

OPERATIONAL EXPECTATIONS (OE) POLICY

OE-5 Financial Planning

<input checked="" type="checkbox"/> Reasonable Interpretation and Indicators (RI)	_____	Date
<input type="checkbox"/> Monitoring Report	_____	Date for Re-monitoring

SUPERINTENDENT CERTIFICATION:

With respect to Operational Expectations Policy, OE-5, Financial Planning, the Superintendent certifies that the proceeding information is accurate and complete, and that the organization:

_____ Has reasonably interpreted the Board’s values

_____ Is Compliant

_____ Is Compliant with the exceptions noted

_____ Is Non-Compliant

Executive Summary:

Signed: _____
Superintendent

Date: _____

BOARD ACTION:

With respect to Operational Expectations Policy, OE-5, Financial Planning, the Board finds that the organization is:

_____ Has reasonably interpreted the Board’s values

_____ Has failed to reasonably interpret the Board’s values

_____ Is Compliant

_____ Is Compliant, with the exception of specific policy sub-parts

_____ Is Non-Compliant

Commendations/Direction:

Signed: _____
Board President

Date: _____

OE-5: FINANCIAL PLANNING

The Superintendent shall develop and present to the Board a multi-year financial plan that is related directly to the Board’s *Results* priorities and *Operational Expectations* goals, and that avoids long-term fiscal jeopardy to the district.

Superintendent Interpretation:

I interpret “develop and present a multi-year financial plan” to mean that the district will provide financial information to the Board and stakeholders at regularly scheduled reporting periods.

The financial plan will include Adopted, First and Second Interim reports as well as debt service instruments which could include Certificates of Participation, General Obligation Bonds, Tax Revenue and Anticipation Notes or other debt service.

Information presented to the Board will include options to maintain a balanced budget for the upcoming fiscal year.

I interpret “directly related to the Board’s *Results* priorities and *Operational Expectations* goals” to mean that information presented to the Board and stakeholders at regularly scheduled reporting periods will include funds identified to support the Strategic Plan 2019-2022 and key district initiatives.

The Superintendent will develop a budget that:

5.1 Is in a summary format understandable to the Board and community, presented in a manner that allows the Board to understand the relationship between the budget and the *Results* priorities and any *Operational Expectations* goals for the year.

Superintendent Interpretation:

I interpret this to mean that the key components of the Annual Adopted Budget will be summarized and presented to the Board. Accordingly, the Associate Superintendent for Business and Operations or designee will summarize the budget by explaining the total General Fund revenues and expenditures, the main type of anticipated expenditures within the General Fund and the assumptions made in estimated revenues and expenditures. The relationship between the budget and the *Results* priorities and the *Operational Expectations* goals for the year will be presented to the Board by showing the percentage of funds allocated to the instructional program as compared to other operating expenditures, dedicated resources to major district strategies and other related information. In addition, the Annual Adopted Budget will meet the criteria for Meritorious Budget designation.

Indicators of Compliance:

- PowerPoint presentation from Annual Adopted Budget Board meeting will include information outlined in the interpretation.
- Presentations and/or documents from Board meetings regarding assumptions and allocations leading up to the approval of the Annual Adopted Budget.
- The district receives the Meritorious Budget Award.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will develop a budget that:

5.2 Clearly describes revenues and expenditures with adequate supporting detail.

Superintendent Interpretation:

I interpret this to mean that the Annual Adopted Budget will follow the State required format to provide the various revenues expected to be received and the funds expected to be spent by the district during the period from September 1 through August 31 of the following year.

The Annual Adopted Budget will provide realistic assumptions regarding the major components of revenues and expenditures based on the best information known at the time. The Annual Adopted Budget will be submitted to the state officials with all required supporting documentation.

Indicator of Compliance:

- The most recent available fiscal year's audited financial results will be used as evidence of whether budgeting methods are realistic and predictably attainable.
- The Annual Adopted Budget will be available on the district's website.
- Notification from the state officials that they have received the district's Annual Adopted Budget.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will develop a budget that:

5.3. Shows the amount spent in each budget category for the most recently completed fiscal year, the amount budgeted for the current fiscal year, and the amount budgeted for the next fiscal year.

The Superintendent will develop a budget that:

Superintendent Interpretation:

I interpret this to mean that the Annual Adopted budget will provide a summary by program of the General Fund budgeted revenues and expenditures which will include three years of data.

