

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy:po6105
Section: 6000 Finances

6105 - FUNDS MANAGEMENT

The Board is responsible for control of all funds of the School District, including internal account funds. The responsibility of the administration of all School District funds is delegated to the Superintendent of schools, who shall keep the Board informed through regular reports as to the status of all funds.

The Board shall provide a surety bond to cover the Board Treasurer and all school employees who are authorized to handle school district funds.

Legal References: Compliance Supplement for Single Audits of State and Local Governments

Adoption Date: **September 14, 1993**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy:po6107
Section: 6000 Finances

6107 - AUTHORIZATION TO ACCEPT AND DISTRIBUTE ELECTRONIC RECORDS AND TO USE ELECTRONIC SIGNATURES

Unless a provision of law specifically prohibits the use of an electronic record for the specified purpose, the Board of Education authorizes the acceptance and distribution/transmission of electronic records and electronic signatures to and from District staff and other persons, as well as between District staff members. The Board further authorizes District staff to create, generate, send, communicate, receive, store, process, use, and rely upon electronic records and electronic signatures. The Superintendent shall put in place measures to protect the integrity, security, and accessibility of electronic signatures and electronic records to comply with mandates of State and Federal agencies or programs, including Medicaid.

All District staff shall comply with all provisions of the Uniform Electronic Transaction Act when creating, generating, sending, communicating, receiving, storing, processing, using, and relying upon electronic records. Further, all District staff and other persons who use electronic signatures when completing transactions with the Board shall do so in compliance with State law.

The Superintendent is authorized to develop administrative guidelines concerning the acceptance and distribution/transmission of electronic records and electronic signatures. After giving due consideration to security, the Superintendent may specify the following:

- A. The manner and format in which the electronic records must be created, generated, sent, communicated, received, and stored, and the systems established for those purposes.
- B. If electronic records must be signed by electronic means, the type of electronic signature that is required, the manner and format in which the electronic signature must be affixed to the electronic record, and the identity of, or criteria that must be met by any third party used by a person filing a document to facilitate the process.
- C. Control processes and procedures as appropriate to provide for adequate preservation, disposition, integrity, security, confidentiality, and auditability of electronic records.
- D. Any other required attributes for electronic records that are specified for nonelectronic records or reasonably necessary under the circumstances.

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Legal References: 15 U.S.C. 7001 et seq
 M.C.L. 450.831-450.849

Adoption Date: **November 11, 2020**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6110
Section: 6000 Finances

6110 - GRANT FUNDS

It is the objective of the Board of Education to provide equal educational opportunities for all students within the District. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the District that would benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this District. The Superintendent shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accordance with Federal regulations and guidelines.

No Federal funds received by the District shall be used: (1) to develop or distribute materials, or operate programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute, or to aid in the distribution by any organization of, legally-obscene materials to minors on District grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.

Grant Proposal Development

- A. All grant proposals must support at least one (1) District goal or priority.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

Grant Proposal Internal Review

- A. Each grant proposal shall be reviewed and approved by the Superintendent prior to submission to the funding source.
- B. The Superintendent shall present proposals exceeding \$23,000 to the Board for approval.

Grant Administration

- A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as District policies and administrative guidelines.
- B. The Superintendent is responsible for the efficient and effective administration of grant awards through the application of sound management practices.
- C. The Superintendent is responsible for administering grant funds in a manner consistent with underlying agreements, applicable statutes, regulations and objectives, and the terms and conditions of the grant award.
- D. The District, in recognition of its unique combination of staff, facilities and experience, shall employ internal controls, including the organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- E. All Federal funds received by the District will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Superintendent shall require that each draw of Federal monies be aligned with the District's payment process (whether reimbursement, cash advance or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.
- F. The Superintendent is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.
- G. Written amendments requiring the Superintendent's signature shall be presented to the Board for approval.
- H. Employee positions established through the use of grant funding shall terminate if and when the related grant funding ceases.
- I. Program reports including but not limited to audits, site visits and final reports shall be submitted to the Superintendent for review and distribution to the Board and other appropriate parties.

Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local and grantor rules, regulations and assurances, as well as District policies and administrative guidelines.

The District shall provide for the following:

- A. Identification, in District accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.
- B. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.

- C. Records that adequately identify the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- D. Effective control over, and accountability for, all funds, property and other assets. The District must adequately safeguard all assets and assure they are used solely for authorized purposes.

Further, the District must:

- 1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations and the terms and conditions of the Federal award;
 - 2. comply with Federal statutes, regulations and the terms and conditions of the Federal award;
 - 3. evaluate and monitor the District's compliance with statutes, regulations and the terms and conditions of the Federal award;
 - 4. take prompt action when instances of noncompliance are identified including non-compliance identified in audit findings;
 - 5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State , local and tribal laws regarding privacy and obligations of confidentiality.
- E. Comparison of expenditures with budget amounts for each Federal award.
- F. Recordkeeping and written procedures to the extent required by Federal, State , local and grantor rules and regulations pertaining to the grant award and accountability, including, but not limited to, the following areas:
 - 1. cash management
 - 2. allowability
 - 3. conflict of interest
 - 4. procurement
 - 5. equipment management
 - 6. conducting technical evaluations of proposals and selecting recipients
 - 7. compensation and fringe benefits
 - 8. travel
- G. Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the District.

Program Income

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance.

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts and interest earned on any of them. Additionally, taxes, special assessments, levies, fines and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment or supplies are not program income.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the District uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the Federal awarding agency or pass-through entity.

Revised 9/24/03

Revised 3/14/07

Revised 1/15/13

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Legal References:

- 34 C.F.R. 75.707, 76.563, 76.565, 76.707
- 2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307
- 2 C.F.R. 200.309, 200.310, 200.313, 200.318-.320, 200.343(b)&(e)
- Compliance Supplement for Single Audits of State and Local Governments
- 20 U.S.C. 7906

Adoption Date: **September 14, 1993**

Last Revised: **May 11, 2016**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6111
Section: 6000 Finances

6111 - INTERNAL CONTROLS

The Superintendent shall establish and maintain effective internal control over financial grants and awards that provide reasonable assurance that the program and funds are managed in compliance with applicable statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- D. take reasonable measures to safeguard protected "personally identifiable information" ("PII") and other information the awarding agency or pass-through entity designated as sensitive or the District considers sensitive consistent with applicable Federal, State, local, and tribal laws and District policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual."

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

Suggested resources:

- A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;
- B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.

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Legal References: 2 C.F.R. 200.61-.62
 2 C.F.R. 200.79
 2 C.F.R. 200.303

Adoption Date: **May 11, 2016**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6112
Section: 6000 Finances

6112 - CASH MANAGEMENT OF GRANTS

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The District's payments methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Michigan Department of Education (MDE) (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The District shall request grant fund payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The District shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments will be deposited and maintained in insured accounts whenever possible.

F. Advance payments will be maintained in interest bearing accounts unless the following apply:

1. The District receives less than \$120,000 in Federal awards per year.
2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
4. A foreign government or banking system prohibits or precludes interest bearing accounts.

G. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ("PMS") through an electronic medium using either Automated Clearing House ("ACH") network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number ("PAN") if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment ("ASAP"), National Science Foundation ("NSF") or another Federal agency payment system.

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Legal References:

2 C.F.R. 200.305

Adoption Date: **May 11, 2016**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6114
Section: 6000 Finances

6114 - **COST PRINCIPLES - SPENDING Federal FUNDS**

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

Cost Principles

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
5. whether the cost represents any significant deviation from the established practices or Board of Education policy which may unjustifiably increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

1. the cost is needed for the proper and efficient performance of the grant program;
2. the cost is identified in the approved budget or application;
3. there is an educational benefit associated with the cost;
4. the cost aligns with identified needs based on results and findings from a needs assessment;
5. the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received. This standard is met if the cost: is incurred specifically for the Federal award; benefits both the Federal award and other work of the District and can be distributed in proportions that may be approximated using reasonable methods; and is necessary to the overall operation of the District and is assignable to the Federal award in accordance with cost principles mentioned here.

- B. Conform to any limitations or exclusions set forth in the cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
- D. Be accorded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to a Federal award as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented:
 1. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
 2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

- I. Be incurred during the approved budget period.

The budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to carry out authorized work and expend the funds awarded, including any funds carried forward or other revisions pursuant to the law. Prior written approval from the Federal awarding agency or State pass through entity may be required to carry forward unobligated balances to subsequent budget periods, unless waived.

Selected Items of Cost

The District shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.

Cost Compliance

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs, but may not be double charged or inconsistently charged as both.

Determining Whether a Cost is Direct or Indirect:

- A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; program evaluation costs or other institutional service operations; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the District, the governing body of the District, compensation of the Superintendent, compensation of the chief executive officer of any component of the District, and operation of the immediate offices of these officers.

