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## SECTION D: FISCAL MANAGEMENT

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Contents Supplement**

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DBK\* Fiscal Emergencies





## **Fiscal Management Goals/Priority Objectives**

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

1. To encourage advance planning through the best possible budget procedures.
2. To explore all practical and legal sources of dollar income.
3. To guide the expenditure of funds so as to achieve the greatest educational returns.
4. To require maximum efficiency in accounting and reporting procedures.
5. To maintain a level of per student expenditure needed to provide high quality education.

As trustee of community, state and federal funds allocated for use in local education, the Board has the responsibility to protect the funds and use them wisely.

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption



## **Financial Administration**

With respect to the actual, ongoing financial condition and activities of the district, the superintendent shall not cause or allow fiscal jeopardy or a material deviation from the annual budget or any budget policies adopted by the Board, or any fiscal condition that is inconsistent with achieving the district's objectives.

### **Expending district funds**

The superintendent shall take reasonable steps to ensure that only funds that have been received in the fiscal year to date are expended, unless authorized by Board resolution.

### **Reporting to Board and community**

#### **Audits**

All district funds and accounts shall be audited by an independent auditor annually in accordance with state law and Board policy DIE. Timely and appropriate corrective actions shall be taken in accordance with any internal or external audit findings.

The Board shall receive all audit reports and be informed of all corrective actions taken.

### **Financial reports**

#### **Monthly reports**

The superintendent or designee shall prepare and submit to the Board a monthly cash receipts and disbursements report.

#### **Quarterly reports**

The superintendent or designee shall prepare and submit to the Board a quarterly fiscal actions report of all district funds. The quarterly report shall include:

- the actual amounts spent and received as of the date of the report from each of the funds budgeted by the district for the fiscal year, expressed as dollar amounts and as percentages of the annual budget
- the actual amounts spent and received for each fund for the same period in the preceding fiscal year, expressed as dollar amounts and as percentages of the annual budget
- the expected year-end fund balances, expressed as dollar amounts and as percentages of the annual budget
- a comparison of the expected year-end fund balances with the amount budgeted for that fiscal year
- details on the district's major tax and revenue sources, with variance analysis that shows the factors that are affecting revenue inflow.

File: DAB\*

The format and basis for reporting shall be consistent with the adopted budget and the past year's generally accepted accounting procedures results.

**Reconciliation report**

The superintendent or designee shall prepare for the Board an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis of accounting and the modified accrual basis of accounting. The reconciliation shall include, but is not limited to, the liability for accrued salaries and related benefits. The reconciliation shall be included with the final version of the amended budget and the annual audited financial statements.

The Board shall receive all financial reports in a timely manner and be informed of all corrective actions taken.

The superintendent or designee shall conduct quarterly financial reviews with the Board using reports described above.

The Board may request other financial reports as needed.

**Oral notification**

The superintendent shall assure that immediate verbal notification be given to the Board regarding any potential financial problem or any matter that may affect the district's financial condition or ability to achieve its mission.

**Available to public**

All financial and audit reports shall be made available to the public and shall be posted online in accordance with the Public School Financial Transparency Act. See exhibit DAB\*-E.

**Legally-required reports**

Reports and filings required by state and federal law and agencies shall be accurately and timely filed.

**Record keeping**

Complete and accurate financial records shall be kept for all district funds and accounts.

**Operating losses or deficits**

The superintendent shall take all reasonable steps to identify funds or programs that may end the fiscal year with an operating loss or deficit. A corrective action plan shall be developed and implemented within 30 days of such identification.

The superintendent, as well as the business manager, shall develop and implement processes whereby variations or deviations in cash flow, revenues or other important financial indicators can be identified and dealt with in a timely manner.

**Employee reporting**

The superintendent shall develop and implement procedures to encourage all district employees to report suspected financial problems or wrongdoing. No adverse employment decisions shall be taken in response to a good faith report by an employee.

**Contingency planning**

The superintendent or designee shall continually be aware of the financial and political landscape both internally and externally and shall develop contingency plans against possible events.