I interpret the General Fund as defined by the Washington regulations. The first column will be the prior year actual expenditures. The second column will include budgeted expenditures for the current budget year followed by the next year's budgeted expenditures. Programs are defined by the state accounting manual and include but are not limited to Regular Education, Special Education, Vocational Education, Compensatory Education, Supportive Series, etc.

Indicator of Compliance:

- Annual Adopted Budget will include the data as outlined in the interpretation above.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will develop a budget that:

5.4. Discloses budget-planning assumptions.

Superintendent Interpretation:

I interpret this to mean that throughout the budget development process for the upcoming fiscal year, the Board will be provided in a public meeting the major assumptions used to determine projected revenues or expenditures.

Assumptions will include changes to the revenue limit funding as determined by the state, increases or decreases in state and federal funding, significant negotiated total compensation agreements (significant is defined as impacting the majority of the bargaining unit), anticipated cost increases including but not limited to insurance and utilities.

Indicator of Compliance:

- Documents from public board meetings which may include PowerPoint presentations as well as state required documents.
- Annual Adopted Budget documents presented to the Board for the upcoming year.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will develop a budget that:

5.5 Assures fiscal soundness in future years that includes provisions for reasonable contingencies.

Superintendent Interpretation:

I interpret fiscal soundness to mean that the Annual Adopted Budget that is presented will show a positive General Fund ending fund balance. I also interpret fiscal soundness to mean that the ending fund balance will be no less than five percent (5%).

Indicators of Compliance:

- Unaudited actuals for the prior year will show a positive ending fund balance.
- Annual Adopted Budgeted expenditures are in alignment with anticipated revenues and fund balance resources.
- Annual Adopted Budget will reflect at a minimum five percent (5%) general fund balance or the agenda item approved by the Board that specifically states the fund balance has been reduced.
- Annual Adopted Budget will provide for reasonable contingencies.
- The district maintains a multi-year budget forecast. Consideration of long-term financial impacts is part of decision making for any budget adjustments.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will develop a budget that:

5.6 Provides necessary information to the Board on matters with a significant budgetary impact, allowing the Board adequate time to consider the information presented.

Superintendent Interpretation:

I interpret this to mean that the Board will be made aware of any initiatives, purchases, or circumstances that may arise that could have a substantial financial impact on the District budget. I also interpret “adequate time” to be the time necessary for the Board to review information necessary to provide an opinion or guidance, no less than 24 hours from the point of discussion, unless there are emergency circumstances that require immediate action.

Indicator of Compliance:

- Monthly financial reports show current financial conditions of the district. Any deviations from the planned budget are noted on the monthly financial report.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will develop a budget that:

5.7 Reflects anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits.

Superintendent Interpretation:

I interpret this to mean that the Annual Adopted Budget will include significant negotiated total compensation agreements with significant defined as impacting the majority of the bargaining unit.

The Annual Adopted Budget will include the most current information available regarding employee compensation or benefit information. Costs for wages, step increases and changes to mandatory benefits, health insurance premiums and related expenses are included in the Annual Adopted Budget.

Indicators of Compliance:

- Budget projections will include know costs for employee compensation that are consistent with the negotiated agreement and within the district’s means to pay.
- Budget projections will include changes in costs related to any changes in law related to employee compensation.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will develop a budget that:

5.8 Includes such amounts as the Board determines to be necessary for its own governing function.

Superintendent Interpretation:

I interpret this to mean that the School Board of Directors provides a critical function in the support of school district operations and improvement. In order to perform the expected functions and duties, Board leadership must be developed and cultivated, and as such, the normal operations and professional development of the board must be included as part of the annual operating budget.

Indicator of Compliance:

- The budget contains funds for anticipated Board activities, including attendance at state and national conferences, training and professional development, legislative advocacy and community engagement opportunities.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will develop a budget that:

5.9 Is based on reasonable consultation with appropriate constituent groups.

Superintendent Interpretation:

I interpret this to mean that the annual budget is designed to address the comprehensive needs of the entire district, and as such, must allow for feedback and input from groups that are affected by the projected expenditures of an approved budget. The district values a collaborative approach to designing a budget that assists in prioritizing new initiatives, reflecting district goals and initiatives, and ensures that the focus is on student success.

Indicator of Compliance:

- The documentation of the budget formation process, including groups of constituents who can provide input to the decision-making process.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent may not develop a budget that:

5.10 Plan for the expenditure in any fiscal year of more funds than are conservatively projected to be available during the year.

Superintendent Interpretation:

I interpret this to mean that the annual expenditure budget is cannot be more than the expected beginning fund balance plus revenues expected for the year.

Indicator of Compliance:

- The expenditures proposed in the annual budget is in alignment with anticipated revenues and fund balance resources.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will develop a budget that:

5.11 Provides for an anticipated year-end fund balance of less than five percent of the projected revenue.

Superintendent Interpretation:

I interpret this to mean that the budgeted beginning fund balance, revenues and use of expenditures does not cause the ending fund balance to be below five percent of the projected annual revenue.

Indicator of Compliance:

- The general fund balance meets or exceeds the five percent (5%) reserve requirement.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

OPERATIONAL EXPECTATIONS (OE) POLICY

OE-6 Financial Administration

<input checked="" type="checkbox"/> Reasonable Interpretation and Indicators (RI)	_____	Date
<input type="checkbox"/> Monitoring Report	_____	Date for Re-monitoring

SUPERINTENDENT CERTIFICATION:

With respect to Operational Expectations Policy, OE 6, Financial Administration, the Superintendent certifies that the proceeding information is accurate and complete, and that the organization:

- Has reasonably interpreted the Board's values
- Is Compliant
- Is Compliant with the exceptions noted
- Is Non-Compliant

Executive Summary:

Signed: _____ Date: _____
Superintendent

BOARD ACTION:

With respect to Operational Expectations Policy, OE 6, Financial Administration, the Board finds that the organization is:

- Has reasonably interpreted the Board's values
- Has failed to reasonably interpret the Board's values
- Is Compliant
- Is Compliant, with the exception of specific policy sub-parts
- Is Non-Compliant

Commendations/Direction:

Signed: _____ Date: _____
Board President

OE-6: FINANCIAL ADMINISTRATION

The Superintendent shall not cause or allow any financial activity or condition that materially deviates from the budget adopted by the Board; cause or allow any fiscal condition that is inconsistent with achieving the Board's *Results* priorities or meeting any *Operational Expectations* goals; or places the financial health of the district in jeopardy.

Superintendent Interpretation:

I interpret "financial activity or condition" to mean expenditures or use of fund balance without Board approval throughout the fiscal year. This does not include uncontrolled circumstances such as a major increase in previously established costs such as energy-related expenditures or major unexpected maintenance expenditures.

I interpret "materially deviates" as exceeding 2% of total established revenue budgeted amount.

I interpret "fiscal condition" to mean an unbalanced current year budget or actions that cause an unbalanced budget. Unbalanced current year budget is defined as having a negative fund balance.

The Superintendent will:

6.1 Assure that payroll and legitimate debts of the district are promptly paid when due.

Superintendent Interpretation:

I interpret "payroll and legitimate debts of the district" to mean that all payments are legal, valid, and approved by the proper district authority.

I interpret "promptly paid when due" to mean that payments are made within a timeline that complies with the law, meets vendor/employee expectations, and avoids late payments or finance charges.

Indicators of Compliance:

- System or process errors do not affect the compensation of employee groups.
- Payroll taxes, retirement obligations, and other deductions are distributed to the associated governmental entity or vendor within statutory, contractual, or agreed-upon timelines.
- Other debts are paid within 30 days of receipt of invoice by Accounts Payable.
- No vendor action is taken against the district for late payments.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

6.2 Assure that all purchases are made considering comparative prices of items of similar quality, considering a balance between cost and long-term quality and using competitive procurement procedures required by law.

Superintendent Interpretation:

I interpret "comparative prices of items of similar quality" to mean that cost and value are included as criteria when making purchasing decisions for items which do not require a competitive bidding process.

Indicator of Compliance

- Purchases are made in accordance with state law and district policies and procedures.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

6.3 Coordinate and cooperate with the financial auditor for an annual audit of all district funds and accounts.

Superintendent Interpretation:

I interpret this to mean that the district will provide timely and accurate schedules and information as requested by the Financial Auditor.

Indicators of Compliance:

- Financial Auditor reports no concerns regarding district cooperation with the auditing process.
- Completed audits and audited results are reported to all appropriate entities in accordance with statutory guidelines.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will:

6.4 Make all reasonable efforts to collect any funds due the district from any source.

Superintendent Interpretation:

I interpret "reasonable efforts" to mean that a procedure and process is in place to generate regularly scheduled invoices for amounts due to the district and that no material (as defined by external auditor) write-off of accounts receivable are made at the end of each year.

