

Policy #	Policy Name	Date Adopted	Date Revised	Regulation
SECTION 3000 - FISCAL MANAGEMENT				
3100	Annual Operating Budget Implementation	07/11/01	08/02/06	X
3150	Budget Fund Balance	09/21/11		
3170	Budget Transfer Authority	07/11/01	08/02/06	
3180	Fund Equity	09/05/01	08/02/06	
3200	State and Federal Funding Proposals and Applications	07/11/01		
3280	Borrowing Short-Term Loans Sale of Bonds Debt Service	07/11/01	08/02/06, 11/20/13	
3300	Investment of Funds	07/11/01		X
3400	Depository of Funds	07/11/01		
3405	Electronic Transfer of Funds Internal Accounting	08/02/06		X
3430	Bonded Employees	07/11/01		
3460	Accounting and Reporting System of Accounts Financial Reports Annual Financial Report	07/11/01	08/02/06	
3490	Inventories - Fixed and Controlled Assets Fixed Asset Accounting System	06/19/02		
3500	Audits	07/11/01	08/02/06	
3600	Reimbursement of Expenses Spouse Reimbursement	07/11/01	08/02/06	X
3605	District Procurement Cards (Cf. 3600) Issuance Documentation Lost Procurement Cards Return of Procurement Cards Payment Misuse and Unauthorized Use Other Provisions	07/11/01	08/02/06	
3610	Purchasing Goods and Services Purchasing From District Employees Purchases Through the District Emergency Purchases	07/11/01	08/02/06, 05/17/17, 01/24/18	
3660	Bids and Quotation Requirements (Cf. 3610) Competitive Bids Bid Specifications	07/11/01		X
3690	Local Purchasing Equipment and Supplies Building Construction, Renovation and Repairs	07/11/01	10/17/07, 06/02/10, 03/02/11	

Last updated: 01/24/18

Policy #	Policy Name	Date Adopted	Date Revised	Regulation
SECTION 3000 - FISCAL MANAGEMENT				
3730	Vendor Relations	07/11/01		
3750	Payment Procedures	07/11/01	08/18/10	
3800	Fund-Raising Activities	07/11/01		
3820	Management of Student Funds	07/11/01		
3900	Surplus Books, Equipment and Supplies	07/11/01		
3950	Surplus Land or Buildings	07/11/01	08/21/13	X
3960	Authorization to Settle Claims	07/11/01		

Implementation

The Superintendent is responsible for implementing the District's budget and shall provide the Board with a monthly financial report which includes all deficit fund balances. The total amount budgeted as the expenditure in each fund is the maximum amount which may be expended for that category, except when a transfer of funds is authorized by the Board.

Approved: July 11, 2001

Revised: August 2, 2006

Purpose

The Board of Education adopts this policy to address the implications of Governmental Accounting Standards Board (“GASB”) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The policy is created in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public education services. This policy will ensure that the District maintains adequate fund balances and reserves in order to:

- a. Provide sufficient cash flow for daily financial needs,
- b. Offset significant economic downturns or revenue shortfalls, and
- c. Provide funds for unforeseen expenditures related to emergencies.

This policy and the regulations promulgated thereunder supersede all previous regulations regarding the District’s fund balance and reserve policies.

Fund Type Definitions

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.

- a. General Fund: Used to account for and report all financial resources not accounted for and reported in another fund.
- b. Special Revenue Funds: Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.
- c. Debt Service Funds: Used to account for and report all financial resources restricted, committed or assigned to expenditures for principal and interest.

- d. Capital Project Funds: Used to account and report for all financial resources restricted, committed or assigned to expenditures for the acquisition or construction of capital assets.
- e. Permanent Funds: Used to account for and report resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's purposes.

Fund Balance Reporting in Governmental Funds

Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

- a. Non-Spendable Fund Balance - Are those amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Non-Spendable amounts will be determined before all other classifications and consist of the following items (as applicable in any given fiscal year):
 - 1. The District will maintain a fund balance equal to the balance of any long-term outstanding balances due from others (including other funds of the District).
 - 2. The District will maintain a fund balance equal to the value of inventory balances and prepaid items (to the extent that such balances are not offset with liabilities and actually result in fund balance).
 - 3. The District will maintain a fund balance equal to the corpus (principal) of any permanent funds that are legally or contractually required to be maintained intact.
 - 4. The District will maintain a fund balance equal to the balance of any land or other nonfinancial asset held for sale.

- b. Restricted Fund Balance - Are those amounts that can be spent only for the specific purposes stipulated by the constitution, external resource providers, or through enabling legislation.
- c. Committed Fund Balance - Are those amounts that can be used only for the specific purposes determined by a formal action of the Flint Board of Education. Commitments will only be used for specific purposes pursuant to a formal action of the Board of Education. Commitments will not expire without formal Board action to remove the commitment.
- d. Assigned Fund Balance - Are those 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 governmental funds other than the General Fund, Assigned Fund Balance represents the remaining amount that is not restricted or committed. The Board of Education delegates the authority to assign amounts to be used for specific purposes to the Chief Financial Officer. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. An Assigned Fund Balance will not expire at the end of a fiscal year but may be unassigned at the discretion of the Chief Financial Officer.
- e. 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.

Operational Guidelines

The following guidelines address the classification and use of fund balance in governmental funds:

- a. Classifying Fund Balance Amounts - Fund balance classifications depict the nature of the net resources that are reported in a governmental fund. An individual governmental 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.
- b. 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 in GASB Statement No. 54.

Prioritization of Fund Balance Use

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the District to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the District that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Minimum Unassigned Fund Balance

The Board desires that the District maintain a Minimum Unassigned Fund Balance in its General Fund of at least eight percent (8%). This Minimum Unassigned Fund Balance is to

protect against cash flow shortfalls related to timing of projected revenue receipts and to maintain a budget stabilization commitment. The District's Chief Financial Officer's monthly report to the Board of Education shall indicate whether the District has met this fund balance goal.

When the Minimum Unassigned Fund Balance falls below eight percent (8%), the District will make reasonable efforts to replenish the deficiencies by reducing recurring expenditures, increasing revenues, or pursuing other funding sources.

Implementation and Review

Upon adoption of this policy the Board of Education directs the administration to propose regulations and procedures necessary for its implementation. The administration shall review this policy at least annually and make any recommendations for changes to the Board of Education.

Approved: September 21, 2011
Reviewed:

LEGAL REF: *Fund Balance Reporting and Governmental Fund Type Definitions*, Governmental Accounting Standards Board Statement No. 54 (issued Feb. 2009)

The Superintendent (or appropriate designee) is authorized to approve adjustments and/or transfers within line items of the Board adopted operating budget. Such adjustments and/or transfers shall be reported to the Board at the next budget amendment meeting of the Board. Budget amendments will be scheduled on a quarterly basis. Authorization for such adjustments and/or transfers shall be included annually in the General Appropriations Act.

Approved: July 11, 2001
Revised: August 2, 2006

The fund equity of the General Fund shall be maintained at a minimum of 8 percent of expenditures at all budget adoptions and all subsequent budget amendments. The Superintendent is responsible for implementing the District's budget and shall recommend a budget that adheres to the above-established measure.

Approved: September 5, 2001

Revised: August 2, 2006

The District shall seek and consider as many sources of revenue as possible to supplement the funds received from local taxes, federal and state aid.

The Superintendent shall assume the responsibility for keeping the Board informed of any revenue sources that would enhance the educational program or operation of the District, and for which the District may be eligible, and make recommendations to the Board for action.

Approved: July 11, 2001

Reviewed:

Short-Term Loans

Bids shall be solicited for all short-term loans, which the Board has authorized, and funds shall be borrowed from the responsible organization offering the most favorable bid. Exceptions will be made for short-term cash flow loans issued by the School Bond Authority. All loans shall conform to the requirements of the State of Michigan.

Sale of Bonds

The Board, upon a favorable vote of the people in compliance with the laws of the State of Michigan, may sell its bonds, if required to do so. Such bonds shall be duly advertised and prepared and sold in conformance with the laws of the State of Michigan.

Debt Service

It shall be the responsibility of the Superintendent (or appropriate designee) to maintain all records as to the outstanding bonds and debts encumbered against the District. He/she shall keep this information readily available and report periodically to the Board on the condition of these accounts.

