedure History

ADOPTED: 12/10/18

REVISED:

Authorization and Control

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

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to state purchasing and federal procurement requirements. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with State purchasing and federal procurement requirements. Staff members shall not obligate the District without express authority. Staff members who obligate the District without proper authorization may be held personally responsible for payment of such obligations.

Bids and Contracts

With the exception of the purchase of curricular materials, and in accordance with the requirements of Idaho Code, whenever the cost of any construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property necessary for the effective operation of the District exceeds \$50,000, formal bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Board may reject any bid, reject all bids, or publish notice to rebid the project. If after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

When purchasing goods and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the District, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including but not limited to the relative experience, ability, references and integrity of the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

Except where a Request for Proposals is advertised, in the event the District awards a contract to a bidder other than the lowest responsive bidder, the Board shall declare its reason or reasons on the record and shall communicate such reason or reasons in writing to all who have submitted a competing bid. The disappointed bidders shall have the right to submit a timely written objection, at which time the District shall stop all work on the project, and shall review its decision and determine whether to affirm its prior award, modify the award, or choose to re-bid, setting forth its reason or reasons therefor. After completion of the review process, the political subdivision may proceed as it deems to be in the public interest.

The Superintendent shall establish bidding and contract awarding procedures that align with state purchasing and federal procurement requirements.

Cooperative Purchasing

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

Personnel Conflicts of Interest

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

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

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

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

Procurement Under a Federal Award

In addition to the conflicts of interest outlined above, no employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee, officer, or agent;
2. Any member of his or her immediate family, including spouses, children, and parents;
3. His or her partner. For the purposes of this policy, "partner" shall mean an adult of the same sex or different sex with whom the employee, officer, or agent shares a non-marital

- intimate relationship and a common residence and with whom they mutually affirm that they share responsibility for each other's common welfare; or
4. An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

1. The purchase during the school day of any food or service from a District contractor or vendor for individual use;
2. The removal of any food, supplies, equipment, or school property without proper authorization;
3. Individual sales by District personnel of any school property, including used items.

Violations

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



Cross Reference: 7400P Procurement Under a Federal Award
7405 Public Works Contracting and Procurement
7407 Public Procurement of Goods and Services

Legal Reference: I.C. § 18-1351 Bribery and Corrupt Practices – Definitions
I.C. § 33-316 Cooperative Contracts to Employ Specialized Personnel
and/or Purchase Materials
I.C. § 33-402 Notice Requirements
I.C. § 33-601 Real and Personal Property – Acquisition, Use or Disposal
of Same
I.C. § 67-2805 Procurement of Public Works Construction
I.C. § 67-2806 Procuring Services or Personal Property
I.C. § 67-2806A Request for Proposal
I.C. § 74-401 et seq. Ethics in Government
2 C.F.R. § 200.317 Procurement by States
2 C.F.R. § 200.318 General Procurement Standards
2 C.F.R. § 200.320 Methods of Procurement to be Followed

Policy History

ADOPTED: 8/11/14
ISBA
REVISED: 8/10/15
9/12/16
1/8/18

In addition to its other policies and procedures regarding procurement, the District shall adhere to the following requirements when making procurements under a federal award. The District shall:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The District will identify all requirements, which bidders must fulfill, and all other factors to be used in evaluating bids or proposals.
2. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another position reviews the evaluation.
3. Maintain oversight to ensure that contractors perform in accordance with the terms; conditions, and specifications of their contracts or purchase orders.
4. Avoid acquiring unnecessary or duplicative items.
5. Consider consolidating procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
6. Maintain a list of prequalified persons, firms, or products used in acquiring goods and services, and include enough qualified sources to ensure maximum open and free competition.
7. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.
8. Maintain records sufficient to detail the history of procurement. These records will include:
 - A. Rationale for the method of procurement;
 - B. Selection of contract type;
 - C. Contractor selection or rejection; and
 - D. The basis for the contract price.
9. The use of a time and materials type contract is prohibited unless the District determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a District is the sum of:

- A. The actual cost of materials; and
- B. The direct labor hours charged at an hourly rate that reflects wages, general and administrative expenses, and profit.

