

5.01 Business Policy Statement

The Board recognizes that money and money management comprise the foundational support of the school system and its educational programs. The Board expects the operation and maintenance of school facilities and equipment to set high standards of safety, to promote the health of pupils and staff, to reflect the aspirations of the community, and to support the efforts of the staff to provide sound educational opportunities.

To make that support as effective as possible, the Board will:

1. encourage advance planning;
2. explore all practical sources of school revenues;
3. guide the expenditure of funds in order to extract the greatest educational returns; and
4. expect quality accounting and reporting procedures.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.02 Budget Development

The School District budget shall be developed annually from the best estimates from the individual schools with appropriate consolidation as the estimates move upward through the higher levels of administration. The Superintendent of Schools shall determine the manner in which the annual budget is to be compiled. The Superintendent shall tell each school principal the approximate amount of money that may be available for his school and provide a school budget template to use in making school budget recommendations.

The Board shall meet to consider tentative budget proposals prior to formal presentation of the budget for adoption. The Board shall also meet to present the budget to the public and shall adopt the budget as provided by state statute or regulation.

The Superintendent shall administer the budget in conformity with legal requirements and the decisions of the Board.

Adopted: November 10, 2005

Revised:

Legal Reference: NMSA 1978, § 22-5-14B(4)

5.03 Acceptance of Grant Awards

The Superintendent and individual schools and departments and employees are authorized to seek funding grants from private or public sources for the improvement of school programs and services. Generally, the Board will not accept grant awards under any of the following four conditions:

1. when the grant award is insufficient to pay the actual total cost of the service or program being created;
2. when at the grant termination, the District would be obligated to continue the grant-created service or program with District funds;
3. when the acceptance of the grant includes conditions contrary to requirements of state or federal law, regulations of the Public Education Department, or local Board policy or regulations; or
4. when the grant proposal has not had the appropriate level of teacher and administrative involvement as determined by the Superintendent.

When an exception to these conditions is contemplated, the Board shall be given full notice in advance of continuing the application process. The Superintendent or designee must be informed by any school, department or employee of the intent to seek a funding grant in advance of the application. All applications shall be signed by the Superintendent before submission for consideration by the granting agency.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.04 Student Fees

All fees to be paid by students in connection with any coursework or activity must be approved by the Superintendent who shall provide advance notice to the Board of the proposal. No fee may be charged for core curriculum coursework, required by law, regulation or policy, as a necessary requirement for graduation. Fees may be charged for supplies, materials or equipment, which will be consumed by the student as part of program participation.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.05 Fiscal Control, Financial System and Expenditure Reports

The Board is responsible for the control of all funds of the School District including all funds collected at individual schools. The Superintendent or designee shall be responsible for detailing and maintaining all procedures necessary to assure adequate fiscal control in accordance with state law and the New Mexico Public Education Department's regulations governing budgeting and accounting, NMAC 6.20.2.

The Superintendent and business staff shall establish and maintain for the School District a complete, auditable financial system which meets all statutory and regulatory requirements of the State of New Mexico and more particularly the School Budget Planning Office of the New Mexico Public Education Department.

A complete statement of expenditures shall be presented to the Board of Education each month. The Superintendent or designee will file all required state and federal fiscal reports. All funds over which the Board of Education has direct control shall be audited annually, as required by law.

A complete inventory of the District's property shall be maintained, as required by law.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.06 Intra-budget Transfers

The Board of Education shall designate the Director of Finance as its representative to approve intra-budget transfers within the same functional cost center or budget series that are under \$1,500.00.

Intra-budget transfers will require requesting school or department approval prior to action by the Finance Department.

Requests for intra-budget transfers will be totaled by line item, between each regular Board meeting, in order to prevent making single line items changes in excess of the \$1,500.00 threshold without obtaining the Board's approval.

Finance will report all intra-budget transfers over \$1,500.00 to the Superintendent or Assistant Superintendent for review.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.07 Purchasing/Procurement Policy

All purchases from District funds shall be made in accordance with applicable statutes and regulations. All purchases of and contracts for supplies, materials, equipment and contractual services shall be based on competitive bids or other required estimates or quotations as provided by law. Bids shall be sealed and shall be opened by the Superintendent or designee. The Board may reject any or all bids.

It is important that the Board receive notice of major bid openings. Examples include bid openings for such services as pupil transportation and food services and bid openings for bond issues, facilities projects and large-scale equipment purchases of \$25,000.00 or more. The Board of Education will be notified, in advance, of all RFP's for major proposals of \$25,000.00 or more. The Board shall approve all contracts awarded through the Procurement process unless authority for approval or signing such contracts has been delegated to the Board President or Superintendent.

