

SECTION D – FISCAL MANAGEMENT

Section D contains policies, regulations and exhibits on school finances and the management of funds. It includes policies on budget, banking, accounting, purchasing and payroll. Policies on the financing of school construction and renovations, however, are filed in Section F – Facilities Development.

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DA: 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 dollar income;
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 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: October 1998

Revised: March 2003

DAB*: FINANCIAL ADMINISTRATION (page 1 of 3)

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 the Board and community:

Audits:

All district funds and accounts shall be audited by an auditor outside the district 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.

The Board shall receive all audit reports and be informed all 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: *(Note: quarterly reports are now required by law for the general fund and on any other funds per the Board's request)*

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

DAB*: FINANCIAL ADMINISTRATION (page 2 of 3)

- 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 notifications:

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.

DAB*: FINANCIAL ADMINISTRATION (page 3 of 3)

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 thirty (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: March, 2003
Revised: June, 2003

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 REFS: KD, Public Information and Communications

DB: Annual Budget (pg 1 of 2)

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 priorities of the district.

Five-year budget plan:

The superintendent or designee is directed to develop, subject to annual approval by the Board, a five-year budget plan that assures the future financial viability of the district and achievement of the district's objectives, and takes into account future revenue, including tax and non-tax revenue, and future increases in operating expenses.

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 which is understandable by any lay person. 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 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 the authority to delegate portions of his or her budget responsibility to the business manager of the district.

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DB: Annual Budget (pg 2 of 2)

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

Year-end fund balance:

Maintaining a financial year-end fund balance 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 two-percent (2%) of the district's current fiscal year adopted budget. Accumulation of the full two-percent (2%) general fund balance will be completed by the end of the 2004 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 two-percent (2%) year-end fund balance will be used only for an unexpected loss of revenue or an extraordinary expenditure. Expenditures from the year-end fund balance shall be reported to the Board.

If any part of the year-end fund balance is used in any fiscal year to cover an unexpected loss of revenue or an extraordinary expenditure, those funds will be reallocated to fulfill the two percent (2%) required year-end fund balance before any other budget allocations in the subsequent fiscal year, unless the Board of Education approves otherwise.

Adopted: October 1998

Revised: March 2003, June 2003

LEGAL REFS: C.R.S. 22-7-205 and 207 (*school level accountability committee recommendations*); C.R.S. 22-32-109(1)(b); C.R.S. 22-44-101 through 22-44-117 (*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. 29-1-103 (3) (*budget to reflect lease-purchase payment obligations*); C.R.S. 22-44-204 (3); C.R.S. 22-44-105 (4)

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

DBC: Budget Planning, Preparation and Schedules

Each year the superintendent shall cause to be prepared a budget preparation calendar which 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.

Adopted: October 1998

LEGAL REF: See citations on page coded DBC-E

CROSS REF: DBGA, Budget Referenda

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DBC-E: Deadlines in Budgeting Process Set by Statute (pg 1 of 2)

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 the 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)]
With 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. 22-44-107 (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)]
Before September 30	Board may review and change the budget with respect to both revenues and expenditures [C.R.S. 22-44-110 (5)]
No later than October 15	Certified copies of budget and appropriations resolution must be filed with the commissioner of education [C.R.S. 22-11-111 (2)]

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DBC-E: Deadlines in Budgeting Process Set by Statute (pg 2 of 2)

Additional deadlines if district seeks authorization to raise additional local revenues on election:

At least 55 days prior to election	Ballot question must be delivered to county clerk and recorder [C.R.S. 1-1-110 (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)]

DBD: Determination of Budget Priorities (pg 1 of 2)

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 fifty percent (50%) 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 met 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; and
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. 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 of Education.