When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The District will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

- 10. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.
- 11. The District will adhere to any additional procurement rules as applicable to specific federal programs such as federal child nutrition programs.

Time and Effort Documentation

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work shall be documented on Form 7400F.



Legal Reference:	2 C.F.R. §§ 200.300 <i>et seq.</i> Subpart D – Post Federal Award Requirements.
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Procedure History:
ADOPTED: 8/10/15
ISBA
REVISED: 9/12/16

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

Competitive Proposals

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

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

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

Contract/Price Analysis

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

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

When performing a cost analysis, the District Superintendent negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Noncompetitive Proposals (Sole Sourcing)

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

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

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

Full and Open Competition

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

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



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

Procedure History:

Adopted on: 12/10/18

ISBA

Revised on:

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

Geographical Preferences Prohibited

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

Prequalified Lists

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

Solicitation Language

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

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



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

Procedure History:

Adopted on: 12/10/18

Revised on:

Reviewed on:

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

Public Works Contractor Licensure Requirements

\$0 to \$50,000

\$50,000 and above	Licensure required	IC 54-1903(9)
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Exemptions from Public Works Contractor Licensure

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

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

Category B – Open to pre-qualified contractors. After pre-qualification is determined, the bidding process is in the same manner as Category A. (IC 67-2805(2)(b).)



Legal Reference: I.C. § 54-1903 Unlawful to Engage in Public Works Contracting Without License - Exemptions
 I.C. § 67-2801 et seq. Purchasing by Political Subdivisions

Policy History

ADOPTED: 8/11/14

ISBA

REVISED: 1/8/18

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

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

Exemptions to Public Procurement of Goods and Services Bidding

Personal Property	Already competitive bid (piggy-backing)	IC 67-2803(1)
Less than \$50,000	Contracts or purchases of goods or services	IC 67-2803(2)
Any Amount	Payments of Wages	IC 67-2803(3)
Any Amount	Personal or professional services performed by an independent contractor. (Refer to info on qualifications in I.C. 67-2320)	IC 67-2803(4)
Any Amount	Procurement of an interest in real property – lease or purchase	IC 67-2803(5)
Any Amount	Procurement of insurance	IC 67-2803(6)
Any Amount	Costs of Joint Powers participation	IC 67-2803(7)
Any Amount	Procurement of used personal property	IC 67-2803(8)
Any Amount	Procurement from federal government general services administration (GSA) schedules or federal multiple award schedules (MAS)	IC 67-2803(9)
Any Amount	Procurement of personal property or services through contracts entered into by the Division of Purchasing of the Department of Administration of the State of Idaho	IC 67-2803(10)
Any Amount	Procurement of goods for direct resale	IC 67-2803(11)
Any Amount	Procurement of travel and training;	IC 67-2803(12)
Any Amount	Procurement of goods and services from Idaho correctional industries	IC 67-2803(13)
Any Amount	Procurement of repair for heavy equipment	IC 67-2803(14)
Any Amount	Procurement of software maintenance, support and licenses of an existing system or platform that was bid in compliance with state law	IC 67-2803(15)

Any Amount		IC 67-2803(16)
	Procurement of public utilities	
Any Amount		IC 67-2803(17)
	Procurement of food for use in jails or detention facilities	
Any Amount		IC 67-2803(18)
	Procurement of used equipment at an auction if authorized by the governing board	
Any Amount	Emergency expenditures	IC 67-2808(1)



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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED: 1/8/18

In the event a bidder objects to the award of a contract pursuant to Idaho Code § 67-2805, or Idaho Code § 67-2806, the Board shall schedule an informal hearing, either at its next regularly scheduled meeting or at a special meeting, wherein the interested parties are provided an opportunity to present information to the Board for its consideration. Upon its review of the information presented, the Board shall render a decision that is in the best interests of the District, which decision is not appealable. In the event Idaho Code § 67-2805, and/or Idaho Code § 67-2806 is amended by the Legislature, this Policy 7408 is similarly amended without further action of the Board.

The term “interested parties” is defined as consisting of:

1. The complaining bidder(s) which was not awarded the contract;
2. The bidder which was awarded the contract; and
3. The District’s administrator(s) involved in the bid process and the award of the contract.



Legal Reference: I.C. § 67-2805 Procurement of Public Works Construction
I.C. § 67-2806 Procuring Services or Personal Property

Policy History:
ADOPTED: 9/12/16

Revised:

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of Fifty Dollars (\$50), postage, delivery charges, and freight. Individual personal reimbursements which exceed fifty Dollars (\$50) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, and the total dollar amount of each petty cash account will be limited to:

- \$100 for the Bridge Academy
- \$150 for middle schools.
- \$400 for the Magic Valley High School
- \$800 for high schools.
- \$600 for the district administrative office.

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

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



Policy History:

ADOPTED: 8/11/14

ISBA

REVISED: 11/10/14
8/10/15

The use of change funds shall be authorized for ease in collections at school-sponsored events. Change funds will be maintained as cash on hand, and the total dollar amount of each change fund will be limited to:

- \$150 for middle schools
- \$1,500 for high schools
- \$20 per school for Child Nutrition

Each administrator of a school or department with a change fund may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies which are not specifically change fund monies shall not be co-mingled with the change fund. At the conclusion of each school year, all change funds must be closed out, deposited in the deposit account and an accounting provided the business office.

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



Policy History

ADOPTED: 8/10/15

TFSD

REVISED:

The use of imprest checking accounts shall be authorized for specific purchases. The purpose for imprest accounts is to address emergencies and enable purchases from vendors who do not accept purchase orders. Whenever possible, purchases will go through the requisition/purchase order process of the District. Imprest accounts will be maintained as authorized checking accounts and the total dollar amount of each imprest account will be limited to:

- \$500 for the Bridge Academy
- \$500 for Support Services
- \$600 for the District administrative office
- \$800 for elementary schools
- \$1,000 for Junior Football
- \$1,000 for the Magic Valley High School
- \$5,000 for middle schools
- \$10,000 for high schools.

Each administrator of a school or department with an imprest account may appoint and designate a fund custodian to carry out the bookkeeping and security duties. Monies that are not specifically imprest monies shall not be co-mingled in the imprest checking account. Twice monthly and at the conclusion of each school year, imprest vouchers must be returned to the business office for processing.

The District business office shall be responsible for establishing the procedures involving the use and management of imprest accounts.



Policy History

ADOPTED: 8/10/15

TFSD

REVISED:

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

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

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



Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

Every District employee and Board Member will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. All travel expenses must be reported on the District-approved travel voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Superintendent or designee. The District will adhere to the State Travel Policy.

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

Types of Travel

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

Out of District Travel: Travel outside of the District must should be pre-approved. Employees should obtain prior approval from their supervisor and the Superintendent or designee.

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

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

Documentation of Expenses

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

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

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

Travel Costs under Federal Award

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

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

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

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

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

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

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

1. Require circuitous routing;
2. Require travel during unreasonable hours;
3. Excessively prolong travel;
4. Result in additional costs that would offset the transportation savings; or
5. Offer accommodations not reasonably adequate for the traveler's medical needs.



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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16
12/10/18

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

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

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

Credit Card Users

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

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

Credit Card Limits

The District shall establish a credit line not to exceed \$10,000 for each card issued.

Return of Credit Card

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

Misuse and/or Unauthorized Use

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

Additional Procedures

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



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

Policy History

ADOPTED: 8/11/14
ISBA
REVISED: 6/13/16
9/12/16
11/12/18

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

Signature

Position

Printed Name

Date Signed



Form History:

ADOPTED: 8/11/14

ISBA

REVISED:

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

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

Payment Methods

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

Director of Fiscal Affairs shall request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests shall be submitted on a District form to the State Department of Education.

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

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

Reimbursements of actual expenditures do not require interest calculations.

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

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

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

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



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

Policy History:

Adopted:	9/12/16
Revised:	12/10/18
	5/13/19

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

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

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

Period of Performance of Federal Funds

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

State-Administered Grants: As a general rule, state-administered federal funds are available for obligation within the year for which Congress appropriates the funds. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year for which the grant was appropriated, the period of obligation for any grant that is covered by the

“Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated, through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

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

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

Carryover

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

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



Procedure History

ADOPTED: 12/10/18

ISBA

REVISED:

Definition

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

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

Use of Program Income

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

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

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



Procedure History

ADOPTED: 12/10/18

REVISED: 5/13/18

Definition

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

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

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Procedure History

ADOPTED: 12/10/18

ISBA

REVISED:

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

In the event a fee increase of four percent (4%) or less from the prior fee amount is necessary, the Board can review and vote on such a fee increase. However, in the event a fee increase of five percent (5%) or more from the prior fee amount is necessary, the Board shall hold a hearing upon such proposed fee increase at a regular or special meeting of the Board.

The Board shall provide notice of the meeting according to Idaho Code § 63-1311A. Meeting notice shall include the reason for the meeting, i.e. the Board is considering a fee increase that is in excess of five percent (5%) of the amount of fees last collected prior to such decision. If the Board is assessing a new fee, the meeting notice shall indicate such.



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

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

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

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

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

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



Legal references: I.C. § 33-402 Notice Requirements
I.C. § 33-522 Financial Emergency
I.C. § 33-801 School District Budget

Policy History

ADOPTED: 8/11/14

ISBA

REVISED:

DECLARATION OF FINANCIAL EMERGENCY

WHEREAS, the State Department of Education has certified that conditions (a) (b) and/or (c) *(include all that have been met)* of Idaho Code Section 33-522 (2) have been met;

WHEREAS, the Board of Trustees of Twin Falls School District 411 met on _____ *(insert date)* to review the financial state of the District;

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

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

WHEREAS, the Board of Trustees projects that the District’s general fund balance, excluding funds restricted by state or federal law and considering both anticipated expenditures and revenue is less than five and one-half percent (5 ½%) of the District’s unrestricted general fund budget pursuant to Idaho Code Section 33-522(2)(f) and thus the District has determined that the required condition in paragraph (f) of Idaho Code Section 33-522(2) has been met;

NOW, THEREFORE BE IT RESOLVED, on _____ *(insert date)* that the Board of Trustees of Twin Falls School District 411 declares a financial emergency pursuant to Idaho Code Section 33-522 for the Fiscal Year ____ *(insert year)*.



Legal Reference: I.C. § 33-522 Financial Emergency

Form History:

ADOPTED: 8/11/14

ISBA

REVISED:

DECLARATION OF FINANCIAL EMERGENCY

WHEREAS, the Board of Trustees of Twin Falls School District 411 met on _____
(*insert date*) to review the financial state of the District;

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

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

Note: (*select from one of the following, or both of the following, if applicable in regard to
paragraph (d) or paragraph (e)*)

WHEREAS, pursuant to paragraph (d) of subsection 33-522(2), Idaho Code, the Board of
Trustees has determined that the amount of property tax revenue to be collected by the District that
may be used for any general fund purpose, with the exception of any emergency levy funds, is
reduced from the prior fiscal year, and the amount of said reduction represents more than one and
one-half percent (1 ½%) of the District’s general fund budget for combined state and local
revenues from the prior fiscal year;

WHEREAS, pursuant to paragraph (e) of subsection 33-522(2), Idaho Code, the Board of Trustees
has determined that the District’s general fund has decreased by at least one and one-half percent
(1 ½%) from the previous year’s level due to a decrease in funding or natural disaster, but not as a
result of a drop in the number of support units or the index multiplier calculated pursuant to section
33-1004A, Idaho Code, or a change in the emergency levy; and

WHEREAS, the State Department of Education has certified that the conditions set forth in
paragraph (f) of section 33-522(2), Idaho Code, have been met in that the District’s unrestricted
general fund balance, which excludes funds restricted by state or federal law and considering both
anticipated expenditures and revenue, is less than five and one-half percent (5 ½ %) of the
District’s unrestricted general fund budget at the time the financial emergency is declared or for
the fiscal year for which the financial emergency is declared;

NOW, THEREFORE BE IT RESOLVED, on _____(*insert date*) that the Board of
Trustees of Twin Falls School District No.411 declares a financial emergency pursuant to Idaho
Code Section 33-522 for the Fiscal Year ____ (*insert year.*)



Legal reference: I.C. § 33-522 Financial Emergency

Form History

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16

Financial Emergency Declaration Requirements

If the State Department of Education certifies that one or more of the conditions below in paragraph (a), (b), or (c) are met, then the Board of Trustees may declare a financial emergency if it determines that the condition in paragraph (f) is also met. Alternatively, the Board may declare a financial emergency if it determines that either of the conditions in paragraph (d) or (e) of this subsection are met and the State Department of Education certifies that the condition set forth in paragraph (f) is also met.

- (a) Any of the base salary multipliers in section 33-1004E, Idaho Code, are reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (b) The minimum instructional salary provision in section 33-1004E, Idaho Code, is reduced by one and one-half percent (1 ½ %) or more from any prior fiscal year.
- (c) The amount of total general fund money appropriated per support unit is reduced by greater than three percent (3%) from the original general fund appropriation per support unit of any prior fiscal year.
- (d) The amount of property tax revenue to be collected by the District that may be used for any general fund purpose, with the exception of any emergency levy funds, is reduced from the prior fiscal year; and the amount of said reduction represents more than five percent (5%) one and one-half percent (1 ½%) of the District's general fund budget for combined state and local revenues from the prior fiscal year.
- (e) The District's general fund has decreased by at least one and one-half percent (1 ½%) from the previous year's level due to a decrease in funding or natural disaster, but not a result of a drop in the number of support units or the index multiplier calculated pursuant to section 33-1004A, Idaho Code, nor a change in the emergency levy.
- (f) The District's unrestricted general fund balance, which excludes funds restricted by state or federal law and considering both anticipated expenditures and revenue, is less than five and one-half percent (5 ½%) of the District's unrestricted general fund budget at the time the financial emergency is declared or for the fiscal year for which the financial emergency is declared.

Negotiations

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

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

Due Process Hearing

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

- (a) The Superintendent or any other duly authorized administrative officer of the District may recommend the change in the length of the term stated in the current contract or reduce the salary of any certificated employee by filing with the Board written notice specifying the purported reasons for such changes.
- (b) Upon receipt of such notice, the Board acting through its duly authorized administrative official, shall give the affected employees written notice of the reductions and the recommendation of the change in the length of the term stated in the current contract or the reduction of salary, along with written notice of a hearing before the Board prior to any determination by the Board.
- (c) The hearing shall be scheduled to take place not less than six (6) days nor more than fourteen days after receipt of the notice by the employees. The date provided for the hearing may be changed by mutual consent.
- (d) The hearing shall be open to the public.
- (e) All testimony at the hearing shall be given under oath or affirmation. Any member of the Board, or the Clerk of the Board, may administer oaths to witnesses or affirmations by witnesses.
- (f) The employees may be represented by legal counsel and/or by a representative of a local or state education association.
- (g) The Chairman of the Board, or the designee of the Chairman, shall conduct the hearing.
- (h) The Board shall cause an electronic record of the hearing to be made or shall employ a competent reporter to take stenographic or stenotype notes of all the testimony at the hearing. The Board upon request of the employee shall provide a transcript of the hearing at costs.
- (i) At the hearing, the Superintendent or other duly authorized administrative officer shall present evidence to substantiate the reduction contained in such notice.
- (j) The employees may produce evidence to refute the reduction. Any witness presented by the Superintendent or by the employees shall be subject to cross-examination. The Board may also examine witnesses and be represented by counsel.
- (k) The affected employees may file written briefs and the affected employees and the Board of Trustees may agree upon arguments with the Board within three (3) days after the close of the hearing or such other time as agreed upon by both parties.
- (l) Within seven (7) days following the close of the hearing, the Board shall determine and, acting through its duly authorized administrative official, shall notify the employees in writing whether the evidence presented at the hearing established the need for the action taken.

Length of Financial Emergency

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

Annual Meeting and Notice Requirements

If a financial emergency has been declared, the notice of annual meeting and the notice of the annual budget hearing shall be posted for not less than five (5) days, and by such further notice as shall provide reasonable notice to the patrons of the District if publication in a newspaper is not feasible. If the District has declared a financial emergency, no later than fourteen (14) days prior to its annual meeting, the Board shall have prepared a budget, and held a public hearing.