Small Purchase Order (SPO) purchases shall follow procedures set by the Finance Department.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.08 Fund-raising Projects

1. All fund-raising projects sponsored by the school shall have written approval of the building principal.
2. All fund-raising must be completed and all accounts paid by the end of the school year.
3. All funds raised by school organizations will be accounted for according to the regulations set by the District business office.
4. All purchases for fund-raising activities must have prior authorization by the building principal.
5. The sale of supplies in the classroom as a fund-raising project for student activities is prohibited. This does not preclude the operation of a school store under the control and supervision of the principal of the non-profit sale of industrial art (arts, crafts, etc.) supplies which are used by students in making articles that become the student's property.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.09 Early Payment of Bills

The Superintendent or designee is authorized to approve vouchers for payment prior to Board meetings. Each month's bills shall be presented to the Board for review and formal approval or ratification at a regular meeting in the following month.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.10 Operation and Maintenance of Plant

The Superintendent of Schools is responsible for maintaining clean, safe, and attractive school facilities and grounds. The Superintendent shall keep the Board of Education advised of short-range and long-range needs toward this goal and shall advise the Board as to appropriate sources and balances of funding from operational funds, bond issues, capital improvements funds and any applicable other state or federal funds.

A program to provide effective security for all school property, including vandalism protection, is to be developed and periodically reviewed.

The responsibility of the Superintendent to ensure that the safety of students and employees is a primary consideration in the development and maintenance of school buildings, school grounds, and other facilities of the District, and in the planning and implementation of all school programs and activities. To this end, all employees, students, and patrons are encouraged to be safety conscious and to make recommendations to the administration for the enhancement of safety.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.11 Vehicles and Credit Cards Policy

Local service stations will be designated to provide fuel and service on all district-owned vehicles. Only clearly marked district vehicles will be approved for fuel and services at these local stations.

A District credit card can be checked out through the Finance Office for fuel or automotive services required during out-of-district and/or overnight travel. The District employee will be required upon return to present the credit card and receipt(s) to the Finance Office.

District vehicles will be assigned by the Superintendent or designee to employees based on need. All District vehicles will be used strictly for District business only.

All vehicles will be secured and locked each night at the District office parking area.

Permission for any vehicle to be excluded from this policy requires approval of the Superintendent, in writing.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.12 Hazard Communications Program

The Superintendent shall develop and implement a Hazard Communication Program as required by federal law. The Hazard Communication Program shall at all times meet the requirements of the federally approved state plan.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.13 Vandalism and Theft Protection Rewards

As part of the protection from vandalism and theft, the Board of Education will offer, and upon compliance with the conditions of such offer, to pay rewards for information leading to the arrest and conviction or other appropriate disciplinary disposition by the courts or juvenile authorities of offenders in case of vandalism, theft, defacement, or destruction of local School District property.

The payment of a reward will be subject to the availability of funds. The source of information will remain confidential. The reward amount per event will be a minimum of \$50.00 and a maximum of \$2,000.00. The Superintendent of Schools shall be responsible for recommending reward amounts to be paid by the Board.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.14 Food Services

The Superintendent of Schools is authorized to provide student food services, either through a district-operated program or by contract with an outside agency, as approved by the Board. The Superintendent is responsible for insuring that this program meets all requirements set out by the state and federal governments. The Board of Education shall be kept informed of the status of the program. Changes in meal prices shall be made only by the Board.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.15 Salvageable Materials

The Board acknowledges that state law requires proper procedures for the handling of salvageable materials and hereby adopts this policy in order to implement such procedures.

For purposes of this policy, the term “salvageable materials” shall mean materials, equipment, or items of tangible personal property owned by the School District which have a current resale value of any amount and which are worn out, unusable or obsolete to the extent that the item is no longer economical or safe for continued use by the School District. The term shall include materials or equipment from school or building construction or renovation projects, which have resale or salvage value, which have not been contracted for salvage or disposition to private entities.

All building principals and department directors are responsible for assuring that all salvageable materials within their buildings or departments are disposed of in accordance with state law and with this policy. No salvageable materials shall be disposed of or sold by any school or department unless such disposition has first been approved by the Superintendent to assure that appropriate reporting of such disposition is made in accordance with state statute.

All salvageable materials shall be included in the building or departmental inventory until disposed of in accordance with this policy, at which point it may be deleted.

