

## CHAPTER 7.0 – FINANCE AND BUSINESS SERVICES

### FISCAL YEAR

7.10

The fiscal year for the Lee County School System shall be October first through September 30<sup>th</sup>.

#### REFERENCE(S):

CODE OF ALABAMA

[16-13-1](#), [16-1-1](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

## CHAPTER 7.0 – FINANCE AND BUSINESS SERVICES

### BUDGET DEVELOPMENT

7.11

- I. The Lee County Board of Education shall provide for the preparation and adoption of the annual budget for the school system. The Board delegates the responsibility for preparation of the budget to the Superintendent and appropriate members of his/her staff. Providers of budget information shall adhere to all state and federal guidelines, and the budget shall be prepared on forms and in accordance with such rules and regulations as may be prescribed by the Alabama State Board of Education and the federal government.
  - A. Budget development will incorporate a plan to maintain one month's operating cost as a reserve fund.
  - B. The budget shall be presented to the Lee County Board of Education prior to the date set by the State Department of Education for budget submission.
- II. Public Hearings – The Lee County Board of Education shall hold at least two open public hearings pertaining to its proposed annual budget.
  - A. Copies of the proposed budget shall be provided to the public at each hearing on forms provided by the State Department of Education.
  - B. The Lee County Board of Education shall seek input from the public concerning the proposed budget and the allocation of resources.
  - C. Each hearing shall be held during a scheduled Board meeting in a place and at a time convenient for the general public to attend.
  - D. The date and time of each hearing shall be publicized in the local media in advance of the hearing.
- III. Proposed Budget – The proposed budget shall:
  - A. Reflect the total amount of resources available to the Lee County Board of Education from all funding and revenue sources.
  - B. Reflect the projected enrollment and the total proposed expenditure by the Board and for each school which shall be available at the public hearings.
  - C. Clearly delineate the number of teachers, librarians, counselors, administrators and other support personnel projected to be employed at each Lee County school.
  - D. Clearly list the operating costs by category or function at each school.

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- E. Delineate by school those operating resources earned including, but not necessarily limited to, those items contained in the Instructional Support Program of the Foundation Program, designating the amount of funds earned at each school per item based on average daily membership.

### IV. Final Adoption Procedures

- A. After at least two public hearings have been held, the Lee County Board of Education and Superintendent shall develop, consistent with state laws, a final budget.
- B. The School System annual budget shall become official when it:
  - 1. Has been approved by the Board in accordance with requirements of section 16-13-140 of the Code of Alabama and other pertinent statutory requirements.
  - 2. Has been filed with and approved by the State Superintendent of Education.
- C. The Annual School Budget approved by the State Department of Education will be available for public review at designated locations as directed by the Superintendent and according to State Department of Education guidelines.

### V. Periodic Budget Amendments

The Board authorizes the Superintendent to review and analyze the School System budget for needed changes and amendments during the fiscal year. Such needed changes shall be recommended to the Board for review and consideration. Any recommended changes shall be made only after a determination is made that the changes will not create deficits or violate State Board of Education policy or state law.

### REFERENCE(S):

CODE OF ALABAMA  
[16-13-140](#), LEGISLATIVE ACT 97-225

### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### ACCOUNTING AND REPORTING

7.12

The Lee County Board of Education shall, following recommendations by the Superintendent, prescribe regulations for the keeping of accounts and fiscal records and the making of reports by all under the Board's jurisdiction who are charged with such responsibility. Prescribed regulations shall be consonant with those of the State Board of Education, Division of Administration and Finance of the State Department of Education and with the directives of the State Examiners of Public Accounts. Said accounts and fiscal records shall be available during normal business hours for inspection by the public. They shall be preserved for a five-year period of time or for such period as specified by the State Department of Education or the State Examiners of Public Accounts.

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

#### **Annual Financial Report**

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

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

- One copy in the office of the Board or the Superintendent;
- One copy on reserve in each high school library under the jurisdiction of the Board; and
- A minimum of one copy in the main public library within the city in which the Board is located.

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

- 1) Each Chamber of Commerce in the geographic area served by the Board; and
- 2) Local News Media.

#### **Inventories**

The Board requires that all fixed assets of the Lee County School system be inventoried and a perpetual inventory record be maintained in the Central Business Office. An inventory audit shall be made annually and shall be comprehensive to assure that all fixed assets are properly accounted.

The Lee County Board of Education directs that all assets or capital assets shall be inventoried annually. Inventory records of fixed capital assets shall be maintained in the school board's central office. A supplemental inventory of equipment items not classified as fixed or capital assets shall be maintained.

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### **Audits**

The Lee County Board of Education is audited as required by law by the Department of the Examiner of Public Accounts. Annually, as required by the State Board of Education, local school funds and accounts for which the principal at each school has responsibility shall be audited.