Post –Issuance Tax ComplianceBackground

The purpose of this Post-Issuance Tax Compliance Policy is to establish guidelines and procedures in connection with tax-exempt or tax-advantaged bonds and other debt obligations as described herein (the "Compliance Policy"). This Compliance Policy is issued on behalf of School District, City of Flint (the "District").

It is the intent of the District to ensure that all tax-exempt obligations issued by the District satisfy and will continue to satisfy all requirements of the Internal Revenue Code of 1986, as amended (the "Code") and regulations thereunder (the "Regulations"). Tax-exempt borrowings and other borrowings of the District, including but not limited to tax-exempt bonds,

refunding bonds, tax credit bonds, installment and lease purchase agreements, lines of credit, state aid notes and tax anticipation notes, shall generally be referred to as "Obligations."

The District reserves the right to use its discretion as necessary and appropriate to make exceptions or request additional provisions as circumstances warrant. The District also reserves the right to amend this policy and all related procedures from time to time as deemed necessary in the District's sole discretion. In addition, this policy is subordinate to the Code and any regulations thereto and is subject to amendment or deletion depending on the content of any new regulations or Code amendments promulgated by the United States Treasury.

Debt Compliance Officer

The Chief Financial Officer shall serve as the Debt Compliance Officer for the District.

The Debt Compliance Officer shall implement procedures for the purpose of monitoring compliance with regard to all tax-exempt or tax-advantaged obligations. The procedures established and implemented by the Debt Compliance Officer shall encourage the timely identification of noncompliance. The Debt Compliance Officer shall ensure that the District maintains a record of such compliance. Further, the Debt Compliance Officer will ensure that this Post-Issuance Debt Compliance Policy and procedures, if any, are updated on a regular and as needed basis, as well as establish procedures designed to detect non-compliance and to address the necessary steps in the event non-compliant actions or inactions are detected.

This Post-Issuance Tax Compliance Policy shall apply to all debt obligations designated as having tax-exempt or tax-credit status issued on behalf of the District. The duties of the Debt Compliance Officer shall include, but not be limited to, the following:

- 1) Oversee and manage compliance with the Code and Regulations, as defined above, as well as other general requirements;

- 2) Monitor the use of proceeds from debt obligations and ensure that such use is proper and timely;
- 3) Supervise timely filings of reports or forms required by state and federal agencies as applicable;
- 4) Monitor arbitrage yield restriction and rebate requirements under the Code;
- 5) Develop training programs, as necessary, for the purpose of training individuals responsible for the proceeds of the tax-exempt or tax-advantaged debt;
- 6) Monitor compliance with six-month, 18-month or 2-year spending exceptions, if applicable; and
- 7) Establish procedures to address non-compliance with state or federal law immediately upon the discovery of such non-compliance.

External Advisors/Documentation

The District shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the issuance of an Obligation to identify requirements and to establish procedures necessary or appropriate so that the Obligation will continue to qualify for tax-exempt status or tax credit status, as applicable.

The District also shall consult with advisors, bond counsel or other legal counsel, as needed, following issuance of an Obligation to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of assets financed (or refinanced) with the Obligations issued. This requirement shall be documented in the tax certificate and/or other documents finalized at or before issuance of the Obligations.

The District shall be responsible to determine (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Obligations. If it is determined that such calculations are or are likely to be required, the District shall engage an advisor (hereinafter “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of

the investment of proceeds from the issuance, or shall otherwise ensure that it has adequate financial, accounting and legal resources of its own to make such calculations.

In lieu of engaging an outside Rebate Service Provider, the District may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. Such determination shall be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination shall be maintained in the records of the bond transaction.

The District shall file or cause to be filed all required IRS forms and make any rebate payments required on a timely basis. Unless otherwise provided by the indenture relating to an Obligation, unexpended proceeds shall be held by a trustee or other financial institution, and the investment of bond proceeds shall be managed by the District. The District shall prepare (or cause the trustee or other financial institution to prepare) regular, periodic statements regarding the investments and transactions involving proceeds of the Obligations.

Arbitrage Rebate and Yield

The following requirements shall apply to any Obligation issued by the District for which compliance with arbitrage rebate requirements under the Code and Regulations is required. The Debt Compliance Officer or his/her designee shall be responsible for overseeing compliance with arbitrage rebate requirements under federal tax regulations:

- 1) If at the time of issuance of any Obligation, based on reasonable expectations set forth in the Tax Certificate or other applicable document(s), it appears likely that the Obligation will qualify for an exemption from the rebate requirement, the District may defer taking any of the actions set forth in the subsection (2). Not later than the time of completion of construction or acquisition of the project, and depletion of all funds from the project fund, the District in

consultation with the appropriate professionals shall make a determination if expenditure of the bond proceeds qualified for exemption from the rebate requirements based on spending within 6 month or 18 month period after issuance. If rebate exemption is determined to be applicable, the District shall prepare and maintain a record to support such conclusion. If the transaction does not qualify for rebate exemption, the District shall initiate the steps set forth in (2) below.

2) If at the time of issuance of any Obligations it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (1) above, the District shall:

a) Engage the services of a Rebate Service Provider or assign District personnel capable of preparing a rebate analysis for the Obligation and, prior to each rebate calculation date, cause the trustee or other financial institution investing bond proceeds to deliver periodic statements concerning the investment of proceeds to the Rebate Service Provider or relevant District personnel handling the rebate calculation;

b) Provide to the Rebate Service Provider, or relevant District personnel conducting any rebate calculation, additional documents and information reasonably requested by the Rebate Service Provider or District personnel;

c) Monitor efforts of the Rebate Service Provider or District personnel;

d) In the case of obligations issued by the District, assure payment of required rebate amounts, if any, no later than the applicable rebate payment due date for such Obligation for which rebate is due;

e) During the construction period of each capital project financed in whole or in part by an Obligation, monitor the investment and expenditure of bond proceeds and consult with the Rebate Service Provider or relevant District personnel handling rebate calculation to determine compliance with any applicable exceptions from the arbitrage rebate requirements

during each 6-month spending period up to 6 months or 18 months, as applicable, following the issue date of the Obligations; and

f) Retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements.”

Use of Bond Proceeds and Bond-Financed or Refinanced Assets

The Debt Compliance Officer, or his/her designee, shall be responsible for:

1) Monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of the debt obligation financed or refinanced assets (*e.g.*, facilities, furnishings or equipment) throughout the term of the Obligations to ensure compliance with covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;

2) Monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (*e.g.*, facilities, furnishings or equipment) throughout the term of the Obligations to ensure compliance with covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;

3) Maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Obligations (including investment earnings and including reimbursement of expenditures made before bond issuance), including a final allocation of Bond proceeds as described below under “Record Keeping Requirements”;

4) Consulting with bond counsel or other professional advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;

5) Conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discussing any existing or planned use of debt obligations financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate or other applicable agreements relating to the Obligations;

6) To the extent that the District discovers that any applicable tax restrictions regarding use of proceeds will or may be violated, consulting promptly with bond counsel or other professional advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary;

7) To the extent that tax-exempt proceeds from the debt obligation were used to acquire an existing building, confirming that qualified rehabilitation expenditures in an amount equal to at least 15% of the amount of such proceeds were made no later than 24 months after the later of (1) the date of issuance of the Obligations, or (2) the date of acquisition of the building;

8) The District shall review the debt obligations at least annually in order to determine if this Policy and state and federal law are being adhered to; and

9) Undertaking the following:

a) Retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements” and, upon request, providing such copies to the bond issuer;

b) With respect to Qualified Zone Academy Bonds (QZABs) and any other tax credit bonds, confirming that 100% of available project proceeds are spent within three years of issue date of bonds;

c) With respect to other types of exempt facilities, adopting any such procedures that bond counsel or other professional advisors deem appropriate to periodically

assess whether such facility continues to qualify as an exempt facility.

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

Record Keeping Requirement

The Debt Compliance Officer, or his/her designee, shall be responsible for maintaining the following documents for the term of each Obligation (including refunding bonds, if any) plus at least three years:

- 1) A copy of the closing transcript(s) and other relevant documentation delivered to the District at or in connection with closing of the issue of Obligation;
- 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, including a final allocation of Bond; and
- 3) A copy of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements, in connection with any investment agreements as well as copies of all bidding documents, if any.