Procedures for the accumulation and disposition of property shall be in accordance with state statute, with oversight by a committee of three school officials as required by NMSA 1978, § 13-6-1B(1). The Board must approve a resolution and affidavit authorizing the disposition if the materials have a current resale value of Five Thousand Dollars (\$5,000.00) or less. Such resolution shall be transmitted to the State Auditor at least thirty (30) days prior to the proposed date of disposition.

If the salvageable materials have a current resale value of more than Five Thousand Dollars (\$5,000.00), the materials shall not be disposed of until approved by the School Budget Planning Office of the Public Education Department, using such forms as may be required by the division.

Any receipts of cash or other consideration for disposition of salvageable materials shall be forwarded to or directly handled by the District’s business office and accounted for as required by Board policy and state regulation.

No tangible personal property shall be donated to an employee or relative of an employee of a state agency, local public body, school district or state educational institution; provided that nothing in this paragraph precludes an employee from participating and bidding for public property at a public auction.

Adopted: November 10, 2005

Revised:

Legal Reference: 13-6-1 NMSA 1978

5.16 Educational Specifications for School Facilities

The Superintendent is charged with the responsibility of drafting educational specifications for each building that is to be built.

Educational specifications shall be drafted with the help of personnel who are to use the structure and others who may appropriately be involved, and such professional consultants as are retained to design such facilities.

Educational specifications shall take into account the latest trends in education, environmental control, and energy conservation as they apply to the schools, and at no time is a building to be constructed before the intended usage and specifications are set forth in writing.

Educational specifications will not only include the curriculum needs, but also the needs for economy, sanitation, health, safety and welfare of the children and staff.

The educational specifications shall be realistic in relation to the budget set forth for the project, and shall be consistent with any approved long-range facilities plan adopted by the Board. Such specifications shall be submitted to the Director of the Public School Facilities Authority prior to letting any contracts for school construction or renovation.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.17 Approval of Plans for New Facilities

Plans for construction of new facilities or renovation of existing facilities shall be presented to the Board and Director of the Public School Facilities Authority for review and approval before bids are solicited.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.18 Building Projects

The Superintendent and/or administrative staff, architect and/or engineer jointly shall conduct inspections to determine the date of substantial and final completion, and the Superintendent shall require the contractor to furnish all final inspection certificates or permit releases.

Before beneficial occupancy, an inspection of the facility shall be made by the Superintendent and/or administrative staff, architect and builder jointly in order that the architect may set forth items, which are deficient and set forth responsibilities for beneficial occupancy.

The Superintendent shall recommend to the Board acceptance of the completed project and recommend final payment for architectural, engineering and contracting services only when the project is complete and is ready for occupancy and the use for which it was intended.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.19 Change Orders

The Superintendent may authorize construction change orders, which do not exceed the project contingency fund. Change orders, which exceed \$5,000.00, will be submitted to the Board of Education so that authorization is part of the minutes of the Board of Education.

If during the course of construction a change order of an emergency nature exceeding the contingency fund is needed the Superintendent may authorize the change order. The Superintendent shall then advise the Board of Education of the change order needed to continue the project, and seek action of the Board ratifying the change order.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.20 Building Plans and Warranties

The architect shall collect from the contractor the “as built” plans, all information regarding the mechanical or equipment warranties and other pertinent documents regarding the new facilities. These documents and warranties will be submitted to the Superintendent’s office at the time the architect submits the final pay request from the contractor. They shall be carefully safeguarded for reference purposes as needed over the life of the facility.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.21 Insurance Coverage for Facilities and Employees

The District shall provide and maintain insurance coverage of its facilities and for its employees at the most economical cost possible consistent with sound insurance principles, state and federal statutes and regulations, and the District's resources. Periodic review of all programs shall be made to ascertain needed change toward that goal.

No proposal for Board adoption of any insurance program for employees will be heard by the Board unless accompanied by a report from a District insurance committee. Such committee shall be formed by the Superintendent or designee as needed from time to time to review or consider employee insurance programs and proposals. The committee shall have representation from both licensed and non-licensed employee groups.

Adopted: November 10, 2005

Revised:

Legal Reference:

5.22 Investments

General Policy: Through a Joint Powers Agreement entered into with the New Mexico State Investment Council in 1998, and pursuant to Section 6-8-7G, NMSA 1978, Springer Municipal Schools (SMS) will engage the State Investment Office (Office) to act as its investment manager through its Pooled Investment Funds Program.

Purpose: Funds from the Sim Brown Scholarship will be transferred into one or both of the pools under the management of the Office. The Board of Education shall review and approve the Investment Policy in all areas where the Board has discretionary authority.

