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| Book          | Policy Manual  |
| Section       | 000 Local Board Procedures   |
| Title         | Policy Manual Access   |
| Number        | 007 Vol VI 2016  |
| Status        | Second Reading   |
| Legal         | <u>1. 24 P.S. 407</u><br><u>2. 24 P.S. 510</u><br>3. Pol. 003<br><u>4. 65 P.S. 67.701</u><br>5. Pol. 801<br><u>24 P.S. 510.2</u> |
| Last Reviewed | January 9, 2017  |

#### **Authority**

The Board adopts the procedures and policies contained in the Policy Manual as a governance tool for the Board and as a resource for district administrators and employees, students, parents/guardians, residents and community members. [1][2][3]

The Board Policy Manual shall be published and maintained on the district's publicly accessible website.

The Board Policy Manual shall be considered a public record. A copy of the Policy Manual shall be available in the administration office during regular office hours. [4][5]

#### **Delegation of Responsibility**

The

~~{ } Board Secretary~~

{X} Superintendent or designee

shall maintain an orderly plan for the promulgation of policies to students, parents/guardians and staff who are affected by them and shall provide easy accessibility to an up-to-date Policy Manual.

The

~~{ } Board Secretary~~

{X} Superintendent or designee

shall be responsible to review existing policy in light of Board actions and revisions to state and federal statutes and regulations, and to recommend to the

{X} Board

~~{ } Board Policy Committee~~

~~{ } Superintendent~~

the changes necessary to maintain a current and compliant Board Policy Manual. [3]

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Last Modified by Michele Bloch on January 11, 2017

|               |   |
|---------------|---|
| Book          | Policy Manual                                 |
| Section       | 300 Employees                                 |
| Title         | Personal Necessity Leave                      |
| Number        | 336   |
| Status        | Active  |
| Legal         | <u>1.24 P.S. §10</u><br><u>2.24 P.S. 1154</u> |
| Adopted       | September 19, 2016                            |
| Last Reviewed | September 19, 2016                            |

#### **Authority**

This policy shall provide for absences for defined personal necessity leave by administrative, professional and classified employees.

The Board has the authority to specify reasonable conditions under which personal necessity leave may be granted, the type of situations in which such leave will be permitted, and the total number of days that may be used by an employee in any school year for such leave. [1][2]

#### **Guidelines**

##### **Personal Leave**

Personal leave days with pay shall be granted to district employees in accordance with applicable provisions of the administrative compensation plan, individual contract, collective bargaining agreement or Board resolution.

##### **Bereavement Leave**

Bereavement leave with pay shall be granted to district employees in accordance with law, applicable provisions of the administrative compensation plan, individual contract, collective bargaining agreement or Board resolution. [2]

Last Modified by Michele Bloch on September 23, 2016

|               |   |
|---------------|---|
| Book          | Policy Manual   |
| Section       | 600 Finances  |
| Title         | Investment of District Funds  |
| Number        | 609 Vol III 2016  |
| Status        | Second Reading  |
| Legal         | <a href="#">1. 24 P.S. 440.1</a><br><a href="#">2. 24 P.S. 621</a><br><a href="#">3. 24 P.S. 622</a><br><a href="#">4. 24 P.S. 623</a><br><a href="#">5. 53 P.S. 5406</a><br><a href="#">6. 53 P.S. 5410.1</a><br><a href="#">7. 24 P.S. 521</a><br><a href="#">8. 53 Pa. C.S.A. 2301 et seq</a><br><a href="#">9. 15 U.S.C. 77a et seq</a><br><a href="#">10. 15 U.S.C. 80a-1 et seq</a><br><a href="#">11. 24 P.S. 511</a><br>12. Pol. 618<br><a href="#">13. 72 P.S. 3876-1 et seq</a><br><a href="#">14. 24 P.S. 624</a><br>15. Pol. 608<br><a href="#">16. 17 CFR Part 270</a><br><a href="#">17. 53 Pa. C.S.A. 8001 et seq</a><br>18. Pol. 619<br><a href="#">19. 65 Pa. C.S.A. 1101 et seq</a><br><a href="#">24 P.S. 218</a><br>Governmental Accounting Standards Board, Statement No. 3 (amended by Statement 40)<br>Governmental Accounting Standards Board, Statement No. 40 |
| Last Reviewed | January 9, 2017   |

### **Purpose**

It shall be the policy of the Board to optimize its return on funds available for investment through investment of cash balances in such a way as to minimize non-invested balances and to maximize return on investments consistent with the following principles:

**Legality** - All investments shall be made in accordance with applicable laws of Pennsylvania.

**Safety** - Preservation of principal shall be of highest priority. Preservation of principal in the portfolio of investments shall be ensured by diversification and other means of minimizing credit risk, including avoidance of concentration of credit risk, market risk and interest rate risk, and by thoroughly investigating and reviewing the performance of all investment providers and professionals.

**Liquidity** - Investments shall remain sufficiently liquid to meet all operating requirements that are reasonably anticipated. A fiscal year operations anticipated cash flow shall be developed so that investments can be made as early as possible, with maturities consistent with anticipated cash demands.

**Yield** - Investments shall be made with the objective of attaining a market-average rate of return throughout the budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.

### **Authority**

The Investment Officer designated by the Board shall implement the school district's investment program in accordance with this policy, applicable laws and the annual investment plan approved by the Board. [\[1\]\[2\]\[3\]\[4\]\[5\]\[6\]](#)

### **Definitions**

**Act 10 Permissible Investments** - Any type of investment permitted under Act 10 of March 25, 2016, (53 P.S. Sec. 5406, 5410.1) that is not among the types of investments permitted under Section 440.1 of the Public School Code of 1949, Act of March 10, 1949, (P.L. 30, No. 14) as last amended by the Act of June 30, 1995, (P.L. 220, No. 26) [\[1\]\[5\]\[6\]](#)

**School Code Permissible Investments** - Any investment permitted under Section 440.1 of the Public School Code of 1949, Act of March 10, 1949, (P.L. 30, No. 14) as last amended by the Act of June 30, 1995, (P.L. 220, No. 26). [\[1\]](#)

**Short-term** - Any period thirteen (13) months or less.

**Long-term** - Any period exceeding forty-eight (48) months.

**Mid-range** - Any period between short-term and long-term.

**Bankers' acceptances** - Bankers' acceptances generally are created based on a letter of credit issued in a foreign trade transaction. Bankers' acceptances are short-term, non-interest-bearing notes sold at a discount and redeemed by the accepting banks at maturity for face value.

**Collateral** - Security pledged by a financial institution to a governmental entity for its deposit.

**Commercial paper** - An unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The maximum maturity for commercial paper is 270 days, but most is sold with maturities of up to thirty (30) days. Almost all commercial paper is rated as to credit risk by rating services.

**Concentration of credit risk** - The risk of loss attributed to the magnitude of a government's investment in a single issuer, pool, institution, or instrument.

**Counterparty** - Another party to a transaction. In the case of deposits and investments made by governmental entities, a counterparty could be the issuer of a security, a financial institution holding a deposit, a broker-dealer selling securities, or a third party holding securities or collateral.

**Credit risk** - The risk that a counterparty to an investment transaction will not fulfill its obligations. Overall credit risk can be associated with the issuer of a security, with a financial institution holding deposits, or with a party holding securities or collateral. Credit risk exposure can be affected by a concentration of deposits or investments in any one (1) investment type or with any one (1) counterparty.

**Custodial credit risk** - The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

**Foreign currency risk** - The risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. Investments depending on substantial overseas activities or markets may present related foreign currency risk.

**Interest rate risk** - The risk that changes in interest rates will adversely affect the fair value of an investment.

**Issuer** - The entity that has the authority to distribute a security or other investment. A bond issuer is the entity that is legally obligated to make principal and interest payments to bond holders. In the case of mutual funds, external investment pools, and other pooled investments, issuer refers to the entity invested in, not the investment company-manager or pool sponsor.

**Investment plan** - The school district's specifically enumerated investment strategy approved annually by the Board.

**Local Government Investment Pool (LGIP)** - An investment trust or pool organized by groups of political subdivisions or municipal authorities pursuant to Section 521 of the Public School Code of 1949, or pursuant to the Intergovernmental Cooperation Law, 53 Pa. C.S.A. Sec. 2301 et seq., for the purpose of investing funds of such political subdivisions or municipal authorities for their

exclusive benefit and in accordance with the laws governing their permissible investments. LGIPs include, but are not limited to, the Pennsylvania School District Liquid Asset Fund (PSULAF), the Pennsylvania Local Government Investment Trust (PLGIT), and for purposes of this policy, the PA INVEST program operated by the Pennsylvania Treasury Department. [7][8]

**Market risk** – The risk that the market value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement will decline. Market risk is affected by the length to maturity of a security, the need to liquidate a security before maturity, the extent that collateral exceeds the amount invested, and the frequency at which the amount of collateral is adjusted for changing market values.

**Repurchase agreement** –

- a. An agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities.
- b. A generic term for an agreement in which a governmental entity (buyer-lender) transfers cash to a broker-dealer or financial institution (seller-borrower); the broker-dealer or financial institution transfers securities to the entity and promises to repay the cash plus interest in exchange for the same securities (as in definition (a) above) or for different securities.

**Shares of an investment company** – For purposes of School Code Permissible Investments, shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1 et seq.), and whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.) and which satisfies the further conditions set forth in Section 440.1 of the School Code, subsection (b), clause (v) [1][9][10]

**Weighted average maturity** – A weighted average maturity measure expresses investment time horizons—the time when investments become due and payable—in years or months, weighted to reflect the dollar size of individual investments within an investment type.

**Delegation of Responsibility**

The Board shall designate an Investment Officer, who shall implement the school district's investment program in accordance with this policy, related procedures, applicable laws and the annual investment plan approved by the Board. [1]

The Investment Officer shall prepare, for approval of the Board, an annual investment plan for all general and segregated/designated funds of the district (i.e., general, capital reserve, bond, etc.), including bond proceeds, taking into account the anticipated liquidity needs of each fund.

The plan may provide for moneys from more than one (1) fund under school district control for the purchase of any single investment, provided that each of the funds combined for the purpose shall be accounted for separately in all respects and that the earnings from the investment are separately and individually computed and recorded, and credited to the accounts from which the investment was purchased.

The plan shall not encompass the investment of any student activity or class-related funds separately managed pursuant to School Code Section 511. [11][12]

The annual investment plan shall be submitted to the Board for review and approval

~~( ) during the month of \_\_\_\_\_.~~

~~( ) no later than thirty (30) days after adoption of the annual budget.~~

(X) no later than sixty (60) days after adoption of the annual budget.

The Investment Officer shall report

~~( ) monthly~~

(X) quarterly

to the Board the following: [1][13]

1. Amount of funds invested.
2. Interest earned and received to date.
3. Types and amounts of each investment and the interest rate on each.
4. Names of the institutions where investments are placed.
5. The means by which any deposits exceeding insurance limits are collateralized.
6. (X) Other information required by the Board.

This report may, but is not required to, include the information regarding depository balances, earnings and transactions required by the School Code to be reported to the Board monthly as set forth in Policy 608 [14][15]

The Board directs the Superintendent and Investment Officer to develop, for approval by the Board as an appendix to this policy, specific due diligence and risk mitigation measures for:

1. Evaluating and mitigating the risks associated with each investment;
2. Investigating, selecting and evaluating the performance of investment advisors and investment professionals;
3. Specifying standards for audits of investment transactions; and
4. Determining the qualifications, training, standards and disclosures required for district employees performing functions relating to the district's investment program.

**Guidelines**

Investments permitted by this policy are those defined in law and enumerated in this policy that are appropriately collateralized in accordance with this policy and applicable laws [1]

**School Code Permissible Investments**

1. United States Treasury bills.
2. Short-term obligations of the United States Government or its agencies or instrumentalities.
3. Deposits in savings accounts or time deposits or share accounts of institutions insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC) or the National Credit Union Share Insurance Fund (NCUSIF) to the extent that such accounts are so insured, and, for any amounts above the insured maximum, provided that approved collateral as provided by law therefore shall be pledged by the depository.
4. Obligations of the United States of America or any of its agencies or instrumentalities backed by the full faith and credit of the United States of America, the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the Commonwealth, or of any political subdivision of the Commonwealth of Pennsylvania or any of its agencies or instrumentalities backed by the full faith and credit of the political subdivision.
5. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1 et seq.), whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.). Provided, that the following are met: [16]
  - a. The only investments of that company are in the authorized investments for school district funds listed in items 1 through 4 above and repurchase agreements fully collateralized by such investments.
  - b. The investment company is managed so as to maintain its shares at a constant net asset value in accordance with 17 CFR Sec. 270.2a-7 (relating to money market funds).
  - c. The investment company is rated in the highest category by a nationally recognized statistical rating organization.
6. Local Government Investment Pools (LGIPs) as defined in this policy.
7. Repurchase agreements with respect to U.S. Treasury bills or obligations, participations or other instruments of or guaranteed by the U.S. or any federal agency, instrumentality or U.S. government-sponsored.

**Act 10 Permissible Investments**

1. Obligations, participations or other instruments of any federal agency, instrumentality or U.S. government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
2. Commercial paper issued by corporations or other business entities organized in accordance with federal or state law, with a maturity not to exceed 270 days, if the issuing corporation or

business entity is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.

3. Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances, if the bankers' acceptances do not exceed 180 days maturity and the accepting bank is rated in the top short-term category by at least two (2) nationally recognized statistical ratings organizations.
4. Negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three (3) years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association or a state-licensed branch of a foreign bank.
  - a. For obligations with a maturity of one (1) year or less, the debt obligations of the issuing institution or its parent must be rated in the top short-term rating category by at least two (2) nationally recognized statistical ratings organizations.
  - b. For obligations with a maturity in excess of one (1) year, the senior debt obligations of the issuing institution or its parent must be rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
5. Shares of an investment company registered under the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. Sec. 80a-1 et seq.) whose shares are registered under the Securities Act of 1933 (48 Stat. 74, 15 U.S.C. Sec. 77a et seq.), if all of the following conditions are met:
  - a. The investments of the company are the authorized investments under 53 P.S. §5410.1, subsection (a) (Act 10, Section 1 1(a)).
  - b. The investment company is managed in accordance with 17 CFR Sec. 270.2a-7 (relating to money market funds).
  - c. The investment company is rated in the highest category by a nationally recognized rating agency.

#### Management of Investments and Collateral

All securities or other investments in which the school district invests or that collateralize school district investments shall be managed as provided in this policy and in the school district's investment plan annually approved by the Board.[1]

The plan shall require that securities purchased as investments be purchased in the name of the school district and held in custody for the benefit of the school district as provided in the investment plan and authorized custodian agreements. The plan may make exceptions to such requirements for investments in LGIPs as defined in this policy, or for the purchase of shares of an investment company as defined in this policy.

If, after purchase, the rating of any instrument is reduced and no longer in compliance with Board policy, the individual responsible for district investments shall

~~(-) advise the Board at the earliest opportunity of such action and make recommendations for altering investments.~~

(X) replace the investment immediately upon receipt of notice of the rating change and notify the Board of the rating change, action taken and replacement investment.

The foregoing rating change related requirement(s) do(es) not apply to investments in LGIPs as defined in this policy.

For purposes of interest rate disclosure in the annual financial report, the method of determining interest rate risk shall be based on weighted average maturity.

#### Foreign Currency and Related Risk

District funds shall not be invested in foreign currency. To the extent other permissible investments are exposed to related foreign currency risk, they shall be disclosed as required by GASB Statement 40.

#### Bond Proceeds

Investment of bond proceeds shall be managed and reported to the Board in accordance with the Local Government Unit Debt Act, this policy, and applicable federal and state laws [17]

#### Protection of Savings Accounts, Time Deposits, Share Accounts or Other Depository Balances in Excess of FDIC Insurance Limits

When district cash is deposited in any savings account, time deposit, share account or other authorized depository account other than a Local Government Investment Pool (LGIP), if the cash balance exceeds FDIC insurance limits, district funds shall be collateralized in one or more of the following ways:[1][13]

1. An Irrevocable Letter of Credit (LOC) issued by a Federal Home Loan Bank (FHLB).
2. Tri-Party Collateral in the name of the school district consisting of the following underlying securities only:
  - a. U.S. Treasury Securities.
  - b. Obligations, participations or other instruments of any federal agency, instrumentality or U.S. government-sponsored enterprise if the debt obligations are rated at least "A" or its equivalent by at least two (2) nationally recognized statistical ratings organizations.
3. Assets pledged as collateral in accordance with the act of August 6, 1971, (P.L. 281, No.72), 72 P.S. Sec. 3836-1 et seq. (relating to pledges of assets to secure deposits of public funds, whether or not pooled) [13]

It shall be the responsibility of the Investment Officer to verify with the depository the value of the collateral instrument(s) based on the instrument being "marked to market." This valuation shall occur at least monthly.

Following a review of valuation, the Investment Officer may request an additional review by the district's investment advisors or financial consultant, and shall require additional collateral if the existing collateral has declined in value and exposes the district to potential loss of principal. The status of the valuation review and any additional collateral shall be included in the periodic reports to the Board regarding the investment program.

#### Reporting Requirement for Local Government Investment Pools (LGIPs)

Local Government Investment Pools (LGIPs) pool the resources of participating government entities and invest in various securities as permitted under state law, so that participating governments can benefit from economies of scale, professional fund management and other advantages.

Recognizing that LGIPs invest directly in permissible securities on behalf of the participating government entities, which in turn have proportional ownership rights in those securities, district investments in a LGIP shall not be subject to the collateral requirements of this policy, provided that the LGIP:

1. Makes available to participants daily and monthly statements, and other information from which the status of the investments can be verified; and
2. Provides an audited annual financial report to each participating government entity.

#### Further Risk Mitigation for Act 10 Permissible Investments

Recognizing that Act 10 of 2016 expanded the range of permissible investments to include investments with the potential to expose the school district to elevated levels of credit risk and other investment risks, the Board directs that any investment plan or investment recommendations proposed by the Investment Officer take into account, implement and highlight the following factors and precautions with respect to Act 10 Permissible Investments:

1. It cannot be assumed that negotiable certificates of deposit are collateralized.
2. A significantly more thorough level of due diligence is required.
3. Any investment in the fourth category of Act 10 Permissible Investments listed above (negotiable certificates of deposit or other evidences of deposit) must have a maturity not exceeding one (1) year in duration.

