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FISCAL MANAGEMENT GOALS

The Board will establish policy and provide guidance regarding the School District budget and financial affairs which reflect the vision, mission and goals of the community.

The budget and finance processes will conform to all state and local requirements as set forth by the state statutes, Arkansas Department of Education regulations and Board of Education policies.

In the District's fiscal management, the Board will seek to achieve the following goals:

- A. To establish levels of funding which will provide quality education for the District's students;
- B. To engage in thorough advance planning in order to develop budgets and to guide expenditures so that the greatest educational returns and contributions to the educational program in relation to dollars expended may be achieved;
- C. To use the best available techniques of long-range planning, budget development and budget administration and to establish efficient procedures for accounting, reporting, purchasing, contracting, payments, auditing and all other areas of fiscal management;
- D. To maintain adequate general fund reserves so that the District remains financially sound and stable; and
- E. To maintain adequate building fund reserves to provide tax rate stabilization through the application of these reserves to the cost of major maintenance and renovation projects.

BUDGET ADOPTION

The Board of Education will provide direction regarding the School District budget and financial affairs which reflect the general philosophy and goals of the community and which provide a framework within which the School District's administrative team can operate. The budgeting process will conform to all state and local requirements as set forth by the state statutes, Arkansas Department of Education regulations and Board of Education policies.

The purpose of presenting a District budget for adoption will be to provide direction for a systematized procedure such that continuity is maintained from year-to-year and the public is kept informed regarding the educational and financial operations of the School District.

In the District's fiscal management, the Board will establish levels of funding which will provide quality education for the District's students. A budget will be developed so that the greatest educational returns and contributions to the educational program in relation to dollars expended may be achieved.

REVENUES FROM INVESTMENTS

Funds in the various accounts of the Fort Smith School District which are not required for the day-to-day operations of the District shall be invested in such a manner as to result in maximum income to the School District. All investments shall be made in accordance with state law and in consideration of security and yield.

If funds are not invested in instruments issued by the United States government, they shall be secured by the pledge of government instruments equal to the full amount of the funds invested with an eligible financial institution.

The Treasurer of the Fort Smith School District shall be responsible for determining the amount of funds which are available for investment, for determining the term of such investment and for receiving proposals from eligible financial institutions in accordance with District policy. Any interest quotation from a financial institution shall include the pledging of eligible securities in support of the level of funds invested.

The Treasurer of the Fort Smith School District shall make investment decisions which are most beneficial to the School District.

REVENUES FROM SCHOOL-OWNED REAL ESTATE

All receipts from the sale of fixed assets or leases from gas or other minerals shall be used to purchase items of capital outlay.

<p>SALE OF REAL PROPERTY</p>

Surplus or marketable real property of the District may be sold in the following manner:

- A. The Board of Education will vote on whether or not to sell or dispose of the property;
- B. If a majority of the Board is in favor of selling the property, the Superintendent will be instructed to secure appropriate bids; and
- C. The Board will reserve the right to reject any or all bids.

Records of the disposal of real property will be kept by the Treasurer of the School District.

DEPOSITORY FOR FUNDS

The Fort Smith School District shall name a depository for funds periodically. This depository shall be determined by accepting proposals from interested financial institutions. The Treasurer shall maintain a list of services required as a minimum for financial institutions which are interested in providing these services.

All deposits of the District shall be maintained in accordance with state law. Consideration shall be given to security, yield, cost effectiveness and efficiency of the overall banking operations of the School District.

FINANCIAL REPORTS AND STATEMENTS

At the end of each school month, a report of all District accounts which will serve as a financial statement is made by the Comptroller. This report will be presented to the Board of Education at their regular monthly meetings.

<p>INVENTORY OF FIXED ASSETS</p>

The Superintendent or his/her designee will be responsible for a continuing inventory of all District capital assets, physical facilities and equipment.

The finance office will maintain and administer a fixed assets accounting system. Items to be included in this system will be determined by state law and by regulation and guidance published by the Arkansas Department of Education.

An integral part of the fixed assets system will be the periodic inventory of property, equipment and other items. The inventory will provide an accurate record of property, equipment and other items. The system will be devised so that the process of inventory adjustment will be correlated with the purchasing, receiving, distribution, relocation and disposal procedures in a manner which will ensure that all transactions are recorded accurately.

FINANCIAL RECORDS

Temporary financial records (such as time cards, invoices, etc.) shall be retained for a period of 10 years. Permanent financial records (such as independent audits, state financial reports, etc.) shall be retained indefinitely.

IMPREST ACCOUNTS

The Board of Education authorizes the Superintendent to establish imprest checking accounts for each site location. These accounts shall be used for small purchases not to exceed \$100 per purchase. Procedures shall be established by the finance office regarding uses, reconciliations and reimbursements of these accounts.

Approved 3-23-98
New Policy

PURCHASING AUTHORITY

The Superintendent and appropriate staff are authorized to make expenditures and obligations in accordance with the adopted school budget. Unauthorized purchases or commitments of District funds are illegal and will be the responsibility of the person making the commitment. Creditors of the District shall be on notice that purchase commitments which are made without properly drawn purchase orders may not be honored.

The Supervisor of Purchasing will establish procedures regarding the manner of verifying the quality, quantity and physical condition of the materials to be purchased and received so that approval for payment may be established.

Long-term debt will be incurred only in accordance with state law and regulations of the Arkansas Department of Education.

SCHOOL DISTRICT DISBURSEMENTS - ELECTRONIC TRANSFER OF FUNDS

School District disbursements may be made by electronic transfer of funds to the extent allowed by law. Disbursements may be made by electronic transfer of funds if the electronic transfer is initiated by the School District and authorized in writing by the Superintendent and the School Board Disbursement Officer. This policy constitutes written authorization for the School Board Treasurer to act as designee for the School Board Disbursement Officer.

The School District Treasurer is authorized to utilize the electronic transfer of funds for District disbursements which are full documented by appropriate invoices, written contracts or other documentation that indicates an authority for disbursement.

This authorization includes payroll disbursements. It also includes the District's normal, recurring purchases that occur during the fiscal year for materials and supplies, equipment, purchased services, utility bills, pre-approved credit card charges, payroll taxes, retirement system transfers, and any other items purchased by the district during the normal course of business for a fiscal year. Individually signed authorizations are required for transactions that do not occur on a regular basis. The District will initiate the electronic transfer of funds and will control the timing and amount of the funds transfer.

This authorization does not exclude purchasing card programs in which the District account is debited on the same day of each month for the amount of approved and documented purchases from the previous month.

BIDDING REQUIREMENTS

All acquisitions of commodities by the Fort Smith School District, including gifts or contributions, shall be processed through the District Purchasing Department under the direction of the Supervisor of Purchasing.

Any item valued at \$10,000 or more shall be presented to prospective suppliers as a request for competitive bid. When it is believed to be advantageous to the School District, the Supervisor of Purchasing may request competitive bids for goods and services less than \$10,000.

Any aggregate of items that could be supplied by a single vendor that has a total value of \$10,000 or more shall be presented for competitive bid. The Supervisor of Purchasing may elect to award bids on an item-by-item basis or on the total bid, whichever is advantageous to the District.

All solicited written bids shall be opened at a designated time, place and date as noted on solicitation.

Exceptions may be permitted in case of emergency with the approval of the Superintendent.

Approved 3-23-98

Supersedes 7310 dated 3-25-85

PROCEDURE FOR REQUISITIONING

Persons authorized to originate requisitions are the administrative and supervisory staff including Director of Food Service and principals. All requisitions must be signed by the requesting staff members and principal of the school originating them.

The original is sent by the principal to the Service Center for approval. After approval, the requisitions will be filled from stock or through purchase.

Approved 3-23-98

Supersedes 7321 dated 10-27-75

SCHOOL PROPERTIES DISPOSAL PROCEDURE

The Superintendent or his/her designee is authorized to dispose of equipment, materials and supplies when bids or quotations on new purchases include trade-in value. Sale of any fixed asset item other than on a trade-in basis shall have the approval of the Properties Committee of the Board of Education.

Equipment, materials or supplies with negligible value may be approved for disposal by the Comptroller or Superintendent.

Approved 3-23-98

Supersedes 7261 dated 10-26-81