I interpret "any funds due the district" to mean federal state, and miscellaneous/local accounts receivable in all funds.

Indicators of Compliance:

- State and federal payments are monitored against expected revenue.
- The prior year-end audit indicates no material (as defined by the state auditor) losses anticipated from accounts receivable.
- The district has procedures in place to minimize delinquent accounts.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will:

6.5 Keep complete and accurate financial records by funds and accounts in accordance with Generally Accepted Accounting Principles.

Superintendent Interpretation:

I interpret this to mean that the district will prepare accurate and timely interim and year-end financial reports in conformity with Generally Accepted Accounting Principles and the Governmental Accounting Standards Board.

Indicators of Compliance:

- Interim and year-end financial reports conform to Generally Accepted Accounting Principles, Governmental Accounting Standards Board and the Accounting Manual for Public School Districts in the State of Washington.
- The annual audit from the state auditor shows that the year-end financial reports are in compliance.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will:

6.6 Publish a financial condition statement annually.

Superintendent Interpretation:

I interpret “publish” to mean that the District makes the Adopted Budget Year-end Financial Report and Annual State Audit available to the public in written and electronic form.

I interpret “annually” to mean a report which contains fiscal information detail on a yearly basis.

Indicators of Compliance:

- The Adopted Budget, Year-End Financial Report, and Annual State Audit submitted to the Board.
- The Adopted Budget, Year-End Financial Reports, and Annual State Audit is available to the public in written form and in electronic form on the district’s website.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

6.7 Ensure that all required reports are accurate and filed in a timely manner.

Superintendent Interpretation:

I interpret this to mean that all necessary reports as defined as federal, state, county, or city related to the district’s financial activity will be filed without error and within the timeframe in which they are due.

Indicators of Compliance:

- Accurate and timely Year- End Financial Reports conform to Generally Accepted Accounting Principles, Governmental Accounting Standards Board and the Accounting Manual for Public School Districts in the State of Washington
- The district does not receive formal notification of any required financial reports that have not been filed accurately or returned funds due to reports that were past due.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent may not:

6.8 Expend more funds than have been received in the fiscal year unless revenues are made available through other legal means, including the use of fund balances, the authorized transfer of funds from reserve funds or from tax anticipation notes.

Superintendent Interpretation:

I interpret “may not expend more funds than have been received” to mean that the district must produce a balanced budget with revenues (as defined by Generally Accepted Accounting Principles) equal to or exceeding expenditures (as defined by Generally Accepted Accounting Principles) unless the district uses authorized reserves from the fund balance or other authorized district funds.

Indicators of Compliance:

- The Adopted Budget discloses estimated revenues and expenditures and any planned use of fund balance.
- Monthly financial reports indicate any deviations from planned fund balances and reserves.
- The Year-End Financial reports indicate actual revenues and expenditures and any use of fund balance.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent may not:
6.9 Indebt the organization.

Superintendent Interpretation:

I interpret “indebt the organization” to mean that any new debt, other than routine liabilities, will be Board approved. Routine liabilities will include such items as payroll due to hiring of staff, accounts payable and Board approved contracts.

Indicators of Compliance:

- Any new debt such as Bonds and Revenue Anticipation Notes will have Board approval.
- Alignment with Board approved budget.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent may not:
6.10 Expend monies from the reserve funds.

Superintendent Interpretation:

I interpret “expend monies from reserve funds” to mean that the district will not, without direct Board approval or through the budgeting process use funds in either an undesignated reserve fund set aside by Generally Accepted Accounting Principles or a Board approved designated reserve fund.

Indicators of Compliance:

- Interim and year-end reports for the current year will reflect fund balance reserves in line with Board approved use of reserve funds.
- The General Fund ending Fund balances meets or exceed the five percent reserve requirement.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent may not:
6.11 Permanently transfer money from one fund to another.

Superintendent Interpretation:

I interpret this to mean that the district will not make permanent financial transfers between funds, which are not Board approved and according to Generally Accepted Accounting Principles. Temporary transfers of funds will be allowed as long as a “blanket” resolution authorizing temporary transfers between funds for cash flow purposes is approved by the Board during the fiscal year.

Indicator of Compliance:

- All actual financial transfers between funds are included in the annual budget approved by the Board or are separately approved by the Board.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent may not:

6.12 Receive, process or disperse funds under controls that are insufficient under generally accepted accounting procedures.