### **Accountability Reports**

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

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

These reports shall be released to the media as directed by the State Superintendent of Education by December 31.

### **REFERENCE(S):**

**CODE OF ALABAMA**

[16-13A-6](#), [16-6B-7](#), [16-8-37](#), [16-9-28](#), [41-5-14](#)

### **HISTORY:**

**ADOPTED: OCTOBER 16, 2012**

**REVISED: \_\_\_\_\_**

**FORMERLY: \_\_\_\_\_**

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### RECONCILIATIONS

7.13

All bank accounts of the Lee County Board of Education and its local schools shall be reconciled to the financial records monthly. Reconciliations shall be timely, accurate and support cash balances in Board financial records.

Submission of monthly local school accounting reports shall include accurate, reconciled bank accounts, financial statements that include detailed revenue and expenditure records, outstanding encumbrances and accounts payable.

Board capital assets records shall be maintained in a manner to ensure effective management. This will include, at a minimum, a detailed subsidiary listing of capital assets, reports on additions and reductions in assets and an annual system-wide inventory to support the capital asset amount reported in the financial statements, as well as, provide an appropriate level of control over Board assets.

Deposits of Board and local school funds should be made timely and intact in order to ensure proper accountability and support good standards of business practice.

Reports of revenues and expenditures shall be provided to appropriate personnel on a monthly basis to support effective management of programs.

The Chief School Financial Officer, at the direction of the Superintendent, will be responsible for implementing and monitoring the procedures described herein.

#### REFERENCE(S):

CODE OF ALABAMA  
16-13A-6; 16-13A-1  
FISCAL ACCOUNTABILITY ACT 2006-196

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: MARCH 12, 2013  
2<sup>nd</sup> REVISION: JANUARY 23, 2018  
FORMERLY: \_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### CHIEF SCHOOL FINANCIAL OFFICER

7.14

In consultation with the Superintendent, the Lee County Board of Education shall appoint a chief school finance officer (CSFO) who shall be an employee of the Board. The Board shall have authority to remove the chief school finance officer as provided for by law.

The chief school finance officer shall meet the minimum job qualifications established by the Lee County Board of Education and the State Board of Education and shall possess or be eligible to possess certification required pursuant to regulations promulgated by the State Board of Education.

The chief school financial officer shall work under the direct supervision of the local Superintendent of Education but shall have a fiduciary responsibility to the Lee County Board of Education.

The chief school financial officer shall perform duties as specified by the Board as well as those duties specifically specified by state law. The Superintendent may also assign additional duties to the chief school finance officer in order to provide for the efficient administration of the school system.

**LAW(S) IMPLEMENTED:**

**CODE OF ALABAMA**  
[16-13A-5](#)

**HISTORY:**

**ADOPTED: OCTOBER 16, 2012**  
**REVISED: \_\_\_\_\_**  
**FORMERLY: \_\_\_\_\_**

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### DEPOSITORY OF FUNDS

7.15

The Lee County Board of Education requires that all funds of the Board, whether federal, state or local, be deposited in banks designated as the depositories of School system funds. The Board shall designate said depositories for the term of the Chief School Financial Officer or, when in the opinion of the Board the situation warrants a change.

Depositories shall be located in the County and shall be approved as a qualified depository by the Security for Alabama Funds Enhancement (SAFE) Program administered by the Alabama State Treasurer.

All checks in the name of the Board or the local school shall be drawn upon such accounts. All financial transactions of the School System shall be paid by check or electronic funds transfer and no cash payments shall be made.

Principals shall obtain Board approval prior to changing their school's current depository of school funds.

Depositories outside the County may be approved for special accounts.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-6](#), [11-1-7](#)  
FISCAL ACCOUNTABILITY ACT 2006-196

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_



## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### AUTHORIZED SIGNATURES

7.16

Checks drawn on the general fund or any special fund, with the exception of local school accounts, require the signature of the Chief School Financial Officer and the Superintendent. Checks drawn on local school accounts require the signature of the principal.

All checks used by the School System shall be pre-numbered. Checks drawn on Board funds may be signed and processed by electronic means, under the direction of the Chief School Financial Officer or Superintendent.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-1](#), [16-13A-8](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_

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### LINE ITEM TRANSFER AUTHORITY

**7.17**

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

The Board authorizes the Superintendent to make line item transfers as necessary in the budget during the fiscal year consistent with existing laws and regulations of the State and Federal government.