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Michigan Department of Education (MDE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

Timely Obligation of Funds

Financial obligations are orders placed for property and services, contracts and subawards made, and similar transactions that require payment. This term is used when referencing a recipient's or subrecipient's use of funds under a Federal award.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education ("USDOE") regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the District - when the services are performed.
- C. Personal services by a contractor who is not an employee of the District - on the date which the District makes a binding written commitment to obtain the services.
- D. Performance of work other than personal services - on the date when the District makes a binding written commitment to obtain the work.
- E. Public utility services - when the District receives the services.
- F. Travel - when the travel is taken.
- G. Rental of property - when the District uses the property.
- H. A pre-agreement cost that was properly approved by the Secretary (USDOE) under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

Period of Performance

All financial obligations must occur during the period of performance. Period of performance means the total estimated time interval between the start of an initial Federal award when the District is permitted to carry out the work authorized by the grant and the planned end date. The period of performance may include one or more funded portions or budget periods. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, financial obligations under a grant may not be made until the application is approved or is in substantially approvable form, whichever is later. In the case of a direct grant, a grantee may use grant funds only for obligations it makes during the grant period, unless an agreement exists with the awarding agency or the pass-through entity (e.g., MDE) to reimburse for pre-approval expenses.

If a Federal awarding agency or pass-through entity approves an extension, or if the District extends under C.F.R. 200.308(e)(2), the Period of Performance will be amended to end at the completion of the extension. If a termination occurs, the Period of Performance will be amended to end upon the effective date of termination. If a renewal is issued, a distinct Period of Performance will begin.

For both State-administered and direct grants, regardless of the period of availability, the District shall liquidate all financial obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

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Legal References: 2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458
 2 C.F.R 200.474(b)

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Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6116
Section: 6000 Finances

6116 - TIME AND EFFORT REPORTING

As a recipient of Federal funds, the District shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation—fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the District;
- C. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- E. comply with the District's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two (2) or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Payroll Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the District may use budget estimates for interim accounting purposes. The system used by the District to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the District and entered into the District's records in a timely manner.

The District's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

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Legal References: 2 C.F.R. 200.430, 200.431

Adoption Date: **May 11, 2016**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6144
Section: 6000 Finances

6144 - INVESTMENTS

The District's policy is to use investments to maximize the returns on the District's excess cash balances, while reasonably controlling the risk of loss and maintaining an acceptable level of liquidity in those investments to meet the District's operating needs.

To this end, the District will track, through its financial reports and investment authorizations, the credit risk, concentration of credit risk, interest rate risk and foreign currency risks related to its investments.

The Board shall appoint an Investment Advisor, who shall be responsible for overseeing and managing the investments of the District. The Investment Advisor shall be responsible for maintaining a record of the allocation of assets and the investment risks associated with those assets, as specified in the previous paragraph.

The Board of Education authorizes the Superintendent or Director of Finance to make investments of available monies from the several funds of the District in:

- A. bonds, bills, or notes of the United States; obligations, the principal and interest of which are fully guaranteed by the United States; or obligations of the State;
- B. certificates of deposit issued by a state or nationally-chartered bank or a state or Federally-chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office in Michigan under Michigan and Federal laws;
- C. certificates of deposit of a public corporation(s) (CDs) in insured depository institutions in accordance with the following conditions:
 - 1. the funds are initially invested through a financial institution that is not ineligible to be a depository of surplus funds belonging to this State under (M.C.L.A. 21.146 (discriminatory lending practices))
 - 2. the financial institution arranges for the investment of the funds in certificates of deposit in one (1) or more insured depository institutions, as defined in 12 U.S.C. 1813, or one or more insured credit unions, as defined in 12 U.S.C. 1752, for the account of the school district
 - 3. the financial institution acting as custodian for the school district is insured by an agency of the United States

4. the financial institution acts as custodian for the school district with respect to each certificate of deposit
 5. at the same time that the funds are deposited and the certificate or certificates of deposit are issued, the financial institution receives an amount of deposits from customers of other insured depository institutions equal to or greater than the amount of the funds initially invested by the school district through the financial institution
- D. commercial paper rated prime 1 or prime 2 at the time of purchase and maturing not more than 270 days after the date of purchase;
 - E. securities issued or guaranteed by agencies or instrumentalities of the United States government;
 - F. United States government or Federal agency obligation repurchase agreements;
 - G. bankers' acceptances issued by a bank that is a member of the Federal deposit insurance corporation;
 - H. mutual funds composed entirely of investment vehicles that are legal for direct investment by a school district;
 - I. investment pools, as authorized by the surplus funds investment pool act, Act. No. 367 of the Public Acts of 1982, being sections 129.11 to 129.118 of the Michigan Compiled Laws, composed entirely of instruments that are legal for direct investment by a school district.

When there is a possibility that interest rate changes could adversely affect the fair value of a District's investment, as determined under Generally Accepted Accounting Principles (GAAP) standards, the Investment Officer shall determine the segmented time distribution method which will be used to assess and control such risks.

These methods shall be implemented as defined by the Government Accountability Standards Board. The Board may apply different methods to different investment.

Investments in U.S. Treasury securities and those other securities completely guaranteed by the Treasury as to payment of principal and interest may be purchased in any dollar amount or up to 100% of the available reserves.

Investments in securities shall be with authorized investment institutions and dealers that must establish eligibility by meeting all of the following requirements.

- A. primary and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule)
- B. capital of no less than \$10,000,000
- C. registered as a dealer under the Securities and Exchange Act of 1934

- D. a member of the National Association of Securities Dealers (NASD)
- E. registered to sell securities in Michigan
- F. the firm and assigned broker have been engaged in the business of effecting transactions in United States government and agency obligations for at least five (5) years

The Superintendent or Director of Finance is authorized to contract with a depository in writing for the operation of a cash management system.

All investments must mature or be redeemable within one (1) year of the date of purchase.

An obligation purchased in accordance with Section 380.1223(2), when received by the Director of Finance, shall be deposited with the bank or trust company having the deposit of the money of the particular fund from which the obligation was purchased.

Money in the several funds of the School District shall not be commingled for the purpose of making an investment authorized by Section 380.1223. The Board, however, may establish and maintain one common debt retirement fund for bond issues of like character.

Earnings on an investment shall become a part of the fund from which the investment was made.

Funds of the Board may be withdrawn from approved public depositories or negotiable instruments owned by the Board and sold before maturity at the sole discretion of the Director of Finance acting within the law.

The Director of Finance shall include in the monthly report to the Board all cash in all accounts on deposit as well as the investment assets of the Board. This report shall disclose credit risk, concentration of credit risk, investment risk and foreign currency risks to Board investments in accordance with Generally Accepted Accounting Principles.

The Board may adopt a resolution at its annual organizational meeting, authorizing electronic fund transfers and the Treasurer or the Electronic Transfer Officer (ETO) as authorized agent(s) to complete such transactions on behalf of the Board. The Automatic Clearing House (ACH) authorizing resolution shall include all of the following:

- A. That an officer or employee designated by the Treasurer or ETO is responsible for the local unit's ACH agreements, including payment approval, accounting, reporting, and generally for overseeing compliance with the ACH policy.
- B. That the officer or employee responsible for disbursement of funds shall submit to the local unit documentation detailing the goods or services purchased, the cost of the goods or services, the date of the payment, and the department levels serviced by payment. This report can be contained in the electronic general ledger software system of the local unit or in a separate report to the governing body of the local unit.

- C. A system of internal accounting controls to monitor the use of ACH transactions made by the local unit.
- D. The approval of ACH invoices before payment.
- E. Any other matters the Treasurer or ETO considers necessary.

(NOTE: Investment professionals utilized by the District should be advised of and consulted on this policy.)

Revised 2/5/01
Revised 1/21/09
Revised 2/25/09
Revised 7/8/09

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Legal References: M.C.L. 124.301 et seq., 129.11 to 129.118, 380.1221, 380.1223(2), 380.622
P.A. 22 of 2009

Adoption Date: **September 14, 1993**
Last Revised: **July 21, 2010**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6145
Section: 6000 Finances

6145 - **BORROWING**

Upon the initiative of the Board of Education and with the approval of the Municipal Finance Commission or State Department of Education, the Superintendent shall prepare the data and applications regarding the borrowing of State Aid Notes, Tax Anticipation Notes, and Bond Issues.

Quotations shall be solicited for all short term loans which the Board has authorized. Funds shall be borrowed from the responsible organization offering the most favorable terms, as approved by the Board.