Contract Date Impact

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



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

Procedure History

ADOPTED: 8/11/14

ISBA

REVISED: 9/12/16

Creation, Purpose, and Maintenance of Bond Account

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

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

Definitions

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

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

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

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

“Non-Bond Levy Revenues” mean revenues, including but not limited to, property tax revenues and operating levy property tax revenues, State funds in replacement of property tax revenues, sales tax revenue sharing funds, or other funds collected on the District’s behalf by the Counties and then disbursed to the District.

Deposit of Funds into Bond Account; Payment of Bonds

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

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

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

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

Investment of Funds in Bond Account

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

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

State Guaranty Programs

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

Use of Funds in Bond Account

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



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

Policy History

ADOPTED: 1/9/17

REVISED:

The purpose of these Post-Issuance Tax Compliance Procedures for Tax-Exempt Bonds is to establish policies and procedures in connection with tax-exempt bonds (the “Bonds”) issued by the School District No. 411 (the “Issuer”) so as to ensure that the Issuer complies with all applicable post-issuance requirements of Section 148 of the Internal Revenue Code (the “Code”) needed to preserve the tax-exempt status of such tax-exempt Bonds.

I. General

A. Responsibility

Ultimate responsibility for all matters relating to Issuer financings and refinancings rests with the Business Manager of the Issuer (hereinafter, the “Administrator”).

B. Compliance Checklist

Attached is a Compliance Checklist to assist in applying these Procedures.

II. Post-Issuance Compliance Requirements

A. External Advisors/Documentation

The Administrator and other appropriate Issuer personnel and/or Board members shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in the Issuer resolution(s), tax certificate(s) and/or other documents finalized at or before issuance of Bonds. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of the Code throughout (and in some cases beyond) the term of the Bonds.

The Administrator and other appropriate Issuer personnel and/or Board members also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of bond-financed assets and future contracts with respect to output or throughput of bond-financed assets.

Whenever necessary or appropriate, the Issuer shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of bond proceeds.

B. Role of the Issuer as Issuer of Tax-Exempt Bonds

Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or tax certificate(s), unexpended bond proceeds shall be held by the Issuer, and the investment of bond proceeds shall be managed by the Administrator. Unless otherwise provided by Issuer resolutions, agreements entered into in connection with the issuance of Bonds, or the tax certificate, the Administrator shall maintain records and shall prepare regular, periodic statements to the Issuer regarding the investments and transactions involving bond proceeds.

If an Issuer resolution provides for bond proceeds to be administered by a trustee, the Issuer shall obtain from the trustee the agreement to provide statements regarding the investments and transactions involving bond proceeds, no less than quarterly.

C. Arbitrage Rebate and Yield

Unless a tax certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Bonds:

- the Issuer shall engage the services of a Rebate Service Provider, and the Issuer or the bond trustee shall deliver statements concerning the investment of bond proceeds to the Rebate Service Provider in a manner that will enable timely calculation of arbitrage rebate;
- the Administrator and other appropriate Issuer personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Administrator and other appropriate Issuer personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Bonds, the Administrator and other appropriate Issuer personnel shall monitor the investment and expenditure of bond proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds.

The Issuer shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements.”

D. Use of Bond Proceeds

The Administrator and other appropriate Issuer personnel shall:

- monitor the use of bond proceeds, the use of bond-financed assets (e.g., facilities, furnishings or equipment) and the output or throughput of bond-financed assets throughout the term of the Bonds (and in some cases beyond the term of the Bonds) to ensure compliance with covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds;
- consult with bond counsel and other professional expert advisers in the review of any management contracts or other arrangements involving use of bond-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- maintain records for any contracts or arrangements involving the use of bond-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates;
- meet at least annually with personnel responsible for bond-financed assets to identify and discuss any existing or planned use of bond-financed, assets or output or throughput of bond-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable Issuer resolutions and tax certificates.

All relevant records and contracts shall be maintained as described below.

E. Record Keeping Requirements

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

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



Policy History:

ADOPTED: 7/9/18

TFSD

REVISED:

Construction (Applicable if any bond financed projects are under construction):

- Check in with Rebate Service Provider regarding any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months, or 24 months following the issue date of any bond issue.
- Are there any remaining bond proceeds after completion of the project? If yes, deposit them into the bond fund. Or, remaining proceeds may be spent on other projects, provided they were included in the description used in the ballot question.
- If other funds, aside from bond proceeds, were contributed to the project, check to make sure allocations of bond proceeds have been made to the project. Allocations need to be made in writing within 18 months after project is placed in service.

