

MIAMI ELEMENTARY SCHOOL DISTRICT #31

R = required

7000 SERIES
FINANCIAL MANAGEMENT

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1 MIAMI Elementary

2
3 FINANCIAL MANAGEMENT

7110

4
5 Budget and Program Planning

6
7 The annual budget is evidence of the Board's commitment to the objectives of the instruction
8 programs. The budget supports immediate and long-range goals and established priorities within
9 all areas – instructional, non-instructional, and administrative programs.

10
11 Before presentation of a proposed budget for adoption, the clerk will prepare, for the
12 Board's consideration, recommendations (with supporting documentation) designed to meet the
13 needs of students, within the limits of anticipated revenues.

14
15 Program planning and budget development will provide for staff participation and the sharing of
16 information with patrons before any action by the Board.

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19
20 Policy History:

21 Adopted on: 9/22/2020

22 Reviewed on:

23 Revised on:

1 M/M Elementary

7/1/20

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3 FINANCIAL MANAGEMENT

7121

4
5 Budget Adjustments

6
7 When any budgeted fund line item is in excess of the amount required, the Board may transfer
8 any of the excess appropriation to another line item(s) within the same fund.

9
10 Total budget expenditures for each fund as adopted in the final budget shall constitute the
11 appropriations of the District for the ensuing fiscal year. The Board will be limited in the
12 incurring of expenditures to the total of such appropriations.

13
14 With timely notice of a public meeting, trustees, by majority vote of those present, may declare
15 by resolution that a budget amendment (in addition to the final budget) is necessary. Budget
16 amendments are authorized for specified reasons by § 20-9-161, MCA. The resolution will state
17 the facts of the budget amendment, the estimated amount of funds needed, and the time and place
18 the Board will meet for the purpose of considering and adopting a budget amendment.

19
20 The meeting to adopt a budget amendment will be open and will provide opportunity for any
21 taxpayer to appear and be heard. Budget procedures will be consistent with statutory
22 requirements. When applicable, the District will apply for state financial aid to supplement the
23 amount to be collected from local taxes.

24	Legal Reference:	§ 20-9-133, MCA	Adoption and expenditure limitations of final budget
25		§ 20-9-161, MCA	Definition of budget amendment for budgeting purposes
26		§ 20-9-162, MCA	Authorization for budget amendment adoption
27		§ 20-9-163, MCA	Resolution for budget amendment – petition to superintendent of public instruction
28		§ 20-9-164, MCA	Notice of budget amendment resolution
29		§ 20-9-165, MCA	Budget amendment limitation, preparation, and adoption procedures
30		§ 20-9-166, MCA	State financial aid for budget amendments
31		§ 20-9-208, MCA	Transfers among appropriation items of fund – transfers from fund to fund
32			
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34			
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36			
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39 Policy History:

40 Adopted on: 7/22/2020

41 Reviewed on:

42 Revised on:

1 MIAMI Elementary

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3 FINANCIAL MANAGEMENT

7210

4
5 Revenues

6
7 The District will seek and utilize all available sources of revenue for financing its educational
8 programs, including revenues from non-tax, local, state, and federal sources. The District will
9 properly credit all revenues received to appropriate funds and accounts as specified by federal
10 and state statutes and accounting and reporting regulations for Montana school districts.

11
12 The District will collect and deposit all direct receipts of revenues as necessary but at least once
13 monthly. The District will make an effort to collect all revenues due from all sources, including
14 but not limited to rental fees, bus fees, fines, tuition fees, other fees and charges. Uncollectible
15 checks may be turned over to the county attorney for collection.

16
17
18
19 Legal Reference: Title 20, Chapter 9, MCA Finance
20 Title 10, Chapter 10, ARM Special Accounting Practices

21
22 Policy History:

23 Adopted on: 9/22/2020

24 Reviewed on:

25 Revised on:

1 MIAMI Elementary

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3 **FINANCIAL MANAGEMENT**

7220

4
5 Use of Federal Title I Funds

6
7 The School District will ensure that federal Title I funds, are used only to supplement, and not
8 supplant, state and local funds that would, in the absence of federal funds, be spent on Title I
9 programs or services supported by federal funds.