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Legal References: M.C.L. 134.1 et seq., 188.761 et seq., 380.144, 380.1225

Adoption Date: **September 14, 1993**

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Policy: po6146
Section: 6000 Finances

6146 - POST-ISSUANCE COMPLIANCE FOR TAX-EXEMPT AND TAX-ADVANTAGED OBLIGATIONS

The Board of Education may, from time to time, finance its capital improvements and operations through the issuance of debt obligations that are eligible for tax benefits under the Internal Revenue Code of 1986, as amended (the "Code"), and regulations promulgated thereunder ("Treasury Regulations"). Such obligations may include tax exempt obligations and/or obligations eligible for tax credits (direct subsidies to the School District or tax credits to bond owners). All such tax-exempt obligations or tax-advantaged obligations are referred to herein as "Obligations," whether in the form of general obligation bonds, revenue bonds, bond anticipation notes, tax anticipation notes, lease-purchase obligations, installment-purchase obligations or otherwise.

The Board recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the Obligations, and is an integral component of the District's debt management. Accordingly, the analysis of those facts and implementation of this policy and Administrative Guidelines will require on-going monitoring and consultation with an attorney experienced in legal work relating to the issuance of tax-exempt obligations or tax advantaged obligations ("Bond Counsel") and the District's accountants.

A. Investment and Expenditure of Proceeds

The District's system of internal controls and accounting will be capable of tracking the investment and expenditure of proceeds of Obligations and other amounts subject to special requirements, and the allocation of such proceeds and other amounts to District facilities. Appropriate coding will be developed to identify District facilities (or portions thereof) financed or refinanced by Obligations. Such Administrative Guidelines will ensure that such proceeds are expended only for the purposes authorized by the resolution and, as applicable, referendum, pursuant to which such Obligations were issued and in compliance with the Tax Certificate relating to the Obligations or other instructions of Bond Counsel.

B. Financed Facilities

The District will track the use of facilities (or portions thereof) financed or refinanced by Obligations in the private trades or businesses of non-governmental persons. Arrangements for the sale, disposition, lease, sublease, management or other use of more than one percent (1%) of facilities financed or refinanced by Obligations with a term of (i) less than 200 days will be subject to prior review and approval by the Superintendent, and (ii) equal to or greater than 200 days will be subject to prior review and approval by the Superintendent and Bond Counsel. The Superintendent will track the aggregate annual private use (if any) of facilities financed or refinanced by Obligations.

C. Periodic Review

The District will periodically review compliance with the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations. Such reviews will include final allocations of proceeds not later than eighteen (18) months after completion of facilities financed or refinanced with proceeds of Obligations and annual reviews to ensure private business use of such facilities does not exceed allowable levels. Such annual review will be conducted in connection with the preparation of the District's audited financial statements.

D. Potential Non-Compliance

If the Superintendent, upon any annual review or otherwise, discovers non-compliance with any requirements of the Code or Treasury Regulations necessary to preserve the tax advantages of such Obligations, the Superintendent will, after consultation with the District's attorney and Bond Counsel, take necessary actions to remedy any such non-compliance.

E. Retention of Professionals; Rebate Analyst

The District will engage such professionals or consultants as are necessary, in the judgment of the Superintendent, to ensure that the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations are timely met, including, without limitation, the requirement to compute and pay rebatable arbitrage to the United States government or to confirm an exception thereto. The Superintendent will ensure that all information reports or other returns or filings with the United States Department of Treasury or Internal Revenue Service timely will be filed on behalf of the District.

F. Purchase of Investments

All investments of the proceeds of Obligations will be purchased at fair market value, as defined in the Code and Treasury Regulations, and will comply with the requirements of the Code and Treasury Regulations relating to yield restriction as advised by Bond Counsel.

G. Credit Enhancement Transactions

The Superintendent will consult with Bond Counsel prior to engaging in any post-issuance credit enhancement transactions (i.e., bond insurance or letters of credit) or hedging transactions (i.e., interest rate swaps, caps, etc.) relating to any Obligation.

H. Subsidy Payments

The Superintendent will implement proper administrative guidelines to ensure that any federal subsidy payable in respect of any direct-pay tax credit bonds is timely transmitted to the appropriate account of the District including the timely filing of any required return or other documentation.

I. Post-Issuance Modifications

The Superintendent will consult with Bond Counsel prior to any modification of the interest rate, maturity date or other material terms of any Obligation.

J. Records Retention

The District will retain records sufficient to demonstrate compliance with the requirements of the Code and Treasury Regulations necessary to preserve the tax advantages of such Obligations for the period required by law, presently understood to be the life of the Obligations or any succeeding refunding Obligation plus three (3) years.

K. Continuing Disclosure

The Superintendent will implement proper Administrative Guidelines to ensure that the District complies with any undertakings to provide continuing disclosure in accordance with the Rule, including annual filing of operating and financial information and notices of listed "material events." The Superintendent may enter into a contract with a third party to assist the District in complying with its continuing disclosure obligations.

L. Training and Education

The Board authorizes the Superintendent and any other person assigned responsibilities under this Policy and the Administrative Guidelines to attend educational seminars and conferences providing training and education on post-issuance compliance issues at least once a year and will pay the authorized expenses of such person.

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Legal References:

Internal Revenue Code of 1986, as amended

Treasury Regulations

SEC Rule 15c2-12

Adoption Date: **January 15, 2013**

Last Revised: **April 13, 2016**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy:po6150
Section: 6000 Finances

6150 - TUITION INCOME

The Board of Education shall assess tuition for attendance in District schools by students who are not entitled to receive a free, public education in this District and whose enrollment has been approved by the Board.

Tuition rates shall be determined and approved annually by the Board and shall represent the cost per student membership within the limits established by law. Rates will be available before the beginning of the school year or before the student's attendance commences. Charges shall be the maximum permitted by law.

The Superintendent shall be responsible for the assessment and collection of tuition. Tuition billing may be assessed daily in advance of the period for which the billing is made.

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Legal References: M.C.L. 380.1401 et seq., 388.1511 et seq.

Adoption Date: **September 14, 1993**

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Policy:po6151
Section: 6000 Finances

6151 - BAD CHECKS

When the District receives a check from a student or parent that, when deposited, is returned marked "insufficient funds", the Superintendent shall provide an opportunity for the payor to make proper payment or to arrange for a satisfactory payment schedule. If payment is not received within ten (10) days, the payment schedule is not adhered to, or the monies do not appear to be collectable, the Board of Education authorizes the Superintendent to remove the fee or charge from the District's Accounts Receivable to take appropriate action against the student and/or the parents.

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Adoption Date: **September 14, 1993**

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Policy: po6152
Section: 6000 Finances

6152 - STUDENT FEES, FINES, AND SUPPLIES

Fees

The Board of Education may assess certain charges to students to cover the costs for extra-curricular and noncredit activities. Such charges might be made for expendable items such as magazines, workbook materials, paperback selections, and laboratory supplies and materials for clubs, independent study or special projects, and as well transportation costs and admission/participation fees for District-sponsored trips and activities.

No student, however, shall be deprived of participation in any mandatory school activity or required curriculum activity due to a lack of financial ability to pay and fees will not be charged for such activities. Extra-curricular activities for which fees will be charged may not be used in determining credit or grades in any course.

A fee shall not exceed the combined cost of the service(s) provided and/or materials used. An accurate accounting of all fees collected and all fees expended shall be provided to the Superintendent or his/her designee for each fee based activity at the conclusion of the activity, along with remission of any fees not expended.

Fines

When school property, equipment, or supplies are damaged, lost, or taken by a student, whether in a regular course or extra-curricular offering, a fine will be assessed. The fine will be reasonable, seeking only to compensate the school for the expense or loss incurred.

The late return of borrowed books or materials from the school libraries will be subject to appropriate fines. Failure to pay the fines may result in loss of privileges.

Any fees or fines collected by members of the staff are to be turned in to the Principal's Office within twenty-four (24) hours after collection. Monies collected will be used to replace damaged or lost materials/articles.

In the event the above course of action does not result in the fee being collected, the Board authorizes the Director of Finance to take the student and/or his/her parents to Small Claims Court for collection.

Supplies

The District will provide all basic supplies needed by the student to complete the required course curriculum. The student and/or his/her family may choose to purchase their own supplies if they desire to have a greater quantity or quality of supplies, or desire to help conserve the limited resources for use by others. The teacher or appropriate administrator may recommend useful supplies for these purposes.

Payment

For convenience to families, the Board may enter into an agreement with one or more credit card/online payment processing vendors to facilitate online payment of fees, fines, and charges. Parents/guardians or students may elect but are not required to make payments online. Vendors will comply with all Board policies and procedures related to confidentiality and security of information transmitted electronically. Payees will be notified of any processing or other nominal fees that may be charged for use of an online payment system before the transaction is completed.

Students Experiencing Homelessness - McKinney-Vento Act

No fine or fee shall be charged to a student identified as a student experiencing homelessness unless it is determined that the student has the ability to pay the fee or fine and that its imposition does not create a barrier to the student's ability to enroll, or attend school, achieve academic success, or cause the student to be identified as experiencing homelessness. Any dispute regarding a fine or a fee that is imposed shall not delay the student's enrollment or serve as a barrier to enrollment by delaying the transfer of student records to another school or school district if applicable.

Immediate enrollment notwithstanding fines or fees shall be extended to extra-curricular and co-curricular activities as well as to academic programming.

Revised 2/5/01

Revised 6/1/05

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Adoption Date: **September 14, 1993**

Last Revised: **June 22, 2022**

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Policy: po6180
Section: 6000 Finances

6180 - TRUTH IN TAXATION

It is the intent of the Board of Education to comply with the provisions concerning truth in taxation as set forth in Act 5, Public Acts of Michigan, 1982, as amended, being Section 211.24(e) of the Michigan Compiled Laws.

The law states, in part, that a Board shall not levy ad valorem property taxes for operating purposes for the ensuing fiscal year which yields an amount more than the sum of the taxes levied at the base tax rate on additions within the School District for the ensuing fiscal year plus an amount equal to the taxes levied for operating purposes for the concluding fiscal year on existing property.

When the Board seeks an additional millage rate, as occurs when the State Equalized Valuation (SEV) increases, it shall:

- A. adopt a resolution to establish the proposed additional millage rate, to set a public hearing date, and to authorize publication of the notice of public hearing;
- B. publish notice of the hearing at least six (6) days before the hearing date in a newspaper of general circulation in the District. The notice must meet all the requirements of the Truth in Taxation Act. In addition, the notice must be sent to all newspapers of general circulation within the District;
- C. conduct a public hearing for the purpose of receiving testimony and providing discussion of the additional millage rate;
- D. adopt a resolution, if the Board so chooses, to approve the additional millage rate. The resolution must be adopted within ten (10) days from the date of the public hearing. The additional millage rate shall not be greater than the proposed millage rate which was published in the notice of the hearing.

Legal References: M.C.L. 15.261 et seq., 211.24(e)

Adoption Date: **September 14, 1993**

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Policy:po6210
Section: 6000 Finances

6210 - **FISCAL PLANNING**

The Board of Education shall collect and assemble the information necessary to discharge its responsibility for the fiscal management of the School District and to plan for the financial needs of the educational program. The Board will strive toward maintaining both short and long range projections of District financial requirements.

Accordingly, the Board directs the Superintendent to:

- A. include cost estimates in all ongoing financial requirements;
- B. maintain a plan of anticipated local, State, and Federal revenues;
- C. report to the Board any serious financial implications that emerge from the District's ongoing fiscal planning.

In addition, the Board directs the Superintendent to maintain annually a detailed two (2) year forecast of estimated expenditures and revenues.

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Adoption Date: **September 14, 1993**

Last Revised: **December 11, 2002**

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Policy:po6220
Section: 6000 Finances

6220 - BUDGET PREPARATION

The District's operation and educational plan is reflected in its budgets. Each year, the Board of Education will cause to have prepared and then review and approve the following Fund budgets:

- A. General Fund
- B. Recreation Fund
- C. Building and Site Fund
- D. Special Projects Fund
- E. Food Services Fund

Each budget shall be designed to carry out District operations in a thorough and efficient manner, maintain District facilities properly, and honor continuing obligations of the Board.

The Board shall ensure that adequate funds are reserved for the General Fund to maintain a secure financial position whereby the fund equity shall not fall below twelve percent (12%) of the preceding year's expenditures whenever possible. The reserved fund balance will be increased by one percent (1%) annually until a fifteen percent (15%) fund balance is reached.

A proposed budget requires the critical analysis of every member of the Board prior to approval; once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

The Board directs the Superintendent to present the budgets to the Board along with all available information associated with each budget in sufficient time to allow for proper analysis and discussion prior to the hearing.

When presented to the Board for review and/or adoption, the information shall include, as appropriate:

- A. the proposed expenditure and revenue in each financial category for the ensuing year;
- B. the anticipated expenditure and revenue in each financial category for the current year;
- C. the actual expenditure, the approved budget, and the revenue in each financial category for the previous year;
- D. an estimate of the student enrollment for the ensuing year;
- E. the amount of fund equity anticipated at the end of the current year;
- F. an appropriations resolution.

Revised 11/12/14

Revised 5/11/16

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Legal References:

M.C.L. 141.434 et seq.

Adoption Date: **September 14, 1993**

Last Revised: **November 09, 2016**

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Policy: po6225
Section: 6000 Finances

6225 - DETERMINING BUDGET PRIORITIES

It is acknowledged that no budget can meet all the demands and recommendations of the School District and its employees. The Superintendent, therefore, shall be responsible to make recommendations to the Board as to which programs and expenditures should receive priority in determining the final budget. Recommendations shall be accompanied by background information , alternatives, and rationale for the establishment of the priorities to assist the Board in its deliberations. The Board shall make the final decision as to which budget items shall be given priority status. In so doing, it must take into consideration its commitment to employees, mandatory requirements as imposed by law, requirements of accrediting agencies, and welfare and educational opportunities to be provided to all children in the district.

Adoption Date: **September 14, 1993**

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Policy:po6230
Section: 6000 Finances

6230 - BUDGET HEARING

The annual budgets adopted by the Board of Education represent the Board's position on the allocation of resources required to operate an appropriate system of education. All reasonable means shall be employed by the Board to present and explain that position to all interested parties. The public budget hearings will be conducted in accordance with law.

Each member of the Board and each District administrator shall be sufficiently acquainted with the budgets and its underlying purposes to answer questions from members of the public.

The budgets approved by the Board will be made available to the public in the form and at the places required by law. A simplified form of each budget may also be prepared annually and may be sent to appropriate parties and distributed to each person attending the annual budget hearing.

A simplified budget may include the expenditure in each major category of current expense for the current year and the coming year and a summary of anticipated receipts as well as a brief explanation of significant increases and decreases from the preceding budget.

The final adoption of the proposed annual budgets shall be made by the Board after completion of the public hearing.

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Legal References: M.C.L. 141.411 et seq.

Adoption Date: **September 14, 1993**

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Policy: po6231
Section: 6000 Finances

6231 - BUDGET IMPLEMENTATION

The Board of Education places the responsibility of administering the budget, once adopted, with the Superintendent. S/He may consult with the Assistant Superintendent when major purchases are considered and shall keep the Board informed as to problems or concerns as the budget is being implemented.

The Superintendent shall be authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budgets, limitations stated in Board policies, and within legal authority expressed in State statutes.

However, where any such commitment, purchase or other expenditure is greater than \$5,000, the commitment, purchase or other expenditure shall not be made unless the Board is first given assurance of an authorized and unencumbered appropriation sufficient to pay for the transaction and adopts a resolution granting its approval. Any commitment, purchase or other expenditure made in violation of this policy is void.

An employee of the District who makes, or agrees to make a financial commitment, purchase or other expenditure in violation of this policy shall be personally liable to repay any resultant losses to the District; and/or to suspension without pay for such period as the Board may reasonable prescribe or to discharge.

Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the District.

If, during the fiscal year, it appears to the Superintendent that actual revenues are less than estimated revenues, including the available equity upon which the appropriations from the fund were based, the Superintendent shall present to the Board recommended amendments to the General Appropriations Act that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with requirements of the law and provisions of negotiated agreements.

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Legal References: M.C.L. 141.436 et seq., 388.1702

Adoption Date: **September 14, 1993**
Last Revised: **October 08, 2003**

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Policy: po6235
Section: 6000 Finances

6235 - LINE ITEM TRANSFER AUTHORITY

Transfers between line item budget categories shall not affect the validity of the budget, even after adoption by the Board.

The Superintendent is authorized to approve minor adjustments and/or transfers within line items of the operating budget not to exceed \$10,000.00 without Board approval. Such adjustments and transfers shall be reported to the Board at its next regular meeting. The authorization shall be included annually in the General Appropriations Act.

Adjustment and/or transfers of more than \$10,000.00 shall be presented to the Board for approval before being made.

Adoption Date: **September 14, 1993**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6320
Section: 6000 Finances

6320 - PURCHASING

Each year the State of Michigan informs the School of the legal amount for purchases which require a formal bidding process of a single item.

It is the policy of the Board that the Superintendent adhere to the following:

- A. Seek informal price quotations on purchases that are under fifty percent (50%) of the amount allowed by State statute for a single item, except in cases of emergency or when the materials purchased are of such a nature that price negotiations would not result in a savings to the School.
- B. When the purchase of, and contract for, single items of supplies, materials, or equipment is in excess of fifty percent (50%) but less than the amount allowed by State statute the Superintendent shall whenever possible, require three (3) competitive price quotations.

Purchases in a single transaction that are in excess of the dollar amount permitted by State statute shall require competitive bids and, whenever possible, have at least three (3) such bids for substantiation of purchase and shall require approval of the Board prior to purchase.

Competitive bids are not required for items purchased through the cooperative bulk purchasing program operated by the Michigan Department of Management and Budget pursuant to M.C.L. 18.1263.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more.

Bids shall be sealed and shall be opened by the Superintendent or designee in the presence of at least one (1) witness. All orders or contracts should be awarded to the lowest responsible bidder; however, consideration can be given to:

- A. the quality of the item(s) to be supplied;
- B. its conformity with specifications;
- C. suitability to the requirements of the school;
- D. delivery terms;
- E. past performance of vendor.

In addition to the factors above, the Board may consider and provide a preference to bidders

- A. which use a Michigan-based business as the primary contractor.
- B. which use one (1) or more Michigan-based business as subcontractors.

For purposes of this preference a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L. 18.1268, which requires that the businesses certify that since inception or during the last twelve (12) months it has done one of the following:

- A. have filed a Michigan business tax return showing an allocation of income tax base to Michigan
- B. have filed a Michigan income tax return showing income generated in or attributed to Michigan
- C. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

This preference shall not apply to any procurement or project using Federal funds, nor shall it be used if it would violate any Federal law or requirements.

The Board reserves the right to reject any and all bids.

Contracts may be awarded by the Superintendent without Board approval for any single item or group of identical items costing less than \$21,000. All other contracts require Board approval prior to purchase.

The Board shall be informed of the terms and conditions of all competitive bids and shall award contracts as a consequence of such bids.

The Superintendent is authorized to purchase all items within budget allocations.

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase was not contemplated during the budgeting process.

The Superintendent is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the school in operation. Such purchases shall be brought to the Board's attention at the next regular meeting.

In order to promote efficiency and economy in the operation of the school, the Board requires that the Superintendent periodically estimate requirements for standard items or classes of items and make quantity purchases on a bid basis to procure the lowest cost consistent with good quality.

Whenever storage facilities or other conditions make it impractical to receive total delivery at any one time, the total quantity to be shipped but with staggered delivery dates, shall be made a part of the bid specifications.

Before placing a purchase order, the Superintendent shall check as to whether the proposed purchase is subject to bid, whether sufficient funds exist in the budget, and whether the material might be available elsewhere in the school. All purchase orders shall be numbered consecutively.

In the interests of economy, fairness, and efficiency in its business dealings, the Board requires that:

- A. opportunity be provided to as many responsible suppliers as possible to do business with the school;
- B. a prompt and courteous reception, insofar as conditions permit, be given to all who call on legitimate business matters;
- C. where the requisitioner has recommended a supplier, the Superintendent may make alternate suggestions to the requisitioner if, in his/her judgment, better service, delivery, economy, or utility can be achieved by changing the proposed order;
- D. upon the placement of a purchase order, the Superintendent shall commit the expenditure against a specific line item to guard against the creation of liabilities in excess of appropriations.

The Board may acquire office equipment as defined in law by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase, provided the contract sets forth the terms of such a purchase.

Procurement – Federal Grants

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (34 CFR 80.36) for the administration and management of Federal grants and federally-funded programs. The District shall maintain a compliance system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of this policy and administrative guidelines (AG 6320A).

Revised 10/8/03
Revised 7/19/06
Revised 1/10
Revised 1/15/13

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Legal References: M.C.L. 380.1267, 380.1274 et seq.

Adoption Date: **September 14, 1993**

Last Revised: **March 22, 2017**

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Policy: po6321
Section: 6000 Finances

6321 - NEW SCHOOL CONSTRUCTION, RENOVATION

Before commencing construction of any new school building or the major renovation of an existing school building, the Board shall consult on the plans for construction or major renovation regarding school safety issues with the law enforcement agency that is the first responder for the school building at issue. For purposes of this paragraph, school building means any building intended to be used to provide instruction to students and any recreational or athletic structure or field intended to be used by students.

Before beginning construction of a new school building, or an addition, repair or renovation of an existing school building, except emergency repairs, the Board of Education, shall obtain competitive bids on all the material and labor required for the complete construction of a proposed new building or addition to or repair or renovation of an existing school building which exceeds the State statutory limit (\$20,959 for 2009).

This policy does not apply to buildings, renovations, or repairs costing less than the statutory limit or to repair work normally performed by District employees.

The Board shall advertise for the bids required under subsection:

- A. By placing an advertisement for bids at least once in a newspaper of general circulation in the area where the building or addition is to be constructed or where the repair or renovation of an existing building is to take place and by posting an advertisement for bids for at least two (2) weeks on the Department of Management and Budget website on a page on the website maintained for this purpose or on a website maintained by a school organization and designated by the Department of Management and Budget for this purpose.
- B. By submitting the request for bids for placement on the Michigan Department of Management and Budget's website for school organizations, including a link to the District's website.
- C. The advertisement for bids shall do all of the following:
 - 1. specify the date and time by which all bids must be received by the Board at a designated location;
 - 2. state that the Board will not consider or accept a bid received after the date and time specified for bid submission;

3. identify the time, date, and place of a public meeting at which the Board or its designee will open and read aloud each bid received by the Board by the date and time specified in the advertisement;
 4. state that the bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the Board or the Superintendent of the District. A Board shall not accept a bid that does not include this sworn and notarized disclosure statement.
- D. The Board shall require each bidder for a contract under this policy, to file with the Board security in an amount not less than 1/20 of the amount of the bid conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance, if the bid is accepted by the Board.
- E. The Board shall not open, consider, or accept a bid that the Board receives after the date and time specified for bid submission in the advertisement for bids as described in subsection C of this policy.
- F. At a public meeting identified in the advertisement for bids described in subsection C of this policy, the Board or its designee shall open and read aloud each bid that the Board received at or before the time and date for bid submission specified in the advertisement for bids. The Board may reject any or all bids, and if all bids are rejected, shall readvertise in the manner required by this policy.

The Board may consider and provide a preference to bidders:

1. which use a Michigan-based business as the primary contractor.
2. which use one (1) or more Michigan-based business(es) as subcontractors.

For purposes of this preference a Michigan-based business means a business that would qualify for a Michigan preference for procurement contracts under M.C.L. 18.1268, which requires that the businesses certify that since inception or during the last twelve (12) months it has done one of the following:

1. have filed a Michigan business tax return showing an allocation of the income tax base to Michigan
2. have filed a Michigan income tax return showing income generated in or attributed to Michigan
3. withheld Michigan income tax from compensation paid to the bidder's owners and remitted the tax to the Michigan Department of Treasury

This preference shall not apply to any procurement or project using Federal funds, nor shall it be used if it would violate any Federal law or requirements.

- G. The competitive bid threshold amount specified in this policy (\$20,959 for 2009) is adjusted each year by multiplying the amount for the immediately preceding year by the percentage by which the average consumer price index for all items for the twelve (12) months ending August 31st of the year in which the adjustment is made differs from that index's average for the twelve (12) months ending on August 31st of the immediately preceding year and adding that product to the maximum amount that applied in the immediately preceding year, rounding to the nearest whole dollar. The current exempt amount must be confirmed with the Michigan Department of Education prior to issuing contracts for construction, renovation, or repair which exceed the amount listed in this policy.

Revised 1/10

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Legal References: M.C.L. 380.1267

M.C.L. 380.1264

Adoption Date: **January 21, 2009**

Last Revised: **February 12, 2020**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6325
Section: 6000 Finances

6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies, and administrative procedures.

The Superintendent shall have and use a procurement and contract administration system in accordance with the USDOE requirements (2 C.F.R. 200.317-.326), including affirmative steps for small and minority businesses and women's business enterprises, for the administration and management of Federal grants and Federally-funded programs. The District shall maintain oversight that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320 and AG 6320A.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3110 and Policy 4110 – Conflict of Interest.

The District will avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

To foster greater economy and efficiency, the District may enter into State and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Competition

All procurement transactions for the acquisition of property or services required under a Federal award paid for from Federal funds or District matching funds shall be conducted in a manner that encourages full and open competition and that is in accordance with good administrative practice and sound business judgment. In order to promote objective contractor performance and eliminate unfair competitive advantage, the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms in order for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive pricing practices between firms or between affiliated companies;
- D. noncompetitive contracts to consultants that are on retainer contracts;
- E. organizational conflicts of interest;
- F. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. any arbitrary action in the procurement process.

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; or (2) the District is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and services that are subject to this policy, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list periodically.

The District shall require that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to provide maximum open and free competition. The District shall not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The District shall require that all solicitations made pursuant to this policy incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The District shall have and use documented procedures, consistent with the standards described above for the following methods of procurement:

A. Informal Procurement Methods

When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are not required. The District may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the simplified acquisition threshold include:

1. Micro-purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$10,000. To the maximum extent practicable, the District should distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if Superintendent considers the price to be reasonable based on research, experience, purchase history or other relevant information and documents are filed accordingly. The District shall maintain evidence of this reasonableness in the records of all purchases made by this method.

Unless otherwise defined by State or local law, Districts are responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of the risk, and its documented procurement procedures. The micro-purchase threshold used by the District shall be authorized or not prohibited under State, local, or tribal laws or regulations. A District which is qualified as a low-risk auditee for the most recent audit (C.F.R. 200.520) may increase the micro-purchase threshold up to \$25,288. An eligible District may self-certify the micro-purchase threshold on an annual basis (not to exceed \$ 25,288) after completing the annual internal institutional risk assessment to identify, mitigate, and manage financial risks. The self-certification, in accordance with C.F.R. 200.334, must include a justification, clear identification of the threshold, and supporting documentation of the qualifications listed above.

2. Small Purchases

Small purchases include the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the simplified acquisition threshold of sealed bids. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

Districts are responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures which must not exceed the threshold established in the Federal Acquisition Regulations (FAR). When applicable, a lower simplified acquisition threshold used by the non-Federal entity must be authorized or not prohibited under State, local, or tribal laws or regulations.

B. Formal Procurement Methods

When the value of the procurement for property or services under a Federal award exceeds the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement method can be used in accordance with the standards on competition in C.F.R. 200.319 or non-competitive procurement. The formal methods of procurement are:

1. **Sealed Bids**

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to more than the amount allowed by Michigan statute and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

- a. a complete, adequate, and realistic specification or purchase description is available;
- b. two (2) or more responsible bidders are willing and able to compete effectively for the business; and
- c. the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

When sealed bids are used, the following requirements apply:

- a. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
- b. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
- c. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.
- d. A firm fixed price contract award will be made in writing to the lowest responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
- e. The Board reserves the right to reject any or all bids for sound documented reason.

2. Proposals

Procurement by proposals is a method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method.

If this method is used, the following requirements apply:

- a. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
- b. Proposals shall be solicited from an adequate number of sources.
- c. The District shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.
- d. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E that firms are a potential source to perform the proposed effort.

3. Noncompetitive Procurement

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- a. micro-purchases
- b. the item is available only from a single source
- c. the public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation
- d. the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District
- e. after solicitation of a number of sources, competition is determined to be inadequate

Domestic Preference for Procurement

As appropriate and to the extent consistent with law, the District shall, to the extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. Such requirements shall be included in all subawards including all contracts and purchase orders for work or products under the Federal award.

Contract/Price Analysis

The District shall perform a cost or price analysis in connection with every procurement action in excess of \$250,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Time and Materials Contracts

The District uses a time and materials type contract only (1) after a determination that no other contract is suitable, and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 C.F.R. Part 180.

Suspension is an action taken by the District that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 C.F.R. Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. chapter 1). A person so excluded is debarred. (2 C.F.R. Part 180 Subpart H)

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 C.F.R. Part 180 Subpart C)

Bid Protest

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Superintendent within seventy- two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The District shall maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Revised 3/22/17

Revised 9/12/18

Revised 3/13/19

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Legal References:

2 C.F.R. 200.317 - .326

Adoption Date: **May 11, 2016**

Last Revised: **December 08, 2021**

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Policy: po6423
Section: 6000 Finances

6423 - USE OF CREDIT/DEBIT CARDS

The Board of Education recognizes the value of an efficient method of payment and recordkeeping for certain expenses.

The Board, therefore, authorizes the use of District credit cards/debit cards. The authorization, handling and use of credit/debit cards have been established to provide a convenient and efficient means to purchase goods and services from vendors. Credit/Debit cards, however, shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. The Board affirms that credit/debit cards shall only be used in connection with Board-approved or school-related activities and that only those types of expenses that are for the benefit of the District and serve a valid and proper public purpose shall be paid for by credit/debit card. However, under no circumstances shall credit/debit cards be used for personal purchases or the purchase of alcoholic beverages regardless of whether the purchase of such beverages is made in connection with a meal.

The Superintendent shall develop administrative guidelines that specify those authorized to use credit/debit cards, the types of expenses which can be paid by credit/debit card, and their proper supervision and use. Inappropriate or illegal use of the credit/debit card and/or failure to strictly comply with the limitations and requirements set forth in the administrative guidelines may result in a loss of credit/debit card privileges, disciplinary action, up to and including termination, personal responsibility for any and all inappropriate charges, including finance charges and interest assessed in connection with the purchase, and/or possible referral to law enforcement authorities for prosecution.

The Superintendent shall annually submit for Board approval the position titles authorized to use District credit/debit card(s) in conducting of District business.

The Superintendent shall be responsible for giving direction to and supervising such employees' use of District credit/debit card(s).

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Adoption Date: **November 08, 2017**

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Policy: po6440
Section: 6000 Finances

6440 - COOPERATIVE PURCHASING

The Board of Education recognizes the advantages of centralized purchasing in that volume buying tends to maximize value for each dollar spent. The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this District through joint agreements for the purchase of supplies, equipment, or services with the governing body(ies) of other governmental units.

The Board authorizes the Director of Finance and/or the Superintendent to negotiate such joint purchase agreements for services, supplies, and equipment which may be determined to be required from time to time by the Board and which the Board may otherwise lawfully purchase for itself, with governmental contracting units as may be appropriate in accordance with State law, the policies of this Board, and the dictates of sound purchasing procedures.

Cooperative or joint purchases require an agreement approved by the Board and the participating contracting body(ies) which shall specify the categories of equipment and supplies to be purchased; the manner of advertising for bids and of awarding contracts; the method of payment by each participating party and such other matters as may be deemed necessary to carry out the purposes of the agreement. Such agreements are subject to all legal bidding requirements.

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Legal References: M.C.L. 124.1 et seq.

Adoption Date: **February 05, 2001**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy:po6450
Section: 6000 Finances

6450 - LOCAL PURCHASING

The Board of Education recognizes its position as a major purchaser in this community, and while it is the intention of the Board to purchase materials and supplies of quality at the lowest possible cost through widespread competition, if all other considerations are equal, the Board prefers to purchase within the District from established local merchants.

The Board authorizes the Superintendent to award purchases placed in accordance with law, this policy, and all policies of the Board otherwise applicable to local merchants when their quotation is competitive, freight charges are a factor, maintenance service may be required, and/or promptness of delivery is a consideration, provided that all statutes pertaining to public purchasing are duly observed.

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Adoption Date: **September 14, 1993**
Last Revised: **February 05, 2001**

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Policy:po6460
Section: 6000 Finances

6460 - **VENDOR RELATIONS**

Board members and school personnel shall not accept any gifts or favors from vendors which might, in any way, influence their recommendations on the eventual purchase of equipment, supplies, or services.

All sales persons, regardless of product, shall clear with the Superintendent's Office before contacting any teachers, students, or other personnel of the School District. Purchasing personnel shall not show any favoritism to any vendor. Each order shall be placed in accordance with policies of the Board on the basis of quality, price, and delivery with past service a factor if all other considerations are equal.

School personnel shall make an effort to alert vendors to the Board's policy in regard to gifts. It is suggested that those vendors having funds set aside for purposes of donations to their clients consider donations of such to scholarship or other funds which might provide benefits for needy students.

Employees of the district shall not endorse products or services in such a manner as to be identified with the School District. Neither the Board nor the purchasing department or employees of the school shall solicit funds from vendors however worthy the purpose.

Though Board members and school personnel may occasionally, as a courtesy, be entertained at dinner by a vendor in the process of performing school business, extensive participation in such activities is discouraged and such courtesies should not be solicited by those related to the school.

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Legal References: M.C.L. 15.321 et seq.

Adoption Date: **September 14, 1993**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6470
Section: 6000 Finances

6470 - PAYMENT OF CLAIMS

The Board of Education directs the prompt payment of legitimate claims by suppliers of goods and services to the School District.

Each bill or obligation of this Board must be itemized fully, and verified before a warrant can be drawn for its payment.

When an invoice is received, the Business Office shall verify that a voucher is submitted properly, that acceptable goods were received or satisfactory services rendered, that the expenditure is included in the Board's budget and funds are available for its payment, and that the amount of the invoice is correct.

All payments shall be submitted for Board review in the form of a listing that includes the vendor name; the number and amount of the check; and the description of the item. If, in the process of review, the Board determines that the cumulative amount of the District's transactions with a particular vendor or contractor in the current fiscal year have exceeded \$5,000, it may thereafter require that all further transactions with that vendor for the remainder of that fiscal year be subject to prior Board approval in accordance with this policy, the amount of any such transaction notwithstanding.

However, no payment of more than \$5,000 to a vendor or contractor shall be made until either the requirements of Policy 6231 have been met or the request to make such payment is first presented to the Board for approval, along with a certificate of the Superintendent which establishes:

- A. Board minutes where such purchase or contract was duly authorized;
- B. a purchase order was obtained;
- C. Board minutes where competitive bids were opened, if appropriate;
- D. Board minutes where the Board awarded such purchase or contract; and
- E. in the case of change orders increasing costs, the architect's or other agent's or employee's report of investigations and findings justifying, and a fully executed change order granting, the contractor's requested increase, or the Board minutes where the Board approved such increased price.

Reference to the limitations contained in Policy 6231, 6320, 6471, and Policy 7270 on the authority of District representatives to bind the District shall be made in all solicitations for bids, all Purchase Orders, and in all other District contracts or agreements for transactions subject to one (1) or more of those policies.

