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# Financial Policy

## Section F

Aguilar School

District Re-6

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## **Fiscal Management Goals/Priority Objectives**

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

1. To require advance planning through the best possible budget procedures.
2. To explore all practical and legal sources of revenue.
3. To study and guide the expenditure of funds so as to achieve the greatest educational returns.
4. To require maximum efficiency in accounting and reporting procedures.
5. To provide adequate resources to enable all students to meet or exceed state and district standards.

As trustee of community, state and federal funds allocated for use in local education, the Board has the responsibility to protect the funds and use them wisely.

Adopted by the Aguilar Board of Education on December 15, 2014



## **Financial Administration**

With respect to the actual, ongoing financial condition and activities of the district, the superintendent shall not cause or allow fiscal jeopardy or a material deviation from the annual budget or any budget policies adopted by the Board, or any fiscal condition that is inconsistent with achieving the district's objectives.

### **Expending district funds**

The superintendent shall take reasonable steps to ensure that only funds that have been received in the fiscal year to date are expended, unless authorized by Board resolution.

### **Reporting to Board and community**

#### **Audits**

All district funds and accounts shall be audited by an independent auditor annually in accordance with state law and Board policy DIE. All district funds and accounts shall be audited internally on a quarterly basis. Timely and appropriate corrective actions shall be taken in accordance with any internal or external audit findings.

*[Note: Quarterly audits are not required by law but may be a useful financial oversight tool for the Board.]*

The Board shall receive all audit reports and be informed of all corrective actions taken.

#### **Financial reports**

##### **Monthly reports**

The superintendent or designee shall prepare and submit to the Board a monthly cash receipts and disbursements report.

##### **Quarterly reports**

The superintendent or designee shall prepare and submit to the Board a quarterly fiscal actions report of all district funds. The quarterly report shall include:

- the actual amounts spent and received as of the date of the report from each of the funds budgeted by the district for the fiscal year, expressed as dollar amounts and as percentages of the annual budget
- the actual amounts spent and received for each fund for the same period in the preceding fiscal year, expressed as dollar amounts and as percentages of the annual budget
- the expected year-end fund balances, expressed as dollar amounts and as percentages of the annual budget
- a comparison of the expected year-end fund balances with the amount budgeted for that fiscal year
- details on the district's major tax and revenue sources, with variance analysis that shows the factors that are affecting revenue inflow.

The format and basis for reporting shall be consistent with the adopted budget and the past year's generally accepted accounting procedures results.

#### **Reconciliation report**

The superintendent or designee shall prepare for the Board an itemized reconciliation between the fiscal year-end fund balances based on the budgetary basis of accounting and the modified accrual basis of accounting. The reconciliation shall include, but is not limited to, the liability for accrued salaries and related benefits. The reconciliation shall be included with the final version of the amended budget and the annual audited financial statements.

The Board shall receive all financial reports in a timely manner and be informed of all corrective actions taken.

The superintendent or designee shall conduct quarterly financial reviews with the Board using reports described above.

The Board may request other financial reports as needed.

#### **Oral notification**

The superintendent shall assure that immediate verbal notification be given to the Board regarding any potential financial problem or any matter that may affect the district's financial condition or ability to achieve its mission.

#### **Available to public**

All financial and audit reports shall be made available to the public.

### **Legally-required reports**

Reports and filings required by state and federal law and agencies shall be accurately and timely filed.

### **Record keeping**

Complete and accurate financial records shall be kept for all district funds and accounts.

### **Operating losses or deficits**

The superintendent, as well as all fund directors, program directors, department heads and school principals, shall take all reasonable steps to identify funds, programs, departments or schools that may end the fiscal year with an operating loss or deficit. A corrective action plan shall be developed and implemented within 30 days of such identification.

The superintendent, as well as all fund directors, program directors, department heads and school principals, shall develop and implement processes whereby variations or deviations in cash flow, revenues or other important financial indicators can be identified and dealt with in a timely manner.

### **Employee reporting**

The superintendent shall develop and implement procedures to encourage all district employees to report suspected financial problems or wrongdoing. No adverse employment decisions shall be taken in response to a good faith report by an employee.

### **Contingency planning**

The superintendent or designee shall continually be aware of the financial and political landscape both internally and externally and shall develop contingency plans against possible events.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS: C.R.S. 22-44-105 (1.5)(b) (*itemized reconciliation*)  
C.R.S. 22-45-102 (1)(b) (*quarterly financial reports*)

CROSS REF.: KD, Public Information and Communications

**NOTE:** *The Board may also wish to establish a community audit or financial oversight committee consisting of business persons familiar with financial matters, accountability committee members,*

*parents, and others.*



## **Annual Budget**

The annual budget is the financial plan for the operation of the school system. It provides the framework for both expenditures and revenues for the year and future years and translates into financial terms the educational programs and objectives of the district.

### **Budget process**

Public school budgeting is regulated and controlled by statutes and by requirements of the State Board of Education that prescribe the form of district budgets in order to ensure uniformity throughout the state.

The budget shall be presented in a summary format that is understandable by any layperson. The budget format shall itemize expenditures of the district by fund and by student. It shall describe the expenditure and show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year. When budgeting for any enterprise funds, the district shall use the full accrual basis of accounting. The budget shall summarize revenues by revenue source and expenditures by function, fund and object.

The budget also shall disclose planned compliance with spending limitations outlined in Article X, Section 20, of the Colorado constitution, including holding TABOR reserve funds in an unrestricted general fund or in cash funds.

The Board assigns to the superintendent overall responsibility for annual budget preparation, budget presentation and budget administration. As part of the superintendent's budget responsibility, the superintendent shall cause to be prepared a budget preparation calendar that shall ensure that all deadlines established by law for budget presentation, hearings and adoption and for certification of amounts to be raised by school tax levies are met by the school district. The budget calendar shall take into consideration the possible need to submit a request to raise additional local revenue to a vote by the district's electorate. The superintendent shall have authority to delegate portions of his or her budget responsibility to the business manager of the district.

The budget prepared and presented by the superintendent shall be consistent with the budget priorities of the Board as established in policy DBD.

### **Operating reserve**

Maintaining a fiscal year-end fund balance as an operating reserve in the general fund is a beneficial and sound financial management practice. The Board of Education assigns to the superintendent or designee the responsibility of accumulating and maintaining a general fund balance amounting to \_\_\_% of the

district's current fiscal year adopted budget as an operating reserve. Accumulation of the full \_\_\_% general fund balance will be completed by the end of the \_\_\_\_\_ fiscal year, unless otherwise approved by the Board. This amount will be in excess of the emergency reserve required by Article X, Section 20 of the Colorado Constitution (Taxpayer's Bill of Rights).

The operating reserve is intended to serve as a "rainy day" fund and will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from this reserve shall be reported to the Board.

If any part of the operating reserve is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, funds will be reallocated to restore the year-end fund balance in the operating reserve before any other budget allocations in the subsequent fiscal year, unless the Board of Education approves otherwise.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS: C.R.S. 22-11-302 (1)(a) (*district accountability committee budget recommendations*)  
C.R.S. 22-11-402 (1)(a) (*school level accountability committee budget recommendations*)  
C.R.S. 22-32-109 (1)(b)  
C.R.S. 22-44-101 through 117 (*school district budget law, Board shall cause a proposed budget to be prepared and shall adopt a budget for each fiscal year*)  
C.R.S. 22-44-106 (*Board may provide for an operating reserve in the general fund which shall not exceed 15% of the amount budgeted for the current fiscal year*)  
C.R.S. 22-45-103 (1)(c) (*authorized expenditures from capital reserve fund*)  
C.R.S. 29-1-103 (3) (*budget to reflect lease-purchase payment obligations*)

CROSS REF.: DB subcodes, (all relate to the budget)

File: DB



## **Determination of Budget Priorities**

All resources of the district shall be directed toward ensuring that all students reach their learning potential, including that they meet or exceed state and district content standards. A minimum of \_\_\_% of district resources shall be allocated to instruction.

In order to fulfill its trustee obligation with regard to district resources, the Board must know how resources are currently allocated, whether such allocation is effective and what changes should be made to achieve the greatest educational returns. The superintendent shall develop a comprehensive and ongoing system to collect and analyze resource allocation information. The analysis of this information shall form the basis for the budget prepared by the superintendent for presentation to the Board. The system shall:

1. determine how resources are currently allocated by school, grade and program
2. link specific inputs with results for students and determine whether the current allocation of resources is effective in raising student achievement
3. identify ways to better use resources to achieve the district's educational objectives and improve teaching and learning

As part of the budget preparation process, each school-level accountability committee shall make recommendations to the principal relative to priorities for expenditures of district funds by the school. The principal shall consider these recommendations when formulating budget requests to be presented to the superintendent. The superintendent shall also consider the accountability committee recommendations when preparing the budget to be presented to the Board of Education. A copy of the school-level accountability recommendations shall be sent to the district accountability committee and to the Board.

The district accountability committee shall make recommendations to the Board relative to priorities for expenditures of district funds and provide a copy of the recommendations to the superintendent. The Board shall consider these priorities when it adopts the annual budget. The superintendent shall consider the district accountability committee recommendations when preparing the budget to be presented to the Board.

Accordingly, the budget prepared and presented by the superintendent shall:

1. include contingency plans in the event budget assumptions prove

erroneous *[if the Board adopts optional language in policy DB establishing an operating reserve]*

2. be in a summary format understandable by a lay person
3. itemize district expenditures by fund
4. include information regarding school-level expenditures
5. adequately describe proposed expenditures
6. show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year
7. comply with spending limitations in the state constitution *[not applicable after voters approve a revenue change measure often referred to as "de-Brucing"]*
8. consider recommendations made by district accountability committee relative to priorities for expenditures of district funds
9. contain enough information to enable credible projection of revenue and expenses
10. disclose budget planning assumptions
11. not excessively rely on nonrecurring revenues
12. not provide for expenditures, interfund transfers or reserves in excess of available revenues and beginning fund balances
13. not include the use of beginning fund balance unless the Board has adopted a resolution as described in state law specifically authorizing such use
14. not reduce without approval of the Board, the current cash reserves at any time to less than the minimum amount required by the spending limitations set forth in the state constitution
15. provide adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and district legal fees
16. take into consideration fiscal soundness in future years and plans for the building of organizational capabilities sufficient to achieve the Board's goals

in future years

17. reflect anticipated changes in employee compensation including inflationary adjustments, step increases, performance increases and benefits
18. achieve a \_\_\_\_\_% operating reserve in the unallocated general fund by \_\_\_\_\_
19. comply with state and federal law
20. provide sufficient resources to address the district's facility needs.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS: C.R.S. 22-11-302 (1)(a) (*district accountability committee budget recommendations*)  
C.R.S. 22-11-402 (1)(a) (*school-level accountability committee budget recommendations*)  
C.R.S. 22-44-105 (1.5) (*budget parameters regarding expenses not exceeding revenue and use of beginning fund balance*)

CROSS REF.: AE, Accountability/Commitment to Accomplishment





## Budget Adoption Process

Following consideration of the budget proposal presented by the administration, the Board shall approve a proposed budget.

Within 10 days of submission of a proposed budget to the Board, a notice shall be published in a newspaper having general circulation and posted in prominent community venues within the school district that:

1. The proposed budget is available for inspection by the public at the central administrative office during business hours.
2. The Board will consider the adoption of the proposed budget at a hearing to be held at the date, time and place specified in the notice.
3. Any interested taxpayer may inspect the proposed budget and file or register any objections thereto at any time prior to final adoption of the budget by the Board.

At the budget hearing specified in the notice, the Board will present and explain the proposed budget, inviting questions and discussion from the audience. If the budget is to be adopted at a future meeting, the date, time and place of such meeting shall be entered in the minutes of the hearing.

The Board shall officially adopt the budget and an accompanying appropriations resolution prior to the end of the fiscal year.

After adoption of the budget, the Board may review and change the budget with respect to both revenues and expenditures at any time prior to January 31 of the fiscal year for which adopted. After January 31 the Board shall not review or change the budget except as otherwise authorized by state law including declaration of a fiscal emergency.

If money for a specific purpose other than *ad valorem* taxes becomes available to meet a contingency after January 31, the Board may adopt a supplemental budget for expenditures not to exceed that amount.

If the district is authorized to raise and expend additional local property tax revenues at an election, the Board may adopt a supplemental budget and appropriation resolution to cover the remainder of the fiscal year following the election based on the additional dollar amount authorized.

Adopted by the Aguilar Board of Education on December 15, 2014

File: DBG

**LEGAL REFS:** See citations on policy coded DBG-E  
C.R.S. 22-7-105  
C.R.S. 22-44-103  
C.R.S. 22-44-107 through 111  
C.R.S. 22-44-115  
C.R.S. 22-44-115.5

**CROSS REFS:** DEA, Funds From Local Tax Sources  
DBK\*, Fiscal Emergencies

## Deadlines in Budgeting Process Set by Statute

*Note: The Colorado Department of Education annually notifies each district of critical dates in accordance with statutory requirements below.*

By December 15	Board of Education must certify to Board of County Commissioners the separate amounts necessary to be raised by taxes for the school district's general, bond redemption, transportation and special building funds [C.R.S. 22-40-102 (1); C.R.S. 39-5-128]
By June 1	Proposed budget must be submitted to Board of Education for tentative approval [C.R.S. 22-44-108 (1)]
Within 10 days of above	Notice of proposed budget must be published; budget must be made available for public inspection [C.R.S. 22-44-109 (1)]
Before final adoption	Public hearings must be held [C.R.S. 22-44-110 (1)]
Before end of fiscal year (June 30)	Board must adopt official budget and appropriations resolution [C.R.S. 22-44-103 (1), 22-44-107 (1), 22-44-110 (4)]
By January 31	Board may review and change the budget with respect to both revenues and expenditures [C.R.S. 22-44-110 (5)]
By January 31 (beginning in 2009)	Local board submits its adopted annual budget to CDE. Budget shall include data available to local board as of December 31 of the preceding calendar year. [C.R.S. 22-44-111]

*Additional deadlines if district seeks authorization to raise additional local revenues at an election:*

At least 60 days prior to election	Ballot question must be delivered to county clerk and recorder [C.R.S. 1-5-
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203 (3)]

First Tuesday in November in odd-numbered years; general election date in even-numbered years

District may request authorization to raise additional local revenues subject to limitations set forth in law [Colorado Constitution, Article X, Section 20; C.R.S. 22-54-108]

Following election

If the district is authorized to raise and spend additional local revenues, Board may adopt a supplemental budget [C.R.S. 22-44-110 (6)]

## **Budget Transfers**

Unencumbered moneys shall not be transferred from one fund to another unless authorized in advance by the Board. When a contingency occurs, the Board of Education by resolution may transfer any unencumbered moneys from the contingency reserve account, which is within the general fund, to any other fund or function.

The Board shall not transfer moneys from the bond redemption fund, the special building fund, or the transportation fund.

### **School budget accounts**

Principals and their designees are responsible for funds budgeted to that school and may transfer moneys between their discretionary accounts. The superintendent and/or business manager shall be notified of such transfers. However, moneys in school staffing salary and benefit accounts cannot be transferred without Board approval.

### **Program budget accounts**

Program managers and their designees are responsible for funds budgeted to that program and may transfer discretionary moneys according to procedures established by the program manager. Transfers between programs must have the approval of each program manager's immediate supervisor. The superintendent and/or business manager shall be notified of such transfers.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 22-32-107 (*duties of treasurer*)  
C.R.S. 22-44-102 (3) (*definition of contingency*)  
C.R.S. 22-44-112 (*transfer of moneys*)  
C.R.S. 22-44-113 (*borrowing from funds*)  
C.R.S. 22-45-103 (1)(a)(II) (*general fund*)  
C.R.S. 24-10-115 (*authority for public entities to obtain insurance*)

File: DBJ

## **Fiscal Emergencies**

If the Board of Education determines during any budget year that the anticipated revenues and amounts appropriated for expenditure in the budget exceed actual revenues available to the district due, in whole or in part, to action of the legislature or governor, the Board may declare a fiscal emergency. Such action shall require the affirmative vote of two-thirds of the members of the Board.

If a fiscal emergency is declared by the Board of Education, the Board may implement a reduction in salaries for all employees of the school district on a proportional basis or may alter the work year of employees. Such reduction in salaries may be made notwithstanding any adopted salary schedule or policy.

Prior to taking such action, the Board shall hold at least one public hearing.

Adopted by the Aguilar Board of Education on December 15, 2014

**LEGAL REFS.:** C.R.S. 22-44-115.5 (*reduction in salaries or alteration of work year due to fiscal emergency*)  
C.R.S. 22-45-112 (2) (a) (*sale of real property if fiscal emergency*)  
C.R.S. 22-54-110 (2) (d) (*loans in form of lease-purchase agreements with state treasurer if fiscal emergency*)

**CROSS REFS.:** DEB, Loan Programs  
GCBA, Instructional Staff Contracts/Compensation/Salary Schedules  
GCL, Professional Staff Schedules and Calendars  
GDBA, Support Staff Salary Schedules  
GCQA, Instructional Staff Reduction in Force





## **Funds From Local Tax Sources**

### **Mill levies**

If the Board of Education is of the opinion that revenues in excess of those provided through equalization program funding are necessary to provide for the needs of the district, the Board may seek authorization at an election to raise additional local property tax revenues. The requested amount shall not exceed 25 percent of the district's total program funding for the budget year in which the limitation was reached or \$200,000, whichever is greater.

The Board shall call an election to raise additional local revenues if an initiative petition containing signatures of at least five percent of the registered electors in the district is properly submitted to the Board. An initiative petition shall be submitted at least 90 days prior to the election date in order to be valid.

Such elections shall be held on the first Tuesday in November in odd-numbered years in conjunction with the regular biennial school election or on general election day in even-numbered years. The election shall be conducted by the county clerk and recorder in accordance with applicable law. The superintendent shall notify the State Board of Education prior to the election about the district's proposed use of the additional property tax revenues. The proposed use may include capital construction projects.

### **Transportation mill levies**

The Board of Education may submit the question of whether to impose a mill levy for the payment of excess transportation costs at an election held in conjunction with the regular biennial election in odd-numbered years or with the general election in even-numbered years.

Excess transportation costs are defined as the annual operating expenditures for student transportation minus any state reimbursement entitlement based on amounts expended and received in a 12-month period as specified in state law. The term also includes annual expenditures for the purchase or lease of pupil transportation vehicles or other capital outlays related to pupil transportation.

If the measure passes, the district shall deposit the resulting revenue in the transportation fund.

### **Kindergarten mill levy**

The Board of Education may submit the question of whether to impose a mill levy for additional local property tax revenues to provide funding for excess full-day

kindergarten program costs. The Board may include a question of whether to impose an additional mill levy of a stated amount and limited duration to meet the initial capital construction needs of the district associated with a full-day kindergarten program. "Excess full-day kindergarten program costs" are defined in state law as the costs that exceed the revenues the district receives from the school funding formula for kindergarten.

### **Bonded indebtedness**

Upon the approval of the electorate, the Board may incur a bonded indebtedness which does not exceed amounts specified by law.

The Board may authorize the issuance of debt to achieve the following goals and objectives:

1. To provide capital improvements which satisfy the district's physical plant needs
2. To provide the capability of financing district equipment needs
3. To refinance existing debt when it is in the best interests of the district

To accomplish these goals the Board has developed the following guidelines for managing the district's debt.

1. The superintendent and a designee shall be responsible for implementing this policy and its procedures.
2. The superintendent and a designee shall serve as the district's liaison with the investment banking community and will keep the Board informed about investment banking activities, changes in laws which affect the issuance of debt, and any topics which bear on the district's financial activities and needs.
3. When developing the district's financial plan, the superintendent shall analyze the need for financial advisory or investment banking assistance in defining the district's financial goals and objectives, establishing its financial plan and preparing for the issuance of debt or the refinancing of existing debt. Based on that analysis, the superintendent may recommend that the district secure the services of financial advisory and/or investment bankers.
4. The type of financial advisory or investment banking services and the method of selecting the firm or firms to provide such services shall be determined by the Board.

