

D - FISCAL MANAGEMENT

	Page	
DC	Annual Operating Budget	1
DCB	Fiscal Year	2
DCI	Line Item Transfer Authority	3
DFG	Fees, Payments and Rentals	4
DFH	Tuition Income	5
DFM	Equipment and Supplies Sales	6
DFN	Property Sales	7
DG	Depository of Funds	8
DH	Bonded Employees	9
DI	Accounting and Reporting	10
DJ	Expenditure of Funds	13
DJC	Payroll Procedures	14
DJD	Expense Reimbursements	15
DJE	Purchasing	16
DJEI	Vendor Relations	17
DJF	Lease and Rental Payments	18
DL	Cash in School Buildings	19
DO	School Properties Disposal Procedure	20

ANNUAL OPERATING BUDGET

The Board of Education shall hold at least two open public hearings pertaining to its proposed annual budget. Copies of the proposed budget shall be provided to the public at each hearing on forms provided by the state Department of Education. The Board shall seek input from the public concerning the proposed budget and the allocation of resources. Each hearing shall be held during a scheduled board meeting in a place and at a time convenient for the general public to attend. The chair of the Board shall publicize the date and time of each hearing in the local media in advance of the hearing. In addition, notice of each hearing shall be posted in a conspicuous place at the offices of the local Board of Education, the county courthouse, the employee newsletter, and at each affected school. The proposed budget shall reflect the total amount of resources available to the Board from all funding and revenue sources. The projected enrollment and the total proposed expenditure by the Board and for each school shall be available at the public hearings. The proposed budget shall clearly delineate the number of teachers, librarians, counselors, administrators and other support personnel projected to be employed at each school. The proposed budget shall clearly list the operating costs by category or function at each school. The proposed budget shall delineate by school those operating resources earned, including, but not necessarily limited to, those items contained in the Instructional Support Program of the Foundation Program, designating the amount of funds earned at each school per item based on average daily membership.

After at least two public hearings have been held, the local Board and superintendent shall cause a final budget to be developed consistent with the laws of this state, and shall make copies of the final budget available to the public upon request. Copies of the budget and other financial documents may be secured from the superintendent at a cost not to exceed the cost of production of the document.

On or before October 1 of each year, each local Board of Education shall prepare and submit to the state superintendent of education the final annual budget adopted by the local Board of Education, which budget shall be prepared and submitted according to the classifications and items specified on forms provided therefore and in accordance with the regulations of the state Board of Education.

The local Board of Education, or superintendent thereof, shall not approve any budget for operation of the school for any fiscal year which shall show expenditures in excess of income estimated to be available by the various state and other officials, as required in Sections 16-13-141 and 16-13-142, plus any balances on hand, except under conditions set forth by the laws of the state governing the issuance of school warrants.

Reserve Funds

The Russell County Board of Education recognizes that the establishment and maintenance of adequate fund reserves is necessary to avoid disruption in the educational programs in the schools. The superintendent or chief school financial officer will inform the board, before the board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month's operating balance. A one-month's operating balance shall be determined by dividing the General Fund expenditures and fund transfers out by 12. In determining the General Fund expenditures and transfers out the proposed budget or budget amendment shall be used.

SOURCE: Russell County Board of Education, Phenix City, Alabama
REVISED: November 13, 2007
LEGAL REF: The *Code of Alabama* 16-13-140 to 16-13-145.

FISCAL YEAR

The fiscal year for the School District shall be October first through September thirtieth.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002
LEGAL REF: The *Code of Alabama* 16-1-1.

LINE ITEM TRANSFER AUTHORITY

The Board shall retain control of the budget, once adopted, and all officials subject to the Board in the implementation of the budget shall adhere to Board policies.

Line items in the budget may be changed, with Board approval, at anytime during the fiscal year provided such change is consistent with existing laws and regulations of the state and federal government.

The Superintendent shall keep the Board informed concerning the status of the budget, and Board action necessitating expenditures shall be considered sufficient authority to exceed a line item if such action so requires.

Authority to Expend Funds Without Board Approval

The Russell County Board of Education grants authority to the superintendent, subject to applicable laws, policies, and board-approved budget limitations, to expend funds for budgeted operating expenditures, without advance board approval of specific expenditures. All such expenditures shall be included in the monthly expenditures report to the board.

SOURCE: Russell County Board of Education, Phenix City, Alabama

REVISED: November 13, 2007

LEGAL REF: The *Code of Alabama* 16-13-143, 16-13-144.

FEES, PAYMENTS AND RENTALS

The Board shall not collect fees of any kind from children attending public Kindergarten or any of the first six grades of the School District.

No fees shall be collected in secondary schools for courses required for graduation. The Board shall be authorized to set reasonable fees in non-required courses, (e.g., reasonable fees for laboratory and shop materials and equipment). Such fees shall be waived for students who cannot afford to pay set fees.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 16-10-6, 16-11-26, 16-13-39.

TUITION INCOME

The Board may assess a tuition fee for those students residing outside the territory over which the Board has jurisdiction.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002
LEGAL REF: The *Code of Alabama* 16-10-6.

EQUIPMENT AND SUPPLIES SALES

The Board authorizes the Superintendent to grant permission for the operation of stores selling merchandise that is needed by pupils to facilitate classroom instruction. School stores shall operate as a convenience to the students, and shall not in any way interfere with the educational process or cause any student to be in class less than the minimum number of hours in the Board approved school day.

Separate records shall be kept for school stores, subject to audit.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002

PROPERTY SALES

The Board is authorized to sell real property no longer used for school sites for an adequate consideration, where such action is in the best interest of the School District. These sales are to be in accordance with State law.

The Board may also sell surplus personal property for an adequate consideration when such action is in the best interest of the School District.

Sale of personal property need not be by competitive bidding.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 16-8-40, 16-11-12, 16-11-9, Attorney General Opinion, V. 91 at 49 (1949), V. 142 at 18 through 21 (1971), Attorney General Opinion, No. 89-00335 (June 22, 1989).

DEPOSITORY OF FUNDS

Funds received for school purposes by school board officials and employees shall be promptly deposited in the proper bank account. A financial institution used for the deposit and safekeeping of funds shall be approved as a qualified public depository by the Security for Alabama Funds Enhancement (SAFE Program) administered by the Alabama State Treasurer.

SOURCE: Russell County Board of Education, Phenix City, Alabama
REVISED: November 13, 2007
LEGAL REF: The *Code of Alabama* 11-1-7.

BONDED EMPLOYEES

The Board recognizes that the Superintendent and the designated Custodian of School Funds shall be bonded in an amount fixed by the Board, such amount to be not less than \$3,000. A certified copy of such bond shall be placed on file with the State Department of Education.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 16-8-33, 16-11-7, 16-13-38, 16-9-3, 16-13-8, 16-13-9 16-13-38(b).

ACCOUNTING AND REPORTING

The Board shall, following recommendations by the Superintendent, prescribe regulations for the keeping of accounts and fiscal records and the making of reports by all under the Board's jurisdiction who are charged with such responsibility. Prescribed regulations shall be consonant with those of the state Board of Education, the Division of Administration and Finance of the state Department of Education and with the directives of the state Examiners of Public Accounts.

Said accounts and fiscal records shall be available during normal business hours for inspection by the public. They shall be preserved for a five-year period of time or for such period as specified by the state Department of Education or the state Examiners of Public Accounts.

The Superintendent shall develop specific procedures to assure that accounting practices throughout the District are consistent with generally accepted accounting procedures.

Annual Financial Report

The Board shall publish annually in a public newspaper a complete statement of receipts and disbursements as well as a statement of outstanding funded and unfunded indebtedness of the School District for the twelve-month period ending the preceding September 30. This report shall be published during the month of October. Such statements shall be drafted on the forms as required by the state Superintendent of Education.

Within thirty (30) calendar days after receipt of each annual report/financial statement, the Board shall place for public inspection said annual report in its entirety:

1. One copy in the office of the Superintendent;
2. One copy on reserve in each school library

Within thirty (30) calendar days after receipt of each annual report/financial statement, the Board shall provide written notice of the availability of said annual report to:

1. Each local parent group;
2. Each board of school trustees selected pursuant to Ala. Code 16-10-1;
3. The chamber of commerce in the geographic area served by the Board; and
4. All local news media.