Adopted July 22, 2010

LEGAL REFS.: C.R.S. 22-44-105 (1.5)(b) (*itemized reconciliation*)  
C.R.S. 22-44-301 *et seq.* (*Public School Financial Transparency Act*)  
C.R.S. 22-45-102 (1)(b) (*quarterly financial reports*)

CROSS REF.: KD, Public Information and Communications



**Financial Administration**  
(Timeline for Online Posting of Financial Information)

The Public School Financial Transparency Act, C.R.S. 22-44-301 *et seq.* (the Act) requires the district to post financial information online, in a downloadable format, for free public access, in accordance with the following timeline. The Act requires the district to update any required information within sixty days of the district's completion or receipt of the applicable report, statement or document. Once posted, the Act requires the district to maintain the prior two budget years' financial information online until the end of the current budget year.

Commencing July 1, 2010 and on a continuing basis thereafter

- Annual budget
- Annual audited financial statements
- Quarterly financial statements
- Salary schedules or policies pertaining to salaries [C.R.S. 22-44-304 (1)(a)]

Commencing July 1, 2011 and on a continuing basis thereafter

Accounts payable check registers and credit, debit and purchase card statements [C.R.S. 22-44-304 (1)(b)]

Commencing July 1, 2012 and on a continuing basis thereafter

Investment performance reports [C.R.S. 22-44-304 (1)(c)]

Adopted July 22, 2010





## **Annual Budget**

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and future years and translates into financial terms the educational programs and objectives of the district.

### **Budget process**

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education that prescribe the form of district budgets in order to ensure uniformity throughout the state.

The budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the district by fund and by student. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the district shall use the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget shall include a uniform summary sheet for each fund administered by the district that details the beginning fund balance and anticipated ending fund balance for the budget year; the anticipated fund revenues for the budget year; the anticipated transfers and allocations that will occur to and from the fund during the budget year; the anticipated expenditures that will be made from the fund during the budget year; and the amount of reserves in the fund.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado Constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The Board assigns to the superintendent overall responsibility for annual budget preparation, budget presentation and budget administration. As part of the superintendent's budget responsibility, the superintendent shall cause to be prepared a budget preparation calendar that shall ensure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district. The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate. The superintendent shall have authority to delegate portions of his or her budget responsibility to the business manager of the district.

The budget prepared and presented by the superintendent shall be consistent with the budget priorities of the Board as established in policy DBD.

File: DB

Adopted May 6, 1986  
Revised July 22, 2010

LEGAL REFS.: C.R.S. 22-11-302 (1)(a) (*district accountability committee budget recommendations*)  
C.R.S. 22-11-402 (1)(a) (*school level accountability committee budget recommendations*)  
C.R.S. 22-32-109 (1)(b)  
C.R.S. 22-44-101 through 117 (*school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year*)  
C.R.S. 22-44-106 (*Board may provide for an operating reserve in the general fund which shall not exceed 15% of the amount budgeted for the current fiscal year*)  
C.R.S. 22-44-301 *et seq.* (*Public School Financial Transparency Act*)  
C.R.S. 22-45-103 (1)(c) (*authorized expenditures from capital reserve fund*)  
C.R.S. 29-1-103 (3) (*budget to reflect lease-purchase payment obligations*)

CROSS REF.: DAB\*, Financial Administration  
DB subcodes, (all relate to the budget)

*NOTE 1: The CDE Financial Policies and Procedures Handbook must be used by all school districts in the development of the budget. C.R.S. 22-44-204 (3).*

*NOTE 2: The State Board of Education has implemented a statewide financial, student management and human resource electronic data communications and reporting system that is based on a redesigned standard chart of accounts, a standard information system and a standard personnel classification system. All school districts and boards of cooperative services must use the system to report and obtain necessary financial information. C.R.S. 22-44-105 (4).*

*NOTE 3: School districts may designate district-owned property as all or a portion of the district's required TABOR emergency reserve. C.R.S. 22-44-105 (1)(c.5). A district must follow specific steps to do so, including securing a letter of credit from an investment-grade bank and filing notice with the state treasurer and the Colorado Department of Education.*

*NOTE 4: The Public School Financial Transparency Act, C.R.S. 22-44-301 et seq. (the Act) requires districts to post financial information online, in a downloadable format, for free public access. The requirements for posting certain types of financial information are phased in over three years. See exhibit DAB\*-E. The Act requires the district to update any required information within sixty days of the district's completion or receipt of the applicable report, statement or document. Once posted, the Act requires the district to maintain the prior two budget years' financial information online, until the end of the district's current budget year. Districts must also provide a link to the Colorado Department of Education's (CDE) website or the location information for CDE's website to enable a member of the public to access information or reports submitted directly to CDE.*

## **Budget Planning, Preparation and Schedules**

Each year the superintendent shall cause to be prepared a budget preparation calendar which shall insure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district.

The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate.

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption

LEGAL REFS.: See citations on page coded DBC-E

CROSS REF.: DBGA, Budget Referenda



File: DBD

## **Determination of Budget Priorities**

The district accountability committee shall make recommendations to the Board relative to priorities for expenditures of district funds. The Board shall consider these priorities when it adopts the annual budget.

Current practice codified 1995  
Adopted: date of manual adoption

LEGAL REFS.: C.R.S. 22-7-106  
C.R.S. 22-53-209



## **Communication of Budget Recommendations/ Budget Hearings and Reviews**

Within 10 days of submission of proposed budget to the Board, a notice shall be published in a newspaper having general circulation within the school district that:

1. The proposed budget is available for inspection by the public at the central administrative office during business hours.
2. The Board will consider the adoption of the proposed budget at a hearing to be held at the date, time and place specified in the notice.
3. Any interested taxpayer may inspect the proposed budget and file or register any objections thereto at any time prior to final adoption of the budget by the Board.

At the budget hearing specified in the notice, the Board will present and explain the proposed budget, inviting questions and discussion from the audience. If the budget is to be adopted at a future meeting, the date, time and place of such meeting shall be entered in the minutes of the hearing.

Current practice codified 1995  
Adopted: date of manual adoption

LEGAL REFS.: C.R.S. 22-44-109  
C.R.S. 22-44-110





## Budget Adoption Process

Following consideration of the budget proposal presented by the administration, the Board shall approve a proposed budget.

Within 10 days of submission of a proposed budget to the Board, a notice shall be published in a newspaper having general circulation within the school district that:

1. The proposed budget is available for inspection by the public at the district administrative office during business hours.
2. The Board will consider the adoption of the proposed budget at a hearing to be held at the date, time and place specified in the notice.
3. Any interested taxpayer may inspect the proposed budget and file or register any objections thereto at any time prior to final adoption of the budget by the Board.

At the budget hearing specified in the notice, the Board will present and explain the proposed budget, inviting questions and discussion from the audience. If the budget is to be adopted at a future meeting, the date, time and place of such meeting shall be entered in the minutes of the hearing.

The Board shall officially adopt the budget and an accompanying appropriations resolution prior to the end of the fiscal year. The adopted budget shall be posted online in accordance with the Public School Financial Transparency Act.

After adoption of the budget, the Board may review and change the budget with respect to both revenues and expenditures at any time prior to January 31 of the fiscal year for which adopted. After January 31 the Board shall not review or change the budget except as otherwise authorized by state law including declaration of a fiscal emergency.

If money for a specific purpose other than *ad valorem* taxes becomes available to meet a contingency after January 31, the Board may adopt a supplemental budget for expenditures not to exceed that amount.

If the district is authorized to raise and expend additional local property tax revenues at an election, the Board may adopt a supplemental budget and appropriation resolution to cover the remainder of the fiscal year following the election based on the additional dollar amount authorized.

Adopted May 6, 1995

Revised to conform with practice: date of manual adoption

Revised July 22, 2010

LEGAL REFS.: See citations on policy coded DBG-E  
C.R.S. 22-7-105

File: DBG

C.R.S. 22-44-103  
C.R.S. 22-44-107 through 111  
C.R.S. 22-44-115  
C.R.S. 22-44-115.5  
C.R.S. 22-44-301 *et seq.* (Public School Financial Transparency Act)

CROSS REFS.: DAB\*, Financial Administration  
DBK\*, Fiscal Emergencies  
DEA, Funds From Local Tax Sources

*NOTE: The Public School Financial Transparency Act, C.R.S. 22-44-301 et seq. (the Act) requires districts to post financial information online, in a downloadable format, for free public access. The requirements for posting certain types of financial information are phased in over three years. See exhibit DAB\*-E. The Act requires the district to update any required information within sixty days of the district's completion or receipt of the applicable report, statement or document. Once posted, the Act requires the district to maintain the prior two budget years' financial information online, until the end of the district's current budget year. Districts must also provide a link to the Colorado Department of Education's (CDE) website or the location information for CDE's website to enable a member of the public to access information or reports submitted directly to CDE.*