Approved: July 11, 2001
Revised: August 2, 2006
Revised: November 20, 2013

Upon proper resolution, the Board shall authorize the administrator in charge of business and finance to invest the available general, debt retirement, building and site, school service, and trust and agency fund monies of the District.¹

The investments shall be made in accordance with Board action and provisions of law. The Board shall receive periodic updates as to the status of these investments.

Approved: July 11, 2001
Reviewed:

LEGAL REF: MCL 380.1223

¹MCL 380.1223

At the annual organizational meeting, the Board shall designate the bank(s) or trust companies in which the funds of the District shall be deposited. The Treasurer shall deposit or cause to be deposited, funds of the District in bank(s) as authorized by the Board.²

Approved: July 11, 2001

Reviewed:

LEGAL REF: MCL 380.1221-1222; 129.12

² MCL 380.1221; MCL 129.12 (“The county board of commissioners or board of county auditors, in those counties in which there is a board of county auditors, the township board of a township, the district board, or board of education of a school district, or the legislative body of a city or village shall provide by resolution for the deposit of public money, including tax money, coming into the possession of the county treasurer, township treasurer, school district treasurer, city treasurer or tax collector, or village treasurer, respectively, in 1 or more banks, savings and loan associations, or credit unions having their principal office in this state, to be designated in the resolution, and in the proportion and manner as may be provided in the resolution.”)

The School District, through resolution of the Board, shall be a party to an Automated Clearing House³ (ACH) arrangement⁴. The Superintendent (*or other appropriate designee*) shall be responsible for the School District's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy⁵. All ACH invoices are to be approved prior to payment.

Internal Accounting

The Superintendent (or other appropriate designee) shall be responsible for development and maintenance of appropriate accounting controls to monitor the use of ACH transactions⁶ made by the School District.

Approved: August 2, 2006

LEGAL REF: MCL 124.301-124.305

³ "Automated clearing house" or "ACH" - a national and governmental organization that has authority to process electronic payments, including, but not limited to, the national automated clearing house association and the federal reserve system (MCL 124.301(d)).

⁴ ACH arrangement – the agreement between the originator of the ACH transaction and the receiver of an ACH transaction (MCL 124.301(a)). Under Act 738 of 2002, MCL 124.301, an ACH arrangement is not subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101, or to provisions of law or charter concerning the issuance of debt by a local unit.

⁵ ACH policy – the procedures and internal controls as determined under this written policy developed and adopted by the Superintendent (MCL 124.301(b)).

⁶ ACH transaction – an electronic payment, debit, or credit transfer processed through an automated clearinghouse (MCL 124.301(c)).

The District shall purchase a blanket or surety bond for school employees responsible for handling District funds. The Board shall prescribe the amount of the bond.

Approved: July 11, 2001

Reviewed:

System of Accounts

All accounting maintained by the District shall be in accordance with standard accounting procedures and the system of school accounting recommended by the State of Michigan. A complete record of all expenditures shall be maintained in these accounts so that a periodic examination can identify receipts or expenditures.

Financial Reports

The Board Treasurer shall review expenditures and receipts. It shall be the responsibility of the chief financial officer to provide a monthly financial statement, which encompasses the expenditures and receipts of all accounts within the District.

Annual Financial Report

The annual financial report of the District shall be prepared by independent certified public accountants and given to the Board prior to December 1. Sections of the annual report shall be published in a newspaper of general circulation and made available to the public through various mediums before December 15 and according to the rules adopted by the State Board of Education.

Approved: July 11, 2001
Revised: August 2, 2006

An accounting will be made annually for property, real and personal, owned by the District in accordance with law, governmental regulations, and District rules.

Fixed Asset Accounting System

The administration shall maintain a fixed asset accounting system in accordance with law, governmental regulations, and the District's needs.

Approved: June 19, 2002

Reviewed:

LEGAL REF: Governmental Accounting Standards Board, Statement No. 34.