Annual Status Report

The Board shall provide information to the state Department of Education necessary for said Department to publish an annual status report.

Within thirty (30) calendar days after receipt from the state Department of each Annual Status Report on the condition of education in each Board of Education, the Board shall place for public inspection said annual report in its entirety as follows:

1. One copy in the office of the Superintendent;
2. One copy on reserve in each school library

Within thirty (30) calendar days after receipt of the annual status report, the Board shall provide written notice of the arrival and availability of the annual status report to:

1. Each local parent group;
2. Each board of school trustees selected pursuant to Ala. Code 16-10-1;
3. The chamber of commerce in the geographic area served by the Board; and
4. All local news media.

Inventories

The Board requires that all fixed assets of the School District be inventoried and a perpetual inventory record be maintained in the Central Business Office. An inventory audit shall be made annually and shall be comprehensive to assure that all fixed assets are properly accounted. A supplemental inventory of equipment items not classified as fixed or capital assets shall be maintained.

Audits

The financial transactions of the Board shall be audited as early as possible after October 1 of each year.

Annually, as required by the state Board of Education, local school funds and accounts for which the principal at each school has responsibility shall be audited. Lunchroom accounts handled by Central Office personnel shall not be included in the local school audits.

Accountability Reports

The Board shall prepare an annual accountability report for each of its schools. This report shall include but not be limited to the following:

1. A Funding and Expenditure Report which shall include annual budgets and financial statements and any other document which may be necessary to assess the financial stability of the Board;
2. A Student Achievement Report which shall include a comparison of the immediately previous school year with the previous five years regarding student performance on testing required by the State Board of Education, dropout rates, attendance rates, graduation rates, college attendance and any other data deemed necessary by the Board or State Board of Education to inform the public about student achievement in each school.

3. A School Safety and Discipline Report which shall include statistical information relating to student safety and discipline in each school and any other data deemed necessary be the Board of Education to inform the public about safety and discipline in each school.

These reports shall be released to the media, presented to parent organizations, members of the Legislature who represent the area in which a particular school is located and the State Superintendent of Education.

Reconciliations

All bank accounts of the Russell County Board of Education and the schools shall be reconciled to the financial records. The chief school financial officer shall be responsible for verifying that monthly bank statements are reconciled to the financial records on a timely basis that ensures accurate monthly financial statements.

Review of Monthly Revenues and Expenditures

The superintendent shall have monthly reports of revenues and expenditures prepared for review by the Russell County Board of Education. The monthly financial reports and annual budget shall be made available to the public on the local internet site.

SOURCE: Russell County Board of Education, Phenix City, Alabama
REVISED: November 13, 2007
LEGAL REF: The *Code of Alabama* 16-6B-7, 16-8-37, 16-9-28, 41-5-14.

EXPENDITURE OF FUNDS

Any and all funds of the School District, whether received from federal, state, local, or other sources, shall be disbursed only on the written order of the Superintendent or his designee. The Superintendent shall be authorized to sign all purchase orders. The designee shall be authorized to sign all purchase orders for the transportation, food service, and maintenance departments and other purchase orders up to \$1,500.00.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002
LEGAL REF: The *Code of Alabama* 16-13-32.

PAYROLL PROCEDURES

The Board delegates payroll preparation for the payment of employee salaries to the Superintendent or his designee. The payroll shall be in accordance with the salary guidelines approved by the Board and any rules or regulations promulgated by the State Superintendent of Education.

Salary Deductions

The Board will make salary deductions which are considered statutory, including federal income tax, state income tax, retirement, etc., in accordance with applicable laws and regulations.

The Board will make salary deductions when employees or groups of employees request such deductions. The deductions shall be remitted to the appropriate recipient as specified by the employees within 10 days following each deduction.

Deductions made for employee organizations shall be made based upon membership lists and forms provided by the respective organizations. These lists shall be corrected, updated and returned to the respective organizations not later than November 10 of each school year. Deductions shall be made from the membership lists unless an employee revokes authorization for such deductions by providing a 30-day written notice of revocation.

New authorization for payroll deductions may be added twice per year.

Upon termination, amounts owed under the authorization of an employee shall be deducted from an employee's final pay due.

When amounts have been correctly deducted and remitted by the Board, the Board shall bear no further responsibility or liability for further transactions. The Board shall not be liable for any error while acting in good faith to make the subject deductions.

See also policy **GAL**.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 16-22-7.

EXPENSE REIMBURSEMENTS

] The Board requires that the Superintendent or his designee develop procedures which conform to sound principles of financial accounting and to state regulations for reimbursement of expenses of school personnel traveling on official school business.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002
LEGAL REF: The *Code of Alabama* 16-8-7, 16-8-8, 16-8-9, 16-11-9, 16-12-3(a).

PURCHASING

The Board directs that expenditures of public school monies in excess of \$7,500 made by the Board for labor, services, work, the purchase or lease of materials, equipment, supplies or any other personal property, with limited exception, shall be contracted by free and open competitive bidding with sealed bids and shall be awarded to the lowest responsible bidder meeting specifications.

Local Purchasing

The Board will purchase locally provided products of equal quality that are readily available from local suppliers at prices equal to other non-local vendors. Pursuant to state law the Board, when purchasing personal property or contractual services, shall give preference to commodities produced in Alabama or sold by Alabama persons, firms or corporations.

The Board shall not be limited to making purchases within the local community or the state of Alabama when such local purchases do not meet the quality or competitive price of goods or services available from vendors outside the local community or state of Alabama.

Preference may be given a local vendor having a place of business in the county or municipality for the purchase of personal property, when a bid submitted by such a resident bidder is no more than three (3) percent greater than the bid of the lowest responsible bidder.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 41-116-50, 41-16-51, 41-16-57, *Tin Man Roofing Co., Inc., v. Birmingham Board of Education*, 536 So.2d 138 (1989); *Opinion of the Attorney General*, (No. 93-00192; May 28,1993).

VENDOR RELATIONS

The Board prohibits any Board member or employee from accepting gifts from any person, agency or company doing, or desiring to do, business with the School District. All business-related gratuities are prohibited except nominal-value advertising items which are widely distributed.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 16-8-9, 16-8-7, 36-25-2(a), (b), (d); 36-25-5(a), 36-25-6, 36-25-7, 16-11-9, 16-12-3(a).

LEASE AND RENTAL PAYMENTS

The Board has the flexibility to finance the acquisition, installation, equipping and/or improvement of any eligible property that such governmental entity otherwise is legally authorized to acquire through the use of lease, lease-purchase and/or installment-purchase financing.

The Board may enter into lease, lease-purchase and/or installment-purchase contracts and arrangements, on such terms and containing such conditions, stipulations and requirements as it believes necessary in order to obtain such lease, lease-purchase and/or installment-sale financing or as may be mandated by law.

Lease-purchase contracts for capital improvements and repairs to real property shall be let for periods not greater than ten years and all other lease-purchase contracts shall be let for periods not greater than five years.

SOURCE: Russell County Board of Education, Phenix City, Alabama

ADOPTED: May 28, 2002

LEGAL REF: The *Code of Alabama* 41-16A-1 through 41-16A-11, 41-16-57.

CASH IN SCHOOL BUILDINGS

The Board requires that any school funds collected be deposited with an approved financial institution on the day collected. No more than one hundred dollars (\$100.00) should be maintained within any school facility overnight.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002

SCHOOL PROPERTIES DISPOSAL PROCEDURE

The Superintendent shall advise the Board in the event that certain property is no longer needed for school purposes.

The Board upon receipt of such report may at its discretion declare that such property is no longer needed for school purposes.

Once real property is declared by the Board to be no longer needed for school purposes, the Superintendent will be authorized to take appropriate action to dispose of such property as outlined below:

- a. Obtain a real estate appraisal reflecting the fair market value.
- b. Notify local governmental authorities that such property is no longer needed for school purposes and invite a proposal.
- c. Follow the procedures in the manner prescribed by state law for the sale of real estate.
- d. Upon receipt of final bid, a recommendation will be made by the Superintendent for Board action.

SOURCE: Russell County Board of Education, Phenix City, Alabama
ADOPTED: May 28, 2002