## Deadlines in Budgeting Process Set by Statute

*Note: The Colorado Department of Education annually notifies each district of critical dates in accordance with statutory requirements below.*

By December 15	Board of Education must certify to Board of County Commissioners the separate amounts necessary to be raised by taxes for the school district's general, bond redemption, transportation and special building funds [C.R.S. 22-40-102 (1); C.R.S. 39-5-128]
By June 1	Proposed budget must be submitted to Board of Education for tentative approval [C.R.S. 22-44-108 (1)]
Within 10 days of above	Notice of proposed budget must be published; budget must be made available for public inspection [C.R.S. 22-44-109 (1)]
Before final adoption	Public hearings must be held [C.R.S. 22-44-110 (1)]
Before end of fiscal year (June 30)	Board must adopt official budget and appropriations resolution [C.R.S. 22-44-103 (1), 22-44-107 (1), 22-44-110 (4)]
Within 60 days of final adoption	District must post the Board's adopted budget online, in a downloadable format, for free public access [C.R.S. 22-44-304 (1)(a)(I), (3)(a)]
By January 31	Board may review and change the budget with respect to both revenues and expenditures [C.R.S. 22-44-110 (5)]

*Additional deadlines if district seeks authorization to raise additional local revenues at an election:*

At least 60 days prior to election	Ballot question must be delivered to county clerk and recorder [C.R.S. 1-5-203 (3)]
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**File: DBG-E**

**First Tuesday in November in odd-numbered years; general election date in even-numbered years**

**District may request authorization to raise additional local revenues subject to limitations set forth in law [Colorado Constitution, Article X, Section 20; C.R.S. 22-54-108]**

**Following election**

**If the district is authorized to raise and spend additional local revenues, Board may adopt a supplemental budget [C.R.S. 22-44-110 (6)]**

**Revised July 22, 2010**



## **Budget Referenda**

If the Board of Education is of the opinion that revenues in excess of those provided through equalization program funding are necessary to provide for the needs of the district, the Board may seek authorization at an election to raise additional local property tax revenues. The requested amount shall not exceed 20 percent of the district's equalization program funding for the budget year in which the limitation was reached or \$200,000, whichever is greater.

The Board shall call an election to raise additional local revenues if an initiative petition containing signatures of at least five percent of the registered electors in the district is properly submitted to the Board. An initiative petition shall be submitted at least 90 days prior to the election date in order to be valid.

Such elections shall be held on the first Tuesday in November in odd-numbered years in conjunction with the regular biennial school election or on general election day in even-numbered years.

If other jurisdictions that have overlapping boundaries or the same electors as the school district are conducting an election on the same day, the county clerk and recorder shall conduct the election as a coordinated election to allow voters to vote on all ballot issues at one polling place. The decision whether the election will be conducted as a polling place election or by mail ballot is one which shall be made by the county clerk.

The election shall be conducted pursuant to an intergovernmental agreement between the district and the county clerk and recorder. The agreement shall allocate responsibilities between the county clerk and the district for the preparation and conduct of the election and shall be signed no less than 60 days prior to the election. The Board shall designate a school election official to whom some election responsibilities may be delegated pursuant to the agreement.

As an alternative, the district may have the option of conducting the election by mail ballot in accordance with rules promulgated by the secretary of state when the county clerk is conducting a polling place election. This decision should be made after consultation with the county clerk. However, mail ballot elections may not be held for mill levy elections on the same day as elections held to elect members of Congress.

### **Transportation mill levies**

The Board of Education may submit the question of whether to impose a mill levy for the payment of excess transportation costs at an election held in conjunction with the

regular biennial election in odd-numbered years or with the general election in even-numbered years.

Excess transportation costs are defined as the current operating expenditures for student transportation minus any state reimbursement entitlement based on amounts expended and received in the a12-month period as specified in state law.

If the measure passes, the district shall deposit the resulting revenue in the transportation fund.

### **Election information**

Expenditures of any school district funds or in kind services to otherwise inform voters about election issues must be specifically authorized by the Board. The district may dispense a factual summary which includes arguments both for and against the proposal without any conclusion or opinions in favor of or against any particular issue addressed by the summary.