The accounting records, including internal accounts, of the District shall be audited annually by an independent certified public accountant in accordance with prescribed standards and legal requirements.⁷

The audit report shall be reviewed and approved annually by the Board no later than November 30 after the end of the previous fiscal year at a public meeting. The management letter and recommendations of the auditor shall be brought to the attention of the Board, along with recommendations of the Superintendent as to the feasibility of implementing the recommendations. The Superintendent shall be responsible for filing the audit reports with all appropriate authorities as prescribed by law or regulation.

The auditing firms selected to conduct the annual audit shall be recommended by the Superintendent and approved by the Board. The auditing firm may be selected on a bid basis. Auditing services will go out for competitive bid a minimum of every 5 years.

Approved: July 11, 2001
Revised: August 2, 2006

⁷ MCL 141.424-141.435

District personnel who incur expenses in carrying out their authorized duties shall be reimbursed by the District to the extent approved or provided in duly negotiated agreements upon submission of an approved voucher request and supporting receipts. Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

Spouse Reimbursement

Expenses incurred for spouses of employees and/or members of the Board shall not be reimbursed.

Approved: July 11, 2001
Revised: August 2, 2006

The Superintendent (or appropriate designee) shall be responsible for the issuance, accounting, monitoring, retrieval, internal controls and generally overseeing the use of District procurement cards for employees.

Issuance

District employees may be issued a District procurement card, which shall be used solely for the purchase of goods and/or services needed for official business of the District

Documentation

When an employee uses a District procurement card, documentation shall be provided the Superintendent (or appropriate designee) (within 30 calendar days) - detailing the goods or services purchased, the cost of such goods or services, the date of purchase, and the purpose for which such goods or services were purchased

Lost Procurement Cards

All authorized to use a procurement card are responsible for the protection and custody of District procurement card. If a District procurement card is lost or stolen, the Superintendent (or appropriate designee) shall be notified immediately.

Return of Procurement Cards

A District employee who is no longer employed by the District shall return the procurement card upon termination to the Business Office.

Payment

The Superintendent (or appropriate designee) shall approve all District procurement card invoices prior to payment. Such payments shall be made no later than 60 days after receipt of the initial statement date.

Misuse and Unauthorized Use

An employee who violates a provision of this policy may have his/her use of that card revoked and be subject to disciplinary action as determined by the Superintendent.

If the Superintendent violates a provision of this policy, he/she may have his/her use of that card revoked and may be subject to disciplinary action as determined by the Board.

Other Provisions

The total combined authorized credit limit of all procurement cards issued by the District shall not exceed 5 percent of the total budget of the District for the current fiscal year.

The chief financial officer shall establish a system of internal accounting controls to monitor the use of procurement cards.

Approved: July 11, 2001
Revised: August 2, 2006

The District authority for the purchase of materials, equipment, supplies and services is extended to the administration through the detailed listing of such items compiled as part of the annual budget adopted by the Board.

The purchase of goods or services specifically identified in the approved annual budget shall not require further Board approval if the purchase is for utilities or regular ongoing business operational expenses of the District. The purchase of all other goods and services shall require prior Board approval. All contracts for the purchase of goods or services shall be signed by the Superintendent and the Board President, and shall be reviewed and approved by the Board's legal counsel prior to submission to the Board for approval.

The District endorses the concept of centralized purchasing and authorizes the purchasing department to purchase or supervise the purchasing of all supplies, equipment and materials for the school system in accordance with applicable law and good purchasing practices. Employees who purchase goods or sign contracts without the appropriate authorization may be subject to disciplinary action.

Special arrangements may be made for ordering perishable and emergency supplies, but all purchasing transactions will be authorized on properly signed purchase orders administered through the business office.

Purchasing From District Employees

The District shall not purchase equipment or supplies from an employee of the District, nor from a member of a household of an employee, nor from any firm in which an employee or member of his/her household holds a 10 percent or greater financial interest.

Purchases Through the District

Board members and employees shall not make any purchase through the District for personal use. The name of the District or school, or an employee's position, shall not be used in such manner that discounts or cost preferences are given to such person. Purchasing equipment and supplies by the District for resale to employees is prohibited.

Emergency Purchases

Emergency purchases may be made without using the quotation or bidding process. Only when such emergencies may arise as a result of an accident or other unforeseen occurrence which could affect the life, health, welfare or safety of the District's students or employees.

