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## 6000

## BUSINESS

### 6001

### General

The Board of Education holds a position of public trust and is responsible to account for and direct the management and expenditure of all monies received by the School District. In furtherance of this responsibility, the Board directs the Superintendent to establish financial procedures to ensure the proper and effective accounting of all School District monies, that monies are administered in accordance with generally accepted accounting principles and that all legal requirements concerning School District monies are satisfied in letter and spirit. Under the supervision of the Superintendent, financial reports and statements will be prepared and submitted to the Board on a regular basis, or more frequently if requested by the Board.

### 6002

### Budget Planning and Adoption

The Board is required to adopt a budget prior to July 1 of each year, to be in place for the ensuing school year. The budget is a formalized statement of anticipated revenues and expenditures of the District and includes all district fund categories that are used to carry-out the District's educational goals and objectives. The budget will be prepared and published in conformity with current regulations and will maintain an end-year general fund balance that should not fall below 10% of the expenditure budget in that fund.

The Superintendent is responsible for preparing the budget and its timely presentation to the Board. Following adoption by the Board, the Superintendent will regularly inform the Board of actual or anticipated variances that may occur during budget implementation and recommend any action that may be required to be taken by the Board.

### 6003

### Purchasing

The Board authorizes the Superintendent to purchase and/or supervise the purchase of all materials, equipment, supplies and services necessary for the operation of the School District. It is the intent of the Board that the School District purchase competitively, without prejudice or favoritism, and seek maximum value for all expenditures. Competitive pricing is to be pursued by following legally required processes, as well as through such methods as cooperative purchasing, formal or informal bidding, requests for quotations from multiple vendors and negotiation.

**Federal Procurement Standards** The Board seeks to ensure the District complies with all procurement policies in accordance with the Education Department General Administrative Regulations (EDGAR). The Superintendent will delegate responsibility for the development of procedures that comply with this policy to the Assistant Superintendent for Business Affairs.

**Automated Clearing House (ACH) Arrangements and Electronic Transaction of Funds** The Superintendent may transact School District business electronically.

**Federal Grants and Awards** The Superintendent will promulgate legally compliant administrative regulations concerning expenditures of funds received through federal grants and awards.

### 6004

### Surplus Property

**Land or Buildings** The Superintendent may identify School District land or buildings no longer required for School District purposes and recommend to the Board the procedures to be followed for the sale or

disposition of such property. Board approval is required for both the process to be followed and the ultimate sale or other disposition.

**Equipment and Supplies** The Superintendent may periodically review School District equipment and supplies and identify any that are thought to be obsolete and not able to be salvaged, as well as those that cannot be utilized effectively or economically by the School District. The Superintendent is authorized to dispose of any such equipment and supplies in a commercially reasonable manner.

## **6005 Investments**

The Board requires prudent management of the public monies to which it has been entrusted. Oversight and management of School District monies rests with the Superintendent. The Superintendent will, together with other School District administrators under his/her direction, develop and implement procedures to be followed in connection with School District investments. Such procedures will comply with the Governmental Accounting Standards Board (GASB) and the Michigan Revised School Code.

[Link to Investment Policy](#)

## **6006 Risk Management**

The Board seeks to minimize risk in all School District operations. This requires planning that takes into account the safety of students, employees and the public, the protection of School District property and avoidance of financial loss or liability.

The Superintendent is responsible for establishing a risk management program. The program will include means for identifying, eliminating, reducing, or transferring risk, and may provide for the purchase of insurance, if necessary.

## **6007 Audits**

The Board will retain a firm or person to conduct an annual audit of the School District's financial statements to determine, through an independent review, whether the financial statements fairly present the financial position of the School District, whether the School District has followed generally accepted accounting principles and whether proper internal controls exist. The auditor's report will be presented at a public meeting of the Board.

## **6008 Meal Charge**

The School District has established this meal charge policy for children who are eligible for reduced-price or full-price meal benefits, but have insufficient funds to pay for school meals. This policy also addresses bad debt incurred due to the School District's inability to collect unpaid meal charges from its parents and students.

The Superintendent will develop and implement administrative regulations regarding meal charge procedures to provide consistent direction concerning students who are eligible for reduced-price or paid meals but do not have funds in their account or in hand to cover the cost of their meal at the time of service. These regulations, and this policy, will be provided to all households in writing at the start of each school year, to households transferring to the School District during the school year, and to all School District staff and independent contractors and companies responsible for implementation.

## **6009 Summer Property Tax Levy**

The Board, by passing a resolution in order to activate this policy, shall impose a summer property tax levy. Each summer property tax levy shall be for 50% for debt retirement and 50% for operating and non-homestead of the district's annual school property taxes, unless otherwise dictated by law.

## **6010 Fixed Assets**

The Board shall maintain a fixed asset procedure sufficient to track applicable purchases and donations of items meeting the following criteria:

- The cost of each item shall exceed \$5,000;
- The item shall have an estimated useful life which exceeds one year;
- Items costing less than \$5,000 each may also be included within this policy if such item is deemed to be theft prone or otherwise warrants tracking.

Fixed assets shall be classified into the following major categories:

- Land;
- Buildings and improvements;
- Site improvements;
- Construction in Progress;
- Furniture and Equipment; and
- Busses and other vehicles.

The Superintendent shall develop such procedures and practices sufficient to meet this Policy.

## **6011 Online Fundraising**

No employee shall create, post, or sponsor any online fundraiser seeking to secure or generate funds from the public for school purposes, purchases for school, or utilizing the District's name, logo, or likeness, without prior written consent from the Superintendent. If permission to create, post, or sponsor an online fundraiser is provided by the Superintendent, any property secured or purchased through such fundraising activities shall become the property of the District and not the employee. This policy applies, but is not limited to, online fundraising services such as DonorsChoose.org, Kickstarter.com, GoFundMe.com, CrowdRise.com, and similar sites.

## **6012 School District Purchasing Cards**

The Board views the use of purchasing cards as a convenient and efficient means of transacting School District related business. The Board approves the issuance and use of School District purchasing cards on the terms and conditions set forth below.

School District purchasing cards may be issued to the Superintendent of Schools and other School District employees designated by the Superintendent. The Superintendent is responsible for the issuance,

accounting, monitoring and retrieval of School District purchasing cards and for overseeing compliance with this Policy. The Superintendent shall assure that:

- A School District purchasing card may be used only by a person to whom the card has been issued by the Superintendent.
- A purchasing card may be used only for the purchase of goods or services for the official business of the School District.
- No purchases for personal purposes or cash advances are permitted.
- An employee of the School District who has been issued a purchasing card shall submit to the Superintendent original invoices and a contemporaneous report detailing the:
  - goods or services purchased;
  - date of the purchase;
  - cost of the purchase;
  - School District related reason for the purchase.

The person to whom a purchasing card has been issued is responsible for its protection and custody and shall immediately notify the Business Office if the credit card is lost or stolen.

A person to whom a credit card has been issued must return the purchasing card upon the termination of employment or service in office for the School District.

Internal accounting controls will be developed to monitor credit card use, approval of credit card invoices and assurance that payment will be timely made. In no event will payment be made later than 60 days from the initial date of the statement on which the purchase is reflected.

Any unauthorized use of a School District credit card will result in appropriate disciplinary measures being taken.

## **6013 Fiscal Planning**

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the District and to plan for the financial needs of the education program. The Board will strive toward maintaining both short and long range perspectives of District financial requirements. Accordingly, the Board directs the Superintendent/designee to include cost estimates in all ongoing financial requirements, to prepare a long range year-by-year plan for the maintenance and replacement of facilities and equipment, to forecast an estimated expenditure budget for three to five years in the future, to maintain a plan of anticipated local, State, and Federal revenues, and to report to the Board any serious financial implications that emerge from the District's ongoing fiscal planning. In addition, the Board directs the Superintendent/designee to maintain annually, a detailed two-year forecast of estimated expenditures and revenues.

## **6014 Conflict of Interest**

Except as may be otherwise permitted by law, the Board of Education shall not knowingly enter into a contract with any supplier of goods or services to this District under which any Board member, officer, employee, or agent of this School District is a party, directly or indirectly, Board members, officers, employees and agents shall not directly or indirectly solicit a contract between this district and (A) themselves; (B) any firm of which they are a partner, member or employee (C) any private corporation in which they are a stockholder owning more than 1% of the total outstanding stock of any class if the stock is not listed on a stock exchange, or stock with a present total market value in excess of \$25,000 if the stock is listed on a stock exchange or of which they are a director, officer or employee; or (D) any trust of which they are a beneficiary or trustee. Board members and school personnel shall not accept any gifts, favors or other items of value in excess of \$100 per vendor per calendar year from vendors or bidding vendors of this district which might, in any way, influence their recommendations or decisions on the eventual purchase of equipment, supplies, or services. Board members and school personnel shall not show favoritism in the vendor selection process. Each vendor shall be selected in accordance with policies of the Board and in compliance with all applicable provisions of the Revised School Code and other state and federal laws.

## **6015 Recognition, Food and Entertainment**

Rochester Community Schools greatly values students, staff, parents, and community members. The District encourages recognition of students, staff, and volunteer achievements. The District believes that recognition of achievements, food, and entertainment contribute to a pleasant work place for staff and provides an encouraging school learning environment for students. Rochester Community Schools is a public institution funded with taxpayer dollars. The District's public funds are for the purpose of free and appropriate public education for students and cannot be used for private purposes, private gain, or gifts. The District encourages mutually beneficial collaboration with individuals and other organizations to provide private funds or grants for the purposes of recognition, food, and entertainment. The use of any private funds or grant funds for these purposes must follow the provider agreement/contract. Staff or volunteer recognition and all entertainment expenditures can only be provided through private funding or grant funding. Regulations will provide guidelines concerning the use of public funds for recognition, food, and entertainment.

## **6016 Trust and Agency Funds/Student Activity Funds**

The Board of Education directs the establishment of a Trust and Agency Fund for the financial administration of scholarships, other trusts and student activity funds. The principal of the school shall be responsible for the proper administration of the student activity funds and the Assistant Superintendent for Business Affairs will be responsible for the Trust funds in accordance with the federal, state, and local statutes, and district approved accounting procedures. All funds collected and contributions received by the student groups or the District shall be deposited in the District's Trust and Agency bank account. Funds collected by student groups shall be disbursed only for purposes authorized by that student group with the concurrence of the organization's sponsor and building principal. All funds raised by student organizations must be expended for the benefit of the students or charity as designated by the students. Class funds (Class of 1997, etc.) will be completely expended within 90 days of graduation. Any undesignated balances after that point will be transferred to the account of the next graduating class. Unclaimed funds remaining on account from a disbanded or inactive organization for a period of 24 months will become the property of the district and will be used to offset expenses associated with servicing student activity funds. Interest income generated by the district associated with the management of student funds will be used to offset the expenses (clerical, computer, bank charges and fees, forms, supplies, etc.) associated with maintaining and safeguarding the fund.

**6017**

## **Site Acquisition**

The Board of Education is expressly empowered to acquire real property for the school district. The Superintendent of the school district shall be responsible for site acquisition negotiations and for the execution of any and all documents necessary and incidental to the acquisition of any real property on behalf of the school district. The Board of Education may meet in closed session to consider the purchase or lease of real property up to the time an option to purchase or lease that real property is obtained, but any official action must be taken at an open meeting of the Board of Education. Official Board action is required to execute a contract for the purchase or lease of real property, and a record of that action must be a part of the minutes of the Board. The process used in acquiring real property must be in accordance with state law. Any deviation from the requirements of state law may render the transaction void. It is the intent of the Board to purchase property at the least possible cost to the taxpayer.