Current practice codified 1995

Adopted: date of manual adoption

LEGAL REFS.: Constitution of Colorado, Article X, Section 20  
C.R.S. 1-1-101 through 1-13-108 *et seq.* (Uniform Election Code of 1992)  
C.R.S. 1-45-116 (Campaign Reform Act)  
C.R.S. 22-54-108

CROSS REF.: DBG, Budget Adoption



## Budget Transfers

When a contingency occurs, the Board of Education may transfer any unencumbered moneys from the contingency reserve account, which is within the general fund, to any other fund or function.

The Board shall not transfer moneys from the capital reserve fund, the insurance reserve fund, the bond redemption fund, the special building fund, transportation fund or the instructional supplies and materials, instructional capital outlay or the other instructional purposes accounts in the general fund.

Unencumbered moneys may be transferred among the instructional supplies and materials, instructional capital outlay and other instructional purposes accounts and by Board resolution between the capital reserve fund and insurance reserve fund or to any other risk management fund as defined in state law.

Current practice codified 1995  
Adopted: date of manual adoption

LEGAL REFS.: C.R.S. 22-32-107  
C.R.S. 22-44-102 (3)  
C.R.S. 22-44-106 (1)  
C.R.S. 22-44-112  
C.R.S. 22-44-113  
C.R.S. 22-45-103 (1)(a)(II,III)  
C.R.S. 22-54-105  
C.R.S. 24-10-115

*Note: The fifth citation is to a portion of the law which permits a board to borrow unencumbered moneys in certain funds to use temporarily for another fund.*



## Fiscal Emergencies

If the Board of Education determines during any budget year that the anticipated revenues and amounts appropriated for expenditure in the budget exceed actual revenues available to the district due, in whole or in part, to action of the legislature or governor, the Board may declare a fiscal emergency. Such action shall require the affirmative vote of two-thirds of the members of the Board.

If a fiscal emergency is declared by the Board of Education, the Board may implement a reduction in salaries for all employees of the school district on a proportional basis or may alter the work year of employees. Such reduction in salaries may be made notwithstanding any adopted salary schedule or policy.

Prior to taking such action, the Board shall hold at least one public hearing.

Current practice codified 1995  
Adopted: date of manual adoption  
Revised May 22, 2004

LEGAL REFS.: C.R.S. 22-44-115.5 (*reduction in salaries or alteration of work year due to fiscal emergency*)  
C.R.S. 22-45-112 (2) (a) (*sale of real property if fiscal emergency*)  
C.R.S. 22-54-110 (2) (d) (*loans in form of lease-purchase agreements with state treasurer if fiscal emergency*)

CROSS REFS.: DEB, Loan Programs  
GCBA, Instructional Staff Contracts/Compensation/Salary Schedules  
GCL, Professional Staff Schedules and Calendars  
GCQA, Instructional Staff Reduction in Force



## **Taxing and Borrowing**

### **Short-term borrowing**

When it becomes evident early in the fiscal year before substantial tax moneys have been received that the cash balances will not meet anticipated obligations, the Board of Education shall negotiate, under the provisions of Colorado statutes, for a loan in such amounts as may be required to meet such obligations.

The Board may authorize the president and the secretary to execute promissory notes on behalf of the school district from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary or incidental to the borrowing of funds. By law, these short-term loans are liquidated within six months of the close of the fiscal year from moneys received by the district for the general fund.

### **State interest-free loan program**

The district may elect to participate in an interest-free loan program upon application to the state treasurer in any month in which a general fund cash deficit will exist. The loan may not exceed an amount for the month as certified by the district's chief financial officer and the superintendent. The state treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms.

All loans shall be repaid by June 25 of the fiscal year in which they were made or an alternate date determined by the state treasurer.

### **Tax anticipation notes**

The Board may issue tax anticipation notes without an election if it determines that taxes due the district will not be received in time to pay projected budgeted expenses. Tax anticipation notes shall mature on or before August 31 of the fiscal year immediately following the fiscal year in which the tax anticipation notes were issued.

The state treasurer is authorized to issue tax anticipation notes for school districts pursuant to terms and conditions negotiated by the state treasurer and the district.

Tax anticipation notes issued by the district shall not exceed 75 percent of the taxes the district expects to receive in the current fiscal year as shown by the current budget.

Current practice codified 1995  
Adopted: date of manual adoption

File: DC

LEGAL REFS.: C.R.S. 22-40-107  
C.R.S. 22-54-110  
C.R.S. 29-15-101 *et seq.* (Tax Anticipation Note Act)

## Revenues from Investments/Use of Surplus Funds

This policy shall apply to the investment of all financial assets and all funds of the district over which it exercises financial control. In order to effectively make use of the district's cash resources, all moneys shall be pooled into one investment account and accounted for separately. The investment income derived from this account shall be distributed to the various district funds as directed by the Board of Education in accordance with state law.

All district funds allocated to a specific use but temporarily not needed shall be invested by the treasurer, assistant treasurer or other administrator appointed by the Board in accordance with state law and in a manner designed to accomplish the following objectives: insure the safety of funds, insure that adequate funds are available at all times to meet the financial obligations of the district when due, earn a market rate of return on the funds available for investment throughout the budget cycle, and insure that all funds are deposited and invested in accordance with state law.

The intent of the district is to support financial institutions located within district boundaries. Investments in institutions located outside of the district will be made when competitive rates or lack of collateral available from local financial institutions make this decision in the best interest of the district or when investment timing requires investment alternatives and short-term yields not conveniently available in the district.

The Board shall be kept informed of investments and yields

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption

LEGAL REFS.: C.R.S. 11-10.5-101 *et seq.*  
C.R.S. 11-47-101 *et seq.*  
C.R.S. 24-75-601 *et seq.*  
C.R.S. 24-75-701 *et seq.*

CROSS REF.: DG, Depository of Funds





**Banking Services**  
(And Deposit of Funds)

All revenue received by the school district shall be deposited in an official bank or banks or savings and loan institutions as designated by the Board. Such financial institution must qualify as an eligible public depository in accordance with state law.

When moneys are withdrawn from the custody of the county treasurer, such withdrawn moneys and all other moneys belonging to the district including moneys derived from food services and school activities shall be deposited by the treasurer of the Board or official custodian to the credit of the district in a depository designated by the Board.

The treasurer or official custodian shall comply with all requirements of state law regarding the deposit of district funds.

**Safety deposit box**

The Board shall maintain a safety deposit box at a designated depository and shall name the superintendent, the secretary of the Board and the Board president.

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption

LEGAL REFS.: C.R.S. 11-10.5-101 *et seq.* (relates to deposits of public funds in banks)  
C.R.S. 11-47-101 *et seq.* (relates to deposits of public funds in savings and loan institutions)  
C.R.S. 22-32-104 (4)(c)  
C.R.S. 22-32-107 (3),(4),(6)  
C.R.S. 22-32-109 (1)(g)  
C.R.S. 22-32-110 (1)(x)  
C.R.S. 22-40-104 (relates to county treasurer)  
C.R.S. 22-40-105  
C.R.S. 22-45-104 (relates to collection and deposit of fees and fines)



## **Bonded Employees and Officers**

All school employees who are responsible for moneys controlled by the Board or who may have more than \$50 from such funds in their custody shall be bonded under a group fidelity bond in individual amounts of \$10,000.

The secretary and treasurer of the Board and any custodian of moneys authorized and appointed by the Board shall, as required by Colorado statute, be individually bonded. This bond shall be in an amount not less than \$10,000.

The cost of bonding shall be borne by the school district.

Current practice codified 1995

Adopted: date of manual adoption

LEGAL REFS.: C.R.S. 22-32-104 (4)(b),(c)  
C.R.S. 22-32-109 (1)(h)  
C.R.S. 22-32-121 (3)



## **Fiscal Accounting and Reporting**

The superintendent shall be responsible for receiving and properly accounting for all funds of the district.

All funds received and/or disbursed by any agency of the school system including any and all district transactions shall be accounted for carefully and accurately; shall conform with generally accepted principles of governmental accounting providing for the appropriate separation of accounts, funds and special moneys, and shall be done in a manner that is easily reviewed and lends itself to auditing.

Current practice codified 1995  
Adopted: date of manual adoption

LEGAL REF.: C.R.S. 22-45-102

*Note: The "Financial Policies and Procedures Handbook" adopted by the State Board of Education is to be used by every school district in the keeping of financial records and in the periodic presentation of financial information to the Board. [C.R.S. 22-44-204 (3)]*



## **Inventories**

The school district shall maintain a system for an annual inventory of all real and personal property costing \$500 or more or having a life expectancy of five years or more, with the exception of equipment permanently fixed in a building such as heaters or lockers.

The equipment inventory shall serve both the function of control and conservation.

Responsibility for the system shall lie with the superintendent to whom principals shall be accountable for the maintenance of proper inventories in their schools.

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption

LEGAL REF.: C.R.S. 29-1-506 (1)





## Audits/Financial Monitoring

In accordance with state law, all funds and accounts of the district shall be audited annually, following the close of the fiscal year.

The Board shall appoint an independent auditor licensed to practice in Colorado and knowledgeable in government accounting to conduct the audit. The independent auditor also shall audit the activities accounts of the district for report to the Board of Education.

The audit report shall contain among other information:

1. Financial statements prepared insofar as possible in conformity with generally accepted governmental accounting principles. (The financial statements are the representation of the district whether prepared by the district or by the auditor.)
2. Disclosures in accordance with the *Financial Policies and Procedures Handbook*. The supplemental schedules of receipts and expenditures for each fund shall be in the format prescribed by the State Board of Education and shall be in agreement with the audited financial statements of the district.
3. All funds and activities of the school district.
4. A budget to actual comparison for each fund and activity.
5. The auditor's opinion on the financial statements. If the opinion is anything other than unqualified, the reason must be explained. The opinion shall include general fixed assets.
6. Disclosure of all instances of noncompliance with state law, including the Public School Finance Act of 1994, irrespective of materiality.
7. A supplemental listing of all investments held by the district at the date of the financial statement.
8. A calculation of the school district's fiscal year spending in accordance with the state constitution.

The auditor also shall make recommendations to the Board concerning its accounting records, procedures and related activities as may appear necessary or desirable and shall perform such other related services as may be requested by the Board.

The audit report must be completed and submitted by the auditor to the school district within five months after the close of the fiscal year unless a request for an ex-

File: DIE

tension of time is granted by the state auditor. Within 30 days after receiving the audit, the district shall submit one copy each to the state auditor and the state commissioner of education.

The Board reserves the right to request an audit at more frequent intervals if desired.

Adopted May 6, 1986

Revised February 2, 1988

Revised to conform with practice: date of manual adoption

LEGAL REFS.: C.R.S. 22-32-109 (1)(k)  
C.R.S. 24-75-601.3  
C.R.S. 29-1-601 *et seq.*

## **Purchasing/Purchasing Authority**

The Board's authority for the purchase of materials, equipment, supplies and services is extended to the superintendent through the detailed listing of such items compiled as part of the budgetmaking process and approved by the Board through its adoption of the annual operating budget.

Except in emergencies or for reasons of economy, the annual purchase of major pieces of equipment such as school buses shall be scheduled so that annual budgetary appropriations for capital purposes will be of similar size or will show a continuous trend without severe fluctuations.

The superintendent shall direct the purchase of such books, supplies, equipment and other materials as is required and permitted within the limits of the budget. The purchase of these items shall require no further Board approval except in those instances where Board policy requires certain purchases to be put to bid. However, in the case of any unusual expenditures, the Board always should be consulted.

In order to receive the greatest value for each dollar expended, it shall be the policy of the school district to purchase in quantity whenever possible and practical.

Current practice codified 1995

Adopted: date of manual adoption

LEGAL REF.: C.R.S. 22-32-109 (1)(b)



File: DJC

## **Petty Cash**

Petty cash funds shall be provided for small purchases. Responsible parties shall follow procedures outlined by the superintendent for handling petty cash funds.

Adopted May 6, 1986



## Bidding Procedures

All contractual services and purchases of supplies, materials and equipment in the amount of \$5000.00 or more shall be put to bid. This shall not apply, however, to professional services or instructional materials. Other purchases may be made in the open market but shall, when possible, be based on competitive quotations or prices. Preference shall be given to local vendors.

All contracts and all open market orders shall be awarded to the lowest responsible qualified supplier, taking into consideration the quality of materials (services) desired and their contribution to program goals.

When bidding procedures are used, bids shall be advertised appropriately. Suppliers shall be invited to have their names placed on mailing lists to receive invitations to bid. When specifications are prepared, they shall be mailed to all merchants and firms who have indicated an interest in bidding.

All bids shall be submitted in sealed envelopes, addressed to the Board, and plainly marked with the bid number and the time of the bid opening. Bids shall be opened in public by appropriate district officials or employees at the time specified, and all bidders shall be invited to be present.

The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the district.

The bidder to whom an award is made may be required to submit to the district proof of liability insurance and when appropriate, proof of workers' compensation insurance, and may be required to enter into a written contract with the district. Bid bonds shall be offered as required by law. Any written contract shall include a provision requiring a criminal background check for any person providing direct services to students under the contract, including but not limited to transportation, instruction or food services as required by law. The contracting entity shall be responsible for any costs associated with the background check.

Adopted May 6, 1986  
Revised July 28, 2011

LEGAL REFS.: C.R.S. 22-32-109 (1)(b) *(board required to adopt bidding procedures)*  
C.R.S. 22-32-122 *(background check provision required in service contracts)*  
C.R.S. 24-18-201 *(public official's interest in contract)*

CROSS REF.: BCB, School Board Member Conflict of Interest





## **Vendor Relations**

No favoritism shall be extended to any vendor. All employees of the district must exercise sound judgment in avoiding conflicts of interest or the appearance of impropriety in dealing with vendors. Gifts or gratuities of other than nominal value or which might obligate a district employee in any manner shall be politely and firmly refused.

Any vendor or bidder who offers items in excess or in violation of the spirit of this policy may be disqualified indefinitely.

No person officially connected with or employed in the public schools shall be an agent or be in any way pecuniarily or beneficially interested in or receive any compensation or reward of any kind from any vendor for the sale of supplies, material, equipment or services to the district without the express prior written consent of the Board of Education.

Current practice codified 1995

Adopted: date of manual adoption

LEGAL REF.: C.R.S. 24-18-104

CROSS REFS.: BC, Board Member Conduct  
GBEB, Staff Conduct  
GBEBC, Gifts to and Solicitations by Staff



## **Sales Calls and Demonstrations**

Vendors shall be prohibited from direct solicitation of school employees in school facilities unless approved by the superintendent.

Teachers shall not be excused from classes to meet with vendors.

Adopted May 6, 1986



File: DKA

## **Payroll Procedures/Schedules**

Employees normally shall be paid in 12 monthly installments on or before the 25th of the month. When the 25th of the month falls during a holiday or weekend, payday shall be the last working day preceding the holiday or weekend.

Adopted July 2, 1985

Revised to conform with practice: date of manual adoption

LEGAL REF.: C.R.S. 22-63-106



## **Salary Deductions**

Deductions shall be made from the paychecks of all employees for retirement and federal and state income tax in keeping with federal and state requirements and Medicare tax if applicable.

Other salary deductions not required by law may be made at the discretion of the Board upon receiving a signed application from an employee.

Adopted May 3, 1988

Revised to conform with practice: date of manual adoption





## **Expense Authorization/Reimbursement**

The same general policy shall apply to all personnel and district officials in regard to reimbursement of expenses. This policy shall be as follows:

1. Personnel and officials who incur expenses in carrying out their authorized duties shall be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the administrator responsible for business affairs.
2. Such expenses shall be approved and incurred in line with budgetary allocations for the specific type of expenses.
3. When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate currently approved by the Board.

Current practice codified 1995

Adopted: date of manual adoption

LEGAL REF.: C.R.S. 24-18-104 (3)(d),(e)

CROSS REF.: EEA, Student Transportation and subcodes



## **School Properties Disposition**

The superintendent has the authority to declare as surplus any district property which may not be needed in the foreseeable future or which has worn out.

Board approval shall be required for disposal of land, buildings and items in excess of \$500 in value under such terms and conditions as the Board may direct.

District residents shall be given the opportunity to purchase surplus property. Any proposed sale shall be advertised at least once in the local newspaper unless prohibited by the Board.

Adopted May 6, 1986

Revised to conform with practice: date of manual adoption

LEGAL REFS.: C.R.S. 22-32-110 (1)(e)  
C.R.S. 24-18-202