Objectives: The primary objectives will be to achieve as high a level of Fund growth and income distribution as is possible within the requirements imposed by the New Mexico statutes and without assuming excessive risk.

Further, it is Springer Municipal School's intent to diversify the Fund as much as possible. Adequate diversification will control risk by insuring that normal market fluctuations will not seriously impact the Funds' overall value.

Investment Policies and Guidelines-Asset Allocation: The Fund should have an asset allocation strategy that will protect the Fund against inflation and promote growth. The following guidelines are established to achieve this objective.

Asset Class	Long Term Allowance	
	Target	Range
Core Bonds	20%	15-25%
High Yield Bonds	0%	0%
Large Cap Active	8%	6-12%
Large Cap Index	12%	9-16%
Mid-Small Cap	20%	15-25%
Non US Developed	20%	15-25%
Emerging Markets	20%	15-25%

Eligible Investments: The Fund will be invested in accordance with New Mexico constitutional and statutory law.

Review Procedures: The Board of Education shall review the Investment Policy annually to determine if modifications are necessary or desirable. If changes are made they shall be promptly communicated to the Office.

Adopted: November 10, 2005

Revised: October 25, 2007

Legal Reference: NMSA 1978, § 16-8-7G

5.23 Procedures for Business Operations Regarding Internal Control

I. Cash Receipts Accounting

A. Cash Receipts

The school district will issue receipts for money received from all sources. The district will issue a factory pre-numbered receipt for all money received by the school district. Pre-numbered receipts will be kept in the safe in the central office. Each receipt will be in triplicate and shall be disposed of as follows:

original to payer; duplicate attached to school district copy of the deposit slip or transmittal; triplicate remains in the receipt book. The duplicate receipt will be kept in a separate file along with bank deposit slips.

If a receipt is voided, all copies shall be marked "VOID" and shall be kept in the receipt book. They shall be made available to the school district's auditor during the annual audit.

B. Depositing

Money received and receipted shall be deposited in the bank within 24 hours or one banking day.

C. The Revenue Ledger

The triplicate receipt portion of the form remaining in the receipt book will be used as the source from which to make entries to the Revenue Ledger.

A revenue ledger is required for each receipt code as approved in the finalized budget. If the District receives revenue from sources other than those budgeted; it will be necessary to prepare additional revenue ledgers.

A Cash Receipts Journal will be used for each fiscal year. It shall begin July 1 and be closed as of June 30. This journal shall be presented to the school district's auditor during the annual audit.

II. Cash Disbursement Accounting

Cash disbursements shall be for the following transactions:

- (1) invoices for goods and services received,
- (2) disbursements for employment of casual or other labor not under contract,
- (3) disbursements for contracts other than payroll,

- (4) contracted payroll disbursements, and
- (5) requests for reimbursements.

The school district shall verify that there is sufficient cash and budget prior to the disbursement of cash.

III. Disbursement of Cash

A Cash Control Ledger will be established for each fund. As funds are made available to a school district to disburse cash to cover the approved budgeted expenditures; these funds will be recorded in the cash control ledger.

A pooled account will be used to combine more than one fund in one bank account for the following reasons:

- (1) only one bank statement to reconcile;
- (2) economical since only one check format required; and
- (3) eliminates having to request approval for payment from the wrong fund.

IV. Operating Expenditures

Cash disbursements shall be for purchase of supplies, equipment, services, utilities, fixed charges, contracts (other than payroll of school employees), rent payments, travel reimbursements and all other expenses of a school district that are payable by an invoice and paid via an individual voucher as a single payment, or an aggregate payment. If a single voucher is issued to a single payee and the total amount due is charged to more than one budgeted expenditure account and payable by one fund, the face of the voucher will indicate the breakdown.

The following procedure will be followed when issuing purchase requisitions or purchase orders:

- (1) All purchase requisitions will be handled by the building or special secretary. Teachers and other staff members are to obtain purchase requisitions from the secretaries. Secretaries are to type in the required information and obtain the signature of the principal or special education director.
- (2) All purchase requisitions are to be turned in to the business manager, who will verify that funds are available and identify the line item to be charged.
- (3) The business manager will cut the purchase order and return it to the appropriate secretary.