5. All investment banking firms or financial advisors employed by the district shall comply with the provisions and rules of the Municipal Securities Regulatory Board when performing services for the district.
6. The superintendent and chief financial officer shall recommend to the Board whether to use a competitive bid or negotiated sale method for each transaction. All financing completed by the district shall be conducted in compliance with state and federal statutes and regulations.

**Notice to public**

At least 20 days prior to any election wherein the Board has submitted a ballot issue concerning the creation of any debt or other financial obligation, the district shall post on its web site *[or if the district does not have a web site, at the district's main administrative office]* a notice regarding financial information as specified in state law. This notice is in addition to other notices required by law.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: Constitution of Colorado, Article X, Section 20  
C.R.S. 1-1-101 through 1-13-108 *et seq.* (*Uniform Election Code of 1992*)  
C.R.S. 1-7-908 (*financial information district must post prior to any financial election*)  
C.R.S. 1-45-117 (*Fair Campaign Practices Act*)  
C.R.S. 22-42-101 *et seq.* (*bonded indebtedness*)  
C.R.S. 22-54-108  
C.R.S. 22-54-108.5 (*mill levy to fund full-day kindergarten*)

CROSS REFS.: DBG, Budget Adoption  
EEA, Student Transportation  
FA, Facilities Development Goals/Priority Objectives  
FB, Facilities Planning  
FBC\*, Prioritization of Facility Improvement  
FD, Facilities Funding  
FDA, Bond Campaigns

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File: DEA

## **Loan Programs** (Funds from State Tax Sources)

### **Short-term borrowing**

The superintendent shall notify the Board when it becomes evident, early in the fiscal year before substantial tax moneys have been received, that cash balances will not meet anticipated obligations. Under such circumstances the Board may negotiate, under the provisions of Colorado statutes, for a loan in such amounts as may be required to meet such obligations. Such a loan may not be obtained without prior approval of the Board.

The Board may authorize the president and the secretary to execute promissory notes on behalf of the school district from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary or incidental to the borrowing of funds. By law, these short-term loans are liquidated within six months of the close of the fiscal year from moneys received by the district for the general fund.

### **State interest-free or low-interest loan program**

When it becomes evident that a general fund cash deficit will occur in any month, the district's chief financial officer and the superintendent shall notify the Board. The notice shall explain the need for a loan and the requested amount. Under such circumstances the Board may elect to participate in an interest-free or low-interest loan program through the state treasurer's office by adopting a resolution approving the amount of the loan prior to the loan being made. The loan may not exceed the amount certified by the district's chief financial officer and the superintendent. However, the superintendent may not apply for such loan without a resolution of the Board. The state treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms.

If, in order to receive an interest-free loan, the district seeks to have tax and revenue anticipation notes issued on its behalf pursuant to state law, the notice to the Board shall not only explain the district's anticipated cash flow deficit for the upcoming year, but also the total amount of tax and revenue anticipation notes needed to cover the deficit.

All loans shall be repaid by June 25 of the fiscal year in which they were made or an alternate date determined by the state treasurer.

### **Lease-purchase agreements with state**

Under certain conditions the district may sell real property to the state treasurer if the district has been denied a loan or is unable to pay a loan made by the state pursuant to the interest-free loan program.

### **Tax anticipation notes**

The Board may issue tax anticipation notes without an election if it determines that taxes due the district will not be received in time to pay projected budgeted expenses. Tax anticipation notes shall mature on or before August 31 of the fiscal year immediately following the fiscal year in which the tax anticipation notes were issued.

The state treasurer is authorized to issue tax anticipation notes for school districts pursuant to terms and conditions negotiated by the state treasurer and the district.

Tax anticipation notes issued by the district shall not exceed 75 percent of the taxes the district expects to receive in the current fiscal year as shown by the current budget.

### **Loans for renewable energy projects**

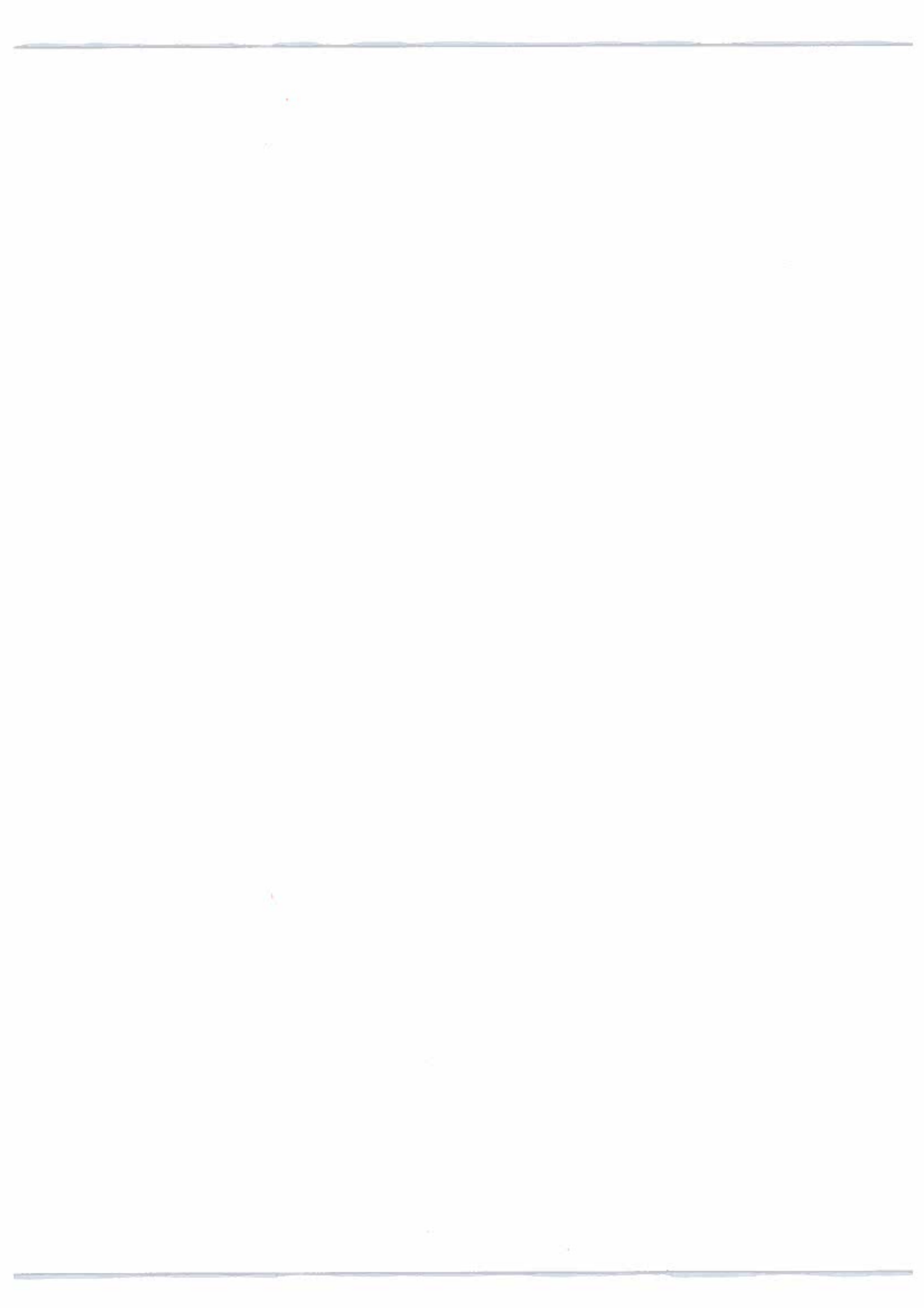
The Board may authorize the superintendent to apply to the Governor's energy office for a loan to fund renewable energy projects and purchase energy-efficient buses. Prior to applying for a loan from the state for this purpose, the district shall establish a renewable energy project team in accordance with state law.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 22-40-107 (*short term loans*)  
C.R.S. 22-45-112(2)(a) (*sale of real property if fiscal emergency*)  
C.R.S. 22-54-110 (*loans to alleviate cash flow problems*)  
C.R.S. 22-54-110(2)(d) (*loans in form of lease-purchase agreements with state treasurer if fiscal emergency*)  
C.R.S. 22-92-101 *et seq.* (*Renewable Energy and Energy Efficiency for Schools Loan Program Act*)  
C.R.S. 29-15-101 *et seq.* (*Tax Anticipation Note Act*)

CROSS REF.: DBK\*, Fiscal Emergencies

File: DEB





## **Revenues from Investments/Use of Surplus Funds**

The Board of Education recognizes the importance of prudent and profitable investment of district moneys and its responsibility in overseeing this part of the district's financial program.

This policy shall apply to the investment of all financial assets and all funds of the district over which the Board exercises financial control. In order to effectively make use of the district's cash resources, all moneys shall be pooled into one investment account and accounted for separately. The investment income derived from this account shall be distributed to the various district funds as directed by the Board of Education in accordance with state law.

All district funds allocated to a specific use but temporarily not needed shall be invested by the treasurer, assistant treasurer or other administrator appointed by the Board in accordance with state law and in a manner designed to accomplish the following objectives:

1. ensure the safety of funds
2. ensure that adequate funds are available at all times to meet the financial obligations of the district when due
3. ensure a market rate of return on the funds available for investment throughout the budget cycle
4. ensure that all funds are deposited and invested in accordance with state law

The intent of the district is to support financial institutions located within district boundaries. Investments in institutions located outside of the district will be made when competitive rates or lack of collateral available from local financial institutions make this decision in the best interest of the district or when investment timing requires investment alternatives and short-term yields not conveniently available in the district. If the district is contemplating any investment or deposit outside of the state, the Board shall be notified. The Board shall seek legal advice prior to any such investment or deposit.