Investment and Proceeds Review (Annually):

- Create/update summary of investments of bond proceeds.
- Check in with Rebate Service Provider and provide summary of current investments of bond proceeds

Uses of Bond Financed Facilities Review (Annually):

- Create/update list of all properties, equipment, facilities or furnishings financed with bond proceeds, separately identified by each bond issue of the Issuer.
- Create/update list of all agreements granting long-term use (e.g., through leases or use agreements) of bond financed facilities or properties to outside persons that are not a unit of state or local government. Provide all such contracts to bond counsel for review.
- Create/update list of all agreements granting temporary use (e.g., incidental uses or daily leases) of bond financed facilities or properties to outside persons that are not a unit of state or local government.
 - Are all such uses based on the same set, uniform rates? If no, please contact bond counsel.
 - Are all agreements based on fair market value? If no, please contact bond counsel.
 - Do any of the agreements provide for use longer than a total of 50 days by any single user? If yes, please contact bond counsel.
- Create/update list of all agreements granting non-exclusive uses of bond financed facilities or properties to outside persons that are not a unit of state or local government. For example, agreements allowing private business facilities such as vending machines, kiosks, etc.

The following questions relate to **each** of the facilities/properties listed above:

- Is any of the facility/project managed by an outside organization? If yes, provide any such contracts to bond counsel for review.
- Does any party other than a governmental entity have beneficial use or rights with respect to a financed property (e.g., naming rights or the right to use a bond financed school parking lot)? If yes, please discuss with bond counsel.

Bond Pay-Off:

- Check payment and redemption dates of Bond issues and upon final payment, check in with Rebate Service Provider to make a final rebate computation no later than 60 days following the bond payment or redemption date.

Rebate:

- At least 60 days prior to each fifth anniversary of the issue date of each bond issue of the Issuer, check with Rebate Service Provider to ensure that appropriate rebate amounts, if any, are being calculated by the Rebate Service Provider.
- Promptly following each fifth anniversary of the issue date of each bond issue of the Issuer, check with Rebate Service Provider to ensure that appropriate rebate amounts, if any, have been remitted to the IRS.

Other (Upon Occurrence):

- Any time the use of a bond financed project is changed from a governmental use to a nongovernmental use (e.g., by way of sale), please notify bond counsel immediately for remedial action which must be taken within 90 days of change.
- Any time the Business Manager changes, the new Business Manager shall go over the Procedures and this Checklist with bond counsel.



Procedure History:

ADOPTED: 7/9/18

REVISED:

Designation of Administrator

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

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

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

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

Duties of the Administrator

Upon the issuance of any bonds, or annually in the absence of such issuance, the Administrator shall update required annual filings to reflect the requirements of the disclosure agreements of the District and the requirements thereof.

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

Not more than five days after the submission of the required annual filing to the MRSB, the Administrator shall provide to the Superintendent and the Board of Trustees written confirmation that the annual required filing has been submitted and filed properly with the MSRB through EMMA. The Administrator shall independently verify by access to EMMA that the Required annual filing has been filed and properly appears on EMMA.

In the event that the required annual filing is not completed in time to submit the required annual filing to the MRSB through EMMA within the time specified, the Administrator will file a notice of occurrence of such event in accordance with the policy and procedures set forth below under

“reporting of events,” and in accordance with the rule, and submit the required annual filing as soon as it is available.

Reporting of Events

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

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

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
6. Defeasances;
7. Rating changes;
8. Bankruptcy, insolvency, receivership, or similar event of the obligated person;
9. Other events, such as non-payment related defaults, must be analyzed to determine if the event is material and if so, a Material Event Filing is required. The Administrator will consult with bond counsel regarding any questions as to whether an event has occurred and what filings are required. These include:
 - A. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
 - B. Nonpayment-related defaults, if material.

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

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

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

Failure to File

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

Correspondence from Securities and Exchange Commission (SEC)

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

Record-Keeping Requirements

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

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



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

Policy History

ADOPTED: 1/9/17

ISBA

REVISED: