

III. Fiscal Management

3.1 Chief School Financial Officer

The Board will appoint a Chief School Financial Officer to oversee the financial operations of the Board and to perform the duties of the position that are set forth in state law and regulations. The Chief School Financial Officer may also be referred to as the Chief School Finance Officer. [Reference: ALA.CODE § 16-3A-4 (1975); Ala. Admin. Code 290-2-5-.01, *et seq.*]

3.2 Fiscal Year

Pursuant to state law, the fiscal year for the school system is October 1st to September 30th.

3.3 Annual Operating Budget

The Board shall adopt an annual budget for the school district. Responsibility for preparation of the budget is delegated to the Superintendent and appropriate staff members.

In accordance with the Education Accountability Plan and because the Board solicits and welcomes employee input, principals and teachers shall have direct input into the development of school budgets for classroom instructional support and for the expenditures of such funds.

The Board shall hold at least two (2) open public hearings pertaining to its proposed annual budget. The hearings shall be held in conjunction with a scheduled Board meeting, with the place, dates and times publicized in the local media, in addition, notice of each hearing shall be posted conspicuously in the board offices, the Tarrant City Hall, and in each affected school. The Board shall make available at each hearing copies of the proposed budget, which is prepared on forms provided by the State Department of Education. The purpose of the hearings is to seek input from the general public.

The proposed budget shall reflect the total amount of resources available to the Board from all funding and revenue sources. The projected enrollment and the total proposed expenditure for each school shall be made available at each public hearing. The proposed budget shall delineate the number of teachers, librarians, counselors, administrators, and support personnel projected to be employed at each school. It shall list the operating costs, by category or function, at each school. Also, it shall delineate by school those operating resources earned, including, but not limited to, those items contained in the Instructional Support Program of the Foundation Program, designating the amount of funds earned at each school per item based on average daily membership.

Upon the conclusion of at least two (2) public hearings, the Superintendent shall develop a final budget and make copies available to the public upon request. Copies of the budget and other financial documents may be secured from the Central Office. The board may elect to charge a fee, not to exceed the cost of duplication.

The final budget adopted by the Board shall be submitted to the State Superintendent of Education within a time frame that complies with state requirements. The budget shall not show expenditures in excess of income estimated to be available as required in the Code of Alabama, 16-13-41,142, plus any balances on hand, except under conditions established by Alabama laws governing the issuance of school warrants.

3.4 Budget Process

3.4.1 Classroom Instructional Support Budget

These procedures are for the purpose of insuring Tarrant City Board of Education's compliance with the state law governing the process of budgeting all types of classroom instructional support as defined by the Foundation Program including library enhancement, student materials, professional development, common purchases, and technology.

a) Forming A Budget Committee

- Each school will elect a school budget committee of four teachers and the principal or the principal's designee for a total of five members
- Using secret ballots, the four teachers will be elected annually by a majority of the teachers voting. A sign-in sheet of all the teachers voting and a tabulation sheet of results should be retained for audit purposes, in addition to the ballots.
- From among the budget committee, a chairperson will be elected and a secretary who will be responsible for keeping minutes of the committee's meetings.
- The budget committee may form advisory subcommittees as deemed necessary. Advisory committees may include parents, teachers, and/or support personnel.
- The committee will prepare a proposed budget for classroom instructional support funds (library enhancement, student materials, professional development, common purchases, and technology), excluding student materials to include:
 - (a) the allotment for each teacher
 - (b) the allotment to be spent on common purchases
 - (c) the common items which may be purchased

b) Approval of Budget

- The proposed budget shall be presented to the teachers at least two working days before a vote on approval.
- Using secret ballots, the proposed budget must receive a majority of the votes cast by the teachers.
- If the proposed budget does not receive a majority of the votes cast, it will be returned to the budget committee for reformulation, taking into consideration input from the teachers.
- The process will continue until a proposed budget from the budget committee receives a majority of the vote.

- Upon passing the proposed budget by a majority of the teachers voting, the budget committee will prepare and sign the state forms designating teacher allotments and common items to be purchased from the waived allotment. A copy of the proposed budget and signed forms provided by the State Department of Education will be submitted to the Finance Department for incorporation into the system-wide budget.

3.4.2 Local School Budget Preparation

Local school budgets will be developed by each school site utilizing the local school accounting software. The budget will then be imported from the local school accounting software into the central office software for incorporation into the system wide budgets. Local school budgets will not be accepted unless:

- Beginning fund balances are budgeted
- Valid account numbers are used
- Budgeted transfers in and out balance
- Budgeted revenues and expenditures are projected realistically
- Revenue exceeds or is equal to budgeted expenditures budgeted (no negative budgets)

3.4.3 Federal Budget Preparation

Federal revenues budgeted will be based on the approved federal allocations provided by the State Department of Education. Carryover funds will not be budgeted until the Financial Statements for the prior fiscal year are approved by the SDE. Federal budgeted expenditures will be based on the federal program applications provided to the Finance Department by the Federal Program Directors.

3.4.4 State Budget Preparation

State revenues and expenditures will be budgeted according to State Department of Education allocation amounts and instructions.

3.4.5 Budget for Salary and Benefits

Budgeted salaries and benefits will be based on staffing numbers provided to the Finance Department by the Personnel Department. The appropriate benefits rates will be utilized when budgeting benefit amounts.

3.4.6 Departmental Budget Preparation

Each department director is responsible for preparing departmental budgets. Once the departmental budgets are prepared the budgets will be discussed with the CSFO. The CSFO will subsequently discuss these budgets with the Superintendent. After approval by the Superintendent the departmental budgets are incorporated by the Finance Department into the system-wide budget.

3.5 Revenues From Investments

Frequently there will be a cash balance in a school system general fund, which though allocated to a specific use, is temporarily not needed. It is the policy of the Tarrant City Board that any temporary balance in a school system fund, which will remain unexpended for a reasonable period, shall be invested as permitted by law.

The revenues earned from such investments will be deposited to an interest account. Recommendations for the expenditure of the funds in the interest account will be made by the Superintendent and approved by the Board of Education.

3.6 Guest Passes for Senior Citizens

Senior Citizens of Tarrant, persons 65 years of age and older, may be given a senior citizen guest pass which shall permit them to attend all activities of the schools, including athletic events, free of charge. This does not include graduation exercises because of limited number of tickets for graduation.

These guest passes shall represent a small token of appreciation from the Board for all the senior citizens of Tarrant have done for the school over the years.

3.7 Bonded Employees and Officers

The school system's superintendent and the chief financial officer shall each be bonded in an amount to be fixed by the state superintendent of education.

The Board shall require one blanket bond for other school employees who are responsible for handling school funds. The Board shall prescribe the amount of the bond. The cost of the bond will be charged against the fund involved.

3.8 Fiscal Accounting and Reporting

The Superintendent shall be ultimately responsible for receiving and properly accounting for all funds of the system.

The accounting system used shall conform to requirement of the State Department of Education and with good accounting practices, providing for the appropriate separation of accounts, funds, and special money.

The superintendent shall have monthly reports of revenues and expenditures prepared for review by the Tarrant Board of Education. Such other financial statements as determined necessary by either the board or the administration shall be presented as found desirable.

All bank accounts of the Tarrant Board of Education and the schools shall be reconciled to the financial records. The CSFO shall be responsible for verifying that monthly bank statements are reconciled to the financial records on a timely basis that ensures accurate monthly financial statements.

The monthly financial reports and annual budget shall be made available to the public on the local internet site.

The system administration shall also be responsible for pupil accounting and shall report enrollment and attendance as required by the State.

The Finance Department will prepare and present to the Tarrant Board of Education monthly financial statements at the end of each month.

Financial statements present a financial synopsis of the activities of the board, and should be provided in a timely manner to facilitate sound financial management decisions.

3.8.1 Financial Statement Procedures

Before a monthly financial statement can be produced the following must occur:

- Accounts Payable and Payroll must be closed for the month
- All manual journal entries must be entered
- All bank accounts reconciled
- Child Nutrition accounting information imported and posted
- Local school accounting information imported and posted

Once all the above has taken place a financial statement can be printed. The CSFO performs an analysis of the financial statements. The following items are reviewed as part of the analysis:

- Local School Cash and Cash equivalents equal cash and cash equivalents
- Cash equivalents equals investment statements
- Cash equals amount on the bank reconciliation reports
- Interfund receivables equal interfund payables
- Intergovernmental and accounts receivables are reviewed to make sure they are fairly stated
- Accounts payable balances equal the amounts on the accounts payable subsidiary ledgers
- Transfers in and Transfers Out are reconciled
- Prior period adjustments to fund balance are analyzed
- Additions to fixed asset subsidiary are reconciled to capital outlay expenditures
- Budget Analysis report reviewed for budget to actual comparison prior/current year.

An analysis report is then prepared by the CSFO and the financial statements and budget to actual reports are submitted to the Superintendent. Copies of the monthly financial statements and budget analysis reports are presented to each board member. Once the financial statement is presented at the board meeting, it is posted on the Tarrant Board of Education's website for public review.

3.9 Authority to Expend Funds Without Board Approval

The Tarrant Board of Education grants authority to the Superintendent, subject to applicable laws, policies, and Board-approved budget limitations, to expend funds for budgeted operating expenditures, without advance Board approval of specific expenditures. All such expenditures shall be included in the monthly expenditure report to the Board.

3.10 Reserve Funds

The Tarrant Board of Education recognizes that the establishment and maintenance of adequate fund reserves is necessary to avoid disruption of the education programs in the schools. The superintendent or chief school financial officer will inform the Board, before the Board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a minimum one-month's operating budget. A one-month's operating balance shall be determined by dividing the General Fund expenditures and fund transfers out by 12. In determining the General Fund expenditures and fund transfers out, the proposed budget or budget amendment, shall be used. [Reference: ALA.CODE § 16-13-140 *et seq.* (1975)]

3.11 Site Management

The Board of Education recognizes the importance of purchasing and maintaining up-to-date equipment. Scheduled preventive maintenance checks are the responsibility of the classroom instructor and will be performed on equipment, software and tools in accordance with manufactures specification. If a hazardous condition is identified, that inspector should take all steps necessary to secure the site or remedy the problem. Upon completion of securing the site, the concern should be brought to the immediate attention of the superintendent or his designee. The situation will be assessed and appropriate action taken.

3.12 Material Resource Management

The maintenance supervisor shall provide for the central purchasing, receiving, warehousing, and distribution of supplies, equipment, and materials common to the requirements of all schools. A central location will be maintained for storage and distribution of supplies as required by principals. All materials needed for instruction, business, and custodial operations of the individual schools shall be ordered from the central location when available from that source.

The maintenance supervisor shall be responsible for maintaining an accurate inventory of materials and equipment in the school system. Principals of individual schools shall make reports on textbooks held and used in the schools to the office of the director of instruction who will, in turn, make the system wide report to the State Textbook Division.

Textbooks Records and Control. When students are issued system-owned books, either free or for a rental charge, two complete copies of records shall be made. One will be kept by the teacher and one in the principal's office. The record shall include the specific number of the book, the book's age at the time it was issued (new, one year old, two years old or more), and the name of the student to whom issued. The

parents of children using free textbooks shall sign a book consignment slip, which will hold them responsible should the book be damaged or lost.

Each teacher shall conduct regular book inspections. When a textbook is damaged, the student responsible shall be required to pay an assessment.

3.13 Audits

The books and accounts of the system shall be audited by an independent certified public accountant in conformance with the prescribed standards and legal requirements. The certified public accountant shall be selected by the Board upon the recommendation of the superintendent on or before July 1.

The audit, when completed, shall be presented to the Board for examination.

The superintendent shall be responsible for filing copies of the audit with the proper authorities as prescribed by law.

3.14 Purchasing Authority

The Board grants authority to the Superintendent, subject to applicable laws, policies, and Board-approved budget limitations, to expend funds for budgeted operating expenditures, without advance Board approval of specific expenditures. All such expenditures shall be included in the monthly expenditure report of the Board.

All purchases from district funds shall be approved by the Superintendent or his/her designee. They shall conform to policies and procedures of the Board of Education and all applicable state and federal laws or agency regulations. Further, it is the mandate of the Board that, when applicable, the provisions of the competitive bid law of Alabama be adhered to strictly.

A requisition/purchase order system shall be established and followed rigidly.

The Board prohibits any of its members or employees from accepting gifts or favors which are "a thing of value" from any agency, person, or company doing, or desiring to do, business with the school district.

The Board authorizes the Superintendent to approve expenditures of less than \$15,000 to cover any single purchase order from the general/federal fund operating budget which may be required to conduct efficient operations within the school system. Purchase of items over \$15,000 shall be bid, unless otherwise authorized by the Board. Guidelines will be followed for Federal and Child Nutrition purchases when the five methods of procurement mentioned in Title 2 Part 200.320 apply.

3.14.1 Bidding

All expenditures of public school funds, in excess of State bid law requirements with limited exception as allowed by law, shall be accomplished through the competitive, sealed bid process. Bids shall be awarded to the lowest responsible bidder meeting specifications.

The Board may let contracts for public improvements involving \$50,000 or less without advertising or sealed bids.

3.14.2 Use of Local Firms

The Board reserves the option of accepting bids from local firms if quality is not sacrificed and the prices are competitive. Bids may be awarded to local firms provided the price is not in excess of 3% of the lowest responsible bid.

Employees of the school system should not feel bound to purchase any items locally that can be secured at a savings to this school system from outside sources, nor shall he or she feel bound to purchase locally unless adequate service and delivery can be given by the local supplier.

3.14.3 Advertisement

Proposed purchases in excess of the current legal base shall be advertised by posting notice thereof on a designated bulletin board in the central office or in an additional manner as may be desired. Requests for sealed bids shall be solicited in writing to all individuals or firms who have placed written requests with the Board and thus placed on a bid list. If an individual or firm fails to respond to three (3) solicitations, said vendor may be removed from the bid list.

3.14.4 Procurement

The Board will follow state laws for the procurement of property and services. To the extent allowed by state laws, the Board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the Board's Conflict of Interest Policy and the procurement decisions of the Board will:

- Avoid acquisition of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will

be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the Uniform Administrative Requirements for procurement of property and services.

The Board will request proposals for professional service contracts (excluding architectural and engineering services) that are not subject to the state procurement laws. The Board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's conflict of interest policy.

3.15 Cash Management for Federal Funds

The board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of the federal funds. Federal funds will only be requested to meet immediate cash needs as follows:

- Reimbursement not covered by prior receipts and;
- Anticipated disbursements that are generally fixed, such as monthly program salaries and benefits; or,
- Disbursements will be made within twenty (20) business days after receipt of funds.
- The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund.
- Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

3.15.1 Determination of Allowable Costs

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the chief financial officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- The proposed expenditure is included in the federal program budget;

- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the board including:
 - Purchase order approval procedures;
 - Contract review and approval procedures;
 - Applicable competitive purchasing procedures and;
 - Documentation supports allow ability of transaction.

Before payments are made from federal funds the federal program director and the chief financial officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations. Any cost reduction or cash refund (rebates, discounts, etc.) related to the transaction will be credited to the Federal program.

3.16 Bidding Requirements

All contracts for, and purchase of supplies, materials, equipment, and contractual services in the amount of \$15,000.00 or more shall be based when possible, on at least three competitive bids. All purchases less than \$15,000.00 in amount may be made in the open market, but shall, when possible be based on at least three competitive quotations or prices. All purchases made in the open market shall be consummated after careful pricing.

All contracts and all open market orders will be awarded to the lowest responsible qualified supplier.

When bidding procedures are used, bids shall be advertised appropriately. Suppliers shall be invited to have their names placed on mailing lists to receive invitations to bid. When specifications are prepared, they will be mailed to all merchants and firms who have indicated an interest in bidding.

All bids must be submitted in sealed envelopes, addressed to the Board, and plainly marked with the name on the bid and the time of the bid opening. Bids shall be opened at the time specified and all bidders and other persons shall be invited to be present.

The Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the Tarrant City School System. The Board reserves the right to waive any informality in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the schedule time for the opening of bids. Any bid received after the time and date specified shall not be considered.

The bidder to whom the award is made may be required to enter into a written contract with the Tarrant Board of Education.

3.17 Sales Calls and Demonstrations

Sales representatives are not permitted to call on teachers or other school staff members without authorization from the school administration.

School principals may give permission to sales representatives of educational products to see members of the school staff at times that will not interfere with the educational program.

3.18 Payment Procedures

All suppliers should render invoices in duplicate for materials, supplies, services, and equipment after delivery to the school. Invoices accompanied by a signed copy of the delivery receipt should be mailed to the Tarrant City School System, 1318 Alabama Street, Tarrant, Alabama 35217.

In instances of a partial shipment, an invoice for the merchandise that has been delivered and the signed copy of the delivery receipt must be submitted for payment.

An invoice to be submitted to the Board of Education for approval for payment shall qualify when the following conditions are met:

1. It bears the descriptions and prices of the items specified on the purchase order, less any allowed discounts.
2. It is accompanied by the receiving copy of the purchase order bearing the signature of the requester that the item has been received in a satisfactory condition and in the quantity indicated.
3. All extensions and totals have been checked by accuracy.
4. It has the approval of the responsible administrator.

3.19 Procedures for Disbursement of Board Funds

The Superintendent of Schools has the responsibility for approving the disbursement of any Board funds.

Only the Superintendent, the chief financial officer, and the President of the Board are authorized to sign checks drawn on the General Fund Account, the Payroll Account, and the accounts of all other programs. All checks must have two approved signatures.

3.20 Salary Deductions

1. Purpose. It is the purpose of this regulation of the Tarrant Board of Education to provide for a fair and efficient means by which employees may secure salary deductions.
2. Request for Deductions. Any employee requesting salary deductions for other than membership dues or voluntary contributions must complete a Salary Deduction Request Form. Employees are encouraged to notify the Superintendent's office of authorization for deduction of membership dues or voluntary contributions. The

Salary Deduction Request Form should be used. Requests to the Board should be filed in the Superintendent's office.

3. Deductions. Deductions may be made for, but are not limited to, tax sheltered annuities, the Public Employees Individual Retirement Account Fund (PEIRAF), membership dues, and voluntary contributions. Except for dues and contributions no more than one separate typed deduction will be made. Different types of insurance shall be considered separate deductions.
4. Amount of Deductions. On the Salary Deduction Request Form the employee shall indicate the total yearly amount to be deducted from the employee's salary. This amount shall be divided by 12 and that amount shall be deducted from the monthly paycheck of the employee until the yearly amount is paid in full. The amounts deducted shall be remitted to the designated organization no more than ten (10) days after each payday.
5. Membership Dues and Voluntary Contributions. Deductions for dues or contributions shall not be made upon request of individual employees. Deductions for dues and contributions shall be made based on membership lists received from the employee's organizations. The organizations shall certify on lists provided that the members thereon have authorized the deductions for dues or contributions. The organizations shall also certify the annual amount of dues or contributions to be deducted. The Superintendent of Education prior to November 10th of each year shall review these lists and indicate thereon any names of persons who are no longer employed by this Board of Education. An updated and corrected list shall be sent to the employee's organization no later than November 10th of each year.
6. Employee Groups. Groups of employees who desire to have deductions made for a common type deduction may use a consolidated Salary Deduction Request Form. The names of all employees who desire a common deduction must appear on the form. Each employee must place his or her initials next to their name.
7. New Authorizations Other than Dues or Contributions. Authorization for deductions other than dues or contributions may be filed with the Board anytime during August 20th to September 10th and January 2nd to January 20th of each year. Deductions based on authorizations made during August 20th to September 10th shall commence with the September paycheck. Deductions based on authorizations made during January 2nd to January 20th shall commence with the January paycheck, but deductions for any employee who is not paid on a 12-month basis shall be made for only five months at 1/9th the annual amount.
8. Authorization and Revocation of Contributions. New authorizations for contributions shall be made as in paragraph 5. Employees may file a revocation of authorization of a voluntary contribution at any time by notice in writing. Deductions for revoked voluntary contributions shall cease with the paycheck next received by the employee after 30 days from the date upon which notice of revocation is received.

9. Authorization and Revocation of Dues. Authorization for deductions for dues shall be made as in paragraph 5. Lists filed during the period January 2nd to January 20th will be received but deductions for newly added employees shall not begin until the September paycheck of the next school year. Employees who desire to revoke deductions for dues based on membership list filed with the Board must file written notice with the Board no later than September 10th of each year. Otherwise, no revocation of a deduction may be made until the next school year.

3.21 Expense Reimbursement

Employees authorized by the superintendent to represent the school system at educational meetings and conferences and on State Department of Education committees will be allowed expenses and salary in conformance with administrative regulations. Board members and employees may be reimbursed for reasonable and customary traveling and subsistence expenses when they are in travel status on official business of the Board.

Employees other than those allowed by the superintendent to attend professional opportunities may do so without allowance for expense reimbursement.

The Superintendent will develop and implement procedures to be used for expense reimbursement for travel on behalf of Tarrant City Schools. The procedures will specify:

1. The required authorization for various types of travel.
2. Automobile mileage to be reimbursed at existing Federal per mile rate.
3. Meals to be provided at a per diem rate.
 - A. If the duration of the conference is from 4 to 12 hours and a meal allowance is covered by a grant, a \$15 meal allowance will be paid.
 - B. \$45 for each day when an overnight stay is required.
4. Receipts and/or documentation required for hotel, airline, parking, taxis and registration.
5. A prohibition of reimbursement for personal items and entertainment.
6. The limited conditions for which expenses may be paid in advance.
7. Any forms or format to be used for submissions of expense reimbursement.
8. No more than one day will be allowed for travel prior to a convention and one day following the conclusion of the convention or meeting.

Reimbursements and payments for travel costs of employees paid from federal funds shall be consistent with the travel costs for Board employees paid with state or local funds.