The Board shall be kept informed of investments and yields through regular monthly reports. These reports shall be formatted in a manner that allows the Board to evaluate the success of its investment practices in light of its stated objectives.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 11-10.5-101 *et seq.*  
C.R.S. 11-47-101 *et seq.*

C.R.S. 22-45-103 (*bond redemption fund trustee or escrow requirement*)  
C.R.S. 24-75-601 *et seq.*

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File: DFA/DFAA

C.R.S. 24-75-701 *et seq.*

CROSS REFS.: DA, Fiscal Management Goals/Priority Objectives  
DG, Banking Services

**Banking Services**  
(And Deposit of Funds)

All revenue received by the school district shall be deposited in an official bank or banks or savings and loan institutions as designated by the Board. Such financial institution must qualify as an eligible public depository in accordance with state law.

When moneys are withdrawn from the custody of the county treasurer, such withdrawn moneys and all other moneys belonging to the district including moneys derived from food services and school activities shall be deposited by the treasurer of the Board or official custodian to the credit of the district in a depository designated by the Board.

The treasurer or official custodian shall comply with all requirements of state law regarding the deposit of district funds.

**Bond redemption fund**

Revenues from a tax levy for the purposes of satisfying bonded indebtedness obligations shall be administered by a commercial bank or depository trust company located in Colorado or placed in an escrow account in accordance with the requirements set forth in state law.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 11-10.5-101 *et seq.* (relates to deposits of public funds in banks)  
C.R.S. 11-47-101 *et seq.* (relates to deposits of public funds in savings and loan institutions)  
C.R.S. 22-32-104 (4)(c)  
C.R.S. 22-32-107 (3),(4),(6)  
C.R.S. 22-32-109 (1)(g)  
C.R.S. 22-32-110 (1)(x)  
C.R.S. 22-40-104 (relates to county treasurer)  
C.R.S. 22-40-105  
C.R.S. 22-45-103 (bond redemption fund trustee or escrow requirement)  
C.R.S. 22-45-104 (relates to collection and deposit of fees and fines)

CROSS REF.: BDB, School Board Officers

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File: DG

## **Bonded Employees and Officers**

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All school employees who are responsible for moneys controlled by the Board or who may have more than \$50 from such funds in their custody shall be bonded under a group fidelity bond in individual amounts of \$10,000.

The secretary and treasurer of the Board and any custodian of moneys authorized and appointed by the Board shall, as required by Colorado statute, be individually bonded. This bond shall be in an amount not less than \$5,000.

The cost of bonding shall be borne by the school district.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 22-32-104 (4)(b),(c)  
C.R.S. 22-32-109 (1)(h)  
C.R.S. 22-32-121 (3)



## **Fiscal Accounting**

The superintendent shall be responsible for receiving and properly accounting for all funds of the district.

All funds received and/or disbursed by any agency of the school system including any and all district transactions shall be accounted for carefully and accurately; shall conform with generally accepted principles of governmental accounting providing for the appropriate separation of accounts, funds and special moneys, and shall be done in a manner that is easily reviewed and lends itself to auditing.

When accounting for any enterprise funds the district shall use the full accrual basis of accounting.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REF.: C.R.S. 22-45-102  
C.R.S. 22-44-103 (*enterprise funds accounting methods*)





## **Inventories**

The school district shall maintain a system for an annual inventory of all real and personal property. The Board shall set the threshold cost required for items to be inventoried. Equipment permanently fixed in a building such as heaters or lockers shall not be inventoried.

The equipment inventory shall serve both the function of control and conservation.

Responsibility for the system shall lie with the superintendent to whom principals shall be accountable for the maintenance of proper inventories in their schools.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REF.: C.R.S. 29-1-506 (1)



## Annual Audit

In accordance with state law, all funds and accounts of the district shall be audited annually, following the close of the fiscal year.

The Board shall issue a request for proposal (RFP) or use some other similar process for selection of an independent auditor licensed to practice in Colorado and knowledgeable in government accounting to conduct the audit. The independent auditor also shall audit the activities accounts of the district for report to the Board of Education.

The audit report shall contain among other information:

1. Financial statements prepared insofar as possible in conformity with generally accepted governmental accounting principles. (The financial statements are the representation of the district whether prepared by the district or by the auditor.)
2. Disclosures in accordance with the *Financial Policies and Procedures Handbook*. The supplemental schedules of receipts and expenditures for each fund shall be in the format prescribed by the State Board of Education and shall be in agreement with the audited financial statements of the district.
3. All funds and activities of the school district.
4. A budget to actual comparison for each fund and activity.
5. The auditor's opinion on the financial statements. If the opinion is anything other than unqualified, the reason must be explained. The opinion shall include general fixed assets.
6. Disclosure of all instances of noncompliance with state law, including the Public School Finance Act of 1994, irrespective of materiality.
7. A supplemental listing of all investments held by the district at the date of the financial statement.
8. A calculation of the school district's fiscal year spending in accordance with the state constitution.

The auditor shall meet with the Board to discuss the audit report, make recommendations to the Board concerning its accounting records, procedures and related activities as may appear necessary or desirable and shall perform such other related services as may be requested by the Board.

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File: DIE

The audit report shall be completed and submitted by the auditor to the school district within five months after the close of the fiscal year unless a request for an extension of time is granted by the state auditor. Within 30 days after the Board receives the audit, it shall be submitted to the state auditor and the state commissioner of education.

The Board reserves the right to request an audit at more frequent intervals if desired.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 22-32-109 (1)(k)  
C.R.S. 24-75-601.3  
C.R.S. 29-1-601 *et seq.*

**[Revised February 2005]**  
COLORADO SAMPLE POLICY 1995©

## **Purchasing/Purchasing Authority**

The Board's authority for the purchase of materials, equipment, supplies and services is extended to the superintendent through the detailed listing of such items compiled as part of the budget-making process and approved by the Board through its adoption of the annual operating budget.

Except in emergencies or for reasons of economy, the annual purchase of major pieces of equipment such as school buses shall be scheduled so that annual budgetary appropriations for capital purposes will be of similar size or will show a continuous trend without severe fluctuations.

The superintendent shall direct the purchase of such books, supplies, equipment and other materials as is required and permitted within the limits of the budget. The purchase of these items shall require no further Board approval except in those instances where Board policy requires certain purchases to be put to bid. However, any single, non-budgeted purchase or expenditure greater than \$500.00 shall require advance approval by the Board.

In order to receive the greatest value for each dollar expended, it shall be the policy of the school district to obtain comparative prices based on similar quality, to consider a balance between long-term quality and cost, and to purchase in quantity whenever possible and practical.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REF.: C.R.S. 22-32-109 (1)(b)

CROSS REF.: DJE, Bidding Procedures



## **Bidding Procedures**

All contractual services and purchases of supplies, materials and equipment in the amount of \$1000.00 or more shall be put to bid. This shall not apply, however, to professional services or instructional materials. Other purchases may be made in the open market but shall, when possible, be based on competitive quotations or prices.

All contracts and all open market orders shall be awarded to the lowest responsible qualified supplier, taking into consideration the quality of materials (services) desired and their contribution to program goals.

With regard to materials or services for which bids are required, the superintendent or designee shall develop a procedure to pre-qualify bidders. Suppliers shall be invited to have their names placed on mailing lists to receive information about pre-qualifying. When specifications are prepared, they shall be mailed to all merchants and firms who have pre-qualified. Only pre-qualified bidders may submit bids.

All bids shall be submitted in sealed envelopes, addressed to the Board, and plainly marked with the bid number and the time of the bid opening. Bids shall be opened in public by appropriate district officials or employees at the time specified, and all bidders 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 district.

The bidder to whom an award is made shall be required to submit to the district proof of liability insurance and when appropriate, proof of workers' compensation insurance, and may be required to enter into a written contract with the district.

ADOPTED BY THE Aguilar Board of Education on December 15, 2014

LEGAL REFS.: C.R.S. 22-32-109 (1)(b) (*board required to adopt bidding procedures*)  
C.R.S. 24-18-201 (*public official's interest in contract*)

CROSS REFS.: BCB, School Board Member Conflict of Interest





## **Vendor Relations**

No favoritism shall be extended to any vendor. All employees of the district must exercise sound judgment in avoiding conflicts of interest or the appearance of impropriety in dealing with vendors. Gifts or gratuities of other than nominal value or which might obligate a district employee in any manner shall be politely and firmly refused.

Any vendor or bidder who offers items in excess or in violation of the spirit of this policy may be disqualified indefinitely.

No person officially connected with or employed in the public schools shall be an agent or be in any way pecuniary or beneficially interested in or receive any compensation or reward of any kind from any vendor for the sale of supplies, material, equipment or services to the district without the express prior written consent of the Board of Education.

Adopted by the Aguilar Board of Education on December 15, 2014

**LEGAL REF.:** C.R.S. 24-18-104

**CROSS REFS.:** BC, School Board Member Conduct  
GBEB, Staff Conduct  
GBEBC, Gifts to and Solicitations by Staff



## **Salary Deductions**

Deductions shall be made from the paychecks of all employees for retirement and federal and state income tax in keeping with federal and state requirements and Medicare tax if applicable. Employees may also choose to have Union dues deducted.

Salary deductions shall be made for absences not covered by leave policies adopted by the Board of Education. Such deductions shall be calculated on the basis of the employee's work year.

Except for deductions required by court order (i.e. wage garnishments, court-ordered child support, etc.), other deductions shall require Board approval and permission of the employee.

Adopted by the Aguilar Board of Education on December 15, 2014



## **Expense Authorization/Reimbursement**

The same general policy shall apply to all personnel and district officials in regard to reimbursement of expenses. This policy shall be as follows:

1. Personnel and officials who incur expenses in carrying out their authorized duties shall be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the administrator responsible for business affairs.
2. Such expenses shall be approved and incurred in line with budgetary allocations for the specific type of expenses.
3. When official travel by personally owned vehicle has been authorized, the cost of gasoline shall be reimbursed.

Adopted by the Aguilar Board of Education on December 15, 2014

LEGAL REF.: C.R.S. 24-18-104 (3)(d),(e)

## **Expense Authorization/Reimbursement**

### **Meal Reimbursement:**

1. Meals shall be reimbursed at a rate of \$50 per diem
  - a. Breakfast \$10.00
  - b. Lunch \$15.00
  - c. Dinner \$25.00