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

#### REFERENCE(S):

**CODE OF ALABAMA**  
[16-13-143](#), [16-13-144](#)

#### HISTORY:

**ADOPTED: OCTOBER 16, 2012**

**REVISED: \_\_\_\_\_**

**FORMERLY: \_\_\_\_\_**

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### FEES/TUITION

7.21

- I. The Lee County Board of Education shall not collect fees of any kind from children attending public kindergarten or any of the first six (6) grades of the school system.
- II. No fees shall be collected in secondary schools for courses required for graduation. The Lee County Board of Education shall set reasonable fees in non-required courses, *e.g.*, reasonable fees for laboratory and shop materials and equipment. Such fees shall be waived for students who cannot afford to pay set fees.
- III. The Lee County Board of Education may assess a tuition fee for those students residing outside the territory over which the Board has jurisdiction.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-10-6](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

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### SCHOOL STORES

7.22

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

Separate records, subject to audit, shall be kept for school stores, and profits derived from sales shall be used for general items supporting the school as a whole.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-9](#), [16-13A-1](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_

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### PAYROLL PROCEDURES

7.23

#### I. Payroll Preparation

- A. The Lee County Board of Education delegates payroll preparation for the payment of employee salaries to the Superintendent or his/her designee. The payroll shall be in accordance with the salary policy approved by the Board, any rules or regulations promulgated by the State Superintendent of Education, and state law.
- B. Payroll checks shall be released on the last working day of the month on a twelve (12) month basis, except that in certain months checks/direct deposit statements may be available on the last work day before holiday breaks.

#### II. Salary Deductions

- A. The Lee County Board of Education will make salary deductions which are considered statutory, including federal income tax, state income tax, retirement, etc., in accordance with applicable laws and regulations.
- B. The Lee County Board of Education will approve salary deductions when a minimum of 50 employees request such deductions as provided by law. The deductions shall be made from salaries and shall be remitted to the appropriate recipient as specified and in a timely manner following each deduction.
- C. New authorization for payroll deductions may be added during open enrollment or upon state required enrollments.
- D. Upon termination, amounts owed under the authorization of an employee shall be deducted from an employee's final pay.
- E. When amounts have been correctly deducted and remitted by the Lee County Board of Education, the Lee County Board of Education shall bear no further responsibility or liability for further transactions. The Board shall not be liable for any error while acting in good faith to make the deductions.
- F. Whenever an employee is separated from the system prior to the end of the contract period, the terminal pay shall be computed on a per diem basis.
- G. All employee deductions which are eligible under Section 125 are to be considered as pre-tax deductions, with the exception of disability policies which are not to be pre-tax premiums.
- H. The Board reserves the right to hold salary checks of employees who fail to furnish required data such as signed contracts, retirement forms, I-9 forms, grade reports, etc.

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Checks will be held only after such an employee has been requested to complete files and has failed to comply.

### REFERENCE(S):

CODE OF ALABAMA  
[16-22-6](#), [16-22-7](#), [16-9-32](#)

### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

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### TRAVEL EXPENSE REIMBURSEMENT

7.24

The Lee County Board of Education directs the Superintendent and the CSFO to develop procedures which conform to sound principles of financial accounting and to state regulations for reimbursement of expenses of school personnel and Board members traveling on official school business.

#### REFERENCE(S):

CODE OF ALABAMA

[16-8-9](#), [16-13A-1](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_

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### PAYROLL DIRECT DEPOSIT

7.25

The Lee County Board of Education encourages employees to participate in direct deposit of payroll checks. Forms for indicating the banking institution, employee account number, and other necessary information shall be available through the payroll department.

Employees shall receive a statement showing gross pay, itemized deductions and net pay via United State Postal Service at the employee's home address of record. Payments that cannot be directly deposited shall be mailed to the employee's home address of record or at their place of employment.

#### REFERENCE(S):

**CODE OF ALABAMA**  
[16-8-8](#), [16-8-9](#), [16-9-32](#)

#### HISTORY:

**ADOPTED: OCTOBER 16, 2012**

**REVISED: \_\_\_\_\_**

**FORMERLY: \_\_\_\_\_**



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### GOVERNMENTAL FUNDS

7.28

The following definitions will be used in reporting activity in governmental funds. The Lee County Board of Education may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt Service Funds should be used to report resources if legally mandated.
- Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

- A. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, and long-term receivables.

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- B. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Examples of restricted fund balances include: restricted grants.
- C. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Board before the end of the fiscal year and that require the same level of formal action to remove the constraint.
- D. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The Board authorizes the Superintendent or Chief School Finance Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- E. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

When expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

The Lee County Board of Education along with the Superintendent and Chief School Finance Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Finance Officer will prepare and submit an annual report of all restricted, committed and assigned funds for the Board of Education.

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**REFERENCE(S):**

**GASB STATEMENT NO. 54**

**HISTORY:**

**ADOPTED: OCTOBER 16, 2012**

**REVISED: \_\_\_\_\_**

**FORMERLY: NEW**

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### FOOD SERVICE FUNDS

7.31

The Lee County Board of Education requires that all Child Nutrition Program funds be accounted for in accordance with policies and procedures set forth by the local, state, and federal requirements.

#### REFERENCE(S):

CODE OF ALABAMA

[16-8-8](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_

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### INVESTMENT OF FUNDS

7.32

- I. Based upon a written system of internal controls and operational procedures, the Superintendent or his/her designee shall invest temporarily idle funds to earn the maximum return for the period available. Highest priority shall be placed on the safety and liquidity of funds. Funds may be placed in the following types of investments upon bid selection from qualified depositories:
  - A. Certificates of deposit;
  - B. Time deposits;
  - C. Securities of the United States Government including obligations of the United States Treasury; or,
  - D. Investment pools managed and directed by an approved agency of the state.
- II. The principal may invest temporarily idle internal account funds in qualified depositories at the best available return subject to the advice of Lee County School System CSFO and Superintendent.
- III. Other investments may not be made unless specifically authorized.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-9](#), [16-13A-1](#), [16-13-2](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_

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### RESERVE FUNDS

7.33

The Lee County Board of Education, in accordance with Alabama law, directs that a General Fund reserve fund balance be maintained of an amount not less than one month's operating expenditures. Operating expenditures shall include all funds necessary to support normal operations of the school district for one month.

The Lee County Board of Education sets as a goal to achieve and maintain a balance equal to one (1) month's operating reserves. This goal does not replace the legal requirement specified in the previous paragraph.

The Superintendent or Chief School Financial Officer will inform the board, before the Board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month's operating balance.

A one-month's operating balance shall be determined by dividing the General Fund expenditures and fund transfers out by twelve. In determining the General Fund expenditures and fund transfers out, the proposed budget or budget amendment, shall be used.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-5](#), [16-13A-9](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

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### LOCAL TAX REVENUE

7.34

Alabama State law requires that school districts collect school taxes equivalent to ten (10) mills in order to participate fully in the Alabama Foundation Program.

#### REFERENCE(S) :

CODE OF ALABAMA

[16-13-231](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_

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### FOOD SERVICE CHARGED MEALS

7.35

Students in grades K-9 who have lost or forgotten meal money may, with written authorization from the principal or his/her designee, charge up to 2 breakfast and 2 lunch meals. When this limit is reached, students will be given an alternate meal. Students in grades 10-12 will be able to charge 1 lunch meal. Then, they will be offered an alternate meal. No student “a la carte” items or adult meals may be charged in Lee County schools.

Monies for these charged meals will be charged back to the principal by the Child Nutrition Program. The school principal will work with the parents to pay all charges. Only school funds from a non-public source (such as PTA funds) may be used for the payment of these charged meals.

Records of all charges and repayments must be maintained by CNP officials. Charges must be collected by the end of the school year or must be made up from funds other than CNP funds. Documentation of efforts to collect for charged meals must be maintained.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-1](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: AUGUST 8, 2017  
FORMERLY: \_\_\_\_



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### BONDED PERSONNEL

7.40

- I. The Superintendent and the designated Chief School Financial Officer (CSFO) shall be bonded at an amount fixed by the State of Alabama in a reputable surety company authorized to do business in Alabama. A certified copy of such bond shall be recorded by the Probate Judge in the Lee County Probate Office and placed on file with the State Department of Education.
- II. The Superintendent or his/her designee shall secure surety bonds, in an amount agreed upon by the Board, for all employees of the Lee County School System who may be charged with the responsibility for handling public school funds.
- III. The Board shall be authorized to make payment from public funds for surety bonds.

#### REFERENCE(S):

CODE OF ALABAMA  
[11-1-7](#), [16-13A-12](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

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### INDEBTEDNESS

7.41

Any Lee County school employee or other person shall be personally liable for creating any bill of indebtedness against a school or against the Lee County Board of Education unless authority exists under duly adopted policy of the Lee County Board of Education or unless authorized in writing by the Superintendent. Any employee violating the provisions of this rule may be subject to cancellation of his or her contract or dismissal from employment.

#### Bonded Indebtedness

The Lee County Board of Education shall not incur any bonded indebtedness that shall require annual payments on the principal and interest in excess of eighty percent (80%) of the anticipated revenue of the ad valorem tax, gross receipts, and/or other taxes pledged to retire such bonds.

All proposed bond issues for the Lee County School System shall be recommended by the Superintendent and approved by the Board and State Superintendent of Education prior to offer for sale.

#### Current Indebtedness

Tax proceeds, which are not pledged to retire bonded indebtedness, shall be used for current expenses. All funds borrowed for current expenses shall be repaid before the end of the fiscal year in which such funds are borrowed.

The Board shall not spend or obligate to spend more money in any fiscal year than the income received during that year plus the balance on hand at the beginning of said fiscal year.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13-70](#), [16-13-144](#), [16-13-145](#), [16-13-140](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

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### INSUFFICIENT FUNDS AND WORTHLESS CHECKS

**7.42**

The face value of a check returned for insufficient funds (NSF) may not be absorbed as a cost by state, federal or public local funds since an uncollected check is considered a bad debt. The principal or other designated school administrator shall exercise due diligence in the acceptance of checks and in the collection of NSF checks.

Whenever a check is returned to the Lee County School System for insufficient funds, it shall be forwarded to the agency designated by the Board for collection.

**REFERENCE(S):**

**CODE OF ALABAMA  
16-8-8, 16-13A-1**

**HISTORY:**

**ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_**

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### PURCHASING

7.60

- I. Local Purchasing
  - A. Pursuant to state law the Board, when purchasing personal property or contractual services, shall give preference to commodities produced in Alabama or sold by Alabama persons, firms or corporations.
  - B. The Lee County Board of Education shall not be limited to making purchases within the local community or the state of Alabama when such local purchases within the local community or the state of Alabama do not meet the quality or competitive price of goods or services available from vendors outside the local community or state of Alabama.
  - C. Preference may be given to a local vendor having a place of business in the county or municipality for the purchase of personal property, when a bid submitted by such a resident bidder is no more than three (3) percent greater than the bid of the lowest responsible bidder.
  - D. Lee County Board of Education shall require that a requisition/purchase order system be established and followed.
  - E. A purchase order or Board-approved purchase card shall be required for all purchases. The purchase order shall be approved/signed by principal/worksite supervisor or Superintendent or designee prior to the purchase of any material, goods, services, or equipment.
  - F. Failure to complete or secure proper purchase order approval(s) prior to any purchase will result in the individual(s) making the invalid purchase personally responsible for payment of the purchase. Any exceptions must be based on standards of reason that would be acceptable for consideration.
  - G. The Board shall not spend or borrow funds in excess of anticipated revenues plus any balances on hand, except as provided by the Code of Alabama.
  - H. No payment shall be made by the Chief School Financial Officer which exceeds ten (10) percent in any program area in the budget except as authorized by the Superintendent and the Board.
  - I. All financial transactions of the Lee County School System shall be paid for by check and no cash payments shall be made.
  - J. No purchases shall be made which obligate the income of a subsequent school year nor shall any purchases be made which encumber a School System fund or local school fund

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or account beyond the available resources of that fund or account unless the purchase is a deferred installment payment approved in advance by the Superintendent.

### **II. Emergency Purchases**

The Lee County Board of Education grants the Superintendent the authority to approve purchases over the current maximum amount set in the State Bid Law (currently \$15,000) for labor, services or work, materials, equipment, supplies, other personal property or contracted services in emergency situations. Such situations shall be critical to the continued and efficient operation of the school of the system. In all cases, the Superintendent shall be required to apprise the Board at its next regular meeting of any such emergency purchases.

#### **REFERENCE(S):**

**CODE OF ALABAMA**  
**41-16-50, 41-16-51, 41-16-57, 39-2-1 et seq.**

#### **HISTORY:**

**ADOPTED: OCTOBER 16, 2012**  
**REVISED: \_\_\_\_\_**  
**FORMERLY: \_\_\_\_\_**

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### BIDDING

7.61

The Lee County Board of Education directs that expenditures of public school monies in excess of \$15,000 made by the Board for labor, services, work, the purchase or lease of materials, equipment, supplies or any other personal property, with limited exceptions established by state law, shall be contracted by free and open competitive bidding with sealed bids and shall be awarded to the lowest responsible bidder meeting specifications.

All purchases associated with public works contracts (building, construction, renovation, demolition, etc. of capital projects) in excess of the current amount set by the State Public Works Bid Law (currently \$50,000) shall be made by contractual agreement via free and open competitive bidding in compliance with the Code of Alabama, Title 39, Chapters 1, 2, 3 and 5.

#### REFERENCE(S):

CODE OF ALABAMA  
[41-16-50](#), [41-16-51](#), [39-1-1](#), [39-2-2](#), [39-2-4](#), [39-2-5](#)  
LEGISLATIVE ACT 97-225

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### SALE, TRANSFER, and DISPOSAL OF REAL PROPERTY

7.62

The Lee County Board of Education shall be advised by the Superintendent in the event that certain real property is no longer needed for public school purposes. Prior to presentation to the Board, the Superintendent shall determine that the property is not needed by any Lee County school facility.

The Board, upon notification of surplus real property by the Superintendent, may at such time as it deems proper and at its discretion declare that such property is no longer needed for public school purposes.

Once real property is declared as surplus by the Lee County Board of Education, the Superintendent or his/her designee shall be authorized to take appropriate action in disposing of such property as outlined below:

- A. Obtain an appraisal(s) reflecting the fair market value of all real property and significant personal property.
- B. Notify local governmental authorities that such property is no longer needed for school purposes and invite a proposal if there is a need for such property.
- C. Follow the procedures in the manner prescribed by state law for the sale of real property.
- D. Upon receipt of the final bid, a recommendation shall be made by the Superintendent for Board action.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-40](#), [41-5-14](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### LOST OR STOLEN PROPERTY

**7.63**

- I. The principal or designee shall notify the following individuals when any Lee County School System property has been vandalized, stolen, or lost:
  - A. The proper law enforcement agency immediately to provide such information as may be available if the property is believed to have been stolen;
  - B. The system office by telephone; and,
  - C. In writing with a copy of such notice being sent to the Superintendent or the clerk of fiscal assets.
- II. The custodian of the property records, or designee, shall prepare a written report and recommendation to the Superintendent if the property is not recovered within thirty (30) days of notification.
- III. The Superintendent or designee shall report to the Lee County Board of Education any property that has been lost or stolen if not recovered within thirty (30) days after the discovery of the loss or theft except major losses shall be reported to the Board immediately. Such a report shall include a recommendation that the property record be made inactive and any information applicable to personal liability shall also be reported.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-9](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_



## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### PROPERTY MANAGEMENT

7.64

The Superintendent or designee shall maintain an adequate and accurate record of all tangible personal property of the Lee County School System. The record shall indicate the date of acquisition, the fund from which purchased, identification number, and property record number, and shall be consistent with all controlling requirements of Alabama statutes and rules. School inventories shall be verified by administration at the Superintendent's direction.

- I. All equipment that has a value or cost specified by the Lee County Board of Education shall be listed.
- II. Property inventories shall be performed annually. It shall be each principal's duty to designate a person to make an annual inventory of all school property within his/her building(s). This report shall include recommendations for the disposition of obsolete and surplus equipment and equipment beyond economical repair. Such inventory shall be verified by the central office and filed with the central office either at the time designated in writing by the property control officer or at the time of any principal's resignation.
- III. Any incoming principal and the facilities supervisor shall make an inventory of all school equipment when the new principal assumes the duties of the position. This inventory shall be checked against the last inventory made at the school and a report shall be filed with the central office to identify any shortages or discrepancies.
- IV. The principal shall also be responsible for inventories of properties not listed in section I above such as library books, films and tapes, and other materials as deemed appropriate. These inventory records shall remain on file in the individual school.
- V. The Superintendent shall prescribe the procedures for the accountability of property.
- VI. All equipment purchased by the various school organizations or by outside organizations for school or system use shall become Lee County Board of Education property and shall be recorded and inventoried in the same manner as all other equipment of a similar nature.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-1-2](#), [16-8-9](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### PURCHASE ORDERS

7.65

Purchase orders are required by the Lee County Board of Education for all materials, equipment and supplies paid for from funds of the Lee County Board of Education.

“Blanket” purchase orders may be issued by the Purchase Order clerk to vendors from whom materials are purchased on a regular basis. This blanket purchase order will be valid only during the month in which it is issued.

No purchases shall be made which obligate the income of a subsequent school year nor shall any purchases be made which encumber a school system fund or local school fund or account beyond the available resources of that fund or account.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-5](#), [16-13A-6](#), [41-16-50](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### ACQUISITION, USE AND EXCHANGE OF SCHOOL PROPERTY 7.67

- I. Acquisition
  - A. All property purchased through system funds, internal funds, or donations from outside sources shall be acquired using system purchasing procedures.
  - B. All property, including vehicular equipment, shall be under the full control and name of the Lee County Board of Education.
  - C. All property with a value of five thousand dollars (\$5,000.00) acquired through internal accounts or donations shall be reported immediately by the principal or worksite supervisor to the designated property records office on the prescribed forms.
  - D. Principals and supervisors of facilities shall be responsible for determining that all property is identified and accounted.
- II. Exchange - Each principal and supervisors of facilities shall determine the property needs for his/her school or department. The Lee County principal or system department head shall declare any property which is not needed, upon approval of the designated property control office, and may requisition additional property through proper procedures.
  - A. Surplus property shall be reported on proper forms to the designated property records office which shall be responsible for acquiring and storing the surplus property.
  - B. Property items with a value as established in section I, paragraph C above may be exchanged between system departments and schools when approval is granted by the designated property records office and subsequently by the appropriate Lee County administrator. Notification of each approval shall be filed in writing with the designated property records office to adjust property records of schools and system departments.
  - C. Lee County Board of Education equipment (including vehicles) shall not be used for gainful outside employment or private use of employees or by any for profit group or organization unless authorized by the Lee County Board of Education.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-9](#), [16-8-40](#), [36-25-1](#),

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
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FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 - BUSINESS SERVICES

### VENDOR RELATIONS

7.69

The Lee County School System shall promote good vendor-system relations through honest and fair business transactions. The Board and its employees shall seek to secure quality services and products in the most economical manner. Favoritism of certain vendors shall not be the policy of the Board.

No member of the Board or employee of the Board shall accept a thing of value from any person, agency, or company doing or desiring to do business with the Lee County School System. A thing of value is defined by the Code of Alabama, §36-25-1(32) as any gift, benefit, favor, service, gratuity, tickets or passes offered only to public officials, unsecured loan not made in the ordinary course of business, reward, promise of future employment, or honoraria. The terms specifically exclude campaign contributions; gifts of *de minimus* value; hospitality on a social occasion of food, beverages, tickets, and lodging of three (3) consecutive days or less; reasonable transportation, food, beverages and lodging incident to educational or informational purposes; promotional items commonly distributed to the public; and food and beverages of nominal value.

#### REFERENCE(S):

CODE OF ALABAMA  
[36-25-1\(32\)](#), [16-8-9](#), [36-25-5 TO -7](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 - FINANCE AND BUSINESS SERVICES

### RISK MANAGEMENT INSURANCE

**7.70**

- I. No new policy or procedure will be adopted or approved by the Lee County Board of Education without first giving careful consideration to the School System's risk exposure.
- II. When the purchase of insurance coverage is deemed necessary, such purchase will be made on the basis of service offered by the insurer or self-funded programs, the reliability and financial stability of the insurer or self-funded program, and the price of the coverage as competitively determined.
- III. Insurance Coverage – The Lee County Board of Education shall insure for:
  - A. Full value of all property for which it has title, including but not necessarily limited to buildings and contents.
  - B. Errors and omissions liability coverage to protect Board members, Board employees and the school system.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-42](#)

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### FINANCIAL OPERATIONS OF SCHOOL-RELATED ORGANIZATIONS

7.80

School-Sponsored Organizations – School-sponsored student organizations will be subject to Board policies and procedures concerning fiscal management and will maintain organization funds in school accounts. All books, records, and official documents pertaining to the management of such organizations will be maintained at the local school. The use of funds collected, generated, or held by such organizations will be in accordance with the organization's governing document and subject to approval of the principal.

Affiliated Organizations – Organizations affiliated with the school will be subject to Board policies and procedures concerning fiscal management and will maintain organization funds in school accounts. All books, records and official documents pertaining to management of such organizations will be maintained at the local school. These organizations include athletic and academic booster clubs and other organizations whose primary mission is to serve a school activity. The Superintendent will be authorized to determine if a particular organization qualifies as an affiliated organization. The appropriate authority of these organizations will have input into the financial operations of their organization though the Principal will have final approval.

Extracurricular Camps, Tournaments, and Jamborees – Extracurricular camps, tournaments and jamborees and other similar activities for academic and athletic programs in affiliation with any Lee County School are permitted to operate or raise funds only in conformity with procedures and standards developed by the Superintendent. All books, records, and official documents pertaining to the management of such activities will be maintained at the local school.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-7](#), [16-8-9](#), [16-13A-1](#)

#### HISTORY:

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REVISED: AUGUST 11, 2015 (FIRST READING)  
REVISION ADOPTED: SEPTEMBER 8, 2015

FORMERLY: \_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### LOCAL SCHOOL ACCOUNTING

7.81

#### I. General

- A. The principal shall be responsible for the proper handling of all business affairs in the school. This includes the establishment of bank depository accounts, savings accounts, receipt and disbursement of funds, financial records and reports. The principal, as trustee, is responsible for replacement of student activity money improperly spent.
- B. All money collected from students on school premises and all money collected at school-sponsored activities, on or off the premises, shall be accounted for through the school accounting system.
- C. The use of a change cash account should be avoided if possible. If change cash funds are established, they may be used only to initiate the daily operation of school stores, school sponsored events and lunchrooms. Purchases may not be paid for from such funds. However, lunchroom managers may refund student meals, only for the purpose for overpayment upon withdrawal of a student or at the end of the school year from their change cash fund, with proper documentation.
- D. Funds shall not be transferred from one account to another by borrowing or otherwise, except as authorized in writing by the principal, faculty sponsor, and student representative if applicable. (Note: In no circumstance shall funds be transferred from public to non-public accounts.)
- E. All funds collected in a school shall be expended for the expressed purpose for which they were collected. All funds generated from continuing or recurring events, school store or athletic events should be used to support that activity and other purposes that will benefit the student body.
- F. No contributions to fund-raising drives for charitable organizations may be made from the school's public funds. However, funds may be collected for such a purpose and should be recorded (receipts and disbursements) in the Accommodations Account.

#### II. Cash Receipts

- A. Extreme care must be taken when receiving and recording receipts of cash by the school. The school principal is responsible for safeguarding this money and maintaining accurate records indicating the purpose for which this money is received. All funds received should be accounted for by a pre-numbered receipt form.
- B. All money received must be deposited in the school's checking account. This checking account is to be an interest bearing account established in a bank that is approved as a

## **CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES**

qualified depository by Security for Alabama Funds Enhancement (SAFE) Program administered by the Alabama State Treasurer.

