

<b>POLICY TITLE:</b> FINANCIAL AND ASSET PROTECTION	<b>POLICY SECTION:</b> EXECUTIVE LIMITATIONS	<b>POLICY NO:</b> EL-3
<b>APPROVED BY:</b> BOARD	<b>REGULAR BOARD POLICY REVIEW FREQUENCY:</b> ODD YEARS (AUGUST)	<b>MONITORING OF SUPERINTENDENT FREQUENCY:</b> ANNUAL
<b>DATE APPROVED:</b> SEPTEMBER 28, 2010	<b>DATE REVIEWED / REVISED:</b> MAY 3, 2016, AUGUST 11, 2017, AUGUST 16, 2019, JUNE 1, 2021, AUGUST 16, 2023	

Financial planning, budgeting, and administration will:

- Focus on achieving the Board priorities established in the district Ends Policies and in the Superintendent’s aligned Ends Policy Interpretation and resulting district Strategic Plan.
- Not place the long-term financial health of the district in jeopardy.

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*EL-3a Financial and Budget Planning*

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Financial and Budget Planning

Accordingly, the Superintendent will not present to the Board a recommended budget which fails to include:

1. A comprehensive summary format understandable to the Board and the community.
2. Disclosure of major assumptions, including anticipated changes in state funding.
3. An adequate description of major funding sources and budget initiatives.
4. Evidence-based projections of revenues and expenses, for each major fund category, based on past performance including comparison of:
  - Expenditures for the most recently closed fiscal year.
  - Budgeted expenditures for the current fiscal year.
5. Plans for the expenditure in any fiscal year of more funds than are conservatively projected to be received or appropriated during the year unless otherwise approved by the Board in the context of a multi-year projection.
6. Plans for the reduction, without approval of the Board, of the unassigned general fund balance for any fiscal year to less than 3.0 percent of total expenditures.
7. Adequate resources for strategic plan implementation.
8. A separate and identifiable budget section for Board operations including adequate and reasonable budget support for Board development and other governance priorities, the costs of Board and committee meetings, Board memberships and Board legal fees.



9. Consideration for fiscal soundness in future years or ignores the building of organizational capabilities sufficient to achieve *Ends* in future years.
  10. Anticipated changes in employee compensation including potential negotiated agreements, legislative changes, increases, and benefits.
  11. The Superintendent will present state-required budgets for the General Fund, Capital Projects Fund, Debt Service Fund, Associated Scholar Body Fund and Transportation Vehicle fund to the Board for adoption no later than August 31.
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### *EL-3b Budget Execution*

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#### Budget Execution

With respect to execution of the budget, the Superintendent shall not cause or allow a material deviation from the annual budget or budget policy.

Accordingly, the Superintendent may not:

1. Expend more funds than are anticipated to be received in the fiscal year unless authorized by the Board.
  2. Fail to settle payroll and debts in a timely manner.
  3. Fail to ensure that Federal, State and local Administration Policies and Procedures governing procurement are followed.
  4. Allow reports or filings required by a state or federal agency to be overdue or inaccurately filed.
  5. Fail to arrange for or support the annual audit of all district funds and accounts.
  6. Fail to keep complete and accurate financial records by fund categories and accounts in accordance with established fiscal accounting procedures as reflected in generally accepted accounting principles.
  7. Fail to publish a financial condition statement annually as part of the district's annual report to the public.
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### *EL -3c Financial Condition*

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#### Financial Condition

With regard to the ongoing financial health and condition of the district, the Superintendent will not:

1. Fail to maintain and protect the minimum maintenance of the year-end general fund balance as budgeted.
2. Borrow from a financial institution without the approval of the Board.

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3. Use any restricted funds for non-designated purposes.
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*EL-3d Asset and Facilities Protection*

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Asset Protection

The Superintendent shall not allow assets to be unprotected, inadequately maintained, inappropriately used, or unnecessarily risked. In addition, the Superintendent will not fail to maximize the use of district assets and facilities.

Risk Management and Insurance

Accordingly, the Superintendent will not:

1. Fail to have a comprehensive risk management approach in place which minimizes and mitigates FWPS risks including internal controls for capital inventory.
2. Fail to have comprehensive insurance, including Directors' insurance that addresses the loss of assets belonging to FWPS and protects against claims of liability.
3. Unnecessarily expose the district, its Board, or staff to legal liability.

Cash Management and Procurement

4. Receive, process, or disburse funds under controls which are insufficient under Washington State's School Accounting Manual.
5. Allow unbonded personnel access to funds in excess of \$50,000.
6. Fail to ensure adequate protection against conflict of interest in the purchase process.

Public Image

7. Endanger the district's public image, reputation, or credibility, thereby jeopardizing the district's ability to accomplish its mission.
8. Modify the essence of the district's name and/or identity.

District Records and Intellectual Property

9. Fail to protect district information, including confidential information, files, from loss, damage, theft, and inappropriate use or access. Fail to ensure that Administrative Policy and Procedure 5248 Ownership of Employee and/or Scholar Produced Works is followed.

Internal Controls

10. Fail to ensure that appropriate internal controls, including approval processes are in place to safeguard the District against fraudulent activities.
11. Fail to ensure that expenses incurred by the Superintendent are approved by the Board.

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*EL-3e Real Property and Facilities Protection*

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Real Property and Facilities Protection

The Superintendent shall not fail to ensure district facilities are adequate, safe, clean, inviting and conducive to teaching and learning.

Further, the Superintendent may not:

1. Acquire, encumber, or dispose of real property without approval of Board.
2. Fail to maintain a long-range plan for managing and developing facilities.
  - a. Fail to involve key stakeholders in the long-range plan (such as the process of establishing school boundary adjustments and replacement of facilities).
3. Cause or allow actions that violate or materially deviate from voter-approved building and renovation projects, state law, state regulations, procurement code, or building codes.
4. Fail to develop a plan for public use of buildings and grounds that includes:
  - a. Definition of permitted uses;
  - b. A fair and reasonable fee structure;
  - c. Clear delineation of user expectations;
  - d. Consequences and enforcement procedures for public users who fail to follow the established rules.
5. Subject facilities and equipment to improper wear and tear and fail to ensure appropriate preventative maintenance.
6. Fail to conduct energy assessments and to make modifications, which result in energy savings.