When official travel by personally owned vehicle has been authorized, mileage payment shall be made at the rate in accordance with § 36-7-22 at the amount allowed by the Internal Revenue Code for income tax deductions. For employees covered by a flat allowance per month, the mileage rate shall apply when the employee uses his personal automobile on authorized school business outside Jefferson County.

3.22 Deposits

Funds received for school purposes by school board officials and employees shall be promptly deposited in the proper bank account. A financial institution used for the deposit and safekeeping of funds shall be approved as a qualified public depository by the Security for Alabama Funds Enhancement (SAFE Program) administered by the Alabama State Treasurer.

In no case shall monies be left overnight in schools, except in safes provided for safekeeping of valuables, and even then not to exceed more than \$50.00.

3.23 Worthless Checks

The Tarrant Board of Education can charge a fee for worthless checks. Students, staff, and parents will be given notice of the procedures.

Uncollected fund balances will not be carried over from one fiscal year to the next. Monies will be taken from non-public funds at the end of the year to cover the amount of the worthless checks. When payment has been received, the funds will be deposited back into the non-public fund account.

3.24 School Activities Funds Management

Booster Clubs

It shall be the policy of the Board to work with, and encourage the support of, band and athletic boosters clubs. All booster club activities shall be authorized by, and coordinated with, the school principal.

Booster clubs shall not directly or indirectly supplement pay of band directors, coaches, advisors or any other school employees.

All decisions concerning personnel employed by the Board shall be strictly reserved as a Board matter and shall not be the prerogative of booster clubs.

3.25 Fund Balance Policy in Accordance with GASB Statement No. 54

Purpose: The following policy is necessary in order to address the implications of Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions.

Governmental Fund Definitions: The following definitions will be used in reporting activity in governmental funds. The Board may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt Service Funds should be used to report resources if legally mandated.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

- A. Non-spendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples of non-spendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, deferred expenditures, long-term receivables, and outstanding encumbrances.
- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments: or through constitutional provisions or enabling legislation. Examples of restricted fund balances include: child nutrition programs, construction programs, and restricted grants.
- C. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Board before the end of the fiscal year and that require the same level of formal action to remove the constraint.
- D. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The Board authorizes the Superintendent or Chief School Finance Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority require the same level of authority to remove the constraint.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be

the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classification could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The Board of Education along with the Superintendent and Chief School Finance Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Finance Office will prepare and submit an annual report of all restricted, committed and assigned funds for the Board of Education.

3.26 Record Retention

The Tarrant Board of Education will maintain and secure records in accordance with State law and guidelines.

Public officials are legally obligated to create and maintain records that adequately document government business. Government records provide evidence of agency operations and serve as a mechanism of accountability to the citizenry. The Alabama Department of Archives and History (ADAH) publishes the “Local Board of Education Records Disposition Authority” in accordance with the requirements contained in the Code of Alabama 1975. [Reference: ALA.CODE § 36-12-1 (1975); and ALA.CODE § 41-13-1 *et seq.*]

3.27 Fixed Assets/Inventory

Policy Tarrant City Board of Education will maintain accurate records for all acquisitions, disposals, and transfers of property and equipment. To include donated assets meeting reporting requirements.

Definition Capitalized:
All assets with a unit cost of \$5,000.00 or more. Buildings, building improvements, and exhaustible land improvements with a cost of \$50,000 or more, are also capitalized.

Non-Capitalized:
All assets/equipment type property with a useful life of at least 2-years; a unit cost of \$1,000.00 or greater; and is repaired versus replaced. The following items are inventoried regardless of cost: Desktop/Laptop Computers, IPADs, Smart/Active/Promethean Boards, Class Room Performance Systems and Network Laser Printers meeting the dollar value criteria.

Bulk assets (Tables/Desks/Chairs) identified as equipment and furniture items will be tracked as local inventory.

Procedures

Procedures for additions, recordkeeping, disposal, and reconciliation will be clearly defined, included, and maintained in the **Fixed**

Asset/Inventory Procedure Manual. The manual will be distributed to necessary personnel.

Inventories To be conducted twice a year for Technology type items site by personnel. Inventories should be conducted annually for Fixed Assets/ Inventory by site personnel.

Responsible Personnel/Departments

- Technology
- Principals/Site Fixed Asset/Inventory Coordinators
- Media Specialists
- Cafeteria Managers
- Band Directors
- Finance Office
- Athletic Personnel
- Others-as deemed necessary

Approved: May 14, 2019