

## POLICY SERIES 600: FISCAL MANAGEMENT

- \*660 Management of Funds
  - \* 662 Types of Funds
    - 662.1 Policy and Procedure for Student Body Activity Accounts
    - 662.3 Fund Balance Designation
  - 665 Matching Funds Program
  - 666 Investment of District Funds
- \*670 Expenditures
  - 672 Purchasing
    - 672.1 Bidding/Quotation Procedures
- \*690 School Properties Disposal
  - 691 Disposal of Instructional Media Center Materials

\* Identifies general policy category, is not represented by written policy

## **POLICY AND PROCEDURE FOR STUDENT BODY ACTIVITY ACCOUNTS**

### **I. POLICY**

The Board of Education shall authorize the establishment of student body activity accounts for the operation and maintenance of student body activities. Student body activities are defined as school clubs, classes and other related activities, which organize to raise money and/or promote a particular program, project or subject area. Parent groups such as booster clubs are excluded from this definition.

Since student activity account funds are actually school district funds, it is essential that they be accounted for in a manner consistent with other funds of the school district. Therefore, the policy of the Board of Education shall be that the Director of Business Services shall establish procedures for the creation, operation and closing of student body activity accounts.

### **II. PROCEDURES**

#### **A. Administration**

1. The Director of Business Services/designee shall have responsibility and authority to implement all policies and rules pertaining to the supervision and administration of student body activity funds in schools under his jurisdiction in accordance with established policies and rules of the Board of Education.
2. The principal of the school, as trustee, shall be directly responsible for the conduct of student financial activities in accordance with the policies, rules, and procedures set forth by the state, local district, and superintendent or Director of Business Services/designee.
3. The Director of Business Services of the district is responsible for prescribing appropriate accounting procedures.

#### **B. Creation and Governance**

1. Student activity organizations may be created for a specific purpose as outlined in board policy, with the approval of the principal and the Director of Business Services.
2. Each organization must have a faculty advisor, approved by the principal. The official list of organizations and faculty advisors shall be submitted to the business office before the opening day of school each year and officially updated as necessary.
3. Each organization must have an advisor designated as the person solely responsible for the handling and accounting of the funds.

4. Proper documentation must be maintained.

C. Budgeting and Accounting

1. Each organization must prepare an annual budget of estimated receipts and expenditures. This budget must be approved by the principal and submitted to the business office for final approval.
2. A three-part receipt form must be used to record the collection of money. One copy of each goes to the payee, the organization treasurer and the school office.
3. A ticket reconciliation form must be used to record ticket sales at fund raising events. This form must be returned to the school office with unused tickets. All tickets shall be pre-numbered and accounted for by the faculty advisor.
4. All monies that are raised by a project must be properly receipted and deposited daily in the school office. All checks received shall be immediately stamped "For Deposit Only".
5. Schools should use a safe for protection of money, if possible.
6. No monies may be disbursed from un-deposited receipts.
7. No monies may be placed in an advisor's personal account.
8. The faculty advisor has personal responsibility for monies collected until they are deposited at the school office or turned over to a school administrator for handling. The faculty advisor must receive and retain the receipt of the deposit. (i.e. Expenditures will be requested via a requisition form or a request for " check form, both of which require the principal's approval.) As appropriate, the principal will send an approved purchase order or request for check form to the business office for reimbursing the activity checking account and the expenditure of funds.
9. The payment to individuals from student activity funds, of salaries and fees for services rendered, is prohibited.
10. No personal purchases may be made through the student activity funds for school board members, staff members or other individuals.
11. Expenditures from student activity funds for professional books and magazines and personal memberships in professional organizations is prohibited.
12. Student activity records and financial procedures are subject to periodic internal audits by the business office.
13. Activity fund financial records and supporting documents should be kept at least seven (7) years.
14. The Director of Business Services shall establish receipt and expenditure accounts within Fund 60 for each organization, utilizing locations, functions and objects provided in WESSAS.

15. The Director of Business Services or a designee shall provide the principal with a monthly status report of each budget, and a statement showing beginning balance, receipts, expenditures and ending balance for each account.
16. No organization shall be allowed to operate with a negative balance in its account. Special exception may be made with the approval of the principal and Director of Business Services, based on a reasonable expectation that such negative balance is a temporary condition that will be corrected by incoming receipts.
17. It is the responsibility of the faculty advisor to reconcile activity records with general ledger information provided by the Director of Business Services or a designee.

D. Inactive Accounts/Disposition of Funds

1. An account may be considered inactive after twelve consecutive months without financial activity.
2. Inactive accounts may be closed by the Director of Business Services at the request of the school principal and the funds transferred to the district general fund.
3. The treasury of a graduating class shall be closed out no later than five (5) years after graduation of the class, and the money transferred to the general fund.
4. Accounts which have no activity for two (2) years will be closed and transferred to the General Fund.

REFERENCES

Principles of School Business Management. R. Craig Wood, ed., ASBO International, Reston, Virginia. 1986.

Internal Audit Guide for Student Activity Funds. Reston, ASBO International, Reston, Virginia. 1986.

WESSAS Handbook. Wisconsin Department of Public Instruction, Madison, Wisconsin, 1992.

APPROVED: August 14, 2001

REVISED: April 5, 2004

REVIEWED: May 28, 2015

## FUND BALANCE DESIGNATION

### ***DPI Definition of Fund Balances***

School District of Weyauwega-Fremont (the “District”) fund structure follows the Wisconsin Uniform Financial Accounting Requirements (WUFAR), as required by the Wisconsin Department of Public Instruction (DPI). The WUFAR allows the District to use the following funds:

- **General Fund (Fund 10)**
- Special Projects Funds
  - **Special Revenue Trust Fund (Fund 21)** <sup>(2)</sup>
  - TEACH Fund (Fund 23)
  - **Special Education Fund (Fund 27)** <sup>(3)</sup>
  - Other Special Projects Fund (Fund 29) <sup>(2)</sup>
- Debt Service Fund
  - Non-Referendum Debt Service Fund (Fund 38) <sup>(2)</sup>
- Capital Projects Funds
  - **Capital Expansion Fund (Fund 41)**
  - ARRA--Qualified Zone Academy Bond Projects (Fund 44)
  - ARRA—Qualified School Construction Bond Projects (Fund 45)
  - Capital Improvement Trust Fund (Fund 46)
  - TIF Capital Improvement Levy Fund (Fund 48)
  - Other Capital Projects Fund (Fund 49)
- **Food Service Fund (Fund 50)** <sup>(2)</sup>
- **Agency (Pupil Activity) Fund (Fund 60)** <sup>(1)</sup>
- Trust Funds
  - **Private Purpose Trust Fund (Fund 72)**
  - **Employee Benefit Trust Fund (Fund 73)**
  - Investment Trust Fund (Fund 76)
- **Community Service Fund (Fund 80)**
- Package and Cooperative Program Fund
  - Packaged Services (Fund 91) <sup>(1)</sup>
  - TEACH Program Consortium (Fund 93)
  - Other Package and Cooperative Program Funds (Fund 99) <sup>(1)</sup>

<sup>(1)</sup> DPI does not allow a fund balance in this fund

<sup>(2)</sup> DPI does not allow a fund deficit to be reported in this fund

<sup>(3)</sup> DPI requires fund to be separate; however, for financial reporting purposes, will be consolidated with the general fund

Each fund is considered a self-balancing set of asset, liability, and fund balance accounts used to account for the district's financial transactions in accordance with laws, regulations, or restrictions. Fund balance is the difference between assets and liabilities as reported in the basic financial statements for governmental funds. The District is currently using the funds in bold print. Chapter 5 of the WUFAR further details the types of transactions to be recorded in each fund.

From time to time, the State of Wisconsin revises the WUFAR to add or delete funds which are available to be used by Wisconsin school districts. The fund balance policies of the District will be periodically updated to be consistent with the WUFAR, when considered necessary by the District's management.

### ***Accounting Definitions for Fund Balances***

GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", establishes fund balance classifications based upon the extent to which the District is bound to observe constraints imposed upon the use of the financial resources reported in governmental funds. Fund balance can now be reported in the following five classifications:

1. **Non-spendable fund balances (WUFAR Function 935 000)** cannot be spent and meet one of the following conditions.
  - Non-spendable Fund Balance (WUFAR Code 935 100) is not in spendable form and cannot be converted to cash. Examples include prepaid expenses and inventories. This fund balance classification can be reported in funds 10, 21, 50 and 80.
  - Corpus of Permanent Fund (WUFAR Code 935 200) is legally or contractually required to be maintained intact. This fund balance classification can be reported in funds 21 and 72.
2. **Restricted fund balances (WUFAR Function 936 000)** exist when net fund resources are subject to externally enforceable legal restrictions. Restrictions can be externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The WUFAR includes the following seven accounts within the restricted category:

- Restricted for self-insurance (WUFAR Code 936 110) is the segregation of a portion of a fund balance that is restricted for self-insurance purposes. This fund balance classification can only be reported in fund 10.
  - Restricted for contractual obligations (WUFAR Code 936 120) is the segregation of fund balances for any contractual obligations. This fund balance classification can be reported in funds 10 and 21.
  - Restricted for debt refinancing (WUFAR Code 936 310) is the portion of a fund balance representing unexpended proceeds from debt incurred for refinancing. This fund balance classification can be reported in funds 38 and 39.
  - Restricted for other debt service retirement (WUFAR Code 936 320) is the remaining balance in debt service funds not previously coded to 936 310. This fund balance classification can be reported in funds 38 and 39. Funds 38 and 39 contain only restricted fund balances.
  - Restricted for food service programs (WUFAR Code 936 500) is the fund balance remaining in the food service fund at year end not coded to 936 800. This fund balance classification can be reported in fund 50.
  - Restricted for elderly nutrition programs (WUFAR Code 936 800) is the portion of fund balance restricted for elderly nutrition program. This fund balance classification can be reported in fund 50.
  - Restricted fund balance (WUFAR Code 936 900) is the portion of fund balance that is restricted, as defined within the paragraph immediately following #2 above, but not included in the any of the above bullet categories. This fund balance classification can be reported in funds 10, 21, 23, 29, 41, 48, 49, 72, 73, 76 and 93.
3. **Committed fund balance (WUFAR Function 937 900)** is amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. This fund balance classification can be reported in funds 10, 21, 50, and 80.

- Committed funds may not be used for any other purpose unless changed or amended by the same School Board action that created the original commitment, such as resolution or ordinance.
- Commitments must be made prior to the end of the fiscal year regarding purpose, although the amount may be determined subsequent to the fiscal year. Use of committed funds for intended purposes shall be authorized as part of the annual budget process. Addition of funds for commitments previously authorized shall be authorized in conjunction with budget adoption or year-end closing School Board action.
- Donations and fund-raising activities not specifically restricted by a third party shall be considered committed. Funds may be used within the confines of the budgetary processes.

4. **Assigned fund balance (WUFAR Function 938 900)** is a District's intent to use funds for specific purposes provided that a restriction or commitment is not applicable. The School Board can authorize a lower level form of authority such as a finance committee, business manager or district administrator to assign funds. The School Board has authorized business manager and district administrator to assign funds. The intent of the assigned funds may change with appropriate approvals as decided by the School Board. This fund balance classification can be reported in funds 10, 21, 50, and 80.

The following amounts shall be treated as assigned amounts at fiscal year end.

- Budget assigned during the adoption of the budget for subsequent year expenditures.
- The District uses encumbrance accounting which allows operating funds designated by a purchase order for a specific good or service to be carried forward into the next year's budget. Encumbrances outstanding at year end which will not lapse will be reported within the purpose of the expenditure (restricted, committed or assigned). General fund



encumbrances not for restricted or committed projects will be considered assigned general fund balance.

- The District could assign portions of its general fund to maintain sufficient working capital to finance operating expenditures to minimize short-term borrowing for cash flow purposes.
- Capital projects and grants that have not been completed and are not otherwise committed or restricted.
- All governmental funds other than the general fund shall report all non-specified fund balances as assigned due to the nature and purpose of the fund to exist for its intended purpose.

5. **Unassigned fund balance (WUFAR Function 939 900)** is available expendable financial resources in the District's general fund that are not subject to tentative management plans. The only other time a governmental fund can be reported as unassigned is if the fund reports a deficit. All governmental funds may report a negative unassigned fund balance after first reducing all assigned fund balance available.

### ***District's Spending Policy***

The District has established the following order of spending when various funding sources exist.

- 1) Restricted;
- 2) Committed;
- 3) Assigned;
- 4) Unassigned.

### ***General Fund Balance Level and Rationale***

The general fund, as the principal operating fund of the District, often will have net resources in excess of the commitments. The School Board strives to maintain a General Fund at a level that supports attaining the District's long-range goals. A formal written policy governing the purpose and acceptable range of the District's general fund balance is an effective financial management

tool to responsibly utilize District's financial resources to stabilize property taxes and ensure the continued provision of services to residents. An adequate general fund balance provides resources to:

- Maintain sufficient working capital to finance operating expenditures, minimizing short-term cash flow borrowing.
- Temporarily finance unanticipated expenditures or unusual fluctuation in the District's revenue sources while also setting aside funds for anticipated future cash outlays.
- An appropriate amount of financial reserves will result in higher credit ratings which will lower the District's borrowing costs.

The District intends to maintain a general fund balance to reduce or eliminate the need to short term borrow. The adequacy of the general fund shall be reviewed annually as part of the District's budget development process using the following factors:

- The District's enrollment pattern and the District's current property tax levies and their impact on the District's revenue limit.
- The District's level of state equalization and categorical aid funding and federal funding levels. The District will monitor the percentage of the District's budget being supported by federal and state grants.
- The District's capital asset conditions, assessing the age and condition of the facilities and major facility and equipment needs within the next five years.
- The District's current debt position
- The District's bond rating
- The District's current and predicted economic environment.

Any dollars anticipated to be realized through cost efficiencies from the current budget year will be evaluated for commitment, assignment or left unassigned by action of the School Board or management. The actual amount of any funds will be reported in the District's year-end audit report.

### ***Restoration of General Fund Balance***

From time to time, the District's general fund balance may be depleted below the range approved in this policy. If the general fund balance is depleted below the levels established by this policy, the District:

- will develop a plan to restore the balances over time for School Board approval,
- develop a plan including recommendations for revenue adjustments and/or expenditure reductions as may be appropriate.
- review and update the plan on an annual basis with the School Board until the policy level guidelines are achieved.

The District's fund balance policy is subject to review and change by District management and elected officials on a regular basis.

APPROVED:      October 16, 2001

REVIEWED:     April 5, 2004

REVISED:       April 11, 2005  
                      June 27, 2011  
                      May 28, 2015

## MATCHING FUNDS PROGRAM

The District encourages individuals and organizations to support student learning and co-curricular activities through a matching gifts program. The purpose of this program is to encourage non-tax revenues to support educational activities and programs. This program will be funded annually from the fund 10 reserve balance only. Any proposed matching funds projects in excess of \$1000 are subject to Board review and approval.

### Administrative Guidelines:

1. Contributing organizations or individuals proposing a matching funds gift must submit a project proposal application to the District Administrator no later than June 1 of the fiscal year prior to the proposed expenditure. The proposal application will identify:
  - a. the individual or organization
  - b. officers of the organization
  - c. address and telephone of the individual or organization contact
  - d. a narrative explanation outlining the proposed project
  - e. an explanation of how this project will benefit students of the Weyauwega-Fremont School District.
  - f. the source of the funds proposed for contribution
  - g. the projected cost of the project
  - h. the projected timeline for the project
  
2. The District Administrator will review project proposals with a committee comprised of:
  - a. District Administrator
  - b. One (1) Building Principal
  - c. Buildings and Grounds Director
  - d. Three (3) Teacher Representatives
  
3. The District Administrator will present to the Board for consideration project proposals reviewed and recommended by the review committee.
  
4. Subject to availability of funds, the Board will review for approval project proposals recommended by the administrative review committee.
  
5. Projects approved by the Board will be managed and implemented by the Administration under the direction of the District Administrator upon full deposit of gifted receipts. All project activities and expenditures will be subject to approval and direction of the District Administrator and any property acquired will be retained fully by the District.

APPROVED:            February 14, 2005

REVIEWED:            May 28, 2015

**WEYAUWEGA-FREMONT SCHOOL DISTRICT  
MATCHING FUNDS PROGRAM  
PROJECT APPLICATION**

1. Applicant: \_\_\_\_\_  
Name of Organization or Individual

2. Mailing address:  
\_\_\_\_\_  
Street City State Zip

3. Contact Person:  
\_\_\_\_\_  
Name Title

4. Contact Telephone: \_\_\_\_\_  
(Area Code) Telephone

5. In the space below outline the project proposed.

6. What is the projected total cost of this project? \_\_\_\_\_

7. Describe the projected timeline for completion of this project.

8. How will this project benefit the students of Weyauwega-Fremont?

## INVESTMENT OF DISTRICT FUNDS

The School Board recognizes that due to the timing of receipts and disbursements of funds, the district may, from time to time, have funds available for investment. The Board considers an investment program a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing revenues to be used for support of the district's educational programs.

The investment program of the district will be administered in such a way that will ensure:

1. A continuous process of temporarily investing idle funds;
2. Investment in instruments that will provide liquidity, safety of principal and a reasonable rate of return; and
3. All district investments will be in compliance with law.

The Board authorizes investments of temporarily idle cash to be made in investments authorized by state law. The District Administrator will report to the Board when a material change in investments is made.

The Board authorizes the District Administrator along with board approval to manage all activities of the investment program in his/her discretion in such a manner as to accomplish the above objectives. The District Administrator shall be immunized from prosecution and held harmless from any losses that may occur due to the failure of any depository to return capital and/or accrued interest to the district as long as he/she follows the guidelines of this policy.

The District Administrator is authorized to execute, in the Board's name, any or all documents and transactions relating to the investment program in a timely manner and to confer with consultants regarding investment decisions when necessary.

LEGAL REF.:           Wisconsin Statutes  
                              Sections 34.05, 34.08, 66.0603

CROSS REF.:           662.3 Fund Balance Designation

APPROVED:            September 22, 2008

REVIEWED:            May 28, 2015

## PURCHASING

It is the desire of the Board of Education that all purchases are made at the best price available with free opportunity for vendors and suppliers to bid on the needed items and services.

All purchases, whether by competitive bids or otherwise, shall take into consideration the quality of the articles or services provided, their conformity with developed specifications, their suitability to the requirements of the school system and delivery terms, in addition to the price quotation. All things being equal, contract shall be awarded and purchases made from local firms when available.

LEGAL REF.: Sections 120.13(5) & (33) Wisconsin Statutes

CROSS REF.: 672.1 Bidding and Quotation Procedures

APPROVED: March 28, 2011

REVIEWED: May 28, 2015

## BIDDING/QUOTATION PROCEDURES

The following procedures shall be followed by the district administrator and business manager and all other school officials who may have responsibility in this area.

The district shall call for bids or quotations for goods, services or equipment as follows:

a. Call for Bids/Quotations

The district shall call for bids whenever required by law or contract with a state or federal law. In the procedure for purchasing material and supplies the district administrator and business manager shall determine the method to be used in evaluating prices for expenditures less than \$5,000.00. A minimum of three bids or quotations if available along with Board notice shall be required for all expenditures \$5,000.00 - \$10,000.00 except as otherwise specifically provided. A formal competitive bid with Board authorization shall be required over \$10,000.00 unless deemed appropriately waived as described below (Bid Waiver). Bids and quotations shall be evaluated on the basis of district specifications. Impartial and open consideration shall be given to bids and quotations from vendors. The district reserves the right to accept or reject any or all bids and/quotations in the best interest of the school district and to waive any informalities in the bidding or quotations.

b. Formal Bid Notice

Formal bid notices shall contain the following:

1. An invitation to file sealed bids with the District Administrator or his/her designee.
2. A time limit for receiving bids by the District Administrator or his/her designee.
3. The time and place of bid opening.
4. A statement that bid forms and specifications may be obtained from the District Administrator or his/her designee.
5. Statement that the right is reserved to reject any or all bids and to waive technicalities.
6. Adapt penalty clauses, when appropriate.

c. Bid Waiver

The Board of Education recognizes that certain services do not lend themselves to the traditional bid process because of either the qualitative characteristics involved in the service or the possibility of higher cost inflation due to the bidding process. Therefore, the Board may waive competitive bidding requirements on contracts when comparative data shows that renewal rates are favorable to the School District or it decided that contracts with local providers are in best interest



of the School District and community. These professional services include, but are not limited to, those provided by: attorneys, architects, auditors, engineers, insurance, and the like. A decision to waive the bid process will be made known to the public as part of an open Board meeting. Bid waivers must be approved by a 2/3 vote of those Board members present.

d. Consideration of Bid

Consideration shall be given to quality, delivery date, and maintenance service provided by the vendor. The low bidder shall not necessarily be the successful bidder; however, if all other things are equal, the low bidder shall be awarded the bid. Where prices are equal, local merchants shall receive preference.

e. Conflict of Interest

In the case of a Board member also being a local merchant, he/she shall not be engaged in a business transaction with the school district or receive pay for services from the school district except as provided by law. State Statute 946.13 (Private interest in public contract prohibited).

CROSS REF: 672 Purchasing

APPROVED: March 28, 2011

REVIEWED: May 28, 2015

## **DISPOSAL OF INSTRUCTIONAL MATERIALS CENTER MATERIALS**

The board believes it is necessary to provide an up-to-date collection of Instructional Materials Center (IMC) materials which is in good condition. To ensure such a collection is provided, the librarian shall conduct a continuous evaluation of IMC materials and inform the building principal of those materials he/she recommends for disposal.

APPROVED: August 20, 1994

REVISED: April 5, 2004

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