Approved: July 11, 2001
Revised: August 2, 2006
Revised: May 17, 2017
Revised: January 24, 2018

All purchases requiring competitive bids shall be made in accordance with current statutes, the creation of bid specifications, and adherence to the District's bidding procedure by the District's purchasing agent.⁸

The purchasing agent shall develop and maintain lists of potential bidders for various types of materials, equipment, and supplies. Such bid lists shall be used in the development of mailing lists for distribution of specification and invitations to bid.

All bids and supporting documentation shall be retained in the Purchasing Department for a period of one year after bids have been opened.

Competitive Bids

No purchases shall be made of supplies, materials, or equipment in a single transaction costing more than allowed under current law unless competitive bids for those goods and services are obtained and the Board approves the purchase.⁹

Bid Specifications

The District's purchasing agent shall write all bid specifications in a clear and concise manner. Such specifications shall include, when necessary: required performance, surety, bid and statutory bond information; compliance with preferential bid law; financial statements; the Board's right to reject any or all bids; compliance with all federal, state and local laws, ordinances and regulations; the date, time and place for the opening of bids; and other items as the Board directs.¹⁰

Approved: July 11, 2001

Reviewed:

LEGAL REF: MCL 380.1267; 380.1274

3690 Local Purchasing

3690

⁸ MCL 380.1267 (1) (2) (3) (4) (5)

⁹ MCL 380.1274 (1) ("The board of a school district or board of directors of a public school academy shall adopt written policies governing the procurement of supplies, materials, and equipment. A school district or public school academy shall not purchase an item or a group of items in a single transaction costing \$12,500.00 or more unless competitive bids are obtained for those items and the purchase of those items is approved by the school board or board of directors.")

¹⁰ MCL 380.1274 (1)

Equipment and Supplies

The District shall purchase equipment and supplies¹¹ from local vendors whenever possible, providing that price, quality, and service of the local vendor compare favorably with those from non-local vendors. Bids shall be solicited from non-local vendors in order to establish a comparative market price for equipment and supplies.

Local vendors shall be given preference if their bid or quoted price is within five (5%) percent of the low bid or quoted price, not to exceed a maximum of \$500.00; provided, that all other factors are equal. Purchases shall be divided among several local vendors when appropriate.

The District shall make all authorized purchases which are deemed to be in the best interest of the District after carefully weighing all factors.

Building Construction, Renovation and Repairs

The District shall contract with local construction contractors for building construction, renovation and repairs¹² whenever possible, providing that price, quality and service of the local construction contractors compare favorably with non-local construction contractors. Bids shall be solicited from non-local construction contractors in order to establish a comparative market price for building construction, renovation and repairs.

Local construction contractors shall be given preference if their bid or quoted price is within five (5%) percent of the low bid or quoted price, not to exceed a maximum of \$50,000; provided, that all other factors are equal. Construction projects shall be divided among several local construction contractors when appropriate.

¹¹ MCL 380.1274

¹² MCL 380.1267

Agreements with construction contractors which are deemed to be in the best interests of the District will be authorized by the District after carefully weighing all factors.

For purposes of this policy, local vendors or construction contractors shall be identified in the following order: 1) within the City of Flint, 2) within Genesee County, and 3) within the State of Michigan.

Approved: July 11, 2001
Revised: October 17, 2007
Revised: June 2, 2010
Revised: March 2, 2011

The District shall seek business and bids from all eligible vendors, regardless of race, creed, color, sex, national origin, age or disability.

Reasonable opportunity will be provided to all responsible vendors to do business with the District and lists of potential bidders for various types of materials, equipment and supplies will be developed and maintained. Such bidders lists will be used in the development of a mailing list for distribution of specifications and invitations to bid. Any vendor may be included in the list upon request.

Board members, employees of the District, or members of their immediate families should accept no compensation or rewards from past, present, or potential suppliers.

The Superintendent may give approval in advance for inspection trips or other informational trips to be taken by staff members at a vendor's expense.

Samples for evaluation, supplied free of charge by a vendor or potential vendor may be accepted provided:

1. The Superintendent is notified of their acceptance and is furnished a copy of the evaluation report.
2. No pressure, either direct or indirect, is brought on any vendor to provide such samples (unless they are required of all potential vendors as a specific provision of a local or state bid request).
3. All vendors are given equal opportunity to provide samples for evaluation.