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Legal References: M.C.L. 380.1274

Adoption Date: **September 14, 1993**

Last Revised: **October 08, 2003**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy:po6510
Section: 6000 Finances

6510 - PAYROLL AUTHORIZATION

The most substantial payment of public funds for the operation of the School District is that which is made to the employees of the Board of Education for services rendered. To ensure that each person so compensated is validly employed by this District and that the compensation remitted fairly represents the services rendered, this policy is promulgated.

Employment of all District personnel whether by the year, term, month, week, day, or hour in contract, temporary, or substitute form must be approved by the Board except where authority to appoint certain personnel of the District has been delegated to the Superintendent.

Each motion of the Board to employ or reemploy a staff member shall include the name of the individual, the position title, and the compensation to be paid as prescribed in a negotiated, collective-bargained agreement or determined by a wage guideline.

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Adoption Date: **September 14, 1993**

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Policy: po6520
Section: 6000 Finances

6520 - **PAYROLL DEDUCTIONS**

The Board of Education authorizes, in accordance with the provisions of law or upon proper authorization on the appropriate form that deductions be made from an employee's paycheck for the following purposes:

- A. Federal and State income tax
- B. Social Security
- C. Municipal income tax
- D. Public School Employees Retirement System
- E. Michigan Public School Employment Retirement System (MPSERS) Tax Deferred Payment (TDP) plan
- F. Section 125 deductions (cafeteria plans)
- G. U.S. Savings Bonds
- H. direct deposit in a chartered credit union and/or bank
- I. contributions to charitable corporations, not-for-profit, and community fund organizations
- J. payment of group insurance premiums for a plan in which at least ten percent (10%) of the District employees participate
- K. payment for benefits of part-time employees who elect to participate in benefits provided to full-time staff
- L. court ordered judgments

To the extent permitted by law and in accordance with the procedures set forth below, the Board declares its willingness to enter into an agreement with any of its employees whereby the employee agrees to take a reduction in salary with respect to amounts earned after the effective date of such agreement in return for the Board's agreement to use a corresponding amount to purchase an annuity for such employee (or group of employees desiring the same annuity company) from any company authorized to transact the business as specified in law in accordance with Section 403(b) of the Internal Revenue Code, and in accordance with the District's administrative guidelines. However, it shall be clearly understood that the Board's only function shall be the deduction and remittance of employee funds.

In any case where the employee designates the agent, broker or company through whom the Board shall arrange for the placement or purchase of the tax-sheltered annuity, the agent, broker or company must execute a reasonable service agreement, an information sharing agreement, and/or other similar agreements as determined at the discretion of the District. The service agreement shall include a provision that protects, indemnifies, and holds the District harmless from any liability attendant to procuring the annuity in accordance with provisions of the Internal Revenue Code and other applicable Federal or State law.

The Board may limit the number of participating providers and select approved providers.

The Board, by providing employees with payroll deduction services for annuities, is not providing any financial advice to employees, and is not vouching for the suitability of any investment or any annuity provider. The District assumes no responsibility or liability for any investment decisions or losses with respect to employee annuity purchases.

Said agreement shall comply with all of the provisions of law and may be terminated as said law provides upon notice in writing by either party. Employees shall notify the Superintendent's Office in writing if they wish to participate in such a program.

Revised 3/14/07

Revised 6/11/08

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Legal References:

M.C.L. 380.1224, 408.477

Mich. OAG 7187 (2006)

Adoption Date: **December 11, 2002**

Last Revised: **September 11, 2013**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6550
Section: 6000 Finances

6550 - TRAVEL PAYMENT & REIMBURSEMENT

Travel expenses incurred for official business travel on behalf of the Board of Education shall be limited to those expenses necessarily incurred by the employee in the performance of a public purpose authorized, in advance, in accordance with administrative guidelines.

Payment and reimbursement rates for per diem meals, lodging, and mileage shall be approved by the Board annually. The Board shall establish mileage rates not exceeding the Federal IRS prescribed mileage rate.

Employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

Commercial airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would (1) require circuitous routing; (2) require travel during unreasonable hours; (3) excessively prolong travel; (4) result in additional costs that would offset the transportation savings; or (5) offer accommodations not reasonably adequate for the traveler's medical needs. Instances of commercial airfare cost in excess of the basic least expensive unrestricted accommodations class must be justified and documented on a case-by-case basis.

Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences are allowable provided that (1) the costs are a direct result of the individual's travel for the Federal award; (2) the costs are consistent with the District's documented administrative guidelines for all entity travel; and (3) are only temporary during the travel period. Travel costs for dependents are unallowable, except for travel of a duration of six (6) months or more with prior approval of the Federal awarding agency.

Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the District's travel policy and administrative guidelines. For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the District's travel policy.

All travel shall comply with the travel procedures and rates established in the administrative guidelines. All costs incurred with Federal funds must meet the cost allowability standards within Board Policy 6114.

To the extent that the District's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.

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Legal References: 2 C.F.R. 200.474

Adoption Date: **June 12, 2013**

Last Revised: **May 11, 2016**

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Policy: po6605
Section: 6000 Finances

6605 - **CROWDFUNDING**

This policy applies to the use of any form of crowdfunding utilizing an online service or website-based platform for the financial benefit or gain of the District – be it a specific classroom, grade level, department, school, or curricular or extracurricular activity.

“Crowdfunding” is defined as the solicitation of resources from individuals and/or organizations to support identified activities or projects that enhance the educational program or a specific cause approved by the District. The solicitation is typically from a large number of individuals/organizations utilizing internet-based technologies.

Crowdfunding activities aimed at raising funds for a specific classroom or school activity, including extracurricular activity, or to obtain supplemental resources (e.g., supplies or equipment) that are not required to provide a free appropriate public education to any students in the classroom may be permitted, but only with the specific approval of the Superintendent.

All approved crowdfunding activities shall protect the privacy of students, children, and young adults in accordance with District policies and administrative guidelines and applicable State and Federal law, including FERPA and IDEIA.

Materials, supplies, equipment, and other proceeds of the crowdfunding activity shall become property of the District or school. Cash or equivalent payment to District personnel is prohibited. All fiscal transactions shall comply with appropriate District policies.

All crowdfunding activities are subject to AG 6605.

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Adoption Date: **November 09, 2016**
Last Revised: **July 14, 2020**

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Policy: po6610
Section: 6000 Finances

6610 - STUDENT ACTIVITY FUND

It is the purpose of this policy to establish financial controls for the administration of the normal, legitimate, co-curricular and extra-curricular activities of the student body organization.

Each activity covered by this policy must be recognized by the Board of Education before monies can be collected or disbursed in the name of said activity. The Superintendent is directed to obtain annually a list and brief description of the objectives, activities, and limitations of each fund prior to the start of the new fiscal year.

The Board authorizes the maintenance of approved student activity funds.

All other activities shall be on a self-sustaining basis.

The appropriate principal shall be the treasurer of the student activities fund.

Fund raising for all student activities will be in accordance with Board Policy 5830 (Student Fund Raising) and Policy 9700 (Relation with special Intent Groups).

All monies accumulated in the account of a specific class or activity will, upon the discontinuance of the activity, be disposed of in accordance with the recommendation approved by the Superintendent.

Remaining class funds shall revert to the District's General Fund five (5) years after the class has graduated.

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Legal References: A.C. Rule 388.851-4 et seq.

Adoption Date: **September 14, 1993**

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Policy: po6620
Section: 6000 Finances

6620 - PETTY CASH

The Board of Education recognizes the convenience afforded the day-by-day operation of the schools by the establishment of one (1) or more petty cash funds. The Board shall require the imposition of such controls as will prevent abuse of such funds.

Each custodian of a petty cash fund shall ensure that the funds in his/her care shall be disbursed only for minor expenditures not readily deferred. No petty cash fund may be used to circumvent the purchasing procedures required by law and the policies of this Board. A request for petty cash funds must be made in writing, be signed by the person making the request, and include such supporting documentation as may be appropriate. The petty cash box must be secured daily.

The custodian of each petty cash fund shall prepare a schedule of disbursements. The custodian shall submit the schedule to the Board with a voucher requesting replenishment in like amount.

All petty cash funds will be closed out for audit at the end of the school year and unused funds will be returned to the depository.

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Adoption Date: **September 14, 1993**

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Policy: po6670
Section: 6000 Finances

6670 - TRUST AND AGENCY FUND

The Board of Education directs the establishment of a trust and agency fund for the financial administration of scholarships and other trusts operated for the benefit of students and duly approved by the Board.

The Superintendent shall be responsible for the administration of the trust and agency fund. The fund will be audited annually and will be administered under appropriate accounting controls. The books of account will record income and expenses separately for each approved area.

Contributions require prior Board approval.

Disbursements from the fund may be made by check upon the approval of the Superintendent. Checks shall be signed by the signatories approved by the Board.