Superintendent Interpretation:

I interpret this to mean that internal controls over the financial reporting process and over compliance are annually evaluated and documented and are in compliance with Generally Accepted Accounting Principles. Internal controls will also be in compliance with other related requirements as established by law.

Indicators of Compliance:

- Budget staff monitor school site and program transactions to ensure expenditures are in compliance with required guidelines.
- An unqualified audit opinion with no material weaknesses or significant deficiencies is received in the annual Financial Audit.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent may not:

6.13 Invest funds in investments that are not secured or that are not authorized by law.

Superintendent Interpretation:

I interpret this to mean that all investments are in statutorily allowable instruments separated in distinct accounts. I interpret “funds” to mean money or capital with the control of the District. I interpret “investments” to mean the commitment of District funds or assets with the purpose of gaining profitable returns in the form of interest, income, dividend and appreciation of value.

Indicators of Compliance:

- The District invest funds through the county treasurer as required by law.
- No losses are incurred by the District on deposits and investments.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

OPERATIONAL EXPECTATIONS (OE) POLICY

OE-7 Asset Protection

<input checked="" type="checkbox"/> Reasonable Interpretation and Indicators (RI)	_____	_____	Date
<input type="checkbox"/> Monitoring Report	_____	_____	Date for Re-monitoring

SUPERINTENDENT CERTIFICATION:

With respect to Operational Expectations Policy, OE-7, Asset Protection, the Superintendent certifies that the proceeding information is accurate and complete and that the organization:

Has reasonably interpreted the Board's values

Is Compliant

Is Compliant with the exceptions noted

Is Non-Compliant

Executive Summary:

Signed: _____
Superintendent

Date: _____

BOARD ACTION:

With respect to Operational Expectations Policy, OE-7, Asset Protection, the Board finds that the organization is:

Has reasonably interpreted the Board's values

Has failed to reasonably interpret the Board's values

Is Compliant

Is Compliant, with the exception of specific policy sub-parts

Is Non-Compliant

Commendations/Direction:

Signed: _____
Board President

Date: _____

OE-7: ASSET PROTECTION

The Superintendent will assure that all district assets are adequately protected, properly maintained, appropriately used and not placed at undue risk.

Superintendent Interpretation:

I interpret this to mean that assets – physical, intellectual, and financial – shall be protected from loss or damage through adequate security, controls, and preventative maintenance. Additionally, sufficient indemnity protection will be maintained so that assets are protected in such a manner that the district’s financial position, legal position, and public image are not susceptible to damage.

The Superintendent will:

7.1 Maintain property and casualty insurance coverage on district real and personal property with real property limits equal to 100 percent of replacement value.

Superintendent Interpretation:

I interpret this to mean that the district will purchase insurance or will have adequate resources and legal mechanisms to self-insure and to replace or repair buildings and their contents in the event they are damaged or destroyed. The coverage will provide for 100 percent of current replacement value, less deductibles, to minimize the financial impact to the district’s operating budget.

Indicators of Compliance:

- Indemnity protection policies in place providing all-risk property coverage equal to 100 percent replacement value subject to a basic deductible of \$5,000 per covered occurrence.
- Machinery coverage is included to a \$5,000 per occurrence deductible except for designated losses and perils.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

7.2 Maintain Errors and Omissions, Employment and Comprehensive General Liability insurance coverage protecting board members, staff, and the district itself in an amount that is reasonable for school districts of comparable size and character.

Superintendent Interpretation:

I interpret this to mean that the district will purchase and maintain adequate indemnity protection coverage that will defend and indemnify all Board members, staff and the district itself against the risk of financial loss resulting from third-party legal action or challenge.

The district will also maintain appropriate Worker’s Compensation coverage to satisfy state statutory requirements and address the fiscal liabilities arising from workplace injuries and illness.

Indicators of Compliance:

- Liability and Workers’ Compensation Indemnity protection in place which meets or exceeds Washington law and regulations.
- Participation in annual evaluations to monitor loss control and rates.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

7.3 Adequately protect the district against theft or misappropriation of funds by any personnel who have access to material amounts of district or school funds.

Superintendent Interpretation:

I interpret this to mean that the district will protect itself by providing crime coverage applicable to circumstances in which district employees or their agents handle cash or certain types of asset transactions in the performance of the district's operations.

Indicators of Compliance:

- Crime coverage in place with sufficient limits, subject to a \$5,000 deductible per covered loss.
- Necessary employees are bonded.