Sales representatives are not permitted to call on teachers or other school staff members without authorization from the building administration. Sales representatives of educational products may be given permission to see members of the school staff at times that will not interfere with the instructional program.

Approved: July 11, 2001
Reviewed:

The business office will establish guidelines and procedures for the receiving of goods and services at all levels, including provision of relevant receipts and other printed forms.

The business office shall pay for all goods and services delivered to or rendered for the District, with the approval of the Board. The business office may establish procedures whereby other administrators and staff, under specified conditions, may sign vouchers, etc., for specified types of goods and services. The Board Treasurer shall sign all checks, vouchers, or other forms of payment for all goods and services which equal or exceed the amount of Ten Thousand (\$10,000) Dollars. A list showing the amounts and names of each payee for all payments made under signature of the Board Treasurer shall be made available to Board members upon request.

Approved: July 11, 2001

Revised: August 18, 2010

Public fund-raising activities (fee-for-service or fee-for-admission activities) by student groups shall be reviewed by the building principal and should be carefully controlled and limited so that financial considerations will not override legitimate educational goals.

In specific circumstances, the District may permit the participation of students on a fee-for-service or a fee-for-admission basis in a school musical, dramatic, or other organized, recognized group in a public program or series of programs off of District property and outside of regular school hours. The total income derived from the public program or activity must be used directly by and for the student group concerned for necessary or reasonable purposes.

Approved: July 11, 2001

Reviewed:

The accounting system for managing student funds shall be designed to yield the largest possible educational return to students without sacrificing the safety of funds or exposing students to undue responsibility or routine.

The District administration is charged with the responsibility for making rules, regulations and procedures for the conduct, operation and maintenance of student accounts, and for the safeguarding, accounting and auditing of all monies received and derived therefrom.

If, before graduation, a class wishes to spend part or all of its fund balance, the final decision to do so must have the approval of the majority of the respective class currently registered for and attending school.

In the event a class graduates and leaves unexpended and uncommitted funds, the class has one year to reallocate the funds. If after one year the funds remain, the District shall reallocate the funds. Such reallocated funds will be used for the benefit of the student body. Whenever possible, projects undertaken with such funds shall be used for physical improvements with appropriate dedication to the classes responsible for raising the funds.

All student activity funds shall be audited annually at the same time as the general fund budget.

Approved: July 11, 2001

Reviewed:

The responsibility for selling or otherwise disposing of used or obsolete equipment and supplies not needed by the District is delegated to the Superintendent. At the discretion of the Superintendent, items may be sold outright or on public bid or at a public auction. All revenue realized from the sale of supplies and equipment shall be noted in the Treasurer's receipts and deposited in the general fund account.

Approved: July 11, 2001

Reviewed:

LEGAL REF: MCL 380.11a

The sale or disposal of District land or buildings shall require Board authorization. The Administration shall develop a regulation outlining the method and procedure of disposal. Any sale or lease must follow those procedures.

An independent appraisal of District-owned property may be requested from an independent appraiser. Alternative methods of valuation may be used to ascertain a property's value, such as by broker opinions or estimates, as warranted under the circumstances. The Board retains the right set a price that, in its judgment, is fair and may reject any or all offers relative to such sale. Administration shall notify the Board of any offers to purchase or lease surplus property.

Money resulting from the sale of property shall be deposited in the general fund of the District unless otherwise directed by the Board or unless there is a bond issue outstanding on District facilities, in which case the receipts from the sale shall be deposited in the District debt retirement fund.

Approved: July 11, 2001
Revised: August 21, 2013

LEGAL REF: MCL 380.11a

The Board attorney shall have the authority to settle pending or threatened civil claims, without prior Board approval, up to an amount equal to the statutory limit in effect at that time for purchasing supplies, materials and equipment (MCL 380.1274). All settlement demands or offers in excess of such statutory limit will be presented to the Board for prior consideration and approval. A report regarding civil claims settled by the Board attorney shall be provided to the Board on a monthly basis.

Approved: July 11, 2001

Reviewed:

LEGAL REF: MCL 380.1274