## Board Discussion Meeting November 2, 2016 PUBLIC SESSION AGENDA

Assessment Update – Kenneth Bissell/Kelly Gustafson

Discussion regarding bowling team

#### FINANCE

- 1. Request approval to adopt the Resolution pursuant to Section 311 (3)(1) of the Taxpayer Relief Act of 2006 indicating the District will not raise the rate for public schools by more than its index
- 2. Request approval to pay Credit Reimbursement in November for the 2016-2017 school year
- Request approval for the proper officers of the District to apply for a \$50,000.00 grant from the Scott Electric Foundation for District lighting needs
- 4. Request approval for the proper officers of the District to accept a Thomas Nega Drug-Free Lifestyle Grant through the Westmoreland County Drug and Alcohol Commission, Inc., in the amount of \$1,910.00

#### CONTRACTS/CONTRACTED SERVICES

- 1. Request approval to enter into an Educational Services Agreement between Greensburg Salem School District and Franklin Regional School District to provide services to an eligible student(s) in the Emotional Support Classroom Program at a cost of \$160.00 per day
- 2. Request approval of Addendum #1 and Addendum #2 to the Employment Agreement between the Westmoreland Intermediate Unit and Pamela Magness, Hearing Teacher who provides services to Greensburg Salem School District

- Request approval for the proper officers of the District to extend the current electric contract due to favorable market conditions as recommended by KeyTex Energy of Greensburg
- 4. Request approval of the Letter of Interest from Schneider Electric for the completion of an Energy Assessment Audit for the District
- 5. Request approval to acknowledge the additional bus driver for First Student, Inc. for the 2016-2017 school year, pending receipt of all governmental clearances, application records, safety training, physical examination and tuberculin test where applicable

#### **BOARD POLICIES**

1. Request approval of Board Policies – Section 600: Policies 601, 602, 603, 604, 605, 606, 607, 608, 609, 609.1, 618, 620 and 627 of the Board Policy Manual

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#### STUDENT MATTERS

#### CONFERENCE/WORKSHOP

#### ATHLETIC MATTERS

- 1. Request approval for Maddie Hill, a ninth grade student at Jeannette High School, to swim as an unattached swimmer who will compete with the Greensburg Salem Swim Team during the 2016-2017 season
- 2. Request approval of the winter athletic sports schedules
- 3. Athletic report

#### FACILITIES USAGE

 Request approval for the Southwest Greensburg Adult Volleyball Team to use the gymnasium at Amos K. Hutchinson Elementary School for volleyball games from

- 6:30-8:30 P.M. on Friday evenings beginning as soon as possible and continuing until spring
- 2. Request approval for Greensburg Salem Volleyball Boosters to use the gymnasium for an Alumni Tournament from 12:00-3:00 P.M. on Saturday, November 26, 2016, pending receipt of proof of insurance
- 3. Request approval for the Middle School and ninth grade volleyball teams to use the gymnasium, gymnasium lobby, cafeteria and girls' locker room at the Senior High School from 2:45-11:00 P.M. on Friday, March 17, 2017 and from 8:00 A.M.-4:00 P.M. on Saturday, March 18, 2017 for the Annual Greensburg Salem Ninth Grade and Middle School Volleyball Tournaments

**GENERAL MATTERS/OTHER BUSINESS** 

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#### **FINANCES**

#### 600 FISCAL OBJECTIVES

**CODE 601** 

#### SECTION 1. PURPOSE

The Greensburg Salem School District's Board of School Directors recognizes its responsibility to District taxpayers to ensure that public monies expended by the School District are utilized for delivery of the educational program in a manner that mandates full value to the taxpayers, and that adequate procedures and records are established to ensure that end.

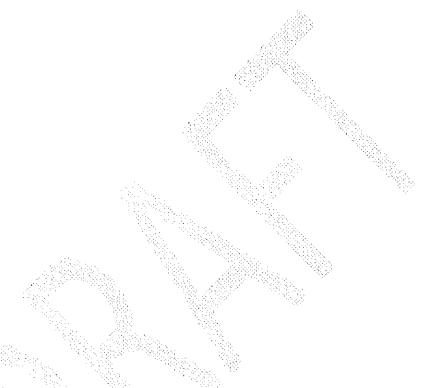
#### SECTION 2. AUTHORITY

The Board of School Directors has the authority and responsibility to prepare and adopt the budget, approve bids, levy taxes, and approve each expenditure of the District.

#### SECTION 3. DELEGATION OF RESPONSIBILITY

To meet the goals of this policy the Board of School Directors directs the Superintendent and Business Manager to establish sound accounting procedures based upon recommendations of the district auditor and state and federal government, institute effective business practices, and recommend appropriate equipment and technology when necessary.

The Business Manager shall review monthly the financial operations, report to the Board of School Directors on effectiveness and recommended improvements, and prepare administrative procedures for sound District and school fiscal operations.



## References:

School Code – 24 P.S. Sections 439, 601, 602, 609, 610, 631, 634, 664, 687, 690, 751, 807.1, 1155

Taxpayer Relief Act – 53 P.S. Section 6926.301 et seq.