Evidence of Compliance:

In Compliance	Not In Compliance
---------------	-------------------

Board Findings:

In Compliance	Not In Compliance
---------------	-------------------

The Superintendent will:

7.4 Protect intellectual property, information, files, records and fixed assets from loss or significant damage.

Superintendent Interpretation:

I interpret this to mean that data and all fixed assets owned by the district will be protected from loss or damage. This responsibility includes the security of personal information and data and work product. The cost to provide this protection shall be reasonable in accordance with the risk.

Intellectual property is defined as property rights created through intellectual and/or discovery efforts of a creator that is generally protectable under patent, trademark or copyright.

Fixed assets are tangible property used for the operation of business, such as buildings, machinery, fixtures, furniture, and equipment.

Indicators of Compliance:

- Procedures in place to protect paper files.
 - o All sites that hold employee and student data have a card or key access limited to authorized employees.
 - o Paper records are being replaced with electronic records as much as possible.
 - o Contract for confidential document destruction is in place and utilized.
- Procedures are in place to protect fixed assets.
 - o Fire and security alarms are in place for all district buildings and are monitored at all times.
 - o Inventory of fixed assets is conducted once every three years.
- Procedures are in place to back up and protect electronic files
 - o Conduct Information Technology Audits to verify that the security is being strictly followed per district policies and procedures.
 - o Security certificates for district applications guarantee a secure computing environment.
 - o All electronic intellectual property, information, files and records are stored on a secure internal network. Security to the network is through individual login and password. Any information accessed through our district web portal is accessed via a secure socket layer (encrypted) connection. Internal security levels within all our systems screen access on a need-to-know basis. All staff who have access to private and confidential data are fully trained on the data practice laws.
 - o All electronic records and data are backed up on a nightly basis.
- Reported losses through Information Technology, Police and Risk Management are evaluated and corrective actions taken.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will:

7.5 Properly preserve and dispose of all records related to affairs or business of the district.

Superintendent Interpretation:

I interpret this to mean that records are retained in accordance with the state’s record retention requirements.

I interpret “dispose” to mean the appropriate action for destruction, archival, or transfer of temporary and permanent records scheduled and performed in accordance with state record retention requirements.

Indicator of Compliance:

- Records are retained in accordance with the state’s record retention requirements.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent may not, without the Board’s approval:

7.6 Permit equipment to be subject to improper use or insufficient maintenance.

Superintendent Interpretation:

I interpret this to mean that the district must ensure that all equipment of the district (such as computers, vehicles, machinery, boilers and air handling units) are used in a manner for which they were intended by the district and maintained with an appropriate service cycle so that their full life and value are optimized. The district will ensure that sufficient protection of equipment is in place.

Indicator of Compliance:

- Equipment such as computers, vehicles, boilers, air handling units and machinery routinely exceed their expected useful life.
- Maintenance staff, technology staff, Nutrition Services staff and school bus mechanics keep detailed records for maintenance schedules for all equipment.
- Safety Training on use of equipment and safety protocols are provided as appropriate; deficiencies are identified and corrected.
- Preventative maintenance programs are in place and executed.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will not:

7.7 Unreasonably expose the district, the Board or staff to legal liability.

Superintendent Interpretation:

I interpret this to mean that the Superintendent will not knowingly take actions or require others to take actions that are “reckless,” or careless to the point of being heedless of the consequences, and would expose the district, Board members or staff to legal liability.

Appropriate steps will be taken to pre-empt unnecessary exposure or liability on behalf of the district, Board members and staff. The district will maintain a system of guidance and processes to protect against legal missteps.

This provision does not mean that when legal challenges arise during the normal course of business that the district is necessarily out of compliance.

Indicators of Compliance:

- Contracts are in place with outside law firms which specialize in particular areas of education law.
- The Superintendent routinely seeks advice from legal counsel in a proactive and intentional manner to pre-empt unnecessary legal exposure. In the event of a legal challenge or exposure, the Superintendent seeks advice from legal counsel to appropriately bring resolution to the challenge.
- Any significant legal challenges are discussed with all Cabinet and Board members.
- District training in areas such as, harassment training, Right-to-Know training (infectious disease, hazardous materials), and Fair and Respectful hiring practices are in place to protect employees, students and the district from harm and legal liability.
- Support staff is in place and routinely consulted (Legal, Risk Management and Human Resources).
- Screen procedures are in place for employees and district volunteers.
- On-going risk assessments are performed to limit district exposure and liability.
- Contractual provisions provide language which protect the district against negligence and ensures adequate insurance is provided.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will not:

7.8 Take any action that damages the district’s public image or credibility.

Superintendent Interpretation:

I interpret this to mean that the Superintendent will not conduct business in a manner that jeopardizes the district’s public image through dishonest, illegal, unethical, or imprudent practices. This provision does not mean that in the normal course of doing business, when employees or community members disagree with district actions or decisions that the district is necessarily out of compliance with this provision.

Indicators of Compliance:

- Implementation of timely and honest communications through recurring communications with parent and community stakeholder groups.
- Annual audits are conducted by State Auditor’s Office; staff complies with any findings.

Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

OPERATIONAL EXPECTATIONS (OE) POLICY

OE-12 Facilities

<input checked="" type="checkbox"/>	Reasonable Interpretation and Indicators (RI)	_____	Date
<input type="checkbox"/>	Monitoring Report	_____	Date for Re-monitoring

SUPERINTENDENT CERTIFICATION:

With respect to Operational Expectations Policy, OE 12, Facilities, the Superintendent certifies that the proceeding information is accurate and complete, and that the organization:

Has reasonably interpreted the Board's values

Is Compliant

Is Compliant with the exceptions noted

Is Non-Compliant

Executive Summary:

Signed: _____
Superintendent

Date: _____

BOARD ACTION:

With respect to Operational Expectations Policy, OE-12, Facilities, the Board finds that the organization is:

Has reasonably interpreted the Board's values

Has failed to reasonably interpret the Board's values

Is Compliant

Is Compliant, with the exception of specific policy sub-parts

Is Non-Compliant

Commendations/Direction:

Signed: _____
Board President

Date: _____

OE-12: FACILITIES

The Superintendent shall assure that physical facilities support the accomplishment of the Board's *Results* policies.

Superintendent Interpretation:

I interpret this to mean that District-owned or leased spaces properly accommodate the educational programs and administrative support necessary to accomplish the Board's Results and Operational Expectations policies.

We interpret "safe & properly maintained" to mean that these District spaces meet or exceed the standards set forth by OSPI's Asset Preservation Program (APP) of which the requirements include maintenance of the building to ensure a 30-year expected life and the completion of an annual Building Condition Assessment (BCA).

The Superintendent will:

12.1 Develop and execute a facility plan that establishes priorities for construction, renovation and maintenance projects that:

- a. Assigns highest priority to the correction of unsafe conditions;
- b. Includes maintenance costs as necessary to enable facilities to reach their intended life cycles;
- c. Plans for and schedules preventive maintenance;
- d. Plans for and schedules system replacement when new schools open, schools are renovated, or systems replaced;
- e. Discloses assumptions on which the plan is based, including growth patterns and the financial and human impact individual projects will have on other parts of the organization.
- f. Ensure that facility planning and design decisions appropriately consider environmental impacts, include eco-efficiency and sustainability.

Superintendent Interpretation:

I interpret this to mean that the District will maintain a five-year or longer plan for District facilities construction, renovation, and maintenance and for facility addition or reduction that incorporates items A-F above. This plan will also incorporate assumptions regarding capital needs required to accomplish Board Results policies along with projected costs and recommended funding sources. The district will have an Asset Preservation Program and life-cycle system replacement planning.

Indicators of Compliance:

- The annual Six-Year Capital Facilities Plan incorporates current projected capital needs for the next six years.
- A State Study and Survey is completed by a certified third party every six years and is required as part of OSPI's School Construction Assistance Program.
- Annual building condition assessments are conducted by a certified third-party evaluator. The assessment is a systematic rating of common building components. Building Condition Assessment (BCA) scores are to be in alignment with OSPI's published Building Condition Standard.
- A 30-year deferred maintenance schedule will be updated annually to reflect annual building condition assessments and recently performed capital work.

Evidence of Compliance:

	In Compliance	Not In Compliance
--	---------------	-------------------

Board Findings:

	In Compliance	Not In Compliance
--	---------------	-------------------

The Superintendent will:

12.2 Project life-cycle costs as capital decisions are made.

Superintendent Interpretation:

I interpret this to mean that the District will incorporate the need for maintenance and replacement of existing facilities and equipment when making annual capital funding decisions.