- C. All money received by the school should be deposited as promptly as possible, daily if feasible.
- D. Money should never be kept in a school building overnight except change cash funds established to initiate the daily operation of school stores, school-sponsored events and lunchrooms. The principal, bookkeeper, or other school personnel shall not carry money on his/her person or keep money at home until it is convenient to deposit it.

### **III. Purchasing**

- A. The principal must ensure that good, sound business practices are followed regarding the purchase of goods and/or services from the school's funds. In order to control the purchasing, the principal should determine the need for the goods and/or services and the availability of funds, and then approve or disapprove the proposed purchase.
- B. A purchase order or Board-approved purchase card shall be required for all purchases. The purchase order shall be approved/signed by principal/worksite supervisor or Superintendent or designee prior to the purchase of any material, goods, services or equipment.
- C. A student body organization shall not be obligated for purchases made by students, sponsors, faculty, and others unless supported by a local school purchase order signed by an authorized person.
- D. No purchases shall be made which obligate the income of a subsequent school year nor shall any purchases be made which encumber a local school fund or activity beyond the available resources of that fund or activity.

### **IV. Cash Disbursements**

- A. The principal must ensure that all disbursements from the schools' funds are adequately documented and are made only by check. No petty cash funds shall be maintained, except those established to initiate the daily operations of school stores, school sponsored events and lunchrooms.
- B. All disbursements shall be made by check to a specific payee. No check shall be made payable to cash. No other payments should be made by cash.

### **V. Travel**

- A. Only reimbursement for travel related to school business that has prior approval of the principal will be allowed.



## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

- B. Principals' travel reimbursements must have prior approval of the Superintendent or designee.

### VI. Reporting

- A. A cumulative and systematic record shall be kept of all accounts between the Board and individual schools in order that schools shall be responsible for their financial obligations and shall operate within budget regulations and individual school allocations approved by the Superintendent and the Board.
- B. Each local school principal shall prepare a monthly financial report, to include all school accounts. A copy of the monthly financial report shall be signed by the principal and filed at the local school. This report shall be available for internal audit at the discretion of the Superintendent. In addition, the Lee County Board of Education shall receive a periodic report of the local school fund balance for each school under its jurisdiction.

### REFERENCE(S):

CODE OF ALABAMA  
[16-13-32](#), [16-13A-1](#), [16-13-235](#)

### HISTORY:

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REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### SCHOOL SYSTEM BORROWING AUTHORITY

7.91

In accordance with state law, the Lee County Board of Education has the authority during any fiscal year, and upon recommendation of the Superintendent, to borrow money in anticipation of current revenues for that fiscal year and to pledge the current revenues for said fiscal year for the payment of such loan or loans if funds on hand are not sufficient to meet current expenses. All such loans shall be recommended by the Superintendent and approved by the Board. Rates of interest on any loans shall not exceed the maximum allowed by law.

The Lee County Board of Education may negotiate long-term borrowing agreements in accordance with Alabama Legislative Act 2011-631.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13-145](#)  
LEGISLATIVE ACT 2011-631

#### HISTORY:

ADOPTED: OCTOBER 16, 2012  
REVISED: \_\_\_\_\_  
FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 - BUSINESS SERVICES

### PRIZES AND AWARDS

7.92

In order to promote academic excellence and recognize significant contributions to education, the Lee County Board of Education may expend public funds for the purchase of trophies, plaques, academic banquets, and other appropriate honors to recognize academic achievements (including athletics) by students, faculty, staff, and the public that strengthen public education in the school system and the state of Alabama.

Non-public activities including parent organizations may give prizes and awards of *de minimus* value to students and employees of the Board for any reason deemed appropriate and approved by the organization in documented minutes of the organization.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-13A-8](#)  
LEGISLATIVE ACTS 95-313 AND 95-314

#### HISTORY:

ADOPTED: OCTOBER 16, 2012

REVISED: \_\_\_\_\_

FORMERLY: \_\_\_\_\_

## CHAPTER 7.00 – FINANCE AND BUSINESS SERVICES

### AUTHORITY TO EXPEND FUNDS

7.93

The Lee county Board of Education grants authority to the Superintendent, subject to applicable laws, policies, and Board-approved budget limitations, to expend funds for budgeted operating expenditures, without advance Board approval of specific expenditures. All such expenditures shall be included in the monthly expenditure report to the Board. Any contract entered into by any employee of the Lee County School System that exceeds twelve (12) months shall be approved by the Board.

The Lee County Board of Education grants authority to the Superintendent to act on behalf of the Board in the following matters:

1. To apply for federal and/or other grants;
2. To enter into contracts and/or lease purchase plans; and,
3. To serve as authorized representative for selection of surplus property.

#### REFERENCE(S):

CODE OF ALABAMA  
[16-8-9](#), [16-13-32](#), [16-13A-6](#), [16-13A-8](#)

#### HISTORY:

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