#### **FINANCES**

#### **600 BUDGET PLANNING**

**CODE 602** 

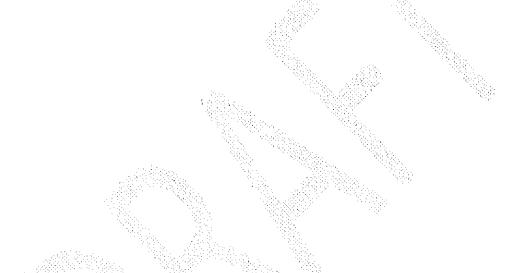
#### SECTION 1. PURPOSE

The budget shall be designed to reflect the Board of School Director's goals and objectives concerning the education of District students. Therefore, the budget shall be organized and planned to ensure adequate understanding of the financial needs associated with program support and development. The financial requirements of District programs shall be reviewed on a continual basis.

#### SECTION 2. DELEGATION OF RESPONSIBILITY

To meet the objectives of this policy, the Board of School Directors directs the Superintendent and Business Manager to:

- Include an estimated annual cost for implementation of the District's educational program
- 2. Prepare a plan for annual maintenance and replacement of facilities
- 3. Prepare a plan for current and future technology needs.
- 4. Maintain an inventory and replacement schedule of all District equipment.
- 5. Establish a projected budget of expenditures and income for the current year and ensuing year.
- 6. Prepare an annual estimate of anticipated school enrollments.
- 7. Maintain a plan of anticipated revenues based on changes in state and federal legislation.
- 8. Report to the Board of School Directors any serious financial implications arising from the budget plan.



References:

School Code - 24 P.S. Sections 433, 601, 687

#### **FINANCES**

#### **600 BUDGET PREPARATION**

**CODE 603** 

#### SECTION 1. PURPOSE

The Board of School Directors considers preparation of an annual budget to be one of its most important responsibilities because the budget is the financial reflection of the district's educational plan. The budget shall be designed to support the educational plan in a comprehensive and efficient manner, to maintain District facilities, and to honor District obligations.

#### SECTION 2. AUTHORITY

The Board of School Directors recognizes its obligation to the taxpayers to approve only those expenses reasonably required to provide an educational program suitable to the needs and goals of this District and its students.

#### SECTION 3. DELEGATION OF RESPONSIBILITY

In order to ensure adequate time for preparation and review of the proposed/preliminary budget, the Board of School Directors directs the Superintendent and Business Manager to present to the Board of School Directors all available information associated with the budget prior to the primary election.

In preparing the budget, the Superintendent and Business Manager shall set general priorities for expenditures for:

- 1. Staff necessary to maintain current programs.
- 2. Technology, equipment and supplies necessary to maintain current programs.
- 3. Maintenance of existing facilities and equipment.
- 4. Additional staff necessary to improve or expand current programs.

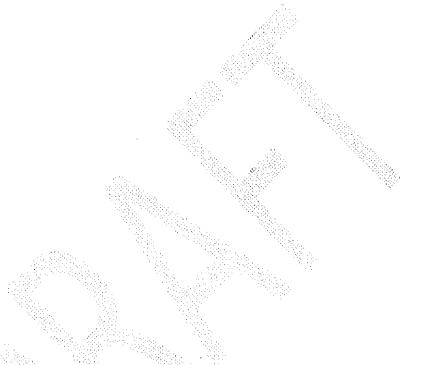
5. New technology, equipment and supplies necessary to improve or expand current programs.

As a component of budget preparation, the superintendent and Business Manager shall notify the Board of School Directors of the appropriate Index to be used in limiting tax increases for the budget year.

When present for Board review, the proposed budget shall contain:

- 1. Estimated revenue and expenditures in each financial category for the previous fiscal year.
- 2. Estimated revenue and expenditures in each financial category for the upcoming fiscal year.
- 3. Student enrollment for the upcoming school year.
- 4. Amount of surplus anticipated at the end of the current fiscal year.
- 5. Explanation of each item of expense proposed, upon request.
- 6. Listing of all exceptions for which the district may be eligible.
- 7. Relation of the estimated tax increase to the Index limitation for the District.
- 8. Programs, services or expenditures to be eliminated if referendum is rejected.
- 9. Increase, if any, of tax rate in relation to the Index.
- 10. Any information concerning proposed state and federal legislation and proposed budgets that may impact revenue/expenditures.
- 11. Any information concerning local/county economics that would have an impact for taxpayers.

603



# References:

School Code - 24 P.S. Sections 433, 601, 687

Tax Payer Relief Act - 53 P.S. 6926,301 et seq, 6926,302

Board Policy 604

#### **FINANCES**

#### 600 BUDGET ADOPTION

**CODE 604** 

#### SECTION 1. PURPOSE

It is the philosophy of the Board of School Directors that the annual budget represents the position of the Board, and all reasonable means shall be employed to present and explain the preliminary and final budgets to District residents. Board members and district administrators shall be knowledgeable about, and understand the need for, proposed expenditures.

#### SECTION 2. DEFINITION

Index – the tax rate limit that restricts the School District from increasing the rate of any tax for the support of District schools without seeking voter approval through referendum or an exception granted by the Pennsylvania Department of Education (PDE) or the Court of Common Pleas with jurisdiction.

#### SECTION 3. DELEGATION OF RESPONSIBILITY

The Board of School Directors directs the Superintendent and Business Manager to prepare both the preliminary and final budgets on the required forms; comply with advertising requirements; and make the budget documents and supporting information available in printed form for public inspection in the District administrative offices, in accordance with the timeline specified in law and Board policy.