- (4) The secretary will distribute it to the appropriate person (the individual requesting the material or supplies).
- (5) The individual who made the purchase requisition will send out the purchase order.
- (6) When the material is received, the invoice or packing slip with a list of all the items received, along with the copy of the purchase order is to be turned in to the business manager for payment. The purchase order will bear the signature of the person who has received the order and the date it is received.
- (7) A bill cannot be paid until there is a record that the equipment or supplies have been received or that a service has been completed. The business manager to ensure that the amount requested is proper and justified will examine the payment demand invoice.
- (8) With every transaction, there needs to be: 1) a purchase requisition signed by the administrator and business manager; 2) a purchase order signed by the superintendent or the business manager; 3) an invoice or packing slip and a signed copy of purchase order for a record of completed transaction; 4) bid proposals or reference to bid proposals or contractual agreements.
- (9) All staff members will be notified that if any purchase is made without going through the above-mentioned process, the payment of said purchase would be the responsibility of that staff member.
- (10) All checks and vouchers will be signed by two of the following: the superintendent, and either the Board President, Vice-President or Secretary.
- (11) All checks for activity funds will require two signatures: the building principal and the business manager. A check will not be cut until all documentation is complete. All transactions will include 1) a purchase requisition; 2) a purchase order; 3) an invoice or packing slip. It is the responsibility of the principal and business manager to insure that all documentation is complete before checks are signed.

Vouchers will be numbered in such a manner as to provide a cross-reference between the voucher, the check and the check register. The check number will be the voucher number.

All blank checks must be properly safeguarded and an inventory of unused checks should be taken periodically.

Completed vouchers and supporting documentation will be placed in numerical sequence, by the month in which they were paid and filed for future reference and annual audit.

Any person or business contracting with the district for auditing services, staff development in-services, maintenance agreements, etc., and having received at least \$600.00 from the district will receive a Form 1099 at the end of the calendar year.

V. Authorization to Pay

The school board, through the issuance of a formal board resolution, may authorize the superintendent of schools to approve vouchers for payment prior to a board meeting. A summary listing of the vouchers shall be presented to the school board at its next regular meeting for formal approval and entry in the minutes.

VI. Cash Reconciliation

A. Cash Control Ledger

The district will maintain a cash control ledger for each fund/sub-fund where all transactions affecting cash are recorded.

B. Reconciling With Cash Report

After completion of the Cash Report, the “Net Cash End of Period” on the cash report must be checked against the cash control ledger balance and both balances must be the same.

C. Bank Statement Reconciliation

Each calendar month the bank will supply the district with a bank statement together with the district’s withdrawal checks that have been paid by the bank during that month. The district’s record of cash and the bank’s record of cash must be reconciled to determine any differences that may have occurred (outstanding checks, deposits in transit, etc.).

VII. Payroll

A. Employee contracts are developed directly from the approved salary schedules. Employee contracts are to be paid in 24 (twenty-four) payments in accordance with the payroll schedule set up by the Business Office each fiscal year. If an employee is hired after the contract year begins, his/her contract shall be divided by the pay periods remaining in the contract year, and paid on a semi-monthly basis. The employee will have the option of receiving a check or having their pay directly deposited into their bank accounts by ACH transmittal.

- B. All prorated checks due to an employee for a completed contact will be released to the employee prior to June 30 of that year.
- C. Federal Withholding Taxes and State Withholding Taxes are deducted in accordance with the law, and amounts are based upon information submitted on each employee's W-4. W-4 shall be renewed yearly.
- D. FICA (Social Security Tax), Medicare Tax, Educational Retirement, and New Mexico Retiree Health Care are deducted and matched by the Board in accordance with the law.
- E. Health, dental, vision, and voluntary term life insurance may be purchased by any school employee who is contracted for twenty (20) hours per week or more. This insurance are deducted and matched by the Board in accordance with state law and board policy. The Board provides a basic term life insurance for every qualified employee in the amount of \$50,000.00.
- F. Elected payroll deductions for other insurance, tax shelters, annuities, credit unions and the like, may be authorized by the employee if payroll deductions and payments are currently being made to a vendor.
- G. All payroll records are computer-generated and maintained in the business office. FICA, Medicare, Federal Tax, State Tax, Educational Retirement and the New Mexico Retiree Health Care payments are reconciled with the payroll records and made in accordance with State and Federal regulations.
- H. W-2s are computer generated once per year, unless otherwise requested. They are reconciled to Education Retirement Quarterly Reports, 941 Quarterly Reports and State Reports. Once reconciliation is complete, they are printed and distributed after December 30 each year to addressees in accordance with Federal guidelines.

After any equipment (fixed asset) or supply asset has been purchased or building improvements have been made, these assets or cost improvements will be added to the District's Fixed Asset Inventory List, by date purchased, amount paid, and serial numbers. Improvements made will be added to total building valuation.

Adopted: November 10, 2005

Revised: May 8, 2008

Legal Reference: