

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 long-term financial health of the district in jeopardy.

The Superintendent shall:

1. Assure that payroll and legitimate debts of the district are promptly paid when due.
2. Assure that all purchases are based upon comparative prices of items of similar value, including consideration of both cost and long-term quality.
3. Use a competitive bidding procedure for the purchase of supplies, materials and equipment, and any contracted services except professional services, for all transactions in excess of \$50,000, except as otherwise provided by law.
4. Coordinate and cooperate with the Board's appointed financial auditor for an annual audit of all district funds and accounts.
5. Make all reasonable efforts to collect any funds due the district from any source.
6. Keep complete and accurate financial records by funds and accounts in accordance with Generally Accepted Accounting Principles.
7. Publish a financial condition statement annually.

The Superintendent shall not:

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.
9. Indebt the organization.
10. Expend monies from reserve fund balances as defined in OE-5.
11. Permanently transfer money from one fund to another without services rendered.
12. Allow any required reports to be overdue or inaccurately filed.

13. Receive, process or disburse funds under controls that are insufficient under generally accepted accounting principles.

OE-6.1

Superintendent's Interpretation: The school district has a very large payroll, by any business standard. For such a large, publicly visible business, with many employees and many vendors, an important part of good stewardship of taxpayer dollars is the prompt and accurate payment of payroll, bond and interest debt, and vendor bills.

Superintendent's Indicators of Compliance

Indicator 1: All payrolls will be over 99% accurate.

Indicator 2: 100% of payroll liabilities are accurately paid within the timeframes established by the IRS and federal and state laws.

Indicator 3: 100% of invoices are reviewed by 2 separate individuals for completeness and appropriateness before a vendor is paid.

Indicator 4: No vendor action is taken against the district for late payments.

OE-6.2

Superintendent's Interpretation: The board expects that the district purchase competitively.

Superintendent's Indicator of Compliance

Indicator 1: All purchases shall follow administrative policy related to purchasing.

OE-6.3

Superintendent's Interpretation: State statute requires that purchases or projects costing more than \$50,000 must be bid. Professional services may be excluded from the bid requirement based on direction from the board. However, 6.2 and 6.3 create an expectation that even for professional services, competitive bidding through requests for proposals and including cost as one element should be considered. This section does not apply to contracts for:

- The personal services of district employees.
- Textbooks and reference books.
- Articles not sold on the open market.
- Patented, copyrighted, or exclusively sold devices or features required to match articles already in use.
- Patented, copyrighted, or exclusively sold articles so distinctive that only one brand can be purchased.

- Building construction projects under chapter 48-01.2.
- School transportation services purchased under section 15.1-30-11.
- Vehicle fuel purchased under section 15.1-09-34.1.
- Heating fuel purchased under section 15.1-09-34.1.
- The purchase of a used motor vehicle, including a school bus, motorbus, or van, intended primarily for the transportation of students.
- Cooperative purchases with the office of management and budget under chapter 54-44.4.
- The purchase of products from prison industries under chapter 12-48.
- The purchase of products from work activity centers under chapter 25-16.2.
- Cooperative purchases made pursuant to a joint-powers agreement under chapter 54-40.3.

Superintendent's Indicator of Compliance

Indicator 1: The board approves 100% of purchases over \$50,000 that are subject to bid under NDCC 15.1-09-34.

OE-6.4

Superintendent's Interpretation: The statutorily required audit is an opportunity to be transparent, and to allow for examination of public resources can be affirmed continuously.

Superintendent's Indicator of Compliance

Indicator 1: The annual audit will be presented and reviewed at a public Board meeting.

OE-6.5

Superintendent's Interpretation: The board expects that the administration will be diligent in the collection of funds due the district by all sources of revenue.

Superintendent's Indicators of Compliance

Indicator 1: All state aid is collected.

Indicator 2: All local property taxes that are collected from the county auditor.

Indicator 3: All federal aid is collected.

Indicator 4: All child nutrition payments for meals served are collected. Any unpaid meal balances shall not exceed 1% of total meal payments.

OE-6.6

Superintendent's Interpretation: The School District shall account for all revenues and expenditures per the North Dakota School District Financial Accounting and Reporting Manual and use Generally Accepted Accounting Principles.

Superintendent's Indicator of Compliance

Indicator 1: The annual audit indicates compliance with accounting principles.

OE-6.7

Superintendent's Interpretation: The School District shall publish a report which contains fiscal information detail the financial condition of the district.

Superintendent's Indicators of Compliance

Indicator 1: The Annual Financial Report is presented to the board for acceptance and submitted to the North Dakota Department of Public Instruction (DPI) each year on or before the due date.

Indicator 2: The Annual Audit Report is published on the district's website immediately after acceptance of the board.

Indicator 3: The district shall publish an annual report with financial summary information included.

OE-6.8

Superintendent's Interpretation: The board expects that the district will not deficit spend. Any deviation from this may be done with board approval.

Superintendent's Indicator of Compliance

Indicator 1: Any deficit budgets (expenditures greater than revenues) are submit to approval by the board.

OE-6.9

Superintendent's Interpretation: Only the board may authorize debt excepting for voter approved bonds.

Superintendent's Indicator of Compliance

Indicator 1: 100% of new debt issues are board approved except for voter approved bonds.

OE-6.10

Superintendent's Interpretation: The superintendent must bring a recommendation to the board, which must approve the use of funds from reserve funds.

Superintendent's Indicator of Compliance

Indicator 1: Any reductions to the fund balance (reserve funds) must be included in the annual budget and subject to approval by the board.

OE-6.11

Superintendent's Interpretation: Only the board may approve transfers between Funds.

Superintendent's Indicator of Compliance

Indicator 1: Any Fund transfers shall be approved by the board.

OE-6.12

Superintendent's Interpretation: The board expects that the staff will work diligently to file required fiscal reports on time.

Superintendent's Indicator of Compliance

Indicator 1: 100% of DPI status and due date reports show compliance and accuracy.

OE-6.13

Superintendent's Interpretation: The board expects that there are sufficient internal controls and procedures, so that an audit will not reveal any material violations in the handling of funds.

Superintendent's Indicator of Compliance

Indicator 1: Annual Audit Report will show an unmodified opinion over all aspects of the financial statements and the major federal programs tested.

Indicator 2: Annual Audit Report will show no material weaknesses in internal control over financial reporting that relate to the receiving, processing, or disbursing of funds.

End of Bismarck Public School District Board Policy OE-6

Monitoring Method: Internal Report
Monitoring Frequency: Annually in December

Adopted: 4/23/2018,
Revised: 11/26/2018,
8/12/2019, 1/13/2020,
1/27/2020, 8/12/2024