



7.00 BUSINESS SERVICES

- 7.1 Sale, Transfer or Disposal of Real or Tangible Personal Property
- 7.2 Lost, Stolen or Damaged Tangible Personal Property
- 7.3 Inventories and Property Records
- 7.4 Acquisition Use and Exchange of School District Real and Tangible Personal Property
- 7.5 Records Retention and Disposal
- 7.6 Petty Cash
- 7.7 Internal Accounts
- 7.8 District Financial Records
- 7.9 Depository Accounts
- 7.10 Central Distribution and Warehouse Operations
- 7.11 Annual Budget
- 7.12 Audits
- 7.13 Bonded Personnel
- 7.14 Travel Expenses
- 7.15 Purchasing, Bidding & Request for Qualification
- 7.16 Investment of Temporarily Idle Funds
- 7.17 Fund Balance
- 7.18 Debt Management
- 7.19 Fraud Prevention, Investigation and Consequences

7.1 SALE, TRANSFER OR DISPOSAL OF REAL OR TANGIBLE PERSONAL PROPERTY

POLICY

The Superintendent shall develop procedures for disposing of property declared surplus by the board.

The School Board may dispose of any land or real property which is, by resolution of the Board, determined to be unnecessary for educational purposes as recommended in an Educational Plant Survey conducted in accordance with Florida Statutes.

Subject to state and federal law and regulations of the state board, the School Board of Manatee County may sell, transfer or dispose of any tangible personal property which is declared by the board to be surplus.

PROCEDURES

(1) Identifying Surplus Property:

- (a) Property cannot be transferred or warehoused without the prior written authority of the property custodian, defined as the supervisor (principal or department head) responsible for the department where the property is maintained.
- (b) If the property custodian seeks to have the property certified as surplus a warehouse service request work order must be completed.
- (c) Personnel in the schools or departments shall not dispose of School Board property.
- (d) Property which has not been certified by the Board as surplus shall not be sold, cannibalized, scrapped, or destroyed.

(2) Procedures for Disposal of Property:

- (a) The Superintendent may dispose of property which has been certified by the Board as surplus by:
 - 1. Selling or transferring to any other governmental entity
 - 2. Selling or donating the property to any private nonprofit agency
 - 3. Selling the property through a sale open to the public, or
 - 4. Entering into contractual agreements with other entities, including, but not limited to, other governmental agencies or private vendors, which facilitate the final disposition of the property. Such agreements may include, but are not limited to, the leasing of storage space or arrangements for the disposal of scrap property.

7.1 SALE, TRANSFER OR DISPOSAL OF REAL OR TANGIBLE PERSONAL PROPERTY

PROCEDURES (continued)

- (b) The Superintendent shall conduct auctions or sales, as necessary, to dispose of equipment and property which has been declared surplus.
- (c) School Board owned tangible personal property, which has been properly classified as surplus by the board, may be disposed of for value to any person or governmental unit, or if without value, may be donated, destroyed or abandoned at the board's discretion pursuant to Florida statute.
- (d) All monies received from the disposition of state owned tangible personal property shall be deposited to the general fund.
- (e) The School Board of Manatee County shall not sell tangible personal property to private or parochial schools unless they have been classified as surplus as outlined in Florida statutes.
- (f) The Board shall take diligent measures to dispose of real property when the best interests of the district are served by doing so.
- (g) Appraisals may be obtained by the Board prior to, or simultaneously with, the receipt of bids for the sale of real property.

(3) Procedures for Trade-In of Property:

All property trade-in requests will be referred to the Purchasing Department for preparation of a purchase order and subsequent documentation of the transaction.

(4) Procedures for Transfer of Property:

- (a) If the custodian of property seeks to have the property permanently transferred to another site, a warehouse service request work order must be completed.
- (b) All temporary transfers of furniture, fixtures or equipment will be recorded on the appropriate form a copy of which shall be kept in the property custodian's office. Temporary transfers may include approval for use of equipment outside of the work place.

**7.1 SALE, TRANSFER OR DISPOSAL OF REAL OR TANGIBLE
PERSONAL PROPERTY**

PROCEDURES (continued)

STATUTORY AUTHORITY: Florida Statutes: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 1001.44(34) & 1013.28

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703, 703A, 703.02 (d, e, f & g), 712

Reference: Property Records Handbook
Purchasing Handbook

7.2 LOST, STOLEN OR DAMAGED TANGIBLE PERSONAL PROPERTY

POLICY

The Superintendent shall report to the School Board any property that has been lost or stolen if recovery is not made within a reasonable period from the date of verification. Such report shall include a recommendation for removal from property records and any information concerning possible personal liability.

PROCEDURES

(1) Identifying Lost or Stolen Property:

- (a) When any School Board property has been vandalized, stolen or lost, the property custodian shall immediately notify the proper law enforcement agency and the Superintendent. Failure of the property custodian to properly report such loss shall subject the property custodian to disciplinary action.
- (b) The property custodian shall prepare a written report and recommendations to the Superintendent if the property is not recovered within thirty days. For purposes of this section, the property custodian is defined as the principal at a school site and the department head at any other district facility.

(2) Reporting Lost or Stolen Property:

- (a) For all losses involving burglary, theft or vandalism, law enforcement, school security and the District Department of Risk Management shall be notified immediately.
 1. A Plant Security Report shall be completed by the property custodian to report losses due to vandalism, fire, storm, theft, burglary and disappearance and copies distributed by the close of the next day of knowledge of loss. If full details are not known, the report shall be submitted with information available and supplemented later by memo. Serial and property record numbers, if applicable, shall be provided for all district owned property.
 2. The property custodian shall file a Property Loss Claim with the Department of Risk Management immediately upon becoming aware of the loss, theft or damage to any property under his/her custody.
- (b) If any School Board property is damaged, a work order for repair or service will be submitted to the appropriate department with a copy forwarded to the Department of Risk Management.

7.2 LOST, STOLEN OR DAMAGED TANGIBLE PERSONAL PROPERTY

PROCEDURES (continued)

- (3) School Board property is for the use of school board employees in the course of their duty. Use of all district property is restricted to that purpose except as authorized by the Superintendent. Employees are prohibited from destroying, vandalizing, defacing, misappropriating, selling or disposing of or transferring any such property.
- (4) Any violation of these procedures governing the use of tangible personal property will subject the employee to disciplinary action regardless of the outcome of any criminal proceeding.

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 1001.42

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703.02 (I)

References: Property Records Handbook
Board Policy: Inventories and Property Records
Guidelines for Reporting Property Loss Claim

7.3 INVENTORIES AND PROPERTY RECORDS

POLICY

The Superintendent shall maintain an accurate record of all tangible personal property of the school district consistent with all requirements of Florida statute. The Superintendent shall prescribe the procedures for the accountability of property as defined in Florida statute.

PROCEDURES

(1) Record of Tangible Personal Property:

- (a) The record shall indicate the date of acquisition, the fund and function from which purchased, identification number and property record number consistent with all requirements of Florida statutes.
 - 1. All equipment, purchased or donated, with a value at or above the amount designated by Florida statute, of a non-consumable nature, that has the normal life expectancy of one year or more shall be recorded and inventoried annually.
 - 2. An updated inventory will be conducted each time a new custodian of the property is designated.
- (b) The custodian of tangible personal property is defined as the principal at the school site and the department head at any other district facility.

(2) Assignment of Property Record Numbers:

- (a) All fixed assets, regardless of source, whether donated, constructed or purchased, become the property of the District and are subject to all district rules and regulations.
- (b) The District shall capitalize all fixed assets at the value specified by Florida statute.
- (c) The Superintendent shall determine procedures for the safekeeping of attractive high theft items that fall below the statutory value.

(3) Annual Site Inventories:

- (a) Periodic inventories of Board property are required by Florida statutes.
 - 1. Property custodians will work cooperatively with property records personnel to reconcile any discrepancies reflected by these inventories.
 - 2. Inventories shall be conducted annually of all property at each district site. Reasonable notice of same will be provided to the property custodian.

7.3 INVENTORIES AND PROPERTY RECORDS

PROCEDURES (continued)

- (b) At the conclusion of the inventory, the property custodian will be provided with a list of any missing items. The property custodian shall submit in writing an accounting of these items within 30 days. A copy of the final inventory record will be provided to the property custodian.
- (c) Missing Items:
1. Missing items not located within thirty days shall be reported to the appropriate law enforcement agencies, and all appropriate procedures outlined for reporting of lost or stolen district property shall be followed.
 2. Any items missing during two consecutive inventories shall be reported to the School Board for disposition.

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 274.02, 274.03

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703, 703.02 (b,c,d,l)

References: Property Records Handbook
School Board Policy: Lost, Stolen or Damaged Real or Tangible
Personal Property Procedures
Procedures for Reporting Loss Claims

**7.4 ACQUISITION, USE & EXCHANGE OF SCHOOL DISTRICT
REAL & TANGIBLE PERSONAL PROPERTY**

POLICY

The School Board authorizes the Superintendent to develop procedures consistent with Florida statutes and State Board of Education Rules for the acquisition, use and exchange of District real and tangible personal property. The procedures will insure the proper accounting for real and tangible personal property to include, but not be limited to, the inventory, transfer, disposition, and record keeping of such property.

PROCEDURES

(1) Real Property:

(a) Definition:

1. Real property as used herein is defined as land, land improvements, buildings or structures.
2. Control Accounts: The Superintendent shall maintain master records, countywide and individually, pertaining to the acquisition, transfer, and disposition of real property of the Board.

(b) Site Selection:

The Superintendent shall appoint a Site Selection Committee to recommend the acquisition of real property pursuant to approved procedures. The committee will consist of appropriate representation from the Superintendent's Capital Projects Committee as well as an architect selected from the community and an appropriate representative of a local governmental agency. This committee will review needs and evaluate sites for consideration for the construction of new schools and other district facilities and prepare recommendations for consideration by the Superintendent.

(2) Tangible Personal Property:

(a) Definition:

1. Property as used herein is defined as tangible personal property of a non-consumable nature above a value set by statute with a normal life expectancy of one year or more.
2. All property which is purchased from any funding source for use in the school system, as well as items of property built by the District, become Board property. Items valued above the statutory amount

**7.4 ACQUISITION, USE & EXCHANGE OF SCHOOL DISTRICT
REAL & TANGIBLE PERSONAL PROPERTY**

PROCEDURES (continued)

must be reported for assignment of a property record number and inclusion in the property inventory.

(b) Real and Tangible Personal Property Control Accounts:

1. The Superintendent shall maintain master records, pertaining to the acquisition, transfer, and disposition of real and personal tangible property of the Board.
2. The custodian of tangible personal property is defined as the principal at school sites or appropriate department head at all other district facilities.

(c) Responsibility for Assigned Tangible Personal Property:

1. Activity directors are responsible for all property, including property procured wholly or in part from federal funds, assigned to their activities, and for keeping their property inventories current. Printouts of assigned property will be provided twice each year.
2. No property is to leave the campus for repairs, loan, or temporary transfer unless a record of the transaction is maintained in the property custodian's office. All permanent intra-district property transfers will be made in accordance with procedures developed by the Superintendent.

(3) Donated Real and Tangible Personal Property:

All donated real and personal property of value exceeding the board approved limit must be approved prior to acceptance to insure compliance with all health and safety requirements and to determine the appropriateness or feasibility of providing District support for the operation and maintenance of such property. Approval will be subject to the Guidelines for Review and Acceptance of Donation of Real and Tangible Personal Property.

(4) Procurement of Real or Tangible Property:

Any real or tangible personal property procured by school board employees on behalf of the school district is subject to established board procurement and purchasing procedures. School Board employees will be subject to disciplinary procedures for any violation of these procedures.

**7.4 ACQUISITION, USE & EXCHANGE OF SCHOOL DISTRICT
REAL & TANGIBLE PERSONAL PROPERTY**

PROCEDURES (continued)

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 1001.42,

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703, 703.02

References: Procedures for Selection of Real Property
JDE Fixed Assets Documentation
Florida State Board of Education Rules
Guidelines for Review and Acceptance of Donation of Real and
Tangible Personal Property

7.5 RECORDS RETENTION AND DISPOSAL

POLICY

The School Board authorizes the Superintendent to establish and maintain a system for the retention and destruction of district school records pursuant to Florida statutes.

The Superintendent shall develop a records retention schedule for each classification of record, including both instructional and non-instructional categories.

The Superintendent is authorized to destroy general correspondence pursuant to the requirements of the Division of Archives and other Florida statutes.

PROCEDURES

(1) Storage of Active Student Records & Storage/Destruction of Inactive Student Records:

- (a) The Superintendent is authorized to destroy general correspondence and other records, papers and documents which are on the retention schedule approved by the Division of Archives, consistent with Florida statute, provided such records do not serve as an agreement of understanding or have value as permanent records.
- (b) Storage and destruction of inactive student records shall be conducted pursuant to the Student Records Handbook.

(2) Request for Student Records from Outside Districts:

Record requests originating from outside the district shall be facilitated within thirty days with copies of the contents of the student's record, excluding the original health and immunization information. Original health and immunization records shall be sent to the requesting school, and copies of this documentation shall be retained within the cumulative folder at the local school.

(3) Public Records Management:

Records which are designated as permanent in Florida statutes and by the Division of Archive, History and Records Management of the Florida Department of State as well as those selected by the School Board or Superintendent as having permanent value may be destroyed after being photographed, digitally_reproduced or reproduced on film, provided applicable

7.5 RECORDS RETENTION AND DISPOSAL

PROCEDURES (continued)

audits have been completed for the period covering the dates of said documents. Photographs, digital reproductions, or microphotographs in the form of film or prints made in compliance with this rule shall have the same force and effect as the originals and shall be treated as originals for the purpose of admissibility in evidence.

(4) Copies of Records:

Former students or their parents or guardians may secure copies of records by completing a Release of Records form and providing required identification.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statutes: 257, 257.35, 257.36, 257.14

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 709.03, 709.04

References: Basics of Records Management Handbook
School Board Policy: Student Records
District Student Records Handbook
FAC(1B-24.004, 1B-24.008, 1B-24.010), 119.011 (1B-26-0021)

7.6 PETTY CASH

POLICY

The Superintendent will recommend for School Board approval the establishment of a petty cash fund for such District locations as may be desired. The amount retained in the petty cash fund shall not exceed limits established in State Board of Education Rule.

The School Board authorizes the Superintendent to develop forms and procedures for the use of and accounting for petty cash funds.

PROCEDURES

Petty cash funds represent an advance of budgeted or internal funds to be used to pay for expenditures of an emergency nature or of an incidental amount. Any unauthorized use of the petty cash funds or failure to follow established procedures for petty cash will subject the employee to disciplinary action.

Expenditures from petty cash funds must be operational in nature. Capital expenditures, purchases for personal use, cashing of personal checks, and personal loans are prohibited.

Expenditures must be authorized in advance by the appropriate principal or district department head.

Expenditures are limited to seventy five dollars (\$75) per reimbursement.

At all times, the amount of the cash on hand plus the total amount of reimbursed receipts (including any listed on any petty cash voucher) must equal the total petty cash funds advanced

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statute: 1010.04, 1011.06,
1011.071(1)©

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703, 703.02

References: State Board of Education Rule: 6A-1.057
MCSB Internal Accounts Handbook

7.7 INTERNAL ACCOUNTS

POLICY

The School Board authorizes the Superintendent to develop procedures for the administration and control of all local school funds derived by any public school from all activities or sources, consistent with regulations adopted by the State Board of Education.

The Superintendent shall also develop procedures and forms for the recording of the receipts, expenditures, deposits and disbursements of internal funds. Internal funds are defined as all monies collected and disbursed by personnel within a school for the benefit of the school or a school sponsored activity.

PROCEDURES

The administration of all Internal accounts of the District shall be governed by the procedures outlined in this section. Failure of any employee to comply with procedures shall subject that employee to disciplinary action.

(1) School Activity Funds:

- (a) Internal accounts shall be considered as unbudgeted public funds under the control and authority of the School Board with the school principal having responsibility as prescribed by the Board. The collecting and expending of school internal accounts shall be in accordance with Florida statutes, State Board of Education Rule, the Financial and Program Cost Accounting and Reporting for Florida Schools (Red Book) Manual and the District's Internal Accounts Handbook.
- (b) The financial transactions of school organizations shall be accounted for in the school internal accounts. All funds handled by School Board employees during normal working hours shall be included in and become part of the internal accounts of the school unless accounted for in the district level accounting system. All organizations of the school, or organizations operating in the name of the school, which obtain money from the public shall be accountable to the board for receipt and expenditure of those funds in the manner prescribed by the board. These shall include but not be limited to athletics, music, classes, clubs and departments, trust fund accounts and general accounts.
- © All fundraising projects and activities of the school by any group within, connected with, or in the name of the school shall contribute to the educational experience of the students and shall not conflict with the total instructional program of the school district. Funds collected generally shall be expended to benefit those students currently in school for whom the

7.7 INTERNAL ACCOUNTS

PROCEDURES (continued)

funds were accrued, unless those funds are being collected for a specific purpose. Funds derived from the student body as a whole shall be expended to benefit the student body as a whole.

(2) Deposits to Internal Accounts:

- (a) Deposits should be made as follows:
 - As often as the armored car service picks up;
 - Whenever collections are unusually large (school pictures, fundraisers).
- (b) All receipts written and posted during the month shall be prepared for deposit by the last working day of the month.
- (c) All monies turned in shall be recorded on a properly maintained Log of Receipts.

(3) Expenditures And Transfers from Internal Accounts:

- (a) Purchases made from internal accounts shall conform to the requirements made by the School Board for purchasing or securing bids. Purchases shall not exceed the resources of the applicable student activity/ project account, except for items acquired for resale.
 - 1. Purchases from internal accounts must be authorized in writing by the principal or designee. Neither the school nor the School Board shall be liable for any purchase made in the name of the school without express written approval.
 - 2. The making of purchases from internal accounts and the securing of quotations and awarding of contracts shall be done pursuant to Florida statutes. All contracts require the signature of the Superintendent except for commemorative items as defined by the District Internal Accounts Handbook, which are delegated to the principal for signature.
 - 3. All transfers between activity accounts shall be supported by a properly prepared Transfer of Funds form
- (b) Restricted Expenditures
The following expenditures from internal accounts are deemed inappropriate and shall not be made except from trust funds collected for a specifically identified purpose.
 - 1. Equipment, supplies, forms and postage for curricular or classroom activity for which budgeted funds are available.
 - 2. Curricular related travel, professional, technical or consultant services or other items for which budgeted funds are available.
 - 3. Articles for the personal use of any student, employee or other person; except for those items which are identifiable as being in recognition of

7.7 INTERNAL ACCOUNTS

SUMMARY OF PROCEDURES (continued):

service or promotion of school activities and those items identified under Rule 6A-1.043, FAC.

4. Personal memberships or subscriptions.
5. Salaries or other compensation for duties or assignments, which are the responsibility of the school district.
6. Loans, credits or accommodation purchases for anyone.
7. Repairs and maintenance of School Board property for which budgeted funds are available.

(4) Bookkeeping:

- (a) Receipts, expenditures, transfers and adjustments shall be posted to the computerized bookkeeping system at least weekly. Bank reconciliation and the Principal's Report (and supporting documents) shall be prepared, balanced and signed by the principal and senior school secretary/bookkeeper, as appropriate, on a monthly basis.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statutes: 1010.04, 1011.06, 1011.074

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 702, 702.31

References: State Board of Education Rule 6A-1.091, 1.085
Financial and Program Cost Accounting and Reporting for Florida Schools
MCSB Internal Accounts Handbook

7.8 DISTRICT FINANCIAL RECORDS

POLICY

The Superintendent shall maintain the financial records and accounts of the District in the form prescribed by State Board of Education rules. If not prescribed by State Board of Education rules or Florida statutes, a uniform system shall be established by the School Board.

PROCEDURES

The Superintendent shall be responsible for keeping adequate records and accounts of all financial transactions in the manner prescribed by the Commissioner of Education in the publication entitled "Financial and Program Cost Accounting and Reporting for Florida Schools."

The Superintendent shall submit to the School Board a financial statement for each month of the district fiscal year. The statement shall be presented in a format approved by the School Board.

The Superintendent shall also prepare an annual financial report for approval by the School Board by the date prescribed in State Board of Education Rules. Such annual financial reports shall include a program cost report on a school-by-school and district aggregate basis for each program funded in the Florida Education Finance Program (FEFP) in a manner prescribed by Florida statutes and State Board of Education rules.

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 1001.42, 1011.60, 1010.01

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: New

References: State Board of Education Rule: 6A-1.008,d 6A-1.001
Finance Department_Procedures Manual

7.9 DEPOSITORY ACCOUNTS

POLICY

Each depository account and financial institution shall be recommended by the Superintendent and approved by the School Board before district funds may be deposited.

All deposits and withdrawals within School Board approved depository accounts shall be done in accordance with Florida statutes. The School Board authorizes the Superintendent to prescribe procedures for the implementation of this policy.

PROCEDURES

A receipt in triplicate shall be prepared for all funds collected.

It is prohibited to draw a warrant on an account in excess of the available balance in the account.

An accurate and complete accounting must be maintained for each depository.

All funds withdrawn from an account shall be by check or warrant signed by the Superintendent and the School Board Chairman with the corporate seal affixed except as provided in this policy.

All funds withdrawn from district internal accounts shall be by checks signed by two authorized signers. The school principal must be included as an authorized signer on the account.

Payments may be made to employees by direct deposit when authorized in writing by the employee.

For self-insurance programs administered by a contracted professional third party administrator, funds may be advanced to a claims payment account in the name of the School Board. This account may be replenished in accordance with Florida statutes.

Transfers between board depositories or self-insurance accounts may be done by wire transfer or other electronic means.

Non-repetitive electronic fund transfers may be made, provided that each transfer is approved in writing by the Superintendent and Board Chairman.

7.9 DEPOSITORY ACCOUNTS

PROCEDURES (continued)

Repetitive electronic fund transfers may be established with approval in writing by the Superintendent and Board Chairman.

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statutes: 1011.18, 1001.42

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 703, 703.02

References: State Board of Education Rule: 6A-1.0012
Finance Procedures Manual
MCSB Internal Accounts Handbook

7.10 CENTRAL DISTRIBUTION AND WAREHOUSE OPERATIONS

POLICY

The School Board shall manage warehouse operations which efficiently and economically serve the needs of the school district. The Superintendent shall manage warehouse operations in an effective and efficient manner. Warehouse users may bear the costs of operations. The Superintendent shall develop necessary procedures and operational guidelines to assure the purpose of this policy.

The Superintendent shall maintain a current and perpetual inventory of all stock in School Board warehouses.

PROCEDURES

(1) Central Stores Orders:

- (a) Current prices for stock items are available on-line and may be printed at individual sites.
- (b) Supplies are to be ordered from Central Stores using the on-line Sales Order System.
- © Discrepancies on orders must be reported to Central Stores by the close of the next workday following receipt of supplies.
- (d) All returns of stock items purchased from Central Stores must be made within 30 days of delivery. Items valued at less than \$10 will not be accepted for return for value.

(2) Warehouse Service Requests:

- (a) All requests for warehouse services, including requests for the transfer of surplus fixed assets, will be transmitted on-line through the Work Order System.
- (b) When a Service Request for the transfer of fixed assets is completed, a copy of the completed request will be forwarded to Property Records.

(3) Central Receiving:

- (a) Purchase items received at the Central Warehouse will be processed by Central Receiving.
- (b) Central Receiving will be responsible for the physical inspection, receipt, and processing for delivery of purchase items.

7.10 CENTRAL DISTRIBUTION AND WAREHOUSE OPERATIONS

PROCEDURES (continued)

- (c) Discrepancies found after delivery must be reported to the Central Warehouse by the close of the next workday following delivery.

(4) Inventory Control:

- (a) Inventory shall be managed and maintained through inventory analysis.
- (b) An end of year report of the count and value of such items shall be filed annually with the Finance Department.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statute: 1001.51; 1010.04

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 709.03, 709.04

7.11 ANNUAL BUDGET

POLICY

The Superintendent shall prepare an annual district budget in the form prescribed by the Commissioner of Education, for review and adoption by the School Board. In formulating the budget, the Superintendent shall take into consideration the immediate and long-range needs of the district's school system and student achievement data obtained pursuant to Florida statutes. The School Board authorizes the Superintendent to design procedures to formulate, administer and amend the budget consistent with Florida statutes and State Board of Education Rule.

PROCEDURES

(1) Formulation of the Budget:

- (a) The School Board shall establish dates for the review and approval of the annual budget. The Superintendent shall designate a Budget Review Committee to assist him/her in reviewing and balancing the budget for presentation to the School Board.
 1. School Allocations:
An annual allocation will be provided to each school based on the number of students in each program offered at the school.
 2. Department Strategic Plans:
Each department will request funding in order to successfully carry out the department's strategic plan.
- (b) The Superintendent shall present the budget in a form prescribed by State Board of Education Rules and Florida Statutes and provide other information as requested by the School Board.
- (c) The School Board shall adopt a balanced budget in accordance with Florida Statutes and submit it to the Commissioner of Education on or before the date prescribed in Florida Statutes and State Board of Education Rules.

(2) Administration of the Budget:

Principals, department heads and other administrative personnel shall ensure that all district obligations and expenditures are within the appropriation allowed in the district budget and that all expenditures are consistent with the approved budget. No obligation in excess of the original appropriation shall be incurred except as herein authorized.

7.11 ANNUAL BUDGET

PROCEDURES (continued)

(3) Amendment of the Budget:

The Superintendent shall propose a budget amendment for the consideration of the School Board if a budgetary appropriation is insufficient to meet district needs.

- (a) The Superintendent is authorized to approve tentative budget amendments for district budgets. Such amendments shall be consolidated each month and presented for School Board approval.
- (b) Expenditures may exceed the amount budgeted by function and object provided that the expenditures are authorized, and do not exceed the amount available in the fund and that the budget is subsequently amended by the School Board. Such amendments to the budget shall be approved by the School Board within sixty (60) days of the end of the month in which the expense is incurred.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statutes: 1001.42, 1011.60, 1011.09,
1010.04, 1011.06, 1011.07, 1011.01, 1010.01,
1011.02,

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: 700 –700.04

References: State Board of Education Rules: 6A-1.002, 6A-1.006, 6A-1.007
Finance Department Procedures Manual
SBMC Redbook Accounting Manual

7.12 AUDITS

POLICY

Periodic audits shall be made of the accounts and records of the School District of Manatee County pursuant to Florida Statutes and State Board of Education rules.

The Superintendent may direct an audit of a school's internal funds without prior notification. Such audits may be conducted by a School Board employee or an independent accounting firm.

PROCEDURES

(1) Audit Committee:

An audit committee shall be established by the Board. The Audit Committee will oversee the conduct of all district audits and direct the activities of the internal audit staff.

(2) District Financial & Compliance Audit:

An audit shall be conducted annually pursuant to Florida Statutes. On those years that the Auditor General does not conduct the audit, an independent Certified Public Accounting firm will be engaged to conduct the audit.

(3) Internal Audit:

- (a) The district shall provide for an annual audit of internal funds by a person certified by the State Board of Accountancy as a certified public accountant, or qualified internal auditor employed by the board.
- (b) The auditor shall submit a signed, written report to the board covering internal funds, noting any failure to comply with requirements of Florida Statutes, State Board rules and district policies. This report shall comment on financial management and irregularities.
- (c) Such audit shall be presented to the Board while in session and shall be filed as part of the public record.

(4) Fulltime Equivalent (FTE) Membership:

- (a) Schools shall maintain adequate documentation to support the full-time equivalent (FTE) membership of the district.

CHAPTER 7.00 BUSINESS SERVICES

7.12 AUDITS

PROCEDURES (continued)

- (b) Such documentation shall include all reports and compliance information as required by state statutes and rule, and shall be maintained according to district guidelines of reporting of FTE.
- (c) These records shall be maintained in auditable condition at the school site and shall be kept for a period of three years or until the completion of audit by the Auditor General, whichever period is longer
- (d) Additional guidance shall be provided by District Planning, Policy & Program Evaluation and the TIS Department through instruction packets issued prior to each FTE Survey.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statute: 11.45, 1010.305, 1011.60

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: New

7.13 BONDED PERSONNEL

POLICY

Each Board Member, the Superintendent and any employee of the School Board who is designated as responsible for school funds or property shall be covered by an employee dishonesty insurance policy placed under a blanket fidelity bond in an amount to be determined by the School Board as provided in State Board of Education Rules.

PROCEDURES

- (1) All School Board members, the Superintendent and employees will be covered by a dishonesty insurance policy in an amount recommended by the Superintendent and approved by the School Board.
- (2) School Board officials shall be bonded for amounts pursuant to State Board of Education Rules:
 - (a) Chairperson and vice-chairperson of the School Board – fidelity bonds in the amount of \$2,000.00 for each \$100,000.00 of district revenues, up to a maximum of \$12,000.00;
 - (b) Other School Board Members – fidelity bonds of \$2,000.00;
 - (c) Superintendent – a public official bond in an amount equal to \$1,000.00 in excess of the bonds for the chairman and vice-chairman of the School Board, up to a maximum of \$13,000.00.
- (3) All other School Board employees designated as responsible for school monies or property, in amounts prescribed by the Board – a \$1,000,000.00 blanket public employee dishonesty policy, with a faithful performance of duty endorsement on the School Board attorney.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statute: 1001.42

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly:

Reference: FSB.R.6A-1.0692
IRS Website

7.14 TRAVEL EXPENSES

POLICY

Authorized travel for officers and employees of the School Board shall be reimbursed as follows:

- (1) In-district travel by an authorized officer shall be reimbursed based on rates posted for public employees on the Internal Revenue website as of January 1 preceding each fiscal year. No reimbursement shall be made for travel between an employee's home and his or her official headquarters.
- (2) Out-of-district travel expenses incurred by officers or employees on authorized school business which requires less than one day shall be reimbursed for mileage and meals at the rate established by the Board. Expenses by officers or employees on authorized trips requiring absence overnight or in excess of twenty-four hours shall be reimbursed for lodging and meals at the rate established by the Board. Travel shall be by the most economical route or method.
- (3) A per-diem allowance of \$85 per day may be allowed in lieu of reimbursement for meals and single room rate lodging.

PROCEDURES

(1) Authorization:

An approved Request for Assignment for Temporary Duty and Travel Expense Voucher Form is always required for travel outside of Manatee County in order to obtain permission for travel, regardless of whether reimbursement is requested except that, if travel is for an approved student field trip with no reimbursement requested, the travel form is not required.

(2) Reimbursement:

All reimbursed employee travel expenses require the completion of a travel form, as follows:

- (a) If travel expenses are for in-county parking, mileage and tolls only, a Travel Expense Voucher may be used.
- (b) Any other in-county travel expenses, such as registration, must be reimbursed using an approved Request for Assignment for Temporary Duty and Travel Expense Voucher Form.

7.14 TRAVEL EXPENSES

SUMMARY OF PROCEDURES (continued)

- (c) Any travel expenses incurred outside of Manatee County must be reimbursed using an approved Request for Assignment for Temporary Duty and Travel Expense Voucher.
- (d) Reimbursement for or payment of overnight lodging and meals is generally prohibited for travel in Manatee County; registration and mileage expenses are allowed for such travel.

(3) Method of Payment:

- (a) The use of a separate account for all travel expenses paid from internal accounts is recommended.
- (b) Travel expenses shall not be reimbursed from the petty cash fund. To access district funds for travel, the traveler shall use an approved Request for Assignment for Temporary Duty and Travel Expense Voucher Form.
- (c) Certain travel expenses (for example, registration, hotel and airfare) may be paid directly to the vendor via a school check or district purchase order. In such cases, these expenses are not reimbursed to the employee.

STATUTORY AUTHORITY:

Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED:

Florida Statute: 1001.42

HISTORY:

Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly:

7.15 PURCHASING, BIDDING & REQUEST FOR PROFESSIONAL QUALIFICATION

POLICY

The School Board authorizes the Superintendent to develop procedures governing the purchase of materials, services and equipment, pursuant to Florida statutes.

PROCEDURES

No one may make any purchase involving the use of School Board funds unless authorized to do so under these procedures.

(1) Purchase of Supplies, Equipment and Services

- (a) The Superintendent shall ensure that all schools and departments purchase their supplies, equipment and services through the Purchasing Department. All purchases shall be conducted in accordance with procedures developed by the Superintendent and adopted by the Board.
- (b) No contract for providing supplies, equipment or services shall be entered into with any individual or business entity in which any member of the School Board of Manatee County or the Superintendent has any financial interest.
- (c) No contract for goods or services may be made with any business entity in which the Superintendent, Board Member or their spouse or child has an employment relationship or a material interest.
- (d) No School Board employee may directly or indirectly purchase or recommend the purchase of goods or services from any business organization in which the employee, his/her spouse or child has a material interest as defined by chapter 112, Florida Statutes.
- (e) If the Florida Department of Education determines that there are potential benefits as a result of using the on-line procurement system, the Purchasing Department shall use the on-line system as part of its assessment in determining the best and lowest price for the procurement of goods and services.
- (f) Other governmental agencies and non profit tax exempt organizations may purchase warehouse items, fuel and print shop services provided they pay full cost of service plus all overhead cost as determined by the Finance Department.

7.15 PURCHASING, BIDDING & REQUEST FOR PROFESSIONAL QUALIFICATION

PROCEDURES (continued)

(2) Bid Requirements

There are three levels of requirements for securing estimates of the costs of district purchases:

- (a) Purchases of items valued at under \$20,000 shall be made at the discretion of the Purchasing Manager in a manner which represents the best interest of the District.
- (b) Purchases of items valued from \$20,000 to the amount set in State Board Rule 6A1.012 require documentation of three (3) or more quotes.
- (c) Purchases of items which are equal to or exceed the limit set in State Board Rule 6A1.012 require written documentation of at least three (3) competitive bids. The Board shall accept the lowest and best bid.

The District may be exempt from securing three bids and may make purchases from state negotiated agreement price schedules under circumstances outlined in State Board of Education Rules 6A-1.012(4), Florida Administrative Code.

Bidders who wish to file a bid protest must file such notice and follow procedures prescribed by section 120.57(3), Florida Statutes for resolution.

The School Board may bid jointly with other governmental entities for purchase of materials, services and equipment provided the joint bidding process is deemed to satisfy all of the legal bidding requirements, including Board approval. The Board may also approve purchases from bids which have been established by other governmental entities. Tax exempt non-profit organizations may also use district bids for purchases provided they pay additional costs for overhead incurred as established by the Finance Department.

(3) Selection of Professional Services

Attorneys, auditors, artistic, academic program reviews, lectures by individuals, auditing, legal and medical services are not subject to the competitive sealed bid requirements and will be selected to provide professional services based on their qualifications or proposals.

(4) Food Service Bid Analysis

- (a) The Food Service and Purchasing Department supervisors shall work collaboratively to develop bid specifications for food purchases. The Food

7.15 PURCHASING, BIDDING & REQUEST FOR PROFESSIONAL QUALIFICATION

PROCEDURES (continued)

Service department will form a committee consisting of cafeteria managers, purchasing staff and food service staff to review and update bid documents and ensure that all food purchases for the district are meeting district specifications.

- (b) The Food Service department shall submit a quarterly report to the Purchasing Supervisor documenting that all current food prices are competitive with the current market.

(5) Emergencies

Emergency purchases are exempt from bidding when the Superintendent/designee determines in writing that an immediate danger to the health, safety, or welfare of students, staff or projects, or other potential loss to the District requires emergency action. After the Superintendent makes such a written determination, the District may proceed with the procurement of commodities or contractual services necessitated by the immediate danger, without competition. However, such emergency procurements shall be made with such competition as is practical under the circumstances. All emergency purchases exceeding the bid threshold shall be tabulated and submitted to the School Board as soon as practical, but not later than 30 days after the purchase. The School Board minutes shall show the justification for the emergency and that regular bid procedures would have caused a delay and would be contrary to the public interest.

(6) Purchasing Ethics

The Superintendent's authorized employees responsible for purchasing shall give primary consideration to the interests of the School Board of Manatee County in conducting official business, and shall adhere to all provisions of the Board policy on Ethics and Non discrimination. No employee shall be involved in the selection, award or administration of a contract from which a conflict arises. Violation of this requirement shall subject the employee to disciplinary action, including termination of employment.

(7) Business Services

- (a) The Superintendent is authorized to purchase products or services or enter into temporary employment contracts for which the total amount of the purchase is less than the competitive bid threshold amount set by State Board Rule 6A-1.012.

7.15 PURCHASING, BIDDING & REQUEST FOR PROFESSIONAL QUALIFICATION

PROCEDURES (continued)

- (b) If such purchase requires a written contract or agreement, then the Superintendent (or his designee) may sign such a document on behalf of the School Board.
- (c) This same authority shall also be vested in the Director of Purchasing and Distribution, functioning on the Superintendent's behalf. The Director of Purchasing and Distribution shall have the authority to enforce the use of district bid contracts.
- (d) No other persons, unless authorized to do so under regulations of the Board, shall make any purchase involving the use of school funds, and no expenditures for any such unauthorized purchases shall be approved by the Board.
- (e) Purchases exceeding the competitive threshold, which require a written contract or agreement, shall be approved by the Board and signed by the Board Chairperson (or designee) prior to issuance of a purchase order. No other person(s) shall be authorized to sign such contracts or agreements.
- (f) The Superintendent or the Director of Purchasing and Distribution, before making any purchase for which the Superintendent is authorized and before recommending any purchase to the Board, shall, where appropriate, propose standards and specifications for materials or services to be purchased. The Superintendent shall see that all materials or services purchased conform to those standards and specifications, and the Superintendent shall take such other steps as necessary to see that the best value shall be received for all moneys expended.
- (g) School Based Purchases
 1. School Principals are authorized to enter into contracts on behalf of the School Board, for the benefit of the School.
 2. All contracts, prior to the Principal's signature, must be reviewed by the Director of Purchasing and Distribution. Failure to gain approval may result in the Principal becoming personally liable for the product or service, by signing the unapproved contract or agreement.
 3. The Director of Purchasing and Distribution will determine the level of legal review necessary, and if deemed appropriate, will forward any agreement in question to the Board Attorney for additional review and consultation.
 4. Approval of the contract or agreement will be reflected on the document by initials of the Director of Purchasing and Distribution, and when required, the Board Attorney.
- (h) Purchases from Internal School Funds shall be in accordance with School Board Policy 7.7.

7.15 PURCHASING, BIDDING & REQUEST FOR PROFESSIONAL QUALIFICATION

PROCEDURES (continued)

STATUTORY AUTHORITY: Florida Statute: 120.81(1)(a); 1001.32(32);
1001.41; 1001.42; 1001.43

LAWS IMPLEMENTED: Florida Statutes: 1001.42, 1001.51, 120.57(3),
119.47, 1011.09, 1011.20, 1010.04, 1011.06,
1011.07, 112.312, 112.312(3), 6A-1.012

HISTORY: Adopted: March 14, 2005
Revision Date(s): April 14, 2008
Reformatted without change in text: October 31, 2008
Revision Date(s): July 27, 2009
Formerly: 708, 708.01, 708.02, 709, 709.01, 709.02,
709.05, 709.06, 709.07, 709.08, 709.09, 710, 711,

References: Purchasing Handbook
Vendor Handbook
Professional Manual
JDE Documentation
Board Policy: Food Service
Ethics
Construction of New Facilities, Remodeling or
Renovation of Existing District Facilities

7.16 INVESTMENT OF TEMPORARILY IDLE FUNDS

POLICY

The Superintendent shall invest all temporarily idle funds not needed for immediate disbursement to cover School Board obligations in order to maximize investment income.

PROCEDURES

This Board policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and investment return competitive with comparable funds and financial market indices.

The purpose of these procedures is to set forth the investment objectives and parameters for the management of public funds of the School Board.

Procedures for this part are contained in their entirety in the Procedural Guidelines for Investment of Temporarily Idle Funds, which are incorporated herein by reference. The guidelines address the Scope, Investment Objectives, Performance Measurement, Prudence and Ethical Standards, Listing of Authorized Investments, Maturity and Liquidity Requirements, Portfolio Composition, Risk and Diversification, Authorized Investment Institutions and Dealers, Third-Party Custodial Agreements, Bid Requirements, Internal Controls, Continuing Education, Reporting, Derivatives and Reverse Repurchase Agreements.

STATUTORY AUTHORITY: Florida Statute: 120.536(1); 120.54;120.81;
1001.41

LAWS IMPLEMENTED: Florida Statute: 218.415

HISTORY: Adopted: March 14, 2005
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: New

References: Finance Procedures Manual
Procedural Guidelines for Investment of Temporarily Idle Funds

7.17 FUND BALANCE

POLICY

The goal of the School Board shall be to attain and maintain a Reserve for Contingency within the General Fund to a level that is equal to a minimum of three (3%) percent of total budgeted annual operating revenues of the General Fund. The Board shall endeavor to increase the Reserve for Contingency to a level of five (5%) percent or more of total budgeted annual operating revenues of the General Fund. This Reserve for Contingency is defined as the unrestricted, unreserved fund balance and shall be controlled solely by the Board. Adequate funds for contingency reserves must be maintained in order to meet unexpected and emergency needs for funds and preserve the financial integrity of the District. Provisions of this policy are subject to waiver by the School Board prior to adoption of the final budget for any given fiscal year based on the recommendation of the Superintendent.

PROCEDURES

The Finance Department will monitor the adequacy of the Reserve for Contingency as defined above and calculate the amount necessary to attain and maintain the desired fund balance.

Requests to utilize the Reserve for Contingency shall be reviewed by the Superintendent, Assistant Superintendent for Business Services, and Executive Director of Finance to determine the necessity of such a request. If it is determined necessary, the Superintendent will recommend to the Board the use of the Reserve for Contingency for the stated purpose.

STATUTORY AUTHORITY:

Florida Statute: 120.81(1)(a); 1001.32(2); 1001.42; 1001.43, State Board of Education Rules: 6A-1.004(1)(E)

LAWS IMPLEMENTED:

Florida Statute: 1001.41-.43; 1001.32

HISTORY:

Adopted: September 11, 2006
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: New
Supplement: No. 13

7.18 DEBT MANAGEMENT

POLICY

The purpose of this Policy is to establish guidance for incurring and managing the debt of the School District. Such debt includes short-term and long-term obligations incurred by the School Board and any associated financing entities, such as traditional financing vehicles like tax-anticipation, revenue-anticipation or bond-anticipation notes; capital and operating leases; general obligation bonds; sales tax bonds; and lease revenue bonds also referred to as certificates of participation. The Policy also contemplates new/unique financing concepts such as qualified zone academy bonds (QZABs) and other financial management tools that may evolve in the future. This Policy and the below procedures are designed to:

- Set forth a liability management structure to facilitate the sound and efficient management of District debt, addressing both practical aspects of liability management and philosophical aspects.
- Provide guidelines to control the overall debt management process so that all liabilities are managed in accordance with stated objectives.
- Encourage and require communication between staff, the Board, and the District's legal and financial advisors.
- Develop formalized criteria for evaluating and establishing the basis for comparing actual performance results achieved by debt management.

PROCEDURES

This Board policy is designed to facilitate the sound and efficient management of District debt, enabling the District to borrow funds at the lowest possible cost.

The purpose of these procedures is to set forth the objectives and parameters for the management of the debt of the School Board.

Procedures for this part are contained and noted below. The procedures address permissible debt, measures of debt levels and debt issuance limits, selection of debt sale methods, financing structures, amortization structure, issuing variable rate debt, credit ratings, credit enhancements, investing debt proceeds, debt refundings, and compliance and reporting.

7.18 DEBT MANAGEMENT

PROCEDURES (continued)

(1) Implementation:

The Assistant Superintendent for Business Services and the Executive Director of Finance on behalf of the Superintendent shall be responsible for the implementation of the procedures referenced in the Debt Management Policy.

(2) Permissible Debt:

The Board recognizes that debt is an integral part of the District's ongoing financial management program; and both short-term and long-term debt help the District accomplish its core goals. The Board also recognizes that annual operating and capital revenues are cyclical, which often necessitate the use of short-term financings, while the useful life of new and renovated facilities is often thirty to forty years. As a result, prudent financial management will employ short-term and long-term financing tools to facilitate matching assets and liabilities.

(a) Short-Term Debt

1. In accordance with applicable laws such as sections 1011.12(2), 1011.13 and 1011.14, Florida Statutes, the District may issue obligations with a maturity of not more than one year ("Notes") to fund anticipated short-term cash flow needs due to the timing of the receipts of the annual current year ad valorem tax collections from the county tax collector and other revenues. The principal of the Notes and the interest thereon will be payable from, and secured by, a pledge of such ad valorem taxes and other revenues, as may be appropriate.
2. Except for any issuance of taxable obligations, the District will comply with the requirements of the Internal Revenue Code, prior to and subsequent to the issuance of the Notes, for spending the proceeds in a manner consistent with the exceptions for interest on the Notes not being included in gross income for federal income tax purposes.

(b) Long-Term Debt

1. In accordance with applicable laws such as Florida Statutes chapters 1010, 1011, and 1013 Part IV, the District will not issue long-term debt obligations or use long-term debt proceeds to finance current operations (except when using excess proceeds to make debt service/lease payments as provided for in the financing documents). For purposes of this Policy, long-term debt includes bonds, leases, lease revenue bonds also known as certificates of participation, and other similar obligations.

7.18 DEBT MANAGEMENT

PROCEDURES (continued)

2. The District may utilize long-term debt for the acquisition, construction or renovation of facilities or, consistent with Florida law, for the acquisition of equipment that cannot be funded from current revenue sources or in such cases where it is more equitable to finance the facility or equipment over its useful life. The District may also issue long-term debt to refund all or a portion of its outstanding debt subject to limitations detailed in this Policy.
3. When debt is used to finance capital improvements, the financing term will be for a period not to exceed the useful life of the facilities or equipment, but never greater than 20 years.

(3) Measures of Debt Levels and Debt Issuance Limits:

- (a) Short Term Debt: The District will not exceed the maximum allowable issuance size, if any, as determined by regulations governing the federal taxability of the interest earned by holders of such debt.
- (b) Long Term Debt
 1. General Obligation Bonds: Pursuant to State Board of Education rule 6A-1.037(2), the measure shall be the outstanding debt-to-taxable property ratio, such that a bond issue, together with other school bonds outstanding against the District shall not exceed ten percent (10%) of the nonexempt assessed valuation of the District.
 2. Lease Revenue Bonds (commonly referred to as Certificates of Participation)
 - a. The measure shall be lease payments as a percentage of capital outlay millage dollars and shall not exceed 50% of the authorized capital outlay millage, unless approved by a supermajority of the School Board.
 - b. Additionally, the District will comply with all applicable Florida statutory requirements and State Board of Education rules, and take into account other factors suggested or required by the credit rating agencies and bond insurers when preparing its capital budget and each specific plan of finance.

(4) Selecting Debt Sale Methods:

- (a) Short-term Debt: Short-term debt shall be issued through a competitive bid process, except in instances where a private placement or a negotiated sale is more cost effective because of unique market conditions or other extraordinary factors.

7.18 DEBT MANAGEMENT

PROCEDURES (continued)

(b) Long-term Debt: The District, with the advice of the Board's Financial Advisor, will determine whether the sale of long-term debt shall be sold via competitive sale or negotiated sale after considering such factors as the size, complexity of the offering, market conditions, and timing of the transaction. Except where sold by negotiated sale through underwriters pursuant to section 218.385, Florida Statutes, bonds must be sold to the highest and best bidder at a public sale except as otherwise allowed by section 1010.47(2), Florida Statutes.

(5) Financing Structure:

The financing structure-consisting of matters such as principal amortization, call provisions, coupons/yields, and credit enhancements will be developed for each financing after considering relevant market conditions and then-current practices. Each structure will be developed to provide the lowest long-term effective financing cost while providing the greatest flexibility to extract additional value as market conditions change over time (such as refunding debt).

(6) Amortization Structure:

Principal should be structured to provide level debt-service payments for the life of the transaction. "Wrapped debt service" and "bullet maturities" may be appropriate for certain financings, but should only be employed when necessary.

(7) Issuing Variable Rate Debt:

The District may issue variable rate obligations in amounts, and in proportion to its fixed-rate debt, that the District, with the advice and counsel of the Financial Advisor, determines to be appropriate to achieve the District's goals.

(8) Credit Ratings:

Because the credit review process incorporates both quantitative analysis (fund balance, debt levels, and wealth levels) and qualitative factors (management experience, political climate, and policies/procedures), the District recognizes that credit ratings provide an indication of both the short-term and long-term financial health of the District and that higher credit ratings also result in reduced borrowing costs and decreased cost of bond insurance. Accordingly, the District will exercise prudence and diligence in preparing its

7.18 DEBT MANAGEMENT

PROCEDURES (continued)

budget and managing its finances to maintain its current ratings and obtain ratings upgrades that reflect the District's commitment to excellence.

(9) Credit Enhancements:

Credit enhancements (such as insurance and letters of credit) will be used only in those instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

(10) Investing Debt Proceeds:

Because safety of capital is regarded as the highest priority in handling of investment of debt proceeds, and all other investment objectives are secondary to the safety of capital, the District staff, in consultation with the Board's Investment Advisor, will follow investment strategies that are consistent with the written Investment Policy 7.16 and section 218.415, Florida Statutes and provide the maximum return while complying with the requirements of the IRS Code.

- (a) The District, with the guidance of the Financial Advisor, and Investment Advisor, will attempt to structure investments that allow the District to meet exceptions to the rebate requirements in section 148(f) of the Code.
- (b) Debt proceeds are only to be invested in permitted investments, as defined in financing agreements, escrow agreements, resolutions, law, and the School Board's Investment Policy 7.16. Neither the District nor any person under its control or direction will make any investment of bond proceeds in any manner that would cause the bonds to be deemed private activity bonds or arbitrage bonds by the IRS under sections 141 or 148 of the Code. The District will comply with all federal tax arbitrage regulations.

(11) Debt Refundings:

The District will monitor outstanding debt in relation to existing conditions in the debt market and may refund any outstanding debt when sufficient cost savings can be realized. Outstanding debt may be refunded as long as the net present value savings is equal to or greater than 3% of the refunded obligation's par amount unless otherwise recommended by the Board's Financial Advisor.

7.18 DEBT MANAGEMENT

PROCEDURES (continued):

(12) Compliance and Reporting:

- (a) Disclosure Policy: The District will provide full and fair disclosure in connection with the initial sale and distribution of its publicly-marketed debt instruments and provide ongoing secondary market information, in compliance with the requirements of applicable federal and state securities laws and regulations, including Securities and Exchange Commission Rule 15c 2-12.
- (b) Budgeted Debt Service Payments: Annually the Superintendent will include in the proposed budget presented to the School Board for its consideration and approval the appropriations necessary to make the required debt service and lease payments during the fiscal year.
- (c) Compliance with Financing Covenants and the Law: The District shall comply with all covenants and requirements of financing resolutions, and applicable state and federal laws authorizing and governing the issuance and administration of debt obligations.
- (d) Bond Yield Arbitrage Monitoring: The District shall contract for arbitrage calculation services to monitor the earnings on its debt proceeds for each debt series and determine whether a rebate is necessary.
- (e) Annual Report on Outstanding Debt: No later than December 31st of each year or submission of the audited Comprehensive Annual Financial Report, an annual report shall be submitted to the School Board, covering the previous fiscal year, that will include a summary of outstanding obligations.
- (f) Database: In addition to the annual report, the Executive Director of Finance will maintain a database of existing debt obligations. The database will include at least the following information related the District's debt:
 - 1. Debt service schedule including principal, interest, and coupon
 - 2. Issue date
 - 3. Interest rate mode (variable/fixed)
 - 4. Call provisions
 - 5. Credit enhancement
 - 6. Purpose (new money/refunding)
 - 7. Senior managing underwriter

7.18 DEBT MANAGEMENT

PROCEDURES (continued)

STATUTORY AUTHORITY: Florida Statutes: 120.81(1)(a); 1001.32(2);
1001.42(10); 1001.43(2)

LAWS IMPLEMENTED: Florida Statutes: 218.385; 218.415;
1001.41(1); 1001.42(10)(e),(f); 1010.47(2);
1011.12-1011.16

HISTORY: Adopted: September 11, 2006
Reformatted without change in text: October 31, 2008
Revision Date(s):
Formerly: New
Supplement No. 14

7.19 FRAUD PREVENTION, INVESTIGATION AND CONSEQUENCES

POLICY

The purpose of this policy is to establish certain principles and expectations for the school district in order to prevent fraud, investigate and provide consequences for engaging in any manner of fraud and to heighten awareness of possible fraud. The district will not tolerate fraud or the concealment of fraud.

PROCEDURES

(1) Definition

- (a) Fraud includes, but is not limited to, knowingly misrepresenting the truth or concealment of a material fact in order to personally benefit, benefit another person or to induce another to act to his/her detriment.
- (b) Actions constituting fraud include but are not limited to:
 - 1. Falsifying, or unauthorized altering of district documents, including but not limited to:
 - a. Claims for payments or reimbursements – (including but not limited to submitting false claims for travel, wages or overtime);
 - b. Files (both physical and electronic forms), photographic or audio records, or accounts belonging to the school district;
 - c. Checks, bank drafts, or any other financial documents;
 - d. Student records;
 - e. Maintenance records; or
 - f. Fire, health and/or safety reports.
 - 2. Accepting or offering a bribe, gifts or other favors under circumstances that indicate that the gift or favor was intended to influence an employee's decision-making.
 - 3. Disclosing to other persons the purchasing/bidding activities engaged in or contemplated by the district in order to give any entity, person or business an unfair advantage in the bid process.
 - 4. Causing the district to pay excessive prices or fees where justification is not documented.
 - 5. Unauthorized destruction, theft, tampering or removal of records, furniture, fixtures or equipment. Approval by the principal or supervisor, with proper documentation, is required for the removal of district property or assets.
 - 6. Using district equipment or work time for any outside private business activity.

7.19 FRAUD PREVENTION, INVESTIGATION AND CONSEQUENCES

PROCEDURES (continued)

(2) Responsibility

- (a) This policy applies to any fraud, suspected or observed, involving district staff members, outside support organizations, vendors, contractors, volunteers, outside agencies doing business with the School Board and any other persons or parties in a position to commit fraud on the School Board. Any investigation required shall be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship.
- (b) Any perceived fraud that is detected or suspected by any staff member or other person shall be reported immediately to the Office of Professional Standards for guidance as to whether pursuit of an investigation is warranted. The obligation to report fraud includes instances where an employee knew or should have known that an incident of fraud occurred.
- (c) Administrators and supervisors are responsible for seeing that employees under their supervision receive district training.
- (d) Administrators and supervisors are responsible for completing the district-designed self-assessment of risk of fraud for their school or department.
- (e) Administrators and supervisors are responsible for being familiar with the types of fraud that could occur within their areas of responsibility and being alert for any indication of fraud.

(3) Consequences

Violation of this policy is grounds for discipline, including termination of employment.

(4) Employee Education

- (a) All employees will be provided a copy this policy upon adoption by the School Board.
- (b) All new employees will be provided a copy of this policy as part of the District orientation.

(5) Self-Assessment of Risk of Fraud

Using the district-designed format, each school/department shall perform a self-assessment of risk to identify areas where fraud may occur. Administrators and supervisors are responsible for identifying risks in their particular area of oversight and ensuring that internal controls are in place to address each of the identified risks.

7.19 FRAUD PREVENTION, INVESTIGATION AND CONSEQUENCES

PROCEDURES (continued)

STATUTORY AUTHORITY: 1001.32(2), 1001.41, 1001.42, 1001.43 F.S.

LAWS IMPLEMENTED: 1001.42, 1001.43 F.S.

HISTORY: Approved: October 12, 2009