



# Shonto Governing Board of Education, Inc. Policy Statement

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SUBJECT: Use of Board Interest Funds  
POLICY NUMBER: DFAB  
DATE OF ORIGINAL POLICY: 5/9/06

EFFECTIVE DATE: 7/7/14  
DATE OF NEXT REVIEW: 7/2017  
DATED: 6/26/14

## I. PHILOSOPHY:

For the past several years, the Shonto Governing Board has had a one sentence formal policy on the distribution of funds under its control from monies that are invested in interest bearing accounts. That language was contained in the policy entitled "Board Investment Policy." The lack of specific language in the distribution of these funds and the uncertainty of which administrator requests should be honored has been a frequent source of controversy at the Board Meetings. Therefore, the Governing Board of Education, Inc. adopts the following policy statement.

## II. POLICY STATEMENT:

It is the policy of the Shonto Governing Board of Education, Inc. that use of the Board Interest Reserve Fund shall strictly comply with the provisions of this policy.

## III. EXCEPTIONS TO POLICY:

None

## IV. AMPLIFYING INSTRUCTIONS AND GUIDELINES:

### A. CONDITIONS FOR APPLYING FOR THE USE OF THE BOARD INTEREST RESERVE FUNDS

1. Requests for distribution of Board Interest Reserve funds must be submitted through a formal Board Action Item (BAI) to be submitted at a duly called Board Meeting for consideration. BAI submittals must be submitted quarterly at the following interims of the Fiscal Year: July, October, January, and March.
2. Compelling Emergency action in which action must be considered without delay, will void section IV.A.1. Notification to the Governing Board will be made by the Superintendent's office for meeting arrangements, if the next scheduled board meeting is not sufficient for the emergency need.
3. It is recommended that the BAI request to use Board interest funds include an additional 20% reserve to the requested expenditure to cover errors, changes, or negotiation needs. Any adjustments/amendments beyond 20% to the approved BAI will need to be revised and re-submitted to the Governing Board for consideration.



# Shonto Governing Board of Education, Inc. Policy Statement

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4. Any request to use the Board Interest Fund must be for a purpose that is not normally funded by BIA, Charter School, other Federal sources, existing grants, or when such funding sources have no excess monies to cover such request. Those requesting use of funds must be able to show that normal funding sources have insufficient or no funds to finance the proposed request. Priority shall be given proposals that enhance facilities, grounds, and infrastructure.
5. The use of Board Interest Reserve funds shall not be used to supplant regular education funds and/or to balance the budget for the school year.
6. The use of Board Interest Reserve Funds must have a long-term benefit.
7. Any proposed request for Board Interest Reserve Funds must be for the benefit of the student population of a school and not for individuals or a minimal number of students or employees.
8. Action items requesting the distribution of Board Interest Reserve funds that serve the good of a large number of students shall receive additional weighting.
9. The Board shall set aside \$10,000 per year which shall be used for up to five (5) \$1,000 mini-grants for teachers to submit innovative proposals that will improve student achievement through obtaining materials, supplies, or equipment that reinforce the innovative classroom application and for five (5) \$1000 scholarships for students who are enrolling in post-secondary education.
10. It is expected that no department shall submit more than one action item per year to request use of Board Interest Reserve Funds.
11. All requests funded by the Board must be fully expended within the fiscal year.
12. \$5000 may be set aside annually for Board priorities.

## B. BOARD RESTRICTION OF EXPENDITURES

It is the Board's requirement that the total allocation for all purposes in any given fiscal year not exceed 20% of the cumulative fiscal balance in the Board Interest Reserve Fund. The Business Office will provide a BAI at the July Board Meeting disclosing the Board Interest Reserve Fund balance on July 1<sup>st</sup> for calculation of the 20% expenditure limit.

## V. DELEGATION OF AUTHORITY:

None



# Shonto Governing Board of Education, Inc. Policy Statement

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## VI. REPORTS:

The administrator whose operation receives a distribution of Board Interest Reserve funds or teacher receiving a mini-grant must submit a report within three (3) months noting the expenditure and the outcomes of the acquisition funded. The balance of the 20% expenditure limit will be reported as Board Information Only at quarterly interims as follows: July, October, January, and March.

## VII. EXPIRATION:

This policy expires three (3) years after its acceptance unless reapproved.


## VIII. SIGNATURE BLOCK:

Submitted by: Lemual B. Adson Date: 6/26/14  
Superintendent

1<sup>st</sup> Review Reading: February 7, 2014

2<sup>nd</sup> Review Reading: March 7, 2014

3<sup>rd</sup> & Final Reading: July 7, 2014

Established:   
Martha Tate, President,  
Shonto Governing Board of Education, Inc.