**[Legal Note Regarding Negotiable Certificates of Deposit or Other Evidences of Deposit:** At least one school attorney knowledgeable in financial matters has raised the questions of whether these investments now permitted by Act 10 constitute a type of deposit subject to the collateral requirement of Section 440.1 of the School Code applicable to other CDs, and whether the Section 440.1 collateral requirement extends to the negotiable CDs or other evidences of deposit permitted by Act 10. Because negotiable certificates of deposit or such other evidences generally are not collateralized, that in turn raises the question of whether school districts can lawfully invest in negotiable certificates of deposit notwithstanding Act 10. Consultation with the district solicitor is strongly recommended prior to including such investments in the district's investment plan or portfolio.]

4. In addition to verification of rating by a nationally recognized statistical rating organization and other due diligence requirements, the investigation of Act 10 Permissible Investments shall include ensuring that there is an independent credit review (a qualified financial services organization with an active and recognized credit analysis team is also monitoring the issuer, in addition to the nationally recognized statistical rating organization(s)).
5. Act 10 Permissible Investments shall be limited to no more than ten percent (10%) of district funds available for investment, excluding bond proceeds and refunding escrow balances.

#### Audit

The Board directs that all investment records be subject to annual audit by the district's independent auditors.[18]

The audit shall include but not be limited to independent verification of amounts and records of all transactions, as deemed necessary by the independent auditors.

Conflict of Interest Avoidance and Disclosure

The Investment Officer and any other district employee performing functions related to the investment program shall disclose in writing to the Board any material conflict of interest or material potential conflict of interest which exists because of personal relationships or personal business activity between the Investment Officer or other employees and any depository institution, broker, dealer, investment advisor, or other investment provider or professional serving the district. The Investment Officer or other employees shall refrain from any personal business activity that could impair ability to make impartial decisions in managing the annual investment plan. [19]

All depository institutions, repurchase agreement providers, brokers, and investment advisors and managers shall disclose in writing to the district: (1) any fees or other compensation paid to or received from a third party with respect to any district investment; and (2) any ownership of or by a parent corporation which owns any other depository institution, broker, dealer, investment advisor, or other investment provider or professional which does business with the district.

All investment advisors shall verify in writing that they have received and reviewed a copy of this Board policy and agree to comply with this policy and all applicable laws related to school district investments.

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Last Modified by Michele Bloch on January 11, 2017

|               |  |
|---------------|--|
| Book          | Policy Manual  |
| Section       | 600 Finances   |
| Title         | Purchases Budgeted   |
| Number        | 611  |
| Status        | Second Reading   |
| Legal         | <a href="#">1.24 P.S. 751</a><br><a href="#">2.24 P.S. 807.1</a><br><a href="#">3.24 P.S. 609</a><br><a href="#">24 P.S. 508</a> |
| Last Reviewed | January 9, 2017  |

#### **Authority**

It is the policy of the Board that when funds are available all purchases contemplated within the current budget and not subject to bid shall be made in a manner that ensures the best interests of the district. [\(31172\)](#)

#### **Delegation of Responsibility**

All purchases that are within budgetary limits, and originally contained within the budget, may be made upon authorization of the Purchasing Agent, Business Manager, Board Secretary, and/or Superintendent, unless the contemplated purchase is **required to be bid under state law, for more than \$19,400, in which case prior approval by the Board is required.** [\(31172\)](#) Note: Current state bid is for more than \$19,400 as of January 2017. This amount changes (increased annually by law).

All purchase order requests must be referred to the Purchasing Agent, who shall check whether the proposed purchase is subject to bid or quote, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the district. [\(31172\)](#)

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|               |   |
|---------------|---|
| Book          | Policy Manual   |
| Section       | 600 Finances  |
| Title         | Purchases Not Budgeted  |
| Number        | 612   |
| Status        | Second Reading  |
| Legal         | <u>1.24 P.S. 607</u><br><u>2.24 P.S. 609</u><br><u>3.24 P.S. 631</u><br><u>4.24 P.S. 687</u><br>5. Pol. 611 |
| Last Reviewed | January 9, 2017   |

### **Purpose**

The laws of the state and the interests of the community require fiscal responsibility by the Board in the operation of the school district. Appropriate fiscal controls shall be adopted to ensure that public funds are not disbursed in amounts in excess of the appropriations provided to the district.

### **Authority**

The amount of funds in any estimate by the district, at or before the time of levying the school taxes, which is set apart or appropriated to any particular item of expenditures, shall not be used for any other purpose, or transferred, except by Board resolution receiving the affirmative vote of two-thirds of the members. [2]

Work shall not be hired to be performed, materials shall not be purchased, and contracts shall not be made by the Board that will cause the sums appropriated to specific purposes in the budget to be exceeded. [2]

When funds are not available for a proposed appropriation, a legal transfer from one class of expenditure to another may be made by the Board in the last nine (9) months of the fiscal year if it is apparent that the necessary surplus funds do exist in another appropriation, the procedures specified in the School Code are followed, and it can be demonstrated that the proposed expenditure would be educationally warranted in the current fiscal year. [1][2][3][4]

### **Guidelines**

In the event of emergency, which exists whenever the time required for the Board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes, a purchase order may be authorized by the Superintendent. [5]

**When budgeted funds are allocated on a building basis, the total amount budgeted may not be exceeded without prior approval.**

Any expenditures in excess of appropriation made in conformance with this policy shall be reported to the Board at the next meeting, with a recommendation of funds to be transferred to cover said purchase.

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|               |  |
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| Book          | Policy Manual  |
| Section       | 600 Finances   |
| Title         | Cooperative Purchasing   |
| Number        | 613  |
| Status        | Second Reading   |
| Legal         | <a href="#">1.24 P.S. 521</a><br><a href="#">2.24 P.S. 751</a><br><a href="#">7.24 P.S. 807.1</a><br><a href="#">4.53 Pa. C.S.A. 2303</a><br><a href="#">5.53 Pa. C.S.A. 2301 et seq</a> |
| Last Reviewed | January 9, 2017  |

#### **Authority**

The Board recognizes the advantages of centralized purchasing. Therefore, the Board encourages the administration to seek the benefits and savings that may accrue through joint agreements with other political subdivisions **and other cooperative purchasing organizations as permitted by law** for the purchase of supplies, equipment or services. [\[1\]\[2\]\[3\]\[4\]](#)

#### **Delegation of Responsibility**

The Board authorizes the Business Manager to negotiate appropriate cooperative purchase agreements **as permitted by law** ~~with other political subdivisions, in accordance with law and Board policy.~~

#### **Guidelines**

Cooperative purchases require an agreement approved by the Board and the participating contracting body(s). All such agreements must conform to relevant provisions of the School Code. [\[5\]](#)

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| Book          | Policy Manual  |
| Section       | 600 Finances   |
| Title         | Payroll Authorization  |
| Number        | 614  |
| Status        | Second Reading   |
| Legal         | 1. Pol. 302<br>2. Pol. 304<br>3. Pol. 305<br>4. Pol. 306<br>5. Pol. 308<br>6. Pol. 328<br>7. Pol. 330<br><a href="#">24 P.S. 406</a><br><a href="#">24 P.S. 1001</a><br><a href="#">24 P.S. 1106</a><br><a href="#">24 P.S. 1107</a> |
| Last Reviewed | January 9, 2017  |

#### **Authority**

Employment of all permanent, temporary and part-time district personnel must be approved by the Board. The Board shall authorize payment of salaries to employees. Actions by the Board to employ staff on a contractual basis may include the name of the individual, position title, salary, period of employment, position classification, method of payment and budget category to which the wages are to be charged [1][2][3][4][5][6]

Actions by the Board to employ temporary or part-time personnel may shall include the name of the individual, position title, rate of pay, position classification, the maximum number of hours or days an employee may work, school or vocation assignment and budget category to which wages are to be charged.

The minutes of Board meetings shall record all actions with regard to hiring, resignation, retirement, death or discharge of all employees, or nonretention of a temporary professional employee. Each action shall include the name of the employee or employee number, date upon which salary or wages will begin or terminate as applicable, and position formerly held.

#### **Guidelines**

Daily sign-in and sign-out procedures adequate to meet wage and hour requirements and Board policy may be required of all employees.

Salary or wages may be withheld for unapproved time off, in accordance with established procedures, by the Superintendent.

Overtime can be scheduled and paid only when authorized in advance by the Superintendent. [7]

The payroll shall be certified by the Business Manager.

Last Modified by Michele Bloch on January 11, 2017

|               |                             |
|---------------|-----------------------------|
| Book          | Policy Manual               |
| Section       | 600 Finances                |
| Title         | Payroll Deductions          |
| Number        | 615                         |
| Status        | Second Reading              |
| Legal         | <a href="#">1.24.PS.513</a> |
| Last Reviewed | January 9, 2017             |

### **Purpose**

The Board may, at its discretion, act on behalf of individual employees to deduct a certain amount from the employee's paycheck and to remit an equal amount to an agent designated by the employee. It is the intent of this policy to designate those purposes not otherwise mandated by law for which the Board is willing to act on behalf of the employee.

### **Authority**

No deduction may be made from the wages of an employee except for federal or state income tax, PA unemployment, county tax, municipal or school taxes, social security and School Employees' Retirement Fund without proper authorization by the employee.

The Board shall permit deductions from an employee's paycheck upon proper authorization on the appropriate district form for the following purposes, as eligible: [\[1\]](#)

1. Tax sheltered annuity.
2. Bonds.
3. Association Dues.
4. United Way, or other organization(s) sponsored by the district.
5. Insurance premiums.
6. Purchasing back service time.
7. Dental riders.
8. Items required under labor agreements.

Last Modified by Michele Bloch on January 11, 2017

|               |   |
|---------------|---|
| Book          | Policy Manual   |
| Section       | 600 Finances  |
| Title         | Payment of Bills  |
| Number        | 616   |
| Status        | Second Reading  |
| Legal         | <a href="#">1. 24 P.S. 439</a><br><a href="#">2. 24 P.S. 507</a><br><a href="#">3. 24 P.S. 1155</a><br><a href="#">4. 24 P.S. 427</a><br><a href="#">5. 24 P.S. 609</a><br><a href="#">6. 24 P.S. 687</a><br>7. Pol. 612<br><a href="#">8. 24 P.S. 433</a><br><a href="#">9. 24 P.S. 428</a><br><a href="#">10. 65 P.S. 302</a><br><a href="#">11. 61 PA Code 32.22</a><br><a href="#">12. 72 P.S. 7204</a><br><a href="#">13. 72 P.S. 7208</a><br>14. Pol. 618<br><a href="#">24 P.S. 608</a><br><a href="#">24 P.S. 610</a> |
| Last Reviewed | January 9, 2017   |

**Purpose**

It is the Board's intent to direct prompt payment of bills but at the same time to ensure that due care has been taken in the review of district bills.

**Authority**

Each bill or obligation of this district must be fully itemized, verified and approved by the Board before a check can be drawn for its payment, except that the Board Secretary is permitted to draw payment orders for: [\(1\)\(2\)\(3\)](#)

1. The prompt payment of items that will accrue to the district's advantage. [\(4\)\(1\)](#)
2. Progress payments to contractors specified in a contract approved by the Board.
3. Orders to cover approved payrolls and agency account deposits.
4. Utility bills in months the Board does not meet.

**Delegation of Responsibility**

It shall be the responsibility of the Business Manager or designee upon receipt of an invoice to verify that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the Board had budgeted for the item, and invoice is for the amount contracted.

Should the invoice vary from the acknowledged purchase order, the Business Manager or designee shall document on the invoice the reason for such variance.

Should funds not be available in the account to which a proposed purchase will be charged, the Business Manager or designee shall determine the overage and request the Board make a legal transfer to cover it. [\(2\)\(5\)\(6\)\(7\)](#)

All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.

The list of bills shall include for each:

1. Check number.
2. Check date.
3. Vendor.
4. Amount of remittance.
5. Reason for remittance.

Upon approval of an order, the Treasurer shall prepare a check for payment and cancel the commitment placed against the appropriate account. [\(1\)](#)

All checks approved by the Board shall be signed by the President, ~~Board Secretary~~, and Treasurer. [\(4\)\(8\)\(1\)](#)

The Vice-President may sign for the President. [\(9\)](#)

All hand-written checks shall be pre-approved by the Superintendent or designee.

**Guidelines**

Signatures of the President, ~~Vice-President~~, and Treasurer and ~~Board Secretary~~ may be engraved on a signature plate or stamp. [\(10\)](#)

No check shall be made out to cash.

In the event the quality of any ordered goods or services shall not meet specified standards, the Superintendent may reject the present order, and reserve the right to void any further transactions with that particular business.

**Sales Tax**

The district is exempt from sales tax on the purchase of tangible, personal property or services that are sold or used by the district. The district shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for district use. [\(11\)\(12\)](#)

The district shall obtain a sales tax license number for school organizations who purchase items to be resold. [\(11\)\(13\)\(14\)](#)

In order to monitor these activities, the Business Manager shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.

|               |                            |
|---------------|----------------------------|
| Book          | Policy Manual              |
| Section       | 600 Finances               |
| Title         | Petty Cash                 |
| Number        | 617                        |
| Status        | Second Reading             |
| Legal         | 1. Pol. 811<br>24.P.S. 510 |
| Last Reviewed | January 9, 2017            |

**Purpose**

Petty cash funds may be used for designated purposes but shall be subject to adequate controls and safeguards.

**Authority**

The Board authorizes the establishment of petty cash funds under the control of designated employees in district buildings.

**Delegation of Responsibility**

Each responsible employee shall ensure that petty cash funds are spent only for designated purposes.[1]

The person responsible for each petty cash fund shall prepare a ~~monthly~~ total an annual report of the disbursement of petty cash funds.

Last Modified by Michele Bloch on January 11, 2017

|               |   |
|---------------|---|
| Book          | Policy Manual   |
| Section       | 600 Finances  |
| Title         | Student Activity Funds  |
| Number        | 618   |
| Status        | Second Reading  |
| Legal         | <a href="#">1. 24 P.S. 511</a><br>2. Pol. 811<br><a href="#">3. 24 P.S. 440.1</a><br><a href="#">4. 24 P.S. 623</a><br>5. Pol. 608<br><a href="#">6. 24 P.S. 807.1</a><br>7. Pol. 619 |
| Last Reviewed | January 9, 2017   |

**Purpose**

The Board is responsible for adopting and enforcing reasonable policy and rules regarding the management, supervision, control and prohibition of student activities, including raising and disbursing funds.

**Definition**

For purposes of this policy, **student activity funds** shall include the funds of Board-approved student groups. Student activity funds shall be raised by students and expended for purposes related to the activity, with student participation in the decision-making process regarding these areas.

**Authority**

Student activity funds are not part of district funds but must be approved by the Board. The Board adopts this policy to ensure proper supervision of student activity funds under the district's responsibility. [1]

**Delegation of Responsibility**

The Superintendent or designee is responsible for developing administrative regulations governing student activity funds.

The **building principal** is responsible for working with students and advisors, implementing policies and procedures, and maintaining fiscal records. The ~~principal~~ **Student Activity Funds Treasurer** shall serve as custodian of the funds and shall countersign all checks drawn upon them. ~~The principal and~~ shall be bonded. [2]

Activity advisors are responsible for working with students in assigned activities and ensuring compliance with policy and administrative regulations by the student organization.

The organization's ~~student-treasurer~~ **Student Activity Funds Treasurer** and faculty advisor are responsible for maintaining records of all funds collected and disbursed and submitting required reports to the Board.

**Guidelines**

Each student activity covered by this policy must be recognized and budgeted by the student organization before funds can be collected or disbursed in the name of the group.

All student activities shall be on a self-sustaining basis, except for situations approved by the Board.

Funds of any student body organization may be deposited or invested in banks whose accounts are insured by FDIC or investment certificates or withdrawable shares in state-chartered savings and loan associations doing business in-state and insured by FDIC or FSLIC. [3][4]

All funds collected by student organizations shall be deposited in a student activities fund in a bank designated by the Board. No school-sponsored student organization is permitted to establish an account separate from the student activities fund. [1][5]

Funds collected shall be turned in to the **custodian of the fund** before the end of each school day, and they shall be safeguarded until deposited as soon as possible.

Records shall be maintained of the receipt and disbursement of all funds in designated accounts, according to the bylaws of the activity approved by the Board. [1]

Disbursements from such funds shall be made only by check upon the request of the authorized advisor and the approval of the **fund custodian**. Disbursements shall be supported by invoices or verified documentation. All checks shall be signed by two-~~(2)~~ **three (3)** individuals authorized to approve such disbursements. **Current signatures are Board President, Board Secretary and Student Activity Funds Treasurer.**

All purchases of materials or supplies by any organization, club, society or group, or by any school or class shall be made by the purchaser in accordance with the requirements of law. [1][6]

All funds shall be of an exchange nature, and large balances should not be permitted to accumulate. Money should not be raised or collected unless there is a definite purpose for doing so.

All funds accumulated in the name of a specific organization must be closed out annually, and any residual funds shall revert to the same group for the following school year. [1]

A financial report of the condition of each student activity fund shall be submitted to the Board monthly. [1]

The student activity fund shall be audited annually during the district's established audit. [7]

**Graduating Classes**

**All graduating classes, after payment of all financial obligations and prior to graduation, shall make a commitment for distribution of the funds remaining in the class account to school activities of the class's choosing, such as a senior gift or scholarship fund.**

Funds may not be disbursed or set aside for future obligations, such as class reunions.

Funds left unused or uncommitted for one (1) year or more after graduation shall be distributed equally by the **fund custodian** to all remaining accounts and reported to the Board.

**Allocation of Interest Income**

Interest shall be allocated by the **fund custodian** not less than annually on a prorated basis.

The **fund custodian** shall notify each **activity advisor** of account adjustment(s) due to allocated interested income.