#### SECTION 4. AUTHORITY

The Board of School Directors shall annually, but not later than the first business meeting of January, decide the budget option to be used for the following fiscal year. The Board of School Directors shall approve either the Accelerated Budget Process Option or the Board Resolution Option.

## Accelerated Budget Process Option

At least 150 days prior to the primary election, the Board of School Directors shall prepare and present a preliminary budget on the required form.

The preliminary budget shall be made available in printed form for public inspection at least 110 days prior to the primary election. Public inspection shall be available for at least twenty (20) days prior to planned adoption. The Board of School Directors shall give public notice of its intent to adopt at least ten (10) days prior to adoption of the preliminary budget.

The Board of School Directors may hold an advertised public hearing prior to adoption of the preliminary budget.

The Board of School Directors shall annually adopt the preliminary budget at least ninety (90) days prior to the primary election.

If the preliminary budget exceeds the increase authorized by the Index, an application for an exception may be filed with either a Court of Common Pleas with jurisdiction or the Pennsylvania Department of Education and made available for public inspection, consistent with the requirements of law. The application for an exception shall be submitted by the Superintendent.

However, the Board may substitute the filing of an application or an exception to the Index limit by submitting a referendum question seeking voter approval for a tax increase, in accordance with law.

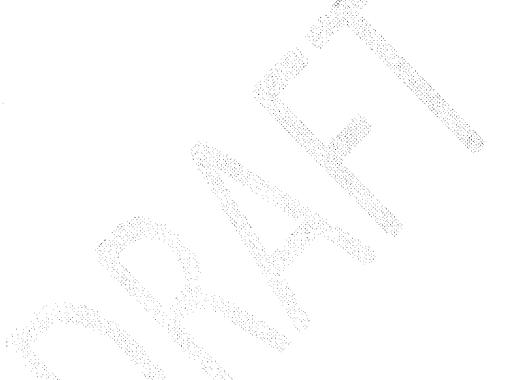
In the event that a court or the Pennsylvania Department of Education denies an application for an exception to the Index limit adopted as part of the preliminary budget, the Board of School Directors may approve immediate filing of a referendum question, as authorized by law, seeking voter approval for a tax rate that exceeds the Index. This filing shall be performed by the Superintendent.

Any referendum question shall include an accompanying nonlegal, interpretative statement referencing the expenditure items for which a tax increase is being sought and the consequences that will result if the referendum question fails. Such information shall be made available to the public through the District web site and/or media resources.

Prior to adoption, the final budget shall be presented to the Board of School Directors on the required form and supplemented with information deemed necessary by the Board.

The final budget shall be made available in print for public inspection at least twenty (20) days prior to final adoption. The Board of School Directors shall give notice of its intent to adopt at least ten (10) days prior to adoption of the final budget.

The Board of School Directors shall annually adopt the final budget by a majority vote of all members of the Board prior to June 30<sup>th</sup>.



References:

School Code - 24 P.S. Sections 508, 687

Tax Payer Relief Act - 53 P.S. 6926,301 et seq, 6926,311, 6926.312, 6926,333

#### **FINANCES**

**600 TAX LEVY** 

**CODE 605** 

SECTION 1. AUTHORITY

The Board of School Directors shall annually determine and establish School District taxes that are authorized by law, within the limitations imposed by applicable laws. The Board of School Directors shall provide the means to levy and collect such taxes.

The results of appeals pertaining to School District taxes shall be determined by Board action.

References:

School Code - 24 P.S. Sections 602, 603, 673, 673, 674, 676, 679, 680

Local Tax Enabling Law – 53 P.S. Section 6924.101 et seq.

Taxpayer Relief Act - 53 P.S. 6926,301 et seq.

#### **FINANCES**

#### 600 TAX COLLECTION/RATES

**CODE 606** 

#### SECTION 1. AUTHORITY

Real estate and per capita taxes provided for in the School Code shall be collected by the elected tax collector, who shall be properly bonded during the term of office.

All other taxes shall be collected by the elected and properly bonded tax collector or cooperative agency with other units of local government.

#### SECTION 2. DELEGATION OF RESPONSIBILITY

All taxes shall be collected and remitted to the District Business Manager within thirty (30) days of collection, with a report detailing the sources of tax revenues.

The Business Manager shall be responsible to ascertain that a tax collector is properly bonded and shall submit information on estimated collection required to set proper bond.

All monies received from the tax collectors shall be deposited on the day of receipt or within two (2) business days and all receipts shall be supported by documentary evidence.

Preparation of tax bills shall be conducted by a firm selected by the Board of School Directors.

The Board of School Directors authorizes the administration and the District's appointed delinquent tax collector to take action annually, in regards to all delinquent real estate taxpayers, to ensure that said delinquent taxes are recovered. An annual schedule of proceedings to be followed will be prepared.