10
11 Title I funds will not take the place of funds supporting education services that are to be provided
12 to all students. The School District uses Title I funds only to supplement funds that would, in the
13 absence of Title I funds, be made available from state and local non-Federal sources for the
14 education of children participating in Title I programs.

15
16
17 Cross Reference: 2160 – Title I Family Engagement

18
19 Legal Reference: Elementary and Secondary Education Act, Section 1118(b)(1)

20
21 Policy History:

22 Adopted on: 9/22/2020

23 Reviewed on:

24 Revised on:

1 MIAMI Elementary

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3 **FINANCIAL MANAGEMENT**

7220P

4
5 Use of Federal Title I Funds Methodology

6
7 In accordance with the Every Student Succeeds Act (ESSA), Miami School District has
8 adopted this procedure to ensure that Title I-A federal funds are supplementing District resources
9 and not supplanting District resources. The procedure documents that the School District's
10 neutrally determined distribution of state and local funds to each school within the boundaries of
11 the School District is in compliance with federal law.

12
13 **[Option 1]** School District is a district with a single school and is exempt from the
14 methodology requirement.

15
16 **[Option 2]** _____ School District is a district one school per grade span and is exempt from
17 the methodology requirement.

18
19 **[Option 3]** _____ School District is a district with multiple schools per grade spans and
20 adopts this methodology in accordance with ESSA. For the purposes of this methodology
21 elementary means grades K-8 and secondary means grades 9-12.

22
23 The School District determines the resource allocation on total enrollment for each school as if
24 the state and local funds are the only resources each school is receiving. Each school is given
25 additional allocations for other needs such as technology, supplies, and additional necessary
26 costs.

27
28 The School District groups schools by elementary or secondary grade span. Each grade span may
29 receive a different per student amount, but all schools are treated the same whether or not these
30 schools are served under Title I-A. There are _____ elementary students and _____ secondary
31 students in the School District.

32
33 The School District's state and local funds are allocated in a per student calculation. For full-time
34 equivalency staff including administrators, educators, instructional staff, and school counselors,
35 including salaries and benefits \$ _____ is allocated per elementary student and \$ _____ is
36 allocated per secondary student.

37
38 Additional necessary costs, such as professional development, technology, lunch, library
39 supplies, transportation, student activities, utilities, maintenance, safety, and security, are
40 allocated at \$ _____ per student in all schools.

41
42 Cross Reference: 7220 – Use of Federal Title I Funds

43
44 Legal Reference: Elementary and Secondary Education Act, Section 1118(b)(1)

45
46 Policy History:

1 Adopted on: 9/22/2020
2 Reviewed on:
3 Revised on:
4

4
5 Donations, Endowments, Gifts, and Investments

6
7 The Board may accept gifts, endowments, legacies, and devises subject to the lawful conditions
8 imposed by the donor or without any conditions imposed. Unless otherwise specified by the
9 donor, when a district receives a donation the trustees may deposit the donation in any budgeted
10 or non-budgeted fund at the discretion of the trustees and may thereafter transfer any portion of
11 the donation to any other fund at the discretion of the trustees. If the trustees accept a donation
12 and the donor specifies the donation for an endowment, the trustees shall deposit the donation in
13 the endowment fund. Neither the Board nor the Superintendent will approve any gifts that are
14 inappropriate.

15
16 If the District deposited donated funds in an endowment fund without specific instruction by the
17 donor, the Board may move the donated funds and any accumulated interest to any other
18 budgeted or nonbudgeted fund of the District and may spend donated funds and any accumulated
19 interest unless restricted by condition imposed by the donor.

20
21 The Board authorizes the Superintendent to establish procedures for determining the suitability
22 or appropriateness of all gifts received and accepted by the District. Once accepted, donated
23 funds are public funds subject to state law. Donated funds may not be transferred to a private
24 entity. Benefactors may not adjust or add terms or conditions to donated funds after the donation
25 has been accepted.

26
27 The Board directs that all school funds be invested in a prudent manner so as to achieve
28 maximum economic benefit to the District. Funds not needed for current obligations may be
29 invested in investment options as set out in Montana statutes, whenever it is deemed
30 advantageous for the District to do so.

31
32 Educational Foundations may exist in the community, but are not managed, directed, or
33 approved by the Board of Trustees.

34	Legal Reference:	§ 20-6-601, MCA	Power to accept gifts
35		§ 20-7-803, MCA	Authority to accept gifts
36		§ 20-9-212, MCA	Duties of county treasurer
37		§ 20-9-213(4), MCA	Duties of trustees
38		§ 20-9-604, MCA	Gifts, legacies, devises, and administration of endowment fund
39		§ 72-30-209, MCA	Appropriation for expenditure or accumulation of endowment fund – rules of construction
40			
41			
42			

43 Policy History:

44 Adopted on: 9/22/2020

45 Reviewed on:

46 Revised on:

1 MIAMI Elementary

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3 FINANCIAL MANAGEMENT

7310

4
5 Budget Implementation and Execution

6
7 Once adopted by the Board, the operating budget shall be administered by the Clerk. All actions
8 of the Clerk in executing programs and/or activities delineated in that budget are authorized
9 according to these provisions:

- 10
11 1. Expenditure of funds for employment and assignment of staff shall meet legal
12 requirements of the state of Montana and adopted Board policies.
13
14 2. Funds held for contingencies may not be expended without Board approval.
15
16 3. A listing of warrants describing goods and/or services for which payment has been made
17 must be presented for Board ratification each month.
18
19 4. Purchases will be made according to the legal requirements of the state of Montana and
20 adopted Board policy.
21
22
23

24 Legal Reference: § 20-3-332, MCA Personal immunity and liability of trustees
25 § 20-9-213, MCA Duties of trustees

26
27 Policy History:

28 Adopted on: 9/22/2020

29 Reviewed on:

30 Revised on:

1 Miami Elementary

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3 **FINANCIAL MANAGEMENT**

7310

4
5 Budget Implementation and Execution

6
7 Once adopted by the Board, the operating budget shall be administered by the Board/Measure
8 designees. All actions of the Board/Measure designees in executing programs and/or activities
9 delineated in that budget are authorized according to these provisions:

- 10
11 1. Expenditure of funds for employment and assignment of staff shall meet legal
12 requirements of the state of Montana and adopted Board policies.
13
14 2. Funds held for contingencies may not be expended without Board approval.
15
16 3. A listing of warrants describing goods and/or services for which payment has been made
17 must be presented for Board ratification each month.
18
19 4. Purchases will be made according to the legal requirements of the state of Montana and
20 adopted Board policy.
21
22

23
24 Legal Reference: § 20-3-332, MCA Personal immunity of trustees
25 § 20-9-213, MCA Duties of trustees
26

27 Policy History:

28 Adopted on: 2/9/00

29 Reviewed on:

30 Revised on:

1 Miami Elementary

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3 **FINANCIAL MANAGEMENT**

7320

page 1 of 2

4
5 Purchasing

6
7 Authorization and Control

8
9 The Chief is authorized to direct expenditures and purchases within limits of the
10 detailed annual budget for the school year. The Board must approve purchase of capital outlay
11 items, when the aggregate total of a requisition exceeds \$ 25, except the
12 Board shall have the authority to make capital outlay purchases without advance
13 approval when necessary to protect the interests of the District or the health and safety of staff or
14 students. The Board will establish requisition and purchase order procedures to
15 control and maintain proper accounting of expenditure of funds. Staff who obligate the District
16 without proper authorization may be held personally responsible for payment of such
17 obligations.

18
19 Bids and Contracts

20
21 Whenever it is in the interest of the District, the District will execute a contract for any building
22 furnishing, repairing, or other work for the benefit of the District. If the sum of the contract or
23 work exceeds Eighty Thousand Dollars (\$80,000). The District will call for formal bids by
24 issuing public notice as specified in statute. Specifications will be prepared and made available
25 to all vendors interested in submitting a bid. The contract shall be awarded to the lowest
26 responsible bidder, except that the trustees may reject any or all bids as per § 18-4-307, MCA as
27 stated below in the legal reference. The Board, in making a determination as to which vendor is
28 the lowest responsible bidder, will take into consideration not only the amount of each bid, but
29 will also consider the skill, ability, and integrity of a vendor to do faithful, conscientious work
30 and to promptly fulfill the contract according to its letter and spirit. Bidding requirements do not
31 apply to a registered professional engineer, surveyor, real estate appraiser, or registered architect;
32 a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a
33 consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an
34 accountant licensed under Title 37, Chapter 50.

35
36 Advertisement for bid must be made once each week for two (2) consecutive weeks, and a
37 second (2nd) publication must be made not less than five (5) nor more than twelve (12) days
38 before consideration of bids.

39
40 The Board will establish bidding and contract-awarding procedures. Bid procedures
41 will be waived only as specified in statute. Any contract required to be let for bid shall contain
42 language to the following effect:

43
44 *In making a determination as to which vendor is the lowest responsible bidder, if*
45 *any, the District will take into consideration not only the pecuniary ability of a*
46 *vendor to perform the contract, but will also consider the skill, ability, and*

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6 *integrity of a vendor to do faithful, conscientious work and promptly fulfill the*
7 *contract according to its letter and spirit. References must be provided and will*
8 *be contacted. The District further reserves the right to contact others with whom*
9 *a vendor has conducted business, in addition to those listed as references, in*
10 *determining whether a vendor is the lowest responsible bidder. Additional*
11 *information and/or inquiries into a vendor's skill, ability, and integrity are set*
12 *forth in the bid specifications.*
13

14 Cooperative Purchasing

15
16 The District may enter into cooperative purchasing contracts with one or more districts for
17 procurement of supplies or services. A district participating in a cooperative purchasing group
18 may purchase supplies and services through the group without complying with the provisions of
19 20-9-204(4), MCA if the cooperative purchasing group has a publicly available master list of
20 items available with pricing included and provides an opportunity at least twice yearly for any
21 vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard,
22 for inclusion of the vendor's supplies and services on the cooperative purchasing group's master
23 list.
24
25
26
27

28 Legal Reference:	§§ 18-1-101, et seq., MCA	Preferences and General Matters
	§§ 18-1-201, et seq., MCA	Bid Security
	§ 18-4-307, MCA	Cancellation of invitations for bids or requests for proposals
	§ 20-9-204, MCA	Conflicts of interests, letting contracts, and calling for bids - exceptions
	§ 20-10-110, MCA	School Bus Purchases – contracts- bids
	<i>Debcon v. City of Glasgow, 305 Mont. 391 (2001)</i>	

36
37 Policy History:

38 Adopted on: 2/9/20
39 Reviewed on:
40 Revised on:

1 Miami Elementary

2
3 **FINANCIAL MANAGEMENT**

7326

4
5 Documentation and Approval of Claims

6
7 All financial obligations and disbursements must be documented in compliance with statutory
8 provisions and audit guidelines. Documentation will specifically describe acquired goods and/or
9 services, budget appropriations applicable to payment, and required approvals. All purchases,
10 encumbrances and obligations, and disbursements must be approved by the Board
11 designated with authority, responsibility, and control over budget appropriations. The
12 responsibility for approving these documents cannot be delegated.

13
14 The District business office is responsible for developing procedures and forms to be used in the
15 requisition, purchase, and payment of claims.

16
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18
19 Policy History:

20 Adopted on:

21 Reviewed on:

22 Revised on:

1 Miami Elementary

2
3 **FINANCIAL MANAGEMENT**

7330

4
5 Payroll Procedures/Schedules

6
7 The District will establish one (1) or more days in each month as fixed paydays for payment of
8 wages in accord with the current collective bargaining agreement or District practice. Employees
9 may choose to have their salaries paid in full upon the last pay date following completion of their
10 assignments or may annualize their pay. Employees who choose to receive payment of wages
11 beyond the period in which the wages were earned (deferred payment) will be subject to Internal
12 Revenue Service (IRS) penalties, unless they provide a written election of such deferral prior to
13 (the first (1st) duty day) (July 1)¹ of the year of deferral. Forms for such deferral shall be made
14 available. Any change to the election must be made prior to the first (1st) duty day of the fiscal
15 year of the deferment.

16 When a District employee quits, is laid off, or is discharged, wages owed will be paid on the next
17 regular payday for the pay period in which the employee left employment or within fifteen (15)
18 days from the date of separation of employment, whichever occurs first.

19
20
21
22 Cross Reference: 5500 Payment of Wages upon Termination

23
24 Legal Reference: § 409A, Internal Revenue Code, Deferred Compensation

25
26 Policy History: 9/22/2020

27 Adopted on: 3/9/22

28 Reviewed on:

29 Revised on:

1 MIAMI Elementary

2
3 **FINANCIAL MANAGEMENT**

7326

4
5 Documentation and Approval of Claims

6
7 All financial obligations and disbursements must be documented in compliance with statutory
8 provisions and audit guidelines. Documentation will specifically describe acquired goods and/or
9 services, budget appropriations applicable to payment, and required approvals. All purchases,
10 encumbrances and obligations, and disbursements must be approved by the individual designated
11 with authority, responsibility, and control over budget appropriations. The responsibility for
12 approving these documents cannot be delegated.

13
14 The District business office is responsible for developing procedures and forms to be used in the
15 requisition, purchase, and payment of claims.

16
17
18
19 Policy History:

20 Adopted on: 9/22/2020

21 Reviewed on:

22 Revised on:

1 MIAMI Elementary

2
3 **FINANCIAL MANAGEMENT**

7430

4
5 Financial Reporting and Audits

6
7 The Board directs that financial reports of all District funds be prepared in compliance with
8 statutory provisions and generally accepted accounting and financial reporting standards. In
9 addition to reports required for local, state, and federal agencies, financial reports will be
10 prepared monthly and annually and presented to the Board. Financial reports shall reflect
11 financial activity and status of District funds.

12
13 Appropriate interim financial statements and reports of financial position, operating results, and
14 other pertinent information will be prepared to facilitate management and control of financial
15 operations.

16
17 The Board directs that District audits be conducted in accordance with Montana law. Each audit
18 shall be a comprehensive audit of the affairs of the District and District funds. The audits shall
19 comply with all statutory provisions and generally accepted governmental auditing standards.
20 Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal
21 years, or it may be conducted annually. The staff of the Department of Commerce or an
22 independent auditor under the rules and regulations established by the Department of Commerce
23 will conduct District audits.

24
25
26
27
28 Legal Reference: §§ 2-7-501, et seq., MCA Audits of Political Subdivisions
29 § 20-9-212, MCA Duties of county treasurer
30 § 20-9-213, MCA Duties of trustees

31
32 Policy History:

33 Adopted on: 9/22/2020

34 Reviewed on:

35 Revised on:

1 Miami Elementary
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3 **FINANCIAL MANAGEMENT**

7335

4
5 Personal Reimbursements
6

7 While it is recommended that all purchases of goods or services be made within established
8 purchasing procedures, there may be an occasional need for an employee to make a purchase for
9 the benefit of the District from personal funds. In that event, an employee will be reimbursed for
10 a personal purchase under the following criteria:
11

- 12 1. It is clearly demonstrated that the purchase is of benefit to the District;
- 13 2. The purchase was made with the prior approval of an authorized person;
- 14 3. The item purchased was not available from District resources; and
- 15 4. The claim for personal reimbursement is properly accounted for and documented with an
16 invoice or receipt.
17
18
19
20

21 The District business office is responsible for developing procedures and forms to be used in
22 processing claims for personal reimbursements.
23

24
25
26 Policy History:

27 Adopted on:

2/9/22

28 Reviewed on:

29 Revised on:

1 Miami Elementary
2

3 **FINANCIAL MANAGEMENT**

7336

4
5 Travel Allowances and Expenses
6

7 The District will reimburse employees and trustees for travel expenses while traveling outside
8 the District and engaged in official District business. District employees who are not exempted
9 by another policy will be reimbursed according to the current [state/federal] levels pursuant to
10 [Montana/Federal] law. All travel expenses must be reported on the established travel expense
11 and approved by the employee's supervisor and the board.
12

13 The District business office is responsible for development of procedures and forms to be used in
14 connection with travel expense claims and reimbursements.
15
16
17

18 Legal Reference:	§ 2-18-501, MCA	Meals, lodging, and transportation of persons in
		state service
	§ 2-18-502, MCA	Computation of meal allowance
	§ 2-18-503, MCA	Mileage – allowance
	IRS.gov	

23

24 Policy History:

25 Adopted on: 2/9/22
26 Reviewed on:
27 Revised on:

1 Miami Elementary
2

3 **FINANCIAL MANAGEMENT**

7430

4
5 Financial Reporting and Audits
6

7 The Board directs that financial reports of all District funds be prepared in compliance with
8 statutory provisions and generally accepted accounting and financial reporting standards. In
9 addition to reports required for local, state, and federal agencies, financial reports will be
10 prepared monthly and annually and presented to the Board. Financial reports shall reflect
11 financial activity and status of District funds.
12

13 Appropriate interim financial statements and reports of financial position, operating results, and
14 other pertinent information will be prepared to facilitate management and control of financial
15 operations.
16

17 The Board directs that District audits be conducted in accordance with Montana law. Each audit
18 shall be a comprehensive audit of the affairs of the District and District funds. The audits shall
19 comply with all statutory provisions and generally accepted governmental auditing standards.
20 Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal
21 years, or it may be conducted annually.
22

23
24
25 Legal Reference: §§ 2-7-501, et seq., MCA Audits of Political Subdivisions
26 § 2-7-503, MCA Financial Reports and Audits of local
27 government entities
28 § 20-9-212, MCA Duties of county treasurer
29 § 20-9-213, MCA Duties of trustees
30

31 Policy History:

32 Adopted on:

33 Reviewed on:

34 Revised on:

2/9/22

1 Miami Elementary

2
3 **FINANCIAL MANAGEMENT**

7500

4
5 Property Records

6
7 Property and inventory records will be maintained for all land, buildings, and physical property
8 under District control and will be updated annually.

9
10 For purposes of this policy, "equipment" means a unit of furniture or furnishings, an instrument,
11 a machine, an apparatus or a set of articles which retains its shape and appearance with use, is
12 nonexpendable, and does not lose its identity when incorporated into a more complex unit. The
13 Board will ensure inventories of equipment are systematically and accurately recorded
14 and updated annually. Property records of facilities and other fixed assets will be maintained on
15 an ongoing basis. No equipment will be removed for personal or non-school use except in
16 accordance with Board policy.

17
18 Property records will show, appropriate to the item recorded, the:

- 19
20 1. Description and identification
21 2. Manufacturer
22 3. Date of purchase
23 4. Initial cost
24 5. Location
25 6. Serial number, if available
26 7. Model number, if available

27
28 Equipment may be identified with a permanent tag providing appropriate District and equipment
29 identification.

30
31
32
33 Cross Reference: 7510 Capitalization Policy for Fixed Assets

34
35 Legal Reference: § 20-6-602, MCA Trustees' power over property
36 § 20-6-608, MCA Authority and duty of trustees to insure district
37 property

38
39 Policy History:

40 Adopted on:

41 Reviewed on:

42 Revised on:

4
5 Capitalization Policy for Fixed Assets
6

7 A fixed asset is a property that meets all the following requirements:
8

- 9 1. Must be tangible in nature;
10
11 2. Must have a useful life of longer than the current fiscal year; and
12
13 3. Must be of significant value.
14

15 Fixed assets may be acquired through donation, purchase, or may be self-constructed. The asset
16 value for a donation will be the fair market value at the time of donation. The asset value for
17 purchases will be the initial cost plus the trade-in value of any old asset given up, plus all costs
18 related to placing the asset into operation. The cost of self-constructed assets will include both
19 the cost of materials used and the cost of labor involved in construction of the asset.
20

21 The following significant values will be used for different classes of assets:
22

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Equipment and machinery	\$5000.00 or more
Buildings - improvements	\$5000.00 or more
Improvements other than to buildings	\$5000.00 or more
Land	Any amount

23
24
25
26
27
28
29
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33
34
35 Cross Reference: 7500 Property Records
36

37 Policy History:

38 Adopted on: 2/9/22
39 Reviewed on:
40 Revised on:

1 Miami Elementary

2
3 **FINANCIAL MANAGEMENT**

4
5
6 Fund Balances

7
8 *[Note: The provisions of this policy include the provisions of Statement No. 54 of the*
9 *Governmental Accounting Standards Board (GASB).]*

10
11 **I. PURPOSE**

12
13 The fund balance policy establishes a framework for the management of all excess funds managed by
14 the Miami School District. The policy is in accordance with GASB Statement 54; management
15 of fund balance. It also provides guidance and direction for elected and appointed officials as well as
16 staff in the use of excess funds at year-end.

17
18 **II. SCOPE**

19
20 This fund balance policy applies to all funds in the custody of the School District Business
21 Manager/Clerk of the Miami School District, Miami, Montana. These funds are
22 accounted for in the District's annual audited financial reports and include, but are not limited to, the
23 following:

- 24 • General Fund
25 • Special Revenue Funds
26 • Capital Project Funds
27 • Enterprise Funds
28 • Any new funds created by the District, unless specifically exempted by the governing body;
29 in accordance with state law or GASB pronouncements.

30
31 **III. CLASSIFICATION OF FUND BALANCES**

32
33 The school district shall classify its fund balances in its various funds in one or more of the following
34 five classifications: nonspendable, restricted, committed, assigned, and unassigned.

35
36 **IV. DEFINITIONS**

37
38 A. *Fund balance*---means the arithmetic difference between the assets and liabilities reported in a
39 school district fund.

40
41 B. *Committed fund balance*—amounts constrained to specific purposes by the District itself,
42 using its highest level of decision-making authority; to be reported as committed, amounts
43 cannot be used for any other purpose unless the District takes the same highest-level action to
44 remove or change the constraint

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4 C. *Assigned fund balance*—amounts a school district *intends* to use for a specific purpose; intent
5 can be expressed by the District or by an official to which the Board of Trustees delegates the
6 authority

7
8 D. *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or
9 are required to be maintained intact (such as the corpus of an endowment fund)

10
11 E. *Restricted fund balance*—amounts constrained to specific purposes by their providers (such
12 as grantors, bondholders, and higher levels of government), through constitutional
13 provisions, or by enabling legislation

14
15 F. *Unassigned fund balance*—amounts that are available for any purpose; these amounts are
16 reported only in the general fund.

17
18 **V. MINIMUM FUND BALANCE**

19
20 The school district will strive to maintain a minimum unassigned general fund balance of [____
21 percent of the annual budget.] [____ months of operating expenses.]

22
23 *[Note: School districts need to select one of the bracketed choices above and fill in the blank. The*
24 *other bracketed choice should be deleted. If a minimum fund balance is specified, a stabilization*
25 *arrangement such as that specified in Part IX below that sets aside specific stabilization amounts may*
26 *not be necessary.]*

27
28 **VI. ORDER OF RESOURCE USE**

29
30 If resources from more than one fund balance classification could be spent, the school district will
31 strive to spend resources from fund balance classifications in the following order (first to last):
32 restricted, committed, assigned, and unassigned.

33
34 *[Note: The school board determines this order.]*

35
36 **VII. COMMITTING FUND BALANCE**

37
38 A majority vote of the school board is required to commit a fund balance to a specific purpose and
39 subsequently to remove or change any constraint so adopted by the board.

40
41 **VIII. ASSIGNING FUND BALANCE**

42
43 The school board, by majority vote, may assign fund balances to be used for specific purposes when
44 appropriate. The board also delegates the power to assign fund balances to the following:

45 Debbie. *[Specify individual(s), such as the superintendent, business manager, etc.,*
46 *or an entity, such as the finance committee, authorized to make these assignments.]*

47 Assignments so made shall be reported to the school board on a monthly basis, either separately or as
48 part of ongoing reporting by the assigning party if other than the school board.

1
2
3
4 An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the
5 subsequent year's budget in an amount no greater than the projected excess of expected expenditures
6 over expected revenues satisfies the criteria to be classified as an assignment of fund balance.
7

8
9 **IV. STABILIZATION ARRANGEMENTS**

10
11 *[Note: If the school board has established any arrangement(s) for emergencies and other*
12 *contingencies, the description(s) should be included in this section. The school board needs to*
13 *specifically define the circumstances or conditions when these amounts may be used, which*
14 *must be unanticipated adverse financial or economic circumstances. These circumstances or*
15 *conditions cannot be situations that are expected to or which occur routinely. Stabilization*
16 *arrangements should be reported as restricted or committed if they meet the criteria or,*
17 *otherwise, should be reported as unassigned. They should not be reported as assigned. If the*
18 *school board does not have any such arrangements, this section should be deleted.]*
19

20 **IX. REVIEW**

21
22 The school board will conduct, at a minimum, an annual review of the sufficiency of the minimum
23 unassigned general fund balance level.
24

25
26 **Legal References:** Statement No. 54 of the Governmental Accounting Standards Board
27

28
29 Policy History:

30 Adopted on: 3/9/27

31 Reviewed on:

32 Revised on:

1 Miami Elementary
2

3 **FINANCIAL MANAGEMENT**

7525

4
5 Lease-Purchase Agreement
6

7 The trustees of a district can lease property with an option to purchase.

8
9 Personal property -- the lease cannot be more than seven (7) years.

10
11 Real property -- the lease cannot be more than fifteen (15) years.

12
13 The terms of the lease must comply with 20-6-625, MCA. If real property is acquired, the
14 trustees shall comply with 20-6-603, MCA.

15
16 The trustees of any district may lease buildings or land suitable for school purposes when it is
17 within the best interests of the district to lease the buildings or land from the county,
18 municipality, another district, or any person. The term of the lease may not be for more than
19 fifteen (15) years unless prior approval of the qualified electors of the district is obtained in the
20 manner prescribed by law for school elections, in which case the lease may be for a term
21 approved by the qualified electors, but not exceeding ninety-nine (99) years. Whenever the lease
22 is for a period of time that is longer than the current school fiscal year, the lease requirements for
23 the succeeding school fiscal years shall be an obligation of the final budgets for such years.

24
25
26 Cross Reference: Policy 7251 Disposal of school district property without
27 a vote.

28
29
30 Legal Reference: § 20-6-603, MCA Trustees' authority to acquire or dispose of
31 sites and buildings – when election required.
32 § 20-6-609, MCA Trustees' authority to acquire property by
33 lease-purchase agreement.
34 § 20-6-625, MCA Authorization to lease buildings or land for
35 school purposes.
36

37 Policy History:
38 Adopted on: 3/9/22
39 Reviewed on:
40 Revised on: