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## *Section D: Fiscal Management*

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## **FISCAL MANAGEMENT GOALS**

The Harding County School Board recognizes that money and money management compose the foundational support of the whole school program. To make that support as effective as possible, the School Board intends:

1. To encourage advance planning through the best possible budget procedures;
2. To explore all practical sources of dollar income;
3. To guide the expenditure of funds so as to extract the greatest educational returns;
4. To expect top-quality accounting and reporting procedures; and
5. To maintain a level of expenditure needed to provide high quality education without imposing an excessive tax burden on the community.

Adopted: April 11, 2016

## ANNUAL BUDGET

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Under law, the Harding County School District is required to adopt an annual budget setting forth revenues and expenditures. This annual school budget is the financial outline of the district's educational plan; it is also the legal basis for the establishment of tax levies to support public education within the district.

Public school budgeting is also regulated and controlled by legislation, state regulations and local Board requirements. The annual operating budget for the Harding County Schools will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The Harding County School District budget will be prepared by the Superintendent, with the assistance of the Business Manager, and presented to the School Board for review. The Superintendent will establish a time line for the preparation of the budget.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 10-12-29	<u>Annual school district levy report</u>
SDCL 10-12-42	<u>Annual levy for general fund</u>
SDCL 10-12-43	<u>Excess tax levy authorized</u>
SDCL 10-12-44	<u>County auditor authorized to raise additional revenue</u>
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-16-3	<u>General fund defined</u>



## FISCAL YEAR

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The fiscal year for all school funds will be July 1 through June 30. Financial reports for all funds will be presented for Board approval at the July meeting.

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Adopted: April 11, 2016

**Policy References:** Legal references indicate the basis or authority for the board to enact this policy, and policy cross-references identify additional policies related to the subject matter of the above policy.

State Reference	Description
SDCL 13-26-1	<u>School fiscal year</u>

## **BUDGET DEADLINES AND SCHEDULES**

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Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and Board policy.

The following will serve as a guideline in the scheduling of the budget:

January Budget preparation begins.

March Annual audit is requested.  
Review of proposed budget.

May The proposed amended budget for the next fiscal year will be considered at the regular Board meeting.

July 15 Deadline for publishing proposed budget and notice of hearing in the official newspaper.

July 31 Deadline for budget hearing.

September 30 Deadline for Board approval of budget for the anticipated obligations of each fund (except Trust and Agency) for the fiscal year. By resolution the School Board will adopt a levy in dollars or dollars per thousand of taxable valuation sufficient to meet the school budget for each fund.

September 30 Deadline for reporting to the county auditor the levy in dollars or dollars per thousand of taxable valuation adopted by the Board, on the forms prescribed by the county auditor.

In accordance with law, any changes in the proposed budget incorporated into the final budget, will be published in the minutes within 30 days after the final adoption of the budget.

Adopted: April 11, 2016

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**Policy References:** Legal references indicate the basis or authority for the board to enact this policy, and policy cross-references identify additional policies related to the subject matter of the above policy.

<b>State Reference</b>	<b>Description</b>
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-11-3	<u>Report of levy amount to county auditor</u>
SDCL 13-11-3.2	<u>Supplemental Budget</u>

## BUDGET PLANNING

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Budget planning for the Harding County School District will be an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the school system. Budget planning will be a year-round process involving broad participation by administrators, supervisors, teachers, other personnel throughout the school system, citizens and citizen groups.

The Superintendent, in cooperation with the Business Manager, will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar. Principals will develop and submit budget requests for their particular schools after seeking the advice and suggestions of staff members.

The budget request will reflect the Principal's judgment as to the most effective way to use resources in achieving progress toward educational objectives of the school.

The Board will give careful consideration to budget requests, review allocations for fairness and for their consistency with educational priorities of the school system.

Adopted: April 11, 2016

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**Policy References:** Legal references indicate the basis or authority for the board to enact this policy, and policy cross-references identify additional policies related to the subject matter of the above policy.

<b>State Reference</b>	<b>Description</b>
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-11-3	<u>Report of levy amount to county auditor</u>
SDCL 13-39-13	<u>Agreements with federal &amp; state agencies</u>

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**GENERAL FUND BALANCE**

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The Harding County School Board is committed to operating the district in a fiscally responsible manner while balancing student needs and the district's financial obligations.

To ensure the district has the resources necessary to meet ongoing and routine financial commitments, the district shall maintain a general fund balance at a level sufficient enough to cover the cash-flow needs of the district. The district may also hold in reserve a portion of the district's general fund that may be necessary to address long-term district financial plans or unanticipated emergency expenditures.

At least once per school year, the superintendent shall provide the board with recommendations regarding the management of the district's general fund balance, including financial information detailing the district's cash-flow and reserve needs.

Before the thirty-first day of August the Harding County School Board shall file an annual report with the Department of Education. The report shall contain all the educational and financial information and statistics of the school district as requested in a format established by the Department of Education. The report shall also contain, for each month of the fiscal year, the month-end cash balances of the District's general fund, capital outlay fund, pension fund, and special education fund. The business manager with assistance of the secretary of the Department of Education shall make the annual report, and it shall be approved by the school board. The business manager shall sign the annual report and file a copy with the Department of Education.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-13-10.1	<u>Definition of terms</u>
SDCL 13-16-3	<u>General fund defined</u>
SDCL 13-8-47	<u>Annual report to department</u>
<b>Policy Reference</b>	<b>Description</b>
	<u>FISCAL MANAGEMENT</u>
DA	<u>GOALS</u>
DB	<u>ANNUAL BUDGET</u>



## BUDGET ADOPTION PROCEDURES

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Adoption of the budget is solely the responsibility of the School Board. The Harding County School Board will adopt the budget following the public hearing for the proposed budget. The proposed budget will be published in the official newspaper at the time notice of the budget hearing is given.

If, as a result of the public hearing, it should be determined that certain changes in the budget are necessary, these changes will be made before the budget is adopted. Adoption of the budget by the School Board will be by roll call vote.

Following the adoption of the budget by the School Board, the tax levy in dollars or dollars per thousand of taxable valuation will be reported to the county auditor on the appropriate forms.

Adopted: April 11, 2016

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State Reference	Description
SDCL 13-11-2	<u>Adoption of annual school budget</u>
SDCL 13-11-2.1	<u>Contingency line item in budget</u>
SDCL 13-11-3	<u>Report of levy amount to county auditor</u>
SDCL 13-11-3.2	<u>Amendment of budget to utilize unobligated resources</u>

## **BUDGET IMPLEMENTATION**

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The Harding County School District budget serves as the control to direct and limit expenditures. Overall responsibility for this control rests with the Superintendent, who will establish the procedures for budget control and reporting throughout the district.

The Superintendent is authorized to spend money called for in the budget classification without further approval of the School Board.

School Board approval must be secured to expend money in excess of major budget classifications.

Adopted: April 11, 2016

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## **BUDGET TRANSFER AUTHORITY**

Transfer of surplus funds among the major classification of the budget or within a major classification of the budget will be subject to Harding County School Board approval.

In accordance with law, funds may not be transferred from the capital outlay fund or the special education fund. The school district is restricted from transferring any funds exclusive of federal funds from the general fund to the capital outlay fund.

Contingency funds may be transferred to any budget category, except capital outlay, with Board approval.

The unused portion of money that has been transferred into the special education fund may be transferred from the special education fund within the current fiscal year to the fund from which it originated.

All or any part of any school district fund may be loaned to any other district fund for a period not to exceed twenty-four months.

Adopted: April 11, 2016

### **State Reference**

SDCL 13-11-2.1  
SDCL 13-16-14  
SDCL 13-16-26

### **Description**

Contingency line item in budget  
Restriction on transfers from bond redemption fund  
Transfers between school district funds

## TAXING AND BORROWING AUTHORITY/LIMITATIONS

### TAXING

State law establishes the taxing authority of the school district. The school district establishes levies in accordance with South Dakota Property Tax Law, which may change annually.

The governing body of the Harding County School District may impose an excess tax levy with an affirmative two thirds vote of the governing body on or before July fifteenth of the year prior to the year taxes are payable. The decision may be referred upon a resolution of the governing body of the school district or by a petition signed by at least five percent of the registered voters in the school district.

For capital outlay funds, the tax levy cannot exceed 3 dollars per thousand dollars on the taxable valuation of the district, and for special education funds, the tax levy cannot exceed one dollar and forty cents per thousand dollars on taxable valuation. For taxes payable in 2011, 2012, 2013, 2014, and 2015, the levy limitation of one dollar and forty cents per thousand dollars of taxable valuation does not apply to any school district.

### BORROWING

By law, the Harding County School Board is permitted to borrow money in anticipation of the collection of taxes for the purpose of securing funds for school operations. The amount of money borrowed cannot exceed the sum of 95 percent of the amount of uncollected taxes levied for the current school fiscal year, plus other uncollected receivables (including state or federal money, not yet received, but) owed to the district.

Adopted: April 11, 2016

State Reference	Description
SD Constitution Article 13 §5	<u>Irrepealable tax to repay debt of municipality</u>
SDCL 10-12-29	<u>Annual school district levy report</u>
SDCL 10-12-42	<u>Annual levy for general fund</u>
SDCL 10-12-43	<u>Excess tax levy authorized</u>
SDCL 10-13-36	<u>Excess tax levy authorized</u>
SDCL 13-10-6	<u>Tax levy for school retirement system</u>
SDCL 13-15-12	<u>Financing of interstate joint facilities</u>
SDCL 13-15-13	<u>Location of Interstate joint facilities</u>
SDCL 13-16-10	<u>Annual levy to pay district bonds</u>
SDCL 13-16-11	<u>Levy of annual tax for district bonds</u>
SDCL 13-16-12	<u>Refunding bond proceeds in bond redemption fund</u>
SDCL 13-16-13	<u>Tax proceeds paid into bond redemption fund</u>
SDCL 13-16-14	<u>Restriction on transfers from bond redemption fund</u>
SDCL 13-19	<u>School district bonds and notes</u>
SDCL 13-37-16	<u>District tax levy for special education</u>

## FUNDING PROPOSALS AND APPLICATIONS

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The Superintendent will apprise the Harding County School Board of district eligibility for federal, state and foundation grants. The Board will seek and use all funding that is consistent with the advancement of the educational program of the district and the policies of the Harding County School Board.

The preparation of these proposals will be supervised by the Superintendent and will be coordinated with the budgetary practices and capital improvement program of the district.

Adopted: April 11, 2016

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State Reference	Description
SDCL 13-39-13	<u>Agreements with federal &amp; state agencies</u>

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**REVENUES FROM TAX SOURCES**

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In an attempt to provide the best education possible within the financial resources available, the Harding County School Board will:

1. Request adequate local funds for the operation of the school district. The amount of the financial support requested will yield sufficient revenue for the total expenses of the school district.
2. Accept all available state funds to which the district is entitled by law or through state regulations.
3. Accept all federal funds that are available providing there is a specific need for them and matching funds that are required are available.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-11-7	<u>Monthly payments to school districts</u>
SDCL 13-13	<u>General state aid to schools – Sections 1-41</u>
SDCL 13-14	<u>Grants and donations to schools – Sections 1-5)</u>

## REVENUE AVAILABILITY CRITERION

Revenues are considered to be available when they are collectible within the current period of soon enough thereafter to pay liabilities of the current period. For this purpose, the Harding County School District considered revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes are levied on an annual basis. On the fund financial statements, the portion of the property tax levies that have not been collected by the end of the fiscal year and are not available will be considered deferred revenue.

(GASB 1600.106)

Adopted: February 14, 2005

Reviewed: April 11, 2016

Note: This policy was adopted as a duplicated "DE" and the coding was adjusted to the correct file following adoption.



**OPERATING VS NONOPERATING REVENUES AND EXPENSES**

The Food Service Fund of the Harding County School District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing goods relating to the food service operation. Principal operating revenues of this operation are meal charges. Non-operating revenues include grants, donated commodities and interest earned. Operating expenses of the food service operation include salaries and benefits, food purchases and depreciation. The loss on disposal of capital assets is a non-operating cost.

(GASB P80.118)

Adopted: March 14, 2005

Reviewed: April 11, 2016



## REVENUES FROM INVESTMENTS

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School district funds not in use will be invested in savings accounts, time deposits or in bonds or securities issued and guaranteed by the United States government. Interest earned on such investment will be credited to the respective fund or to the general fund.

In accordance with law, money in any bond redemption fund, may be invested in any of the above-mentioned securities, provided the bonds become due and payable before the payment date of the bonds.

The Harding County School Board will approve the investment of all funds, and this approval will be filed and recorded by the business manager.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-16-18	<u>Deposit and investment of fund accumulations</u>
SDCL 4-5-11	<u>Supplemental authority for investment of public funds</u>
SDCL 4-5-5	<u>Investment of political subdivision funds</u>
SDCL 4-5-8	<u>Investment policies for local funds</u>
SDCL 4-5-9	<u>Custody or deposit of investments</u>

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**REVENUES FROM SCHOOL-OWNED REAL ESTATE**

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In accordance with state law, the Harding County School Board may approve the leasing of any of its real estate for the exploration of oil and gas and its development. Property leased will not interfere with the purposes of the school district. Revenues received from the leasing of such property will be directed into the school district general fund.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-24-10	<u>Maximum term of leases of school property</u>
SDCL 13-24-5	<u>Oil and gas exploration and leases authorized</u>
SDCL 13-24-6	<u>Unitization of oil and gas development authorized</u>
SDCL 13-24-7	<u>Oil &amp; gas leases not to interfere with school purposes</u>
SDCL 13-24-8	<u>Oil and gas proceeds paid into district general fund</u>
SDCL 5-2-12	<u>Mineral reservation in leases</u>
SDCL 5-2-13	<u>Proceeds from sale or lease of reserved minerals</u>

**RESTRICTED AND UNRESTRICTED RESOURCES**

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

(GASB 2300.106 (12))

Adopted: March 14, 2005

Reviewed: April 11, 2016

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**DEPOSITORY OF FUNDS**

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As provided by law, the Harding County School Board will designate a bank depository or depositories for the funds of the school district. It will be the responsibility of the business manager to deposit the money belonging to the school district in the designated bank depository or depositories.

The county auditor and county treasurer will be notified by the business manager as to the designated depositories. The county treasurer will be responsible for transferring all money received during the prior month on behalf of the Harding County School District to the depository by the twentieth of the month.

Adopted: April 11, 2016

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**State Reference**

SDCL 13-11-7

SDCL 13-16-15

SDCL 13-16-15.1

SDCL 13-16-18

SDCL 13-8-10

SDCL 4-6A

**Description**Monthly payments to school districtsDesignation of depositories for school districtSavings and loan associations as depositoriesDeposit and investment of fund accumulationsMeetings of boardInsurance of Public Deposits

## AUTHORIZED SIGNATURES

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The business manager will draw and sign all checks or warrants for the payment of verified vouchers approved for payment by the Harding County School Board. Every check or warrant will be countersigned by the president or any Board member designated by the Board. The check or warrant will specify the person, firm or corporation to whom paid.

No check or warrant will be drawn by the business manager except for the indebtedness incurred prior to its issue and upon the presentation of an itemized invoice, duly verified. The invoice and verification will be retained by the business manager and placed on file in that office.

*Notes: SDCL 13-8-26 authorizes the Board to designate any board member(s) to countersign all checks and warrants in the absence of the School Board President. ASBSD recommends the Board designate such other board member(s) at the July school board reorganization meeting.*

Adopted: April 11, 2016

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State Reference	Description
SDCL 13-18-2	<u>Contents and signing of checks and warrants</u>
SDCL 13-18-8	<u>Business manager's check register</u>
SDCL 13-8-26	<u>Duties of president of school board</u>



## **CREDIT CARD USE AND ELECTRONIC TRANSACTIONS**

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The Harding County School District is committed to using its financial resources wisely. The Board recognizes that credit cards and electronic transactions may provide school employees with a convenient payment option and may also improve business office efficiency.

Credit Cards: The Board authorizes the use of credit card or electronic payment for official district purchases and acquisitions. The Business Manager is responsible for authorization and control of the use of credit cards, subject to the final School Board approval of payments.

Authorized use of the credit card is limited to the person in whose name the card is issued and may not be loaned to another person.

The credit card is for business-related purposes only. It may not be used for personal purchases. The credit card is Harding County School District property and should be used only for authorized School District purchases. Only the Business Manager is authorized to use the credit card when scheduling travel by District employees and/or consultants retained by the District as speakers, presenters, etc., including registration fees, lodging and airline tickets. The Business Manager is authorized to use a District credit card to purchase items online that cannot be reasonably purchased elsewhere or when purchasing or paying for items online results in significant savings. The Business Manager is also authorized to use the credit card for prepayment of items/services when required by a vendor or in instances of savings to the District.

The items listed below are Harding County School Board authorized purchases. All other credit card purchases require prior approval from the Business Manager.

### **Authorized Credit Card Purchases:**

Maintenance/repair/operations, facilities maintenance expenses, office supplies, stationery, forms, printing, books, periodicals, subscriptions, DVD'S, CD's, computer supplies and maintenance, safety equipment or supplies, catering or small dining services, medical supplies, screen printing, repetitive/consistent purchases, lodging, mileage, car rentals (mileage, lodging and car rentals must be pre-approved by the employee's supervisor and Business Manager)

The card users shall submit charge card receipts to the Business Manager no later than the date established by the Business Manager.

The Business Manager shall audit the charge card receipts, reconcile the charge card statement and process the charges for payment.

Cardholders, with the exception of the Business Manager, are not allowed to use the credit card for purchases greater than \$1000 without prior school board authorization. The Business



A department manager is not authorized to use the credit card for purchases greater than \$5,000 each.

Any cardholder benefits or revenue generated from the use of district-issued credit or purchase cards shall be for the exclusive use of the school district. Employees shall reimburse the Harding County School District for any charges that are disallowed by the employee's supervisor, the Business Manager or the School Board. Employees must return the credit card to the Business Manager or School Board upon being directed to do so by the Business Manager or School Board.

Electronic Transfers: The Business Manager is authorized to electronically transfer funds for such purposes as may be specifically authorized by the Board. \*

Adopted: April 11, 2016

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**State Reference**

SDCL 4-3-27

**Description**

Credit card use for purchases

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**BONDED EMPLOYEES AND OFFICERS**

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The Harding County School District business manager must be bonded for an amount determined by the School Board. The bond of the business manager will not be less than the amount that may come into the possession of that business manager at any one time during the school fiscal year.

School personnel authorized to be in charge of trust and agency funds must also be bonded. When several school district personnel need to be bonded, the Harding County School Board will approve a blanket bond.

Adopted: April 11, 2016

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**State Reference**

SDCL 13-16-19

SDCL 13-16-20

SDCL 13-8-18

SDCL 13-8-19

SDCL 13-8-20

SDCL 13-8-21

SDCL 3-1-5

SDCL 3-1-8

SDCL 3-19-1

SDCL 3-19-2

SDCL 3-19-3

**Description**Stewardship of agency fundsDisbursements authorizedAmount of business manager's bondApproval and filing of bondsNew or additional bond requiredAction on bond after defaultOath of office for civil officersActing as officer without qualifying – misdemeanorPayment or indemnity allowed for claims against officersMaximum payment or indemnityDetermination of payment**Policy Reference**

CGA

**Description**BUSINESS MANAGER JOB DESCRIPTION

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**FISCAL ACCOUNTING AND REPORTING**

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The Business Manager will be designated by the Harding County School Board to be responsible for receiving and properly accounting for all funds of the district.

The Uniform Financial Accounting System for South Dakota School Districts will be used to record receipts and disbursements of the district.

The Business Manager will report all financial information to the state as required. The School Board will receive monthly financial reports from the business manager that will include a statement of operating receipts and expenditures, and balance on hand in the several funds, a budget position report, and any other financial information that should be brought to the Board's attention.

Adopted: April 11, 2016

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**State Reference**

SDCL 13-16-19

SDCL 4-11-6

**Description**Stewardship of agency fundsAccounting manual

## **BASIS OF ACCOUNTING**

The government-wide financial statements of the Harding County School District will be prepared using the economic resources measurement focus and the accrual basis of accounting, as will the proprietary fund and fiduciary fund financial statements. Governmental fund financial statements will be reported using the current financial resources measurement focus and the modified accrual basis of accounting.

(GASB 1600.103)

Adopted: February 14, 2015

Reviewed: April 11, 2016

## TYPES OF FUNDS

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Harding County School District funds are all moneys received by the school district or schools within the district or as a result of an activity carried on by the district.

All school district funds will be dispensed among the following funds: the general fund; capital outlay fund; special education fund; public service enterprise fund; trust and agency fund; or bond redemption fund.

Sources for school district funds include: income from school property; school district borrowing through bonds or promissory notes; taxes; funds received from federal, state or other political subdivisions; funds received from individuals or organizations through paid admission, payments for materials, services, gifts or trusts; funds received from fines and penalties; and any other funds received by the school district or schools from any other source.

Adopted: April 11, 2016

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State Reference	Description
SDCL 13-16-1	<u>Sources of school district funds</u>
SDCL 13-16-2	<u>Types of funds enumerated</u>
SDCL 13-16-3	<u>General fund defined</u>
SDCL 13-16-4	<u>Lease payments from general fund in federally affected areas</u>

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**FINANCIAL REPORTS AND STATEMENTS**

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It will be the responsibility of the Harding County School District Business Manager to prepare monthly financial reports for the Harding County School Board's review. Reports will include budget, trust or agency funds, and special accounts.

At the close of the fiscal year, the business manager will report to the county auditor the total indebtedness of the district, the purpose for which issued, the liabilities, assets, resources and expenditures, and the total receipts and disbursements.

An annual report will be filed with the Department of Education.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-16-21	<u>Monthly and annual reports on funds</u>
SDCL 13-8-47	<u>Annual report to department</u>
SDCL 6-9-1	<u>Filing of annual fiscal reports</u>
<b>Policy Reference</b>	<b>Description</b>
CGA	<u>BUSINESS MANAGER JOB</u> <u>DESCRIPTION</u>



## INVENTORIES

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The Harding County School District shall annually cause an inventory of personal property to be made and placed on file with the business manager by July 10. Personal property with an original value greater than \$5,000 shall be included in the inventory.

General fixed assets are divided into five main classes: land, buildings, improvements (other than buildings), equipment, and construction work in progress. Fixed assets may be marked by a permanent method of identification. Periodic inventories should be taken by personnel designated by the superintendent. Generally accepted accounting principles require that each school adopt a dollar value indicating which fixed assets should be capitalized.

In the acquisition of or additions to real property, plant, or equipment, any expenditure of one thousand dollars (\$1,000) or more shall be paid from the capital outlay fund. The \$1,000 limitation shall apply to the total of each asset type on an invoice. Equipment purchases per invoice of less than \$1,000 may be acquired from either the general or capital outlay fund.

Adopted: May 10, 2004  
(Retroactive to June 30, 2003)

Reviewed: April 11, 2016

<b>State Reference</b>	<b>Description</b>
ARSD 10:02:01:01	<u>Public personal property requiring inventory</u>
SDCL 13-16-6	<u>Definition and use of capital outlay fund</u>
SDCL 5-24-1	<u>Annual inventory of personal property</u>
SDCL 5-24-3	<u>Place of filing of duplicate inventories</u>

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**AUDITS**

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For any necessary reason, an audit of the books of the Harding County School District may be called at any time by the Harding County School Board or the electors of the district by petition signed by 20 percent of the resident taxpayers of the district as shown by the assessment roles of the preceding year, or by the Auditor General.

The Harding County School District shall have financial and compliance audits performed at least every two years. The audit may be done by the Department of Legislative Audit or by a private firm authorized by law to audit financial records of school districts.

Trust and agency funds of the school district must be internally audited annually by a person selected by the Board.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 13-16-28	<u>Audit of school district books called by state</u>
SDCL 4-11-12	<u>Publication of notice</u>
SDCL 4-11-13	<u>Copies of audit reports received in evidence</u>
SDCL 4-11-14	<u>Civil action to recover misappropriated funds</u>
SDCL 4-11-15	<u>Notice to attorney general of civil actions</u>
SDCL 4-11-16	<u>Attorney general to oversee civil actions</u>
SDCL 4-11-17	<u>Attorney general to assist and supervise prosecutions</u>
SDCL 4-11-18	<u>Costs of audits</u>
SDCL 4-11-19	<u>Deposit and crediting of reimbursed amounts</u>
SDCL 4-11-7.1	<u>School district audit by private auditing firm</u>
SDCL 4-11-7.2	<u>Publication of school district audit results</u>
SDCL 4-11-9	<u>Reports of audits</u>

## PURCHASING

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The Harding County School Board believes the function of purchasing is to serve the educational program by providing the necessary supplies, equipment and services.

The Harding County School Board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended. The Board will abide by the letter and the spirit of all laws and regulations relating to purchases by the school district and the control of its finances and property. All contracts must be approved by the School Board in order to be binding on the school district.

Within the framework of applicable laws and regulations, purchases and use of materials and manpower will be made in accordance with good business practices with the primary purpose of serving the instructional program.

The Superintendent will serve as the purchasing agent. The Superintendent will develop and administer the purchasing program for the schools with the assistance of the business manager, within the legal requirements and the adopted school budget.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the Superintendent, with such exceptions as may be made by the latter for emergency purchases and those made with petty cash funds.

Adopted: April 11, 2016

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### State Reference

SDCL 13-16-24

SDCL 13-20-1

SDCL 13-20-3

### Description

Unlawful contracts and warrants void

Board approval required for contracts

Contracts let in accordance with public agency procurement law

## PETTY CASH ACCOUNTS

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In accordance with law, the Harding County School Board may establish petty cash accounts for the schools in the district, not to exceed the amount of \$100 in each account. This account may be used to facilitate refunds and minor purchases of the school district.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After a budget item is exhausted, no expenditures against the item may be made from petty cash.

The Business Manager will authorize an employee in each school to be accountable for the petty cash account. Disbursements from the account will not require Board approval or the signature of the Board president or the business manager.

Adopted: April 11, 2016

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**State Reference**  
SDCL 13-18-16

**Description**  
Petty cash account



## INCIDENTAL ACCOUNTS

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In accordance with law, the Harding County School Board may establish an incidental account in an amount determined by the board by setting aside, on an imprest basis, \$5,000. from the general fund. This fund may be used for advanced payment or for claims requiring immediate payment, not to exceed the amount established by the board.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After the budget item is exhausted, no expenditures against the item may be made from the incidental account. The board will authorize an employee in each school to be accountable for the incidental account.

All expenditures from this account shall be listed with other bills in the regular school board proceedings.

A detailed account of expenditures from the incidental account shall be presented at regular intervals not to exceed one month with all vouchers and receipts subject to audit.

Adopted: April 11, 2016

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State Reference	Description
SDCL 13-18-17	<u>Incidental account</u>



## **BIDDING REQUIREMENTS**

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In accordance with state bidding laws, bidding is required when a purchase or contract equal to or exceeding \$25,000 is anticipated, or if the contract is for the construction of a public improvement in excess of \$50,000 except in the following cases:

1. For the purchase of utility services such as electric power, lights, water or gas.
2. Purchases of materials, supplies or equipment from the United States or its agencies including Federal surplus property.
3. Equipment repair contracts.
4. Purchasing textbooks and text-related workbooks.
5. When purchasing facilities, equipment and supplies from another public corporation or at public auctions if in compliance with South Dakota Law.
6. Purchases from the lowest bidder of an item contained on the state price list or from any vendor for the exact same item if less than the state price list.
7. Purchases from the lowest responsible bidder of an item competitively bid by any local government within the previous twelve months unless trade in allowances are involved.
8. Purchases of raw materials used in construction or manufacture of products for resale, and contracts for asbestos removal in emergency response actions, real estate services and auction services.
9. For services provided by individuals or firms for consultants, audits, legal services, architectural and engineering services, insurance and transportation of students.
10. Purchases of computer programs and software, communication technologies, computers, peripheral equipment and related connectivity.
11. Change orders to an existing contract for construction, reconstruction or remodeling that are in compliance with South Dakota Law.
12. Purchases of real property having a particular use or benefit.
13. Guaranteed energy savings contracts.
14. Purchases of perishable or unprepared foodstuffs.

15. Upon the purchase of copyrighted materials that are copyrighted by only one company.
16. If there is only one source for the required service or item of tangible personal property other than construction services or equipment.
17. An emergency due to a casualty loss, natural disaster or sudden deterioration resulting in destruction to a vital piece of equipment which would require closing of school, or which will endanger the usefulness of remaining school property.

Bids for materials, supplies or equipment will be advertised and printed in the official newspaper of the Harding County School District at least twice, the first publication at least ten days prior to the opening of bids. The advertisement will state the time and place the bids will be opened and passed upon by the Harding County School Board. In the notice the Board will reserve the right to reject any and all bids.

When the contract is for the construction of a public improvement the advertisement must state where the plans and specifications may be examined. In specifying or purchasing goods, merchandise, supplies or equipment, the Board will not specify any trade-mark or copyrighted brand on any product or any patented product, apparatus, device or equipment where proper competition will be prevented unless bidders also are asked for bids or offers upon other articles of like nature, utility and merit, and naming the make or brand to indicate the type or quality specified.

The sealed bids will be publicly opened and read at the time and place stated in the advertisement. Any bid may be withdrawn or modified before the time of opening as specified in the advertisement. Unless all bids presented are rejected, the lowest responsible bid, in all cases must be accepted.

If after advertising for bids no bids are received the Board may negotiate a contract for the purchase of the materials, supplies or equipment at the most advantageous price. However, such materials, supplies or equipment will meet the specifications of the original advertisement for bids.

The Board will contact and attempt to obtain competitive quotations from at least three suppliers. A record of the names of the suppliers, the quotations received and the procurement procedures used in purchasing will be documented, noted in the minutes, and retained on file by the Board. The Board may reject all bids and negotiate a contract if after advertising no firm competitive bids are received.

When supplies or equipment, or construction or remodeling services are to be purchased the Board may require a reasonable deposit or bid bond by the bidders. The deposit or bonds must be returned to unsuccessful bidders immediately. No more than 30 days will elapse between opening of bids and acceptance of the lowest responsible bidder or rejection of all bids.

When supplies and equipment are received they will be opened and inspected by the

purchasing agent, and compared with the written order to see that they were received as ordered and in acceptable condition for payment. If someone other than the purchasing agent, receives such supplies or equipment for the school district, this person will be required to sign the voucher for payment to the effect that they were received as ordered. The purchasing agent of the school district will sign all vouchers before the Board authorizes their payment.

Adopted: April 11, 2016

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<b>State Reference</b>	<b>Description</b>
SDCL 1-33B-9	<u>Contracts not subject to Chap 5-18A</u>
SDCL 13-16-6.1	<u>Bidders agreement to state rate and schedule</u>
SDCL 13-20	<u>School district purchases and contracts</u>
SDCL 5-18A	<u>Public Agency Procurement</u>
SDCL 5-18B	<u>Procurement of Public Improvements</u>
SDCL 5-18C	<u>Procurement by Local Government Units</u>
SDCL 5-18D	<u>Procurement by State Agencies</u>



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**LOCAL PURCHASING**

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In accordance with state law, the Harding County School Board will give preference to products found, produced or manufactured within the State of South Dakota when purchasing materials, products and supplies for the school district.

Contracts may be awarded to out-of-state bidders if the service or product required cannot be provided by an in-state bidder. A resident bidder shall be given preference on a contract against the bid of any bidder from any other state that has a bidder preference law. The preference given shall be equal to the preference of the other state. In bids for milk or milk products the resident bidder shall receive the local bid contract if his bid is equal to, or within, five percent or less of any other bidder.

Adopted: April 11, 2016

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**State Reference**

SDCL 5-18A-25

SDCL 5-18A-26

SDCL 6-1-2

**Description**Preferences for servicesResident bidder preferenceConditions which contract with local officer permitted

## PURCHASING PROCEDURES

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All materials to be ordered by the Harding County School District staff, whether for local or out-of-town orders, must be requisitioned through the Superintendent's office for processing by the business office. The business office will maintain a central record system for the purpose of combining orders, avoiding duplication of purchases, taking full advantage of lowered prices for bulk purchasing, to follow up on delayed orders of delivery and to reconcile deliveries to orders before payment is made. This delivery control will be applied to all purchases, regardless of point of delivery.

Principals and department heads will examine carefully all requisitions submitted by teachers, custodians and other employees for supplies, equipment and services. They will be responsible for verifying that items requested are needed before signing the requisition and sending it to the Superintendent.

All orders must include the name and address of the supplier as well as the purchase price. If the exact price is unavailable, an estimate of the cost should be given.

If any person orders materials other than through the Superintendent's office he will be responsible for their payment.

Adopted: August 25, 1986

Reviewed: April 11, 2016

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**EXPENSE REIMBURSEMENTS TO STUDENTS**

A meal allowance at the rate of \$5.00 per meal, up to \$15.00 per day, will be paid to students of the Harding County School District who participate in district, regional, and state activities or other school-sponsored events. Payment for each even will be authorized by the school administration.

Adopted: March 14, 1988

Revised: May 12, 2008

Reviewed: April 11, 2016

## **VENDOR RELATIONS**

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The Harding County School Board wishes to maintain good working relations with vendors who supply materials, supplies and services to the district. Constructive efforts by the administration to seek the advice and counsel of vendors about how to improve such relationships are encouraged, subject to the limitations of the district's policies.

School officials involved in the selection or purchase of materials and services shall abide by district conflict of interest policies and avoid situations that could interfere, or appear to interfere, with the ability to make free and independent decisions regarding purchases on behalf of the district.

Each purchase shall be made with a commitment to the ethical expenditure of district resources and on the basis of quality, price and delivery, with past service being a factor if all other considerations are equal. Vendors have no obligation to contribute to solicitations from schools and any contributions on behalf of vendors shall be accepted according to applicable district policies with the expectation that the district shall not extend favoritism to any vendor.

No employee shall endorse any product of any type or kind in such manner as will identify him/her in any way as an employee of the Harding County School District.

## **SOLICITATIONS**

Suppliers are encouraged to submit information about their products to the District's purchasing supervisor. The purchasing supervisor will meet with vendors to discuss their products as time and schedule allow.

## **VENDOR RELATIONS WITH SCHOOLS, STAFF AND STUDENTS**

No agent or salesperson shall be permitted to discuss business propositions, to distribute business propositions, or to canvass students and/or employees on district property unless approved by the Superintendent or a designee.

School officials shall not accept gifts from suppliers, contractors and others doing or seeking to do business with the school system if the gift serves no ethical business purpose or would create an actual or perceived embarrassment to the school district upon public disclosure.

Any employee receiving a gift from a vendor, contractor, or supplier with an estimated value in excess of \$100 shall report such gift to the business manager where a record of such gifts shall be maintained.

**State Reference**

SDCL 13-20  
SDCL 13-20-2.1  
SDCL 5-18A  
SDCL 5-18B  
SDCL 5-18C  
SDCL 5-18D  
SDCL 6-1-1

**Description**

School district purchases and contracts  
Interest in sale of school equipment unlawful  
Public Agency Procurement  
Procurement of Public Improvements  
Procurement by Local Government Units  
Procurement by State Agencies  
Local officer's interest in public purchase or contract unlawful

**PAYDAY SCHEDULES**

The salary for Harding County School District employees shall be paid in twelve (12)

Monthly installments with checks issued on or before the last working day of each month.

Adopted: February 14, 2005

Revised: May 12, 2008

Reviewed: April 11, 2016

## **CASH AND CASH EQUIVALENTS**

The cash and cash equivalents of the Harding County School District are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

(GASB 2450.105)

Adopted: March 14, 2005

Reviewed: April 11, 2016



RELATIONS WITH POLITICAL ORGANIZATION (PUBLIC FUNDS)

Harding County School District funds, whether derived from local, state, or federal sources, cannot be used for partisan political purposes.

Adopted: April 12, 1993

Reviewed: April 11, 2016