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Adoption Date: **September 14, 1993**

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Policy:po6680
Section: 6000 Finances

6680 - **RECOGNITION**

The purpose of this policy is to permit the Board of Education to honor its staff, former Board members, and other nonemployee persons with plaques, pins, token retirement gifts and awards, and other amenities.

The Board may, upon recommendation of the Superintendent, consider, as appropriate, the presentation of token gifts to such individuals and groups who have rendered service to the District for a period of time. The use of public funds for the purchase of a plaque, medal, trophy, or other award for the recognition of any employee, volunteer, or student may not exceed \$100.00 per recipient.

Public funds under the control of the District may NOT be used to purchase alcoholic beverages, jewelry, gifts, fees for golf, or any item whose purchase or possession is illegal. Any such expenditure violates this policy.

The monetary amount for recognition awards will be adjusted annually by the State Department of Instruction. On or before December 15th of each year, the Department will, upon request, provide the adjusted limit or, if the index is unavailable, the Department will provide a reasonable approximation.

The Board authorizes expenses incurred as listed above only when they serve a public purpose. Public purposes include, but are not limited to, the promotion of education, rapport with the business community, community relations, and the encouragement of nonemployees to serve as volunteers as well as furthering other interests.

Revised 2/5/01

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Legal References: M.C.L. 380.634

Adoption Date: **September 14, 1993**

Last Revised: **June 01, 2005**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6700
Section: 6000 Finances

6700 - FAIR LABOR STANDARDS ACT (FLSA)

It is the Board of Education's policy to comply with the provisions of the Fair Labor Standards Act (FLSA) and its implementing regulations. The Board will pay at least the minimum wage required by the FLSA to all covered, non-exempt employees. Non-exempt employees are hourly employees, or salaried employees who do not qualify for a professional, administrative, computer or executive exemption under the FLSA. Teachers are generally exempt, even if they are paid on an hourly basis.

Non-exempt employees who work more than forty (40) hours in a given work week will receive overtime pay in accordance with the FLSA for all hours worked in excess of forty (40).

Non-exempt employees who work overtime without prior approval from the Superintendent or a supervisor may be subject to disciplinary action up to and including termination.

The work week is established as Sunday/12:00 a.m. to Saturday/11:59 p.m.

To the extent that an employee's individual contract or collective bargaining agreement provides for greater benefits than mandated by the FLSA, the contract or bargaining agreement will be honored.

Notwithstanding the fact that exempt school employees continue to meet the salary basis requirements and are not disqualified from exemption even if the employee's pay is reduced or the employee is placed on a leave without pay for absences for personal reasons or because of illness or injury of less than one (1) work-day because accrued leave is not used for specific reasons, the Board reserves the right to make deductions from the pay of otherwise exempt employees under the following circumstances:

- A. the employee is absent from work for one (1) or more full days for personal reasons other than sickness or disability
- B. the employee is absent from work for one (1) or more full days due to sickness or disability if the deduction is made in accordance with a bona fide plan, policy or practice of providing compensation for salary lost due to illness
- C. to offset amounts employees receive as jury or witness fees, or for military pay
- D. for unpaid disciplinary suspensions of one (1) or more full days imposed in good faith for workplace conduct rule infractions
- E. for penalties imposed in good faith for infractions of safety rules of major significance

The Board shall also not be required to pay the full salary in the initial or terminal week of employment, or for weeks in which an exempt employee takes unpaid leave under the Family & Medical Leave Act.

The Board recognizes that with limited legally permissible exceptions, no deductions should be taken from the salaries of exempt employees. If an exempt employee believes that an improper deduction has been made to his/her salary, the employee should immediately report this information to the Finance Director or his/her immediate supervisor. Reports of improper deductions will be promptly investigated. If it is determined that an improper deduction has occurred, the employee will be promptly reimbursed for any improper deduction made, and the Board will make a good faith commitment to avoid any recurrence of the error.

Information regarding the Fair Labor Standards Act may be found on the U.S. Department of Labor's website.

This policy is intended to comply with and explain the employees' rights under the Fair Labor Standards Act. To the extent there is any conflict, or the policy exceeds the statutory requirements, the statute and its implementing regulations prevail.

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Legal References: 29 U.S.C. 201 et seq.

29 C.F.R. Part 541

Adoption Date: **January 21, 2009**

Hamtramck Public Schools - Board Policies BoardDocs® PL

Policy: po6800
Section: 6000 Finances

6800 - SYSTEM OF ACCOUNTING

It is the policy of the Board of Education that a chart of accounts is established in accordance with the requirements of the State Department of Education for the accounting of all District funds. The Superintendent is responsible for an accounting of all capital assets to protect the financial investment of the District against catastrophic loss. Further, the Superintendent will establish procedures and regulations necessary to properly account for capital assets and comply with generally accepted accounting principles (GAAP) and ensure that the District's capital assets are properly insured.

GASB 84

The District's system of accounting shall comply with all applicable requirements of the Governmental Accounting Standards Board, Statement No. 84 (GASB 84). In accordance with GASB 84, the District will report applicable fiduciary activities as identified in either the private purpose trust fund or the custodial fund. Typically, these activities include recognized student and school-related activity funds held in a bank account maintained by the District. These funds shall be subject to the accounting and requirements specified in the Michigan Public Schools Accounting Manual. An activity not identified as a fiduciary activity under GASB 84 will be deemed a governmental activity and will be reported in a governmental fund.

GASB 54

The District's system of accounting shall comply with all requirements of the Governmental Accounting Standards Board, Statement No. 54 (GASB 54). In accordance with GASB 54, the District will report its fund balances in the following categories:

- *Nonspendable fund balance*—amounts that are not in a spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance*—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance*—amounts constrained to specific purposes by the Board; to be reported as committed, amounts cannot be used for any other purpose unless the Board takes action to remove or change the constraint.
- *Assigned fund balance*—amounts the Board intends to use for a specific purpose; intent can be expressed by the Board or by an official or committee to which the Board delegates the authority.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts are reported only in the general fund.

The Board authorizes the auditors and directs its administrative staff to take all steps necessary to comply with the requirements of GASB 54. All revenue and funds will be designated to one of the above categories.

The Director of Finance shall be responsible for the proper accounting of all District funds. S/He shall ensure that expenditures are budgeted under and charged against those accounts which most accurately describe the purpose for which such monies are to be or have been spent. Wherever appropriate and practicable, salaries of individual employees, expenditures for single pieces of equipment, and the like shall be prorated under the several accounts which most accurately describe the purposes for which such monies are to be or have been spent.

The Director of Finance is responsible to implement procedures and practices that will determine: 1) Capitalization policies for District assets (i.e., which assets will be capitalized and depreciated over their estimated useful life versus which assets will be expensed in year of purchase); 2) Methods for calculating annual and accumulated depreciation expense for assets including estimates for asset lives, residual asset values, and depreciation methodology; 3) Procedures for recording gain or loss on sale of capital assets and proceeds from the sale of capital assets in compliance with GAAP Reporting of estimated cash values or replacement values to District insurance providers.

A report of the revenues and expenditures in the fund reporting categories established above shall be made to the Board on a monthly basis by the Director of Finance.

The Board's annual financial statements will include information such as: 1) beginning and ending balances of capital assets; 2) beginning and ending balances of accumulated depreciation, 3) total depreciation expense for the fiscal year.

Such reporting shall include description of significant capital asset activity during the fiscal year including: acquisitions through purchase or donation, sales or dispositions including the proceeds and gains or losses on the sale, changes in methods of calculating depreciation expense or accumulated depreciation, such as, estimates of useful life, residual values, depreciation methodology (e.g. straight line or other method).

Before implementing procedures or changing procedures, the Superintendent will review the proposed procedure with the CPA appointed by the Board of Education to conduct the Board's financial audit. The procedures established shall comply with all statutorily required standards and generally accepted accounting procedures.

Revised 12/11/02

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Legal References:	M.C.L. 41.422 et seq., 141.421 et seq.
	A.C. Rule R340.351 et seq.
	GASB #34
	GASB #54
	GASB #84

Adoption Date: **September 14, 1993**

Last Revised: **February 12, 2020**

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Policy: po6830
Section: 6000 Finances

6830 - **AUDIT**

The Board of Education requires that, after the close of the fiscal year (June 30th), an audit of all accounts of the District be made annually by an independent, certified public accountant. The audit examination shall be conducted in accordance with generally accepted auditing standards and shall include all funds over which the Board has direct or supervisory control.

The auditor shall prepare and, with Board approval, shall submit two (2) copies of the district's single audit report and management letter to the Wayne County RESA by October 15th of each year.

The Assistant Superintendent shall also file a copy of its annual financial audit report including management letter, with the Michigan Department of Treasury by no later than October 31st of each year.

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Legal References: A.C. Rule R340.351 et seq.

Adoption Date: **September 14, 1993**