#### SECTION 3. GUIDELINES

For the collection of School District real estate taxes in the Borough of South Greensburg, the Borough of Southwest Greensburg and Salem Township, the following rates apply:

- 1. 2 percent of the first \$300,000.00 collected
- 2. .5 percent in excess of the first \$300,000.00 collected
- 3. 5 percent on delinquent taxes

For the collection of School District delinquent earned income taxes in the Borough of South Greensburg, the Borough of Southwest Greensburg Salem Township, the following rate applies:

1. 5 percent of delinquent taxes

For the collection of per capita and occupation privilege taxes under Section 511 and Act 679 as enacted by the Greensburg Salem School District as authorized by law, the following rates apply:

- 1. 2 percent of amount collected, except
- 2. 5 percent of all delinquent taxes



606

Board Policy 606 incorporates, thereby replaces/eliminates old Board Policy 600.3 Tax Collection Rates

References:

School Code - 24 P.S. Section 684

Local Tax Enabling Law - 53 P.S. Section 6901 et. seq.

Taxpayer Relief Act - 53 P.S. 6926,301 et seq

**Board Policy 605** 

Policy/Resolution Adopted: February 14, 1977 Revised: March 18, 1980 Revised/Renumbered:

#### **FINANCES**

## **600 TUITION INCOME**

**CODE 607** 

#### SECTION 1. AUTHORITY

When the District receives students who are residents of another school district, it shall assess tuition charges in accordance with the School Code. Tuition shall be assessed for those students whose attendance has been approved by the Board of School Directors, in accordance with policy.

### SECTION 2. DELEGATION OF RESPONSIBILITY

It shall be the responsibility of the Business Manager to invoice tuition for approved students.

#### SECTION 3. GUIDELINES

Tuition rates shall be determined annually for secondary school, grades 6 to 12 and elementary school, grades K to 5.

Tuition billings may be made annually.

Board Policy 607 replaces/eliminates old Board Policy 600.2.1 Tuition from Hempfield Area School District

#### References:

School Code - 24 P.S., Sections 1301, 1306, 1307, 1308, 1309, 1310, 1313, 1316, 2561

**Board Policy 202** 

#### **FINANCES**

#### **600 BANK ACCOUNTS**

**CODE 608** 

#### SECTION 1. AUTHORITY

The Board of School Directors, by a majority vote of the full Board, shall designate one or more banks or bank and trust companies as depositories for the safeguarding of school funds.

Each depository shall be required to report monthly to the District on the status of funds, in the manner required by law.

Each designated depository shall furnish proper security for deposits in the amount designated by the Board of School Directors and in accordance with law.

#### SECTION 2. GUIDELINES

Each designated depository shall be advised not to cash checks payable to the School District but to deposit said checks to the district accounts.

The Board of School Directors shall periodically obtain quotations for specified banking services prior to designating its depositories.

References:

School Code - 24 P.S., Sections 440, 508, 621, 622, 623, 624, 625

#### **FINANCES**

#### 600 INVESTMENT OF DISTRICT FUNDS

**CODE 609** 

#### SECTION 1. PURPOSE

It shall be the policy of the Board of School Directors to optimize its return through investment of cash balances in such a way as to minimize noninvested balances and to maximize return on investments.

The primary objectives of investment activities, in priority order, shall be:

**Legality** – All investments shall be made in accordance with applicable laws of Pennsylvania.

**Safety** – Safety or principal shall be of highest priority. Preservation of capital in the portfolio of investments shall be ensured through the mitigation of credit risk and interest rate risk.

Liquidity – Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities concurrent with anticipated cash demands.

Yield – Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

#### SECTION 2. AUTHORITY

All investments of the School District made by an officer and/or employee of the district shall be made in accordance with this policy and a Board approved investment program.

#### SECTION 3. DEFINITIONS

**Short-term** – any period thirteen (13) months or less.

**Long-term** – any period exceeding forty-eight (48) months duration.

Mid-range - any period between short-term and long-term.

Concentration of credit risk – the risk associated with the consolidation of investments in a single pool, institution, or instrument.

**Credit risk** – the risk of loss of principal due to the failure of the security issue or backer of the issue.

**Custodial credit risk** – the risk of loss associated with consolidation of investments with a single institution where the district may rely on the institution to hold investments on behalf of the district or through collateral action when the instruments are not in the District name.

Foreign currency risk – the risk associated with investment in foreign currency that is subject to market fluctuation and associated currency conversion.

Interest rate risk – the risk that the market value of securities will fall due to changes in general interest rates.

**Investment program** – the specifically enumerated and Board approved investment strategy.

## SECTION 4. DELEGATION OF RESPONSIBILITY

The Business Manager will be the designated individual given the responsibility to manage the District's investment program, in accordance with written, Board approved procedures.

An annual review of the investment program shall be prepared by the Business Manager based upon the anticipated cash flow of all district funds, i.e. general, capital reserve, bond, etc. The investment program shall be submitted to the Board of School Directors no later than sixty (60) days after adoption of the annual budget.

The Business Manager shall report monthly to the Board of School Directors the following:

1. Amount of funds invested.

- 2. Interest earned and received to date.
- 3. Types and amounts of each investment and the interest rate on each.
- 4. Names of the institutions where investments are placed.
- 5. Current market value of the funds invested.
- 6. Other information required by the Board of School Directors.

The Board of School Directors directs the Superintendent to have developed written procedures that will ensure compliance with this policy. Such procedures shall include a disclosure form for designated individuals involved in the investment process and/or required written statements for advisors and bidders.

#### SECTION 5. GUIDELINES

Investments permitted by this policy are those defined in Section 440.1 of the School Code, as amended, which are collateralized in accordance with applicable laws.

All securities shall be purchased in the name of the School District, and custody of the securities shall be specified within the district's investment program.

An exception to purchases in the name of the School District is permitted for the purchase of shares of an investment company that is or conducts business voluntarily in compliance with SEC section 2a7.

All investment advisors or bidders shall verify in writing that they have received a copy of this policy. Such written statements shall indicate that they have read and understand this policy and all applicable statutes related to School District investments, along with their intent to comply fully with these requirements.

The District shall require all investment advisors/bidders to submit annually any or all of the following, as appropriate:

Audited financial statements.

- 2. Proof of National Association of Securities Dealers (NASD) certification.
- 3. Proof of state registration.
- 4. Provide annually the rating from a recognized rating agency.

## Disclosure

Designated officers and employees involved in the District's investment process shall disclose any personal business activity that could conflict with the proper execution and management of the investment program or could impair their ability to make impartial decisions.

#### Audit

The Board of School Directors directs that all investment records be subject to annual audit by the District's independent auditors.

The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.

It shall be the responsibility of the investment advisor and/or bidder to maintain necessary documents to permit independent audit of the District's investments.

#### **Bond Proceeds**

Bond proceeds shall be invested in accordance with the Local Government Unit Debt Act and applicable federal and state laws, subject to approval by the solicitor and/or bond counsel and the Board of School Directors and with the intent to avoid arbitrage in investment earnings.

Investment transactions arising from bond proceeds shall be reported monthly to the Board of School Directors, in accordance with this policy.

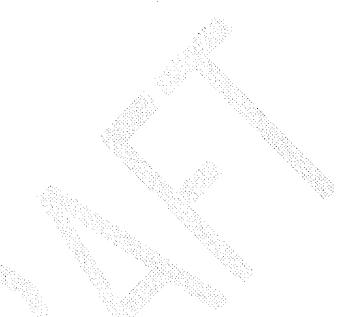
#### Compliance with GAAP

The following is intended to guide District investments as limited by Section 440.1 of the School Code:

- 1. District funds shall not be invested in foreign currency and shall not have any related risk that would require disclosure pursuant to GASB Statement 40.
- 2. District investments shall limit the exposure to loss of principal due to market changes in interest rates.
- 3. District investments in authorized instruments that are not backed by the "full faith and credit" of the federal or state government shall be limited to those with the highest credit rating available for such instruments issued by a recognized organization.

If, after purchase, the rating of any instrument is reduced and is no longer in compliance with this policy, the individual responsible for District investments shall advise the Board of School Directors at the earliest opportunity of such action and make recommendations for altering investments.

- 4. When District funds are invested in any one (1) issuer other than designated depository accounts (which includes external investment pools), and securities issued or explicitly guaranteed by the U.S. Government (owned directly by the District), the amount of the investment shall be unlimited, but the Board of School Directors shall be notified of such investment.
- For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.



#### References:

School Code - 24 P.S., Sections 218, 440.1, 621, 622, 623

Local Government Unit Debt Act - 53 PA. C.S.A. 8001 et. Seq, 8224

Public Officials and Employees Ethics Act - 65 PA C.S.A. 1101 et seq

U.S. Securities Exchange Commission - 17 Code of Federal Regulations, Part 270

Governmental Accounting Standards Board, Statement No. 40

#### **FINANCES**

#### 600 CRITERIA FOR INVESTMENTS

**CODE 609.1** 

The Greensburg Salem School District shall optimize the use of cash resources through the safe and lawful investments of its surplus cash balances aimed at maximizing the return on those investments.

District funds may be invested by the Business Manager in accordance with the following criteria:

- 1. In United States Treasury Bills.
- 2. In short-term obligations of the United States Government, its agencies, or instrumentalities backed by the full faith and credit of the United States of America.
- 3. In savings accounts, time deposits, or share accounts of institutions insured by the Federal Deposit Insurance Corporation to the extent that such accounts are lawfully secured and collateralized as more fully set forth in Section 621 and Section 622 of the Pennsylvania School Code, Act of 1949, P.L. 30, as amended or supplemented; or as secured by Act No. 72, Session of 1971 of the Pennsylvania General Assembly providing for a standardized procedure for pledging assets by banks to secure deposits of public funds.
- 4. In obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America; in obligations of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth of Pennsylvania; or in obligations of any political subdivision of the Commonwealth of Pennsylvania or any subdivision agencies or instrumentalities backed by the full faith and credit of the political subdivision.
- 5. Through arrangements with other municipalities or school districts pursuant to the Intergovernmental Cooperation Act provided that the investments made through such arrangements are themselves lawful investments under the School code.
- 6. In shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. 80a 1 et seq.), whose shares are registered under the Securities Act of

1933 (48 Stat. 74, 15 U.S.C. 77a - et seq.) provided that the following are met:

- a. Investments of that company are authorized investments for School District funds under Items 1-4 of this policy and repurchase agreements are fully collateralized by such investments.
- b. The investment company is managed so as to maintain its shares at a constant net value in accordance with 17 CFR 270 2-7 (relating to money market funds).
- c. The investment company is rated in the highest category by a nationally-recognized rating agency.
- d. The Board of School Directors shall have the authority, in making investments, to:
  - i.) Permit assets pledged as collateral under Item 3 of this policy to be pooled in accordance with the Act of August 6, 1971 (P.L. 281, No. 72) relating to pledges of assets to secure deposits of public funds.
  - ii.) Combine monies from more than one fund under District control for the purchase of a single investment, provided that each of the funds combined for the purpose shall be accounted for separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.
- 7. All securities and investments shall be purchased in the name of the Greensburg Salem School District and held in safe keeping by the investment institution, with written receipt and confirmation sent directly to the District, or shall be kept in the District's security vault.
- 8. Investments may be liquidated prior to their stated maturity in the event of unforeseen cash requirements.
- 9. A monthly report of the District's investments shall be provided to the Board of School Directors.

609.1

Board Policy 609.1 Criteria for Investments incorporates, thereby replaces/renumbers old Board Policy 600.6 Investments Policy

#### References:

School Code - 24 P.S., Sections 218, 440.1, 621, 622, 623

Local Government Unit Debt Act - 53 PA. C.S.A. 8001 et. seq, 8224

Public Officials and Employee Ethics Act – 65 PA C.S.A. 1101 et seq

U.S. Securities and Exchange Commission - 17 Code of Federal Regulations, Part 270

Governmental Accounting Standards Board, Statement No. 40

Policy Adopted: November 10, 2010

Policy Renumbered:

#### **FINANCES**

#### **600 STUDENT ACTIVITY FUNDS**

**CODE 618** 

#### SECTION 1. PURPOSE

The Board of School Directors is responsible for adopting and enforcing reasonable policy and rules regarding the management, supervision, control and prohibition of student activities, including raising and disbursing funds.

#### SECTION 2. DEFINITION

For purposes of this policy, **student activity funds** shall include the funds of Board-approved student groups. Student activity funds shall be raised by students and expended for purposes related to the activity, with student participation in the decision-making process regarding these areas.

#### SECTION 3. AUTHORITY

The Student Activity Funds shall be administered in accordance with Board policy and procedures. The Student Activity Funds shall be used to finance a program of activities not part of the regular curriculum. They will not be used to circumvent management or purchasing decisions, which were made for the District.

The Student Activity Funds shall be used for student activity purposes and for those students currently in school, particularly when those students have contributed to the accumulation of the funds.

The Student Activity Funds shall be collected and disbursed under the general direction of the building principal; however, the principal shall involve, in the decision-making process, those student groups and faculty members who are responsible for generating revenue for approved projects.

The Student Activity funds shall be managed in accordance with sound business practices.

#### SECTION 4. DELEGATION OF RESPONSIBILITY

The Board of School Directors is responsible for establishment of policies in conformance with state laws.

The Superintendent is responsible for implementing policies and establishing administrative regulations for Student Activity Funds.

The Principal of each school is responsible for working with students, implementing policies and regulations, and administering fiscal procedures.

The Business Manager and his local auditor shall evaluate the appropriate accounting procedures for the Student Activity Funds.

A building Secretary, designated by the building Principal, shall be responsible for maintaining appropriate fiscal records.

Faculty advisors are responsible for working with students in specific activities and carrying out administrative regulations.

Students who choose to participate in various activities shall be involved in the fiscal management of those activities. This is a learning activity, which may benefit interested pupils. Different activities groups will choose to have student officers, including a treasurer, who will work with the faculty advisor in carrying out financial procedures that are established.

#### SECTION 5. GUIDELINES

The Student Activity Fund for the Greensburg Salem School District will operate with separate accounts for each different activity at the building level. Each specific account will be operated by student organizations and classes under the supervision of faculty advisors.

The decentralized accounting for student activities will involve having bookkeeping functions performed at the building level. Single entry accounting procedures will be used. Each school will document the following:

- 1. Receipts Detailed descriptions of each deposit shall be recorded.
- 2. Expenditures Detailed descriptions of each disbursement shall be recorded including check numbers.

- 3. Cash Balance Daily cash balance shall be maintained.
- 4. Bank Reconciliation Each month all accounts shall be reconciled to the bank statements.

## **Operational Procedures**

- 1. Use of Activities Funds The student activity fund will not be used for small cash and check needs of other funds and organizations. Greensburg Salem Student Activity Funds should be used solely for their intended purposes.
- 2. Initiating Accounts/Terminating Accounts New programs, clubs, or organizations may be added as new accounts with the approval of the building principal. New accounts should not be established solely for individual charitable drives. Requests to the principals should be in writing and occur only after a need for the new financial account is determined.

Principals may terminate, at any time, any inactive account, which has a zero balance. The appropriate faculty advisor may request the principal to terminate an account. This request, in writing, should also state the planned disposition of any money or materials, which remain in the closed account.

- 3. Cash Payments All payments for activity fund purchases should be made by check. No expenses should be paid in cash directly from dues, collections, sales or other cash receipts.
- 4. **Signature on Checks** Two signatures will be required on all checks. The principal will be one of the persons and the other will be the secretary in charge of the activity funds. The persons signing checks shall require invoices and other evidence of obligation, properly approved by the faculty advisor and the student treasurer of the activity, before signing the check. The building Secretary has the responsibility of assuring sufficient funds in the specific account before signing the check.

#### Internal Controls

a. Receipts shall be written for the faculty advisor or student treasurer immediately upon receipt of money at the school

- office so its arrival is established for accounting and insurance purposes.
- b. Cash receipt should be deposited daily in the bank.
- c. Safes should be used for protecting money during the day. Amounts kept in safes overnight should be minimal.
- 6. Loans and Purchases Student activity funds shall not be used to make loans for any purpose. Student activity funds will not be used to make purchases for any individual or other organization. It is unlawful to use Student Activity Funds to make privileged or tax-free purchases for any school employee or other person.
- 7. Purchase Requisitions Purchases will be initiated by a purchase requisition. The purchase requisition will be a pre-printed form with space for delivery address, date, quantity, description of items or service being acquired, unit cost, total cost, and balance in the specific account, and signature of the treasurer and faculty advisor. The purchase requisition must be approved by the building principal. Purchases will not be made or authorized without first having sufficient funds in that specific account to cover the purchase in full.
- 8. **Employees** All School District employees who are paid by student activity funds for services shall be paid through the District's payroll with regular deduction.
- 9. **Bidding** Section 511 of the School Code requires that purchases of materials or supplies by any organization, club, class or group in excess of one thousand dollars (\$1,000.00) shall be made upon solicitation of three or more quotations or bids. Purchases must be made from the lowest responsible bidder on the basis of price, quality and service. Services such as those for prom hotels and music groups are not subject to bidding. Purchases of materials such as rings, yearbooks, and pictures, if made directly by the students and with no transactions and go through the Student Activity Funds, will not require bidding. If they are purchased through the Student Activity Fund, bidding is required. Long-term contracts may be desirable and services should certainly be considered when reviewing the bids.

- 10. Contracts Student groups may obligate themselves by contracts for materials, equipment or services with the approval of the faculty advisor and the building principal, provided that legal requirements for bidding and District policies are followed. Contracts, presented by vendors such as musical groups and yearbook publishers, should be reviewed by the Business Manager and/or Solicitor, as well as by the principal.
- 11. **Petty Cash** The Student Activity Fund will not have any petty cash funds.
- 12. Unused Funds When the interest of membership in a student club or organization, funded by the students themselves, declines to the point where organizational activities cease, and there is a financial balance in the account, the money may be returned to the remaining club members if they are still in school and can be identified readily and contributed to the balance; or, the balance may be transferred to the student council fund.

Graduating classes will have one year after graduation to determine the use of the unexpended balance. Documentation and signatures of the class officers shall be required before funds are released. After the time period has lapsed, the balance will be transferred to the student council fund.

- 13. **Scholarship Funds** Scholarships and memorial funds will not be accounted for under Student Activity Funds. Trust Funds should be used to properly account for these funds.
- 14. **Tickets** Pre-numbered documents and tickets are recommended for programs conducted by school clubs, classes, or organizations. The numbers must be used to control tickets distributed without charge, sold at reduced prices and sold at full price. A person independent of the ticket sellers must control ticket numbers.
- 15. **Fund Raising** Fund raising projects range from in-school sales of store items, food, dances, and entertainment to out-of-school sales of advertisements, gift items, candy, fruit, raffles, magazines, programs, car washes, concession sales and innumerable others. The Principal and Superintendent must determine which fund raising projects are appropriate for which clubs or organizations. Projects must be established in advance of approvals for fundraisers.

- 16. Sales Tax Pennsylvania sales tax must be collected and remitted when applicable.
- 17. **Commissions** The purchase of items for which commissions are paid will be avoided. A reduced sale price shall replace commissions.
- 18. Non-School Funds Student Activity Funds are not to be utilized for such non-school funds as faculty account, booster club accounts, PTA accounts and the like.
- 19. **Principal's Account** There shall not be an account whereby the principal has unilateral control. Principals, faculty advisors, or other employees shall not maintain a checking account or other cash funds for pupils without the knowledge and permission of the School District.

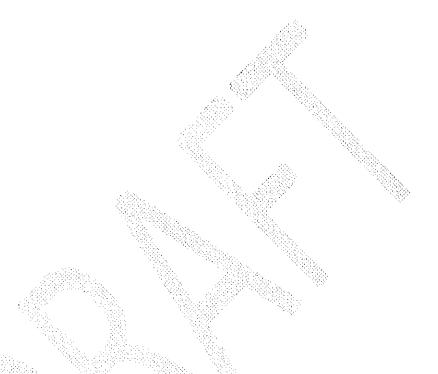
#### **Auditing**

Auditing is of two types, internal audit controls and external audits.

Internal audits are performed by School District personnel. Each school shall have a day-to-day checking of receipts, invoices and procedures. In addition, the building secretary shall submit a monthly status report of all individual accounts under their purview, which will be presented to the Board of School Directors on a quarterly basis. Negative balances in specific or individual accounts will not be tolerated.

External audits must be performed according to Section 2401 of the School Code. These audits must be performed by certified public accountants.

Periodically the Division of School Audits, Office of the Auditor General, conducts audits of all School District funds for each school year. School audits are performed to determine compliance with state laws and regulations and with the District's own policies. The auditor General may cite districts for improper procedures and inform the Board of School Directors and the Pennsylvania Department of Education, which may take appropriate action.



## References:

School Code - 24 P.S. Sections 440.1, 511, 623, 807.1

Board Policy - 000, 608, 609, 610

Policy Adopted: January 13, 1987 Revised:

#### **FINANCES**

#### 600 FUND BALANCE

**CODE 620** 

#### SECTION 1. PURPOSE

The Board of School Directors recognizes that the maintenance of a fund balance is essential to the preservation of the financial integrity of the School District and is fiscally advantageous for both the District and the taxpayer. This policy establishes goals and provides guidance concerning the desired level of year-end fund balance to be maintained by the District.

#### SECTION 2. DEFINITIONS

**Fund balance** is a measurement of available financial resources. Fund balance is the difference between assets and total liabilities in each fund.

GASB Statement 54 classifies fund balances based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the most binding constraints, fund balance amounts shall be reported in the following classifications:

Nonspendable - amounts that cannot be spent because they are in a nonspendable form (e.g., inventory) or legally or contractually required to be maintained intact (e.g., principal of a permanent fund).

**Restricted** – amounts limited by external parties, or legislation (e.g., grants or donations).

Committed -- amounts limited by Board policy (e.g. future anticipated costs).

Assigned – amounts that are intended for a particular purpose, such as a rate stabilization fund or segregation of an amount intended to be used at some time in the future.

Unassigned – amounts available for consumption or not restricted in any manner.

#### SECTION 3. GUIDELINES

The School District will strive to maintain an unassigned general fund balance of not less than three percent (3%) and not more than eight percent (8%) of the budgeted expenditures for that fiscal year.

The total fund balance, consisting of several portions including committed, assigned and unassigned, may not exceed eight percent (8%).

If the unassigned portion of the fund balance falls below the threshold of three percent (3%), the Board of School Directors will pursue variations of increasing revenues and decreasing expenditures, or a combination of both, until three percent (3%) is attained. If the assigned and unassigned portions of the fund balance exceed eight percent (8%) of the budgeted expenditures, the Board of School Directors may utilize a portion of the fund balance by appropriating excess funds for nonrecurring expenditures only.

## SECTION 4. DELEGATION OF RESPONSIBILITY

The responsibility for designating funds to specific classifications shall be as follows:

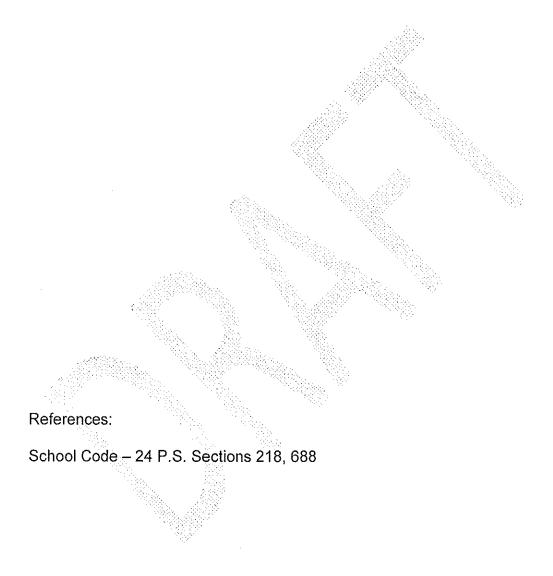
Nonspendable - may be assigned by the Business Manager.

Restricted - may be assigned by the Business Manager.

Committed - shall be assigned by the Board of School Directors.

Assigned - may be assigned by the Board of School Directors.

The Superintendent or his/her designee shall be responsible for the enforcement of this policy.



Policy Adopted: September 14, 2011 Revised:

#### **FINANCES**

#### **600 BUDGET TRANSFERS**

**CODE 627** 

#### SECTION 1. PURPOSE

Unforeseen events or changes in priorities, which occur during the year often require a redirection of budgeted funds. The budget is not intended to hinder these changes. Section 687 (d) of the Pennsylvania Public School Code permits school boards to approve budgetary transfers during the last nine (9) months of the fiscal year. Transfers may not be made after the end of the budgeted fiscal year. At the LEA level, any amendment that would change the budget requires formal board approval.

Budgetary transfers reallocate budgeted funds from appropriation/ subfunction or service area and purpose/object level to another. These budget changes are usually the result of unexpected levels of expenditures in certain categories requiring an amended budget for legal compliance. All necessary budget amendments must be formally adopted by the Board of School Directors and recorded in the minutes of the Board meeting.

To provide an adequate audit trail for budget amendments, the minutes should include the original budget amount by subfunction and major object; the amount of the amendment by subfunction and major object; and the amended budget amount by subfunction and major object.

#### SECTION 2. DEFINITIONS

The LECS (Labor, Education and Community Services) Comptroller's Office and auditor General's staff have agreed that budgetary transfers require the following Board approvals:

- 1. **For transfers between subfunctions** (i.e. subfunction 1100 to 1200) prior Board approval is required. For example, a transfer from 1100-100 to 1200-100.
- 2. For transfers between major objects within the same subfunction (i.e., object 300 to 400) subsequent Board approval is required. For example, a transfer from 1100-100 to 1100-200.

#### SECTION 3. GUIDELINES

Therefore, the Superintendent and Business Manager are authorized to make budget transfers between major objects within the same function and to notify the Board of School Directors at their next regular meeting. This permits the Superintendent and Business Manager to make budget transfers as they are needed and makes for a more efficient financial operation of the School District.