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

1. be derived from a five-year plan;
2. include contingency plans in the event budget assumptions prove erroneous;
3. be in a summary format understandable by a lay person;
4. itemize district expenditures by fund;
5. include information regarding school-level expenditures;
6. adequately describe proposed expenditures;

DBD: Determination of Budget Priorities (pg 2 of 2)

7. show the amount budgeted for the current fiscal year and amount budgeted for the ensuing fiscal year;
8. comply with spending limitations in the state constitution;
9. consider recommendations made by each school-level accountability committee relative to priorities for expenditures of district funds;
10. contain enough information to enable credible projection of revenue and expenses;
11. disclose budget planning assumptions;
12. not excessively rely on nonrecurring revenues;
13. not provide for expenditures, inter-fund transfers or reserves in excess of available revenues and beginning fund balances;
14. not include the use of beginning fund balance unless the Board has adopted a resolution as described in state law specifically authorizing such use;
15. 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;
16. 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;
17. 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;
18. reflect anticipated changes in employee compensation, including inflationary adjustments, step increases, performance increases and benefits;
19. achieve a two-percent (2%) unallocated general fund balance reserve by 2004; and
20. comply with state and federal law.

Adopted: October 1998

Revised: March 2003, June 2003

LEGAL REFS: C.R.S. 22-7-207 (*building level accountability committee recommendations*); C.R.S. 22-44-105 (1.5)(a) (*budget parameters regarding expenses not exceeding revenue and use of beginning fund balance*)

CROSS REF: AE, Accountability/Commitment to Accomplishment

DBE/DBF: Communication of Budget Recommendations/Budget Hearings and Reviews

Within 10 days of submission of proposed budget to the Board, a notice shall be published in a newspaper having general circulation 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.

Adopted: October 1998

LEGAL REFS: C.R.S. 22-44-109, C.R.S. 22-44-110

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DBG: Budget Adoption

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

Within 10 days of submission of proposed budget to the Board, a notice shall be published in a newspaper having general circulation 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 October 15 of the fiscal year for which adopted. After October 15, 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 October 15, 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: July 1999

LEGAL REFS: See citation 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: DBGA, Budget Referenda; DBK*, Fiscal Emergencies

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DBG-E: Deadlines in Budgeting Process Set by Statute (pg 1 of 2)

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 the 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)]

With 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. 22-44-107 (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)]

Before October 15 Board may review and change the budget with respect to both revenues and expenditures [C.R.S. 22-44-110 (5)]

Additional deadlines if district seeks authorization to raise additional local revenues on election:

At least 55 days prior to election Ballot question must be delivered to county clerk and recorder [C.R.S. 1-1-110 (3)]

First Tuesday in November in odd-
Numbered years; general election District may request authorization to raise additional
Date in even-numbered years local revenues subject to limitations set forth in law
[Colorado Constitution, Article X, Section 20; C.R.S. 22-54-108]

DBGA: Budget Referenda (pg 1 of 2)

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 twenty percent (20%) 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 must 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.

If other jurisdictions that have overlapping boundaries or the same electors as the school district are conducting an election on the same day, the county clerk and recorder shall conduct the election as a coordinated election to allow voters to vote on all ballot issues at one polling place. The decision whether the election will be conducted as a polling place election or by mail ballot is one which shall be made by the county clerk.

The election shall be conducted pursuant to an intergovernmental agreement between the district and the county clerk and recorder of Las Animas County. The agreement shall allocate responsibilities between the county clerk and the district for the preparation and conduct of the election and shall be signed no less than 60 days prior to the election. The Board shall designate a school election official to whom some election responsibilities may be delegated pursuant to the agreement.

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 current 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.

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

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DBGA: Budget Referenda (pg 2 of 2)

Election information:

Expenditures of any school district funds or in kind services to otherwise inform voters about election issues must be specifically authorized by the Board. The district may dispense a factual summary which includes arguments both for and against the proposal without any conclusion or opinions in favor of or against any particular issue addressed by the summary.

Adopted: October 1998

LEGAL REFS: Constitution of Colorado, Article X, Section 20; C.R.S. 1-1-101 through 1-13-108 *et seq.* (*Uniform Code of 1992*); C.R.S. 1-45-117 (*Fair Campaign Practices Act*); C.R.S. 22-54-108

CROSS REF: DBG, Budget Adoption

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DBJ: Budget Transfers

Unencumbered monies 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 monies from the contingency reserve account, which is within the general fund, to any other fund or function.

The Board shall not transfer monies from the capital reserve fund, the insurance reserve fund, the bond redemption fund, the special building fund, transportation fund, or the instructional supplies and materials, instructional capital outlay or the other instructional purposes accounts in the general fund, with the exceptions as noted below.

Unencumbered monies may be transferred among the instructional supplies and materials, instructional capital outlay and other instructional purposes accounts and, by Board resolution, between the capital reserve fund and insurance reserve fund or to any other risk management fund as defined in state law.

School budget accounts:

Principals and their designees are responsible for funds budgeted to that school and may transfer monies between their discretionary accounts. The superintendent and/or business manager shall be notified of such transfers. However, monies 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 monies 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: October 1998

Revised: March 2003

LEGAL REFS: C.R.S. 22-32-107; C.R.S. 22-44-102 (3); C.R.S. 22-44-112; C.R.S. 22-44-113*; C.R.S. 22-45-103 (1)(a)(II); C.R.S. 22-54-105; C.R.S. 24-10-115

**NOTE: C.R.S. 22-44-113 permits a board to borrow unencumbered monies in certain funds to use temporarily for another fund.*

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DBK*: Fiscal Emergencies

If the Board of Education determines during any budget year that the anticipated revenues and amounts appropriated for expenditures in the budget exceed actual revenues available to the district due 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: October 1998

Revised: June 2003

LEGAL REFS: C.R.S. 22-44-115.5 (*reduction in salaries or alteration of work year due to fiscal emergencies*); 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 Program; GCBA, Instructional Staff Contracts/Compensation/Salary Schedules, GCL, Professional Staff Schedules and Calendars; GDBA, Support Staff Salary Schedules

DC: Taxing and Borrowing

Short-term borrowing:

When it becomes evident early in the fiscal year before substantial tax monies have been received that the cash balances will not meet anticipated obligations, the Board shall negotiate, under the provisions of Colorado statutes, for a loan in such amounts as may be required to meet such obligations.

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 monies received by the district for the general fund.

State interest-free loan program:

The district may elect to participate in an interest-free loan program upon application to the state treasurer in any month in which a general fund cash deficit will exist. The loan may not exceed an amount for the month as certified by the district's chief financial officer and the superintendent. The state treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms.

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.

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 seventy-five percent (75%) of the taxes the district expects to receive in the current fiscal year as shown by the current budget.

Adopted: October 1998 LEGAL REFS: C.R.S. 22-40-107; C.R.S. 22-54-110; C.R.S. 29-15-101 *et seq.* (Tax Anticipation Note Act)

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DEA: Funds From Local Tax Sources (pg 1 of 3)

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 twenty percent (20%) 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 (5%) of the registered electors in the district is properly submitted to the Board. An initiative petition shall be submitted at least ninety (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.

If other jurisdictions that have overlapping boundaries or the same electors as the school district are conducting an election on the same day, the county clerk and recorder shall conduct the election as a coordinated election to allow voters to vote on all ballot issues at one polling place. The decision whether the election will be conducted as a polling place election or by mail ballot is one which shall be made by the county clerk.

The election shall be conducted pursuant to an intergovernmental agreement between the district and the county clerk and recorder. The agreement shall allocate responsibilities between the county clerk and the district for the preparation and conduct of the election and shall be signed no less than sixty (60) days prior to the election. The Board shall designate a school election official to whom some election responsibilities may be delegated pursuant to the agreement.

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 current operation expenditures of student transportation minus any state reimbursement entitlement based on amounts expended and received in a twelve (12) month period as specified in state law. If the measure passes, the district shall deposit the resulting revenue in the transportation fund.

DEA: Funds From Local Tax Sources (pg 2 of 3)

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 interest 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.

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DEA: Funds From Local Tax Sources (pg 3 of 3)

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 twenty (20) day 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: March, 2003
June, 2003

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

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

DEB: Loan Programs (Funds from State Tax Sources) (pg 1 of 2)

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 a 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 (6) months of the close of the fiscal year from moneys received by the district for the general fund.

State interest-free 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 loan 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.

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DEB: Loan Programs (Funds from State Tax Sources) (pg 2 of 2)

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 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 seventy-five percent (75%) of the taxes the district expects to receive in the current budget.

Adopted: March, 2003

Revised: June, 2003

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. 29-15-101 *et seq.* (*Tax Anticipation Note Act*)

CROSS REFS: DBK*, Fiscal Emergencies

DEB-E-2

RESOLUTION

Authorizing Chief Financial Officer and the Superintendent to Borrow Unencumbered Money from Other District Funds Authorized by Colorado Statutes

WHEREAS, C.R.S. 22-44-113 authorizes the borrowing of unencumbered moneys from any one fund, except the Bond Redemption Fund; and

WHEREAS, in order to meet ongoing obligations of the General Fund it may be necessary to borrow up to \$_____ ; and

WHEREAS, estimated unencumbered moneys not exceed \$_____ and \$_____ may exist in the _____ Fund and the _____ Fund, respectively during FY 20__ - 20__.

NOW, THEREFORE, BE IT RESOLVED:

The Board of Education authorizes the borrowing of up to \$_____ and \$_____ from unencumbered moneys of the _____ Fund and the _____ Fund, respectively, for the benefit of the General Fund effective July 1, 20__, such moneys to be repaid to said funds not later than June 30, 20__.

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DFA/DFAA: Revenues From Investments/Use of Surplus Funds

The Board of Education recognizes the importance of prudent and profitable investments of district monies 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 monies 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; and
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: October 1998

Revised: March 2003, June 2003

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*); C.R.S. 24-75-601 *et seq.*; C.R.S. 24-75-701 *et seq.*

CROSS REF: DA, Fiscal Management Goals/Priority Objectives; DG, Banking Services

DFD: Rentals and Service Charges (Teacherages)

Teachers employed by the Primero RE-2 School District may live in the teacherage at the Primero Junior-Senior High School when such housing is available. Teachers shall have first choice of available housing. When a house is vacant and there is no teacher's name on the list for housing, the house may be made available to non-certificated personnel at the beginning of each budget year.

All teachers subsequently employed by the district and those presently under contract to the district shall vacate the teacherage on or before July 15 of the current year in case of resignation or dismissal in accordance with the tenure law. In this case, "teachers" shall be interpreted to mean administrators as well as teachers. The same provision shall apply to secretaries, custodians, bus drivers, mechanics, cooks, or any other staff member in the event such staff members are living in the teacherage.

The school administration shall be notified of any repairs that should be made on the homes. Minor repairs shall be made by the occupants with materials paid for by the district while major repairs shall be handled by the district. Occupants shall be responsible for the general upkeep of the homes, both inside and outside. Junk and other unsightly materials shall not be tolerated around the houses or in the yards.

Adopted: July 17, 1979

DFD-R: Rentals and Service Charges (Teacherages) - Regulation

The following regulations shall apply to teacherages at the Primero Junior-Senior High School:

1. Rent shall be \$183.00 (\$150.00 rent, \$23.00 water, \$10.00 trash) per month for a three-bedroom house, \$123.00 (\$90.00 rent, \$23.00 water, \$10.00 trash) per month for a two-bedroom home, and \$103.00 (\$70.00 rent, \$23.00 water, \$10.00 trash) per month for a one-bedroom home. The Board may allow occupants to perform services in lieu of rental charges on the homes only. Such services shall not apply to the mobile home. Payment shall be made one (1) month in advance. Houses 1, 2, 5 and 6, together with the mobile home, are two bedroom or larger.
2. Renters shall be responsible for all propane and electricity used in the homes. Payment of electricity shall be made to the San Isabel Electric Association, Inc. Payment of propane shall be made to the Primero RE-2 School District. Such payments shall be made through payroll deduction. Renters shall directly and personally notify school officials with regard to disconnecting electricity, water, and propane when vacating the premises so that arrangements can be made to protect from freezing or other hazards.
3. All trash shall be deposited in the county containers south of the high school building.
4. Upkeep of the yards shall be the responsibility of the renters. Lawns must be mowed and watered. Failure to do so will result in the renter being assessed an additional \$40.00 per month.
5. All broken items pertaining to the homes must be reported to the school administration.
6. Any parties or other activities at the homes shall be kept on a respectable basis.
7. All renters shall meet with the Board to discuss the problems involved in the district's efforts to assure protection of carpets installed in the homes. The renter shall be responsible for any damage to the carpets other than what would be determined as "normal wear." Carpets will no longer be furnished.
8. Interior decorating, such as painting, sanding, tiling, etc., may be done with the renter furnishing the labor and the district furnishing the materials when approved by the administration.
9. Failure to comply with these regulations shall be cause for occupant's losing his housing rights.
10. Non-employees may rent if there is a vacancy available and only until it is needed by an employee at a future date. They must apply in person with the Board of Education. Non-employees will be given a two-week notice when the house is needed for an employee.
11. Non-employee rent will be as stated in Item #1 hereof.
12. For all renters, a refundable \$200.00 damage deposit will be required before a key is issued.

DFD-E: Addendum to Employment Contract – Exhibit (pg 1 of 3)

Agreement Regarding Use of Real Property

WHEREAS, the Primero Reorganized School District RE-2 (hereinafter "District") holds title to the land and premises known as Teacherage #____, and legally described as (Lot and Block):

(hereinafter "Teacherage"): and

WHEREAS, the District and _____, (hereinafter "Employee") have entered into an employment relationship pursuant to the written employment contract between the parties executed on or about the ____ day of _____, 20____, and incorporated herein by this reference (hereinafter "Employment Contract"): and

WHEREAS, the residence of the Employee in the Teacherage is part and parcel of the Employee's duties to the District.

NOW, THEREFORE, the parties covenant and agree on this ____ day of _____, 20____ that the Employee and his /her immediate family shall have possession and use of the Teacherage, subject to the terms and conditions set forth herein.

1. That Employee's possession and use of the Teacherage shall continue for so long as the Employee is employed by the District in the capacity of _____ and no longer.
2. That such possession and use constitutes a holding by agreement as described in C.R.S. 1973, 13-40-104(e), and constitutes neither a tenancy for any period of time that requires notice pursuant to the provisions of C.R.S. 1973, 13-40-107(1) nor a tenancy at will or sufferance.
3. That Employee will vacate and quit the Teacherage within three (3) days after termination of the employment relationship of the parties and that such termination shall be deemed to occur at the time the District's Board of Education terminates the employment relationship by resolution, acceptance of resignation, or allowance of the expiration of the Employment Contract by its terms. Such a termination shall be deemed to occur notwithstanding the possibility that Employee may waive any legal claim or claims against the District of any sort or nature whatever as a consequence of the employment relationship between the parties. Any permission to Employee to hold over beyond the period set forth herein must be in writing, duly authorized by the District's Board of Education, and recorded in the minutes of a meeting of the Board of Education.
4. That Employee acknowledges that availability of the Teacherage is essential to the recruitment and hiring process of his/her successor. Employee, therefore, agrees that the District may enter the Teacherage at reasonable times to show the same to a prospective successor and further agrees to absent himself and his family from the Teacherage for a

DFD-E: Addendum to Employment Contract – Exhibit (pg 2 of 3)

5. period of one hour upon twenty-four (24) hours notice that District will so enter. Each party shall make reasonable efforts to accommodate the other's convenience and needs with regard to such an entrance.
6. That Employee further acknowledges that his/her residence in the Teacherage is solely for the benefit of the District, and is not an element of his/her compensation as an Employee. Employee, therefore, waives any and all rights to include the value of residence in the Teacherage as compensable damages in any legal claim against the District of any sort or nature whatever.
7. That Employee's receipt of notice of the termination of the employment relationship between the parties shall constitute the notice to quit or demand for possession of the Teacherage required by C.R.S. 1973, 13-40-104, 13-40-106, 13-30-108. If the employment relationship expires by the terms of the Employment Contract, at a time certain, no notice shall be required, as set forth in C.R.S. 1973, 13-40-107(4).
8. That the Employee shall be assessed damages in the amount of prorated dollars per day (\$_____/day) for each day Employee unlawfully detains the Teacherage after the termination of the employment relationship. The parties agree that said amount constitutes a liquidation of the damages that will be suffered by the District as a consequence of such an unlawful detainer because of the unavailability of the Teacherage for District purposes. The parties further agree that said amount is a genuine estimate of the damages that would be suffered, that such damages are not subject to objective calculation, and that said amount is not a penalty. The parties further agree that Employee shall be fully liable for all District's costs and expenses, including attorney's fees, incurred as a consequence of Employee's unlawful detainer of the Teacherage of any other breach of the terms and conditions set forth herein.
9. The Employee shall pay the cost of all utilities and trash removal and that Employee shall pay for telephone service and propane. Employee shall pay for all personal long distance calls.
10. That repairs required by normal use, wear and tear, fire or other casualty not due to the negligence of Employee, members of his/her immediate family, agent or personal visitor, shall be made by the District. Employee shall reimburse the District for all repairs required by the negligence of willful act of himself, members of his/her immediate family, agent or personal visitor not otherwise covered by insurance, subject to a maximum reimbursement by Employee of \$1,000.00 per single incident of negligence.
11. That Employee on execution of this Agreement, deposits with the District two-hundred dollars (\$200.00), receipt of which is hereby acknowledge, as security for his/her faithful performance of the terms and conditions hereof, to be refunded to the Employee, without interest, on his/her full and faithful performance of the provisions hereof.
12. That possession and use of the Teacherage is personal to Employees and his/her immediate family, and the possession and use of the Teacherage shall not be transferred

DFD-E: Addendum to Employment Contract – Exhibit (pg 2 of 3)

13. to any other person whomsoever, except, it be in the normal course of the Employee's social or family life.
14. That employee shall not make any alterations to the Teacherage without prior written permission of the District. District will receive requests for alterations in good faith and in recognition that the Teacherage serves temporarily as Employee's home. The District may make such approved alterations at the District's expense as are mutually acceptable, or the District may allow the Employee to make approved alterations at the Employee's expenses. Any fixed alteration shall become the sole property of the District.
15. That Employee shall not keep any article or thing of a dangerous, inflammable, or explosive character that might unreasonably increase the danger of fire in the Teacherage.
16. That Employee will leave the Teacherage in as good state and condition as it is on this date, reasonable use and wear and damage by the elements excepted.
17. That Employee shall permit District to inspect the Teacherage from time to time at reasonable daylight hours upon twenty-four (24) hours notice to Employee, except in the case of emergency.

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DFD-E: Addendum to Employment Contract – Exhibit (pg 3 of 3)

IN WITNESS WHEREOF, the parties have executed this Agreement at _____, on the date first written above.

(Employee)

PRIMERO RE-2 SCHOOL DISTRICT

By: _____

(President, Board of Education)

ATTEST:

By: _____

(Secretary, Board of Education)

Adopted: July 17, 1979

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DG: 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 monies are withdrawn from the custody of the county treasurer, such withdrawn monies and all other monies belonging to the district, including monies 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 that meets the requirements set forth in state law.

Safety deposit box:

The Board shall maintain a safety deposit box at a designated depository and shall name the superintendent, the assistant superintendent of administrative services, and a Board member as official custodians of the safety deposit box.

Adopted: October 1998

Revised: June 2003

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 trustee); C.R.S. 22-45-104 (relates to collection and deposit of fees and fines)

CROSS REF: BDB, School Board Officers

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DGB: Check writing Services

All disbursements of school funds shall be made by checks on the local bank. Checks from the general fund and capital reserve fund shall be by facsimile signature as outlined in Board policy. The superintendent and the district bookkeeper/business manager shall be authorized to use the check writing machine. The superintendent shall be the caretaker of the key to the machine. All other accounts shall have at least one live signature.

Current practice codified 1981

Adopted: date of manual adoption

Revised: July 25, 1983

LEGAL REFS: C.R.S. 11-55-101, *et seq.*; C.R.S. 22-32-107; C.R.S. 22-32-121

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DH: Bonded Employees and Officers

All school employees who are responsible for monies 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 monies authorized and appointed by the Board shall, as required by Colorado statute, be individually bonded. This bond shall be in the amount not less than \$5,000.

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

Adopted: October 1998

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

DI: 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 monies; 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: October 1998

Revised: June 2003

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

DIB: Types of Funds (pg 1 of 4)

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts for recording the source and use of cash and other financial resources. It contains all related assets, liabilities and residual equities or balances or changes therein. Funds are established to carry on specific activities or attain certain objectives of the school district according to special legislation, regulations or other restrictions for the purposes described. Each year the Board shall approve and appropriate moneys for the following funds within the adopted budget:

General Fund:

The general fund is used to account for all financial resources traditionally associated with the district that are not legally or by sound financial management to be accounted for in another fund. This fund represents the district's ordinary operations financed from property taxes and other general revenue.

Charter School Fund is used to track revenue and expenditures of charter schools.

Preschool Fund accounts for all financial activities associated with the district's preschool program.

Special Revenue Funds:

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Reserve Special Revenue Fund is used to account for the purposes and limitations specified by C.R.S. 22-45-103 (1) (c), including the acquisition of sites, buildings, equipment and vehicles.

Governmental Designated-Purpose Grant Fund is used to record financial transactions for grants received for designated programs funded by federal, state, or local government.

Pupil Activity Special Revenue Fund is used to record financial transactions related to school-sponsored pupil intra scholastic and interscholastic athletic and other related activities. These activities are supported in the whole or in part by revenue from pupils, gate receipts and other fund-raising activities.

Insurance Reserve Special Revenue Fund is used to account for the purposes and limitations specified by C.R.S. 22-45-103 (1) (e), including costs related to loss of or damage to district property, administrative expense, loss control, worker's compensation, legal claims against the district which have been settled, judgments rendered against the district, or to secure and pay for premiums on insurance.

DIB: TYPES OF FUNDS (pg 2 of 4)

Transportation Fund is used to account for revenues from tax levied or fee imposed for the purpose of paying excess transportation costs and revenues received from the state.

Debt Service Fund:

This fund is used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

Bond Redemption Fund is used to account for the accumulation of resources for and the payment of principal, interest, and related expenses on long-term general obligation debt or long-term voter-approved lease-purchase debt.

Capital Projects fund:

This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, sites and equipment.

Building Fund is used to account for all resources available for acquiring capital sites, buildings, and equipment as specified by the related bond issue.

Special Building and Technology Fund is used to account for all resources generated by taxes levied pursuant to C.R.S. 22-45-103 (1) (d) for the construction of schools or for the acquisition of instructional computer technology.

Capital Reserve Capital Projects Fund is used to account for the purposes and limitations specified by C.R.S. 22-45-103 (1) (c), including acquisition of sites, building, equipment and vehicles.

Internal Service Fund:

This fund is used to account for the financing of goods or services provided by one department to other departments and schools on a cost-reimbursement basis.

Risk-related Activity Fund is used to account for the purposes and limitations specified by C.R.S. 22-44-103 (1) (e) and to account for financial transactions identified in C.R.S. 24-10-115, including self-insurance covering the district and its employees.

Central Services Fund is used to account for printing services, copier program, equipment repair and school leasing programs.

Employee Benefits Fund is used to account for the self-insurance of liability and workers' compensation and property damages.

DIB: TYPES OF FUNDS (pg 3 of 4)

Enterprise Fund:

This fund is used to account for operations that are financed and operated in a manner similar to private enterprise, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposed.

Food Service Fund is used to account for all financial activities associated with the district's school lunch program.

Child Care Fund accounts for all financial activities associated with the district's school-age child care and extended day kindergarten classes.

Property Management Fund accounts for all financial activities associated with the district's special use facilities.

Other Enterprise Activities Fund is used to account for all activities associated with staff development and is financed by tuition, fees, and user charges.

Internal Service Fund:

This fund is used to account for the financing of goods or services provided by one department to other departments and schools on a cost-reimbursement basis.

Risk-related Activity Fund is used to account for the purposes and limitations specified by C.R.S. 22-44-103 (1) (e) and to account for financial transactions identified in C.R.S. 24-10-115, including self-insurance covering the district and its employees.

Central Services Fund is used to account for printing services, copier program, equipment repair, and school leasing programs.

Employee Benefits Fund is used to account for the self-insurance of liability and workers' compensation and property damages.

Fleet Maintenance Fund is designed to allocate all costs for maintenance of district vehicles to the appropriate user. Costs are allocated based on actual repair services plus costs of fuel used.

Technology Fund is used to allocate the costs for the various technology-related activities to schools and departments.

DIB: TYPES OF FUNDS (pg 4 of 4)

Trust and Agency Funds:

These funds are used to account for assets held by the district in a trustee capacity or as an agent for individuals, private organizations, other government units and/or funds. These funds include payroll withholding and employee benefit liability accounts and funds held for teacher, parent-teacher and student organizations.

Expendable Trust Fund is used to record financial transactions where both the principal and revenues earned on the principal may be expended for purposes designated by a formal trust agreement.

Non-Expendable Trust is used to record financial transactions where, pursuant to a formal trust agreement, the principal must be preserved intact.

Agency Fund is used to account for assets for assets held for other funds, government or individuals and generally services as a clearing account.

Pupil Activity Agency Fund is used to record financial transactions related to school-sponsored pupil organizations and activities that are self supporting and do not receive any direct or indirect district support.

Adopted: March, 2003

LEGAL REFS: C.R.S. 22-32-107
 C.R.S. 22-42-119
 C.R.S. 22-45-103
 C.R.S. 24-10-115

DID: 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 be inventoried.

The equipment inventory shall serve both 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: October, 1998

Revised: April 2000

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

Primero RE-2 Board Policies Primero RE-2 School District • Weston, Colorado

DIE: Audits/Financial Monitoring (pg 1 of 2)

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 reporting 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 supplementary 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 fund 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.

The audit report must be completed and submitted by the auditor to the school district within five (5) months after the close of the fiscal year unless a request for an extension of time is granted by the state auditor. Within thirty (30) days after receiving the audit, the district shall submit one copy each to the state auditor and the state commissioner of education.

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DIE: Audits/Financial Monitoring (pg 2 of 2)

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

Adopted: October 1998;

Revised: March 2003;

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.*

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DJ/DJA: 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 \$2,000.00 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: October 1998

Revised: March 2003

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

CROSS REFS: DJE, Bidding Procedures; DK, Payment Procedures

DJB: Petty Cash Accounts

A petty cash fund of \$100.00 shall be maintained for purchase of small items. Strict accounting procedures shall be followed with all monies spent. Receipts shall be used to substantiate all purchases made and shall also be used when replenishing the fund.

Adopted: July 17, 1979

Revised: July 29, 1984

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DJE: Bidding Procedures

All contractual services and purchases of supplies, materials and equipment in excess of \$2,000 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.

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 worker's compensation insurance and may be required to enter into a written contract with the district.

Adopted: October 1998

Revised: March 2003

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

CROSS REFS: BCB, School Board Member Conflict of Interest

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DJG: Vendor Relations

All contractual services and purchases of supplies, materials and equipment in excess of \$1,000 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.

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

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 worker's compensation insurance and may be required to enter into a written contract with the district.

Adopted: October 1998

Revised: March 2003

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

CROSS REFS: BCB, School Board Member Conflict of Interest

DK: Payment Procedures

All bills and expenditures for any budgeted single item which do not exceed \$2,000, except salaries, shall be authorized for payment by the superintendent or a designee of the Board of Education. Unusual or atypical expenses that are not within the normal budget, typical operations or spending patterns, or are likely to be controversial that exceed \$500.00 must be presented to the board for pre-approval, at least by a voice poll.

All bills and expenditures for any budgeted single item which exceeds \$2,000, except salaries, and all bills and expenditures for any single item for any amount of money which has not been budgeted shall be paid only after authorization and approval by the Board.

All budgeted salaries and wages of employees of the district shall be paid in a timely manner by direction of the superintendent and without further action by the Board. The payment of all non-budgeted salaries and wages shall require prior approval of the Board.

The above provisions shall not apply to capital reserve fund expenditures.

The superintendent shall be authorized to issue written regulations covering the payment of bills. Such regulations shall be reviewed periodically by the Board.

Adopted: October 1998

Revised: March 2003; January 2009

DKB: 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.

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 types of deductions shall require Board approval and permission of the employee.

Adopted: October 1998

Revised: March 2003

DKC: Expense Authorization/Reimbursement

The same general policy shall apply to all personnel and district official in regard to reimbursement of expenses. The 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, mileage payment shall be made at the rate currently approved by the Board. This rate is \$.25 per mile.

Adopted: October 1998

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DLA: Payday Schedules

Payday for district employees shall be the last working day before the 15th and 30th of the month.

Current practice codified 1981

Adopted: date of manual adoption