Indicators of Compliance:

- The 30-year deferred maintenance schedule referenced above helps to identify near-term and long-term capital projects and follows a priority system of scheduling of, and funding for, work:
 - Promote safe and healthy schools for students, staff, and community.
 - Create environments that are conducive to student learning.
 - Institute life-cycle maintenance for buildings and equipment to maximize useful life.
 - Save energy, resources, and money.
 - Site needs which positively impact community engagement and enable schools to be centers of the community.
 - Identify other needs as designated by the site administrator and/or Facilities/Maintenance department personnel.
- The Facilities/Maintenance Department will maintain and follow a procedure which establishes priorities for the day-to-day and long-term maintenance of buildings and related equipment. These items are included in the operating budget of the operations department and will not be included in the Deferred Maintenance Plan.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will:

12.3 Assure that facilities are safe, clean and properly maintained.

Superintendent Interpretation:

I interpret this to mean that District facilities will be maintained in a manner that is considered “clean” by staff assessment and “sanitary and safe” by regulatory agencies including Washington Office of Superintendent of Public Instruction (OSPI), King County Department of Health, and the local fire departments.

Indicators of Compliance:

- Annual facilities inspections/evaluations will be conducted. Report of Annual APP evaluation and Building Condition Assessment.
- Number of preventive maintenance (PM) work requests and number of work orders completed each year.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will:

12.4 Consistently administer facilities use delineating:

- a. permitted uses;
- b. the applicable fee structure that is fair and reasonable;
- c. clear user expectations, including behavior, clean-up, security, insurance, and damage repair;
- d. consequences and enforcement procedures for public users who fail to follow the established rules.
- e. the ability of the public's use of facilities as long as student safety, student functions, and the instructional program are not compromised.

Superintendent Interpretation:

I interpret this to mean that the District will encourage the use of District-owned facilities by outside groups and will administer their use according to items A-E above.

Indicators of Compliance:

- I interpret this to mean that the District will encourage the use of District-owned facilities by outside groups and will administer their use according to items A-E above.
- The website and associated forms clearly delineate the permitted uses, fee structure, and user expectations.
- District and site staff have established protocols for appropriate custodial support for facility use after-hours, weekends, and holidays.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will:

12.5 Encourage and promote use of school property to community organizations and partners.

Superintendent Interpretation:

I interpret this to mean that the public can utilize district facilities as specified in policy when they are not being used for education purposes whenever possible.

Indicator of Compliance:

- Information regarding public use of school property is easily available and clearly understandable.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent may not - without Board approval:

12.6 Build or undertake major renovations of buildings.

Superintendent Interpretation:

I interpret this to mean that the District will require Board approval prior to constructing a building, adding square footage to a building or remodeling a building to the extent that it changes its use as follows:

- Grades served in the building
- Changing the primary use of a cafeteria, multi-purpose room, commons areas, gymnasium, auditoriums

Indicator of Compliance:

- No construction projects or renovations have occurred outside of the approved work of the Board.

Evidence of Compliance:

In Compliance

Not In Compliance

Board Findings:

In Compliance

Not In Compliance

The Superintendent will not:		
12.7 Recommend land acquisition without first determining growth patterns, comparative costs, construction and transportation factors and any extraordinary contingency costs due to potential natural and man-made risks.		
Superintendent Interpretation: I interpret this to mean that when recommending a land acquisition to the Board of Directors, the District will fully research and understand the need, cost, risks, and District impact. Land may not be acquired without Board approval.		
Indicator of Compliance: – The Superintendent will not acquire land without Board approval.		
Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will not:		
12.8 Authorize construction schedules and change orders that deviate significantly from previously approved plans and budget parameters, including increased cost or reduced quality.		
Superintendent Interpretation: I interpret this to mean that the District will complete capital projects according to the contract specifications, will bring to the Board for approval contract changes that increase the length of a project or has a fiscal impact.		
Indicators of Compliance: – Construction schedules will be communicated, and the board will be informed of substantial changes to project schedules. – Construction projects will be completed within the funds allocated. In addition, construction projects will be completed within District bid specifications, including time frame and budget. – Change orders will be presented to the Board for approval.		
Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance

The Superintendent will not:		
12.9 Acquire, encumber, or dispose of real property.		
Superintendent Interpretation: I interpret this to mean that the District will bring to the Board for approval before buying, selling, granting non-utility easements or legally changing ownership of existing District property.		
Indicator of Compliance: – The Superintendent will not acquire, encumber, or dispose of real property without Board approval.		
Evidence of Compliance:	In Compliance	Not In Compliance
Board Findings:	In Compliance	Not In Compliance