



OE-5 Financial Administration

Policy Type: Operational Expectation

The Board believes in strong financial controls and in providing the community with an accurate, full and transparent accounting of how taxpayer dollars are spent in support of the Issaquah School District.

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 will:

- 5.1 Settle payroll and legitimate debts in a timely manner.
- 5.2 Follow aggressive bidding procedures which maximize value to the District.
- 5.3 Aggressively pursue receivables after a reasonable grace period.
- 5.4 Maintain an unrestricted reserve fund within the range of **3-7%** of the general fund budget.
- 5.5 Coordinate and cooperate with the financial auditor for an annual audit of all district funds and accounts.
- 5.6 Maintain sufficient reserves for start-up operating costs associated with new schools.
- 5.7 Assure that any purchase is based upon prudent judgment and sound financial practice, including:
 - a. Precaution against conflict of interest
 - b. Comparative prices based on items of similar quality
 - c. Balance between long-term quality and cost.
- 5.8 Keep complete and accurate financial records by funds and accounts in accordance with generally accepted accounting principles.
- 5.9 Publish a financial condition statement annually.

The Superintendent will not:

- 5.10 Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- 5.11 Use the Board-designated \$1,000,000 emergency reserve fund for any purpose other than emergency capital equipment or facility repair/replacement needs, nor fail to maintain the fund at an adequate level.
- 5.12 Undertake capital building projects without assurance of available funding.
- 5.13 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 and the Board authorized transfer of funds from reserve funds.
- 5.14 Indebt the organization or create obligations over a longer term than revenues can be safely projected or fail to establish provisions for modifying obligations in the event of revenue loss.
- 5.15 Permanently transfer unencumbered monies from one fund to another.
- 5.16 Receive, process or disburse funds under controls that are insufficient under generally accepted accounting principles.

December 14, 2005 – Adoption of Policy Governance

August 31, 2011 – Monitored, revised

August 27, 2014 – Monitored, revised

December 12, 2019- Revised

July 11, 2024 – Converted to Coherent Governance

December 12, 2024 – Collapsed Internal and External reports into one report, to start in the 2025-26 school year

Monitoring Method - Internal and External reports (prior to 2025-26)

Monitoring Method – Internal report (starting 2025-26 school year)

Monitoring Frequency - Semi-annually (prior to 2025-26)

- Internal – Annually

- External – Annually in June (upon receipt of state audit report)

- Annually (starting 2025-26 school year)