



**MOBILE COUNTY PUBLIC  
SCHOOL SYSTEM  
POLICY BOOK**

**CHAPTER 7:  
FISCAL AND BUSINESS  
MANAGEMENT**

## Chapter 7.00 – Fiscal and Business Management

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**FISCAL YEAR**

Reference: Alabama Code - §16-13-1

**Date Adopted: December 11, 2007**

## **FUND BALANCE**

For purpose of this policy, one month's operating balance is defined as all general fund expenditures, including transfers out, as of September 30, divided by twelve (12) months.

The Board of School Commissioners of Mobile County recognizes that the management of school system funds necessitates the development of an adequate fund balance to guard against pro-ration, natural disasters and emergencies, and as required by Act No. 2006-196.

The Board of School Commissioners of Mobile County will maintain a minimum of one month's operations in the General Fund, as calculated using data from the September 30 General Purpose Financial Statement.

Reference – Procedures: Fund Balance

Statutory Reference: School Fiscal Accountability Act (Act No. 2006-196)

**Date Adopted: December 11, 2007**

**PROCEDURE:  
FUND BALANCE**

- The superintendent and staff will develop fiscally prudent operating budgets utilizing budget year funding allocations.
- During the normal course of business, the superintendent and staff will monitor budgets on a monthly basis to ensure that expenditures do not cause the fund balance to fall below one month's operating balance and provide documentation to the board evidencing compliance.
- Any excess revenue over expenditures balances that may occur annually will be added to the general fund balance until it reaches one month's operations, as required by Act No. 2006-196.
- In the event of pro-ration, natural disasters or emergencies, the board must approve expenditures that could potentially cause the fund balance to fall below one month's operation.

**CHIEF FINANCIAL OFFICER**

The Board shall appoint a Chief School Financial Officer (“CSFO”) to oversee the financial operations of the Board and to perform the duties of the position that are set forth in state law and regulations.

**Legal Reference:** Alabama Code - §16-13A-4 & 5  
**Date Adopted:** December 11, 2007

Date Amended: September 27, 2021

## ANNUAL BUDGET

A budget will be developed and approved for each fiscal year, which extends from October 1<sup>st</sup> to September 30<sup>th</sup> of the following year. Preparation, presentation, submission, and approval of the budget will be undertaken and completed as provided for in state law and regulations, including providing an opportunity for public input regarding the budget. Budgets will be “balanced” such that the expenditures set forth in the budget for the fiscal year will not exceed revenues and any fund balances on hand.

The Superintendent or Chief School Financial Officer will inform the Board, before the Board votes on a budget or budget amendment that 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 12. In determining the General Fund expenditures and fund transfers out, the proposed budget or budget amendment shall be used.

[Reference: ALA. CODE §16-13-140, *et seq.* (1975)]

**Date Adopted: December 11, 2007;**

**Date Amended: September 27, 2021**



## PRIORITIES

Appropriations made by the board shall be made in the following order:

1. Payment of all charges required by legislative act;
2. Payment of all interest charges and sinking fund for the retirement of all existing indebtedness; and
3. Operation, maintenance, and support of all other departments, institutions, agencies, and charges.

If the board should determine at any time that the total income is insufficient to make all appropriations payable in full in the amounts named in such appropriations, the board shall be required to restrict appropriations, beginning with those placed in the third classification which shall be reduced proportionately until such appropriations are completely extinguished; thereafter the appropriations in classification two shall be reduced proportionately; and so on in this order until, in the opinion of the board, the appropriations shall equal the estimated income; provided, however, that in the event there are sufficient funds at the end of a fiscal year to pay all appropriations in the amounts named, that all appropriations shall be paid in full.

Note: Based on local act which is inconsistent with current law and practice.

**Legal Reference:** Local Act No. 277, (S. 246 Craft), pg. 111

Date Adopted: December 11, 2007

Date Amended: September 27, 2021

## INVESTMENTS

Funds will be invested to earn the highest yield possible in a qualified public depository as defined by state law. Interest earned from such investments will be deposited to the respective fund. The superintendent will oversee a prudent investment program.

### **REVENUES FROM SCHOOL-OWNED PROPERTY**

School properties may be rented at rates which offset direct costs. School lands will be managed as an income-producing enterprise. School lands may be rented or leased for various purposes at a rate comparable to market value for the specific land and use.

Fees collected will be transmitted to Business Operations in accordance with steps outlined in the rental agreement.

**Legal Reference:** Alabama Code - §16-8-40

**Date Adopted:** December 11, 2007

### **GIFTS, DONATIONS AND BEQUESTS**

All gifts, donations and bequests shall become the property of the board. The board may, under unique situations, accept gifts, donations or bequests which do not become board property.

**Date Adopted: December 11, 2007**  
**Date Revised: June 28, 2016**

## DEPOSIT AND EXPENDITURE OF FUNDS

### Deposits

All funds of the board shall be deposited with qualified depositories, as defined by law, in the manner outlined by the Chief School Financial Officer.

### Expenditures

The superintendent or his or her designee, subject to applicable laws and policies, may expend funds budgeted for operations without board approval of specific expenditures.

All expenditures shall be systematically recorded in line with various sections of the budget in order that a true and accurate relationship between classified expenditures and the budget can be determined at all times.

All invoices shall be paid regularly, month by month, in order that the financial status of the Mobile public schools can be accurately determined at all times and invoices covering all expenditures of the board other than those supported by personnel payrolls shall be systematically filed.

**Legal Reference:** Alabama Code - §16-13A-8 (expenditures); §41-14A-1 et.seq. (deposits)  
**Date Adopted:** December 11, 2007  
**Date Amended:** June 28, 2016, September 27, 2021

**AUTHORIZED SIGNATURES/  
CHECK WRITING SERVICES**

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

All checks used will be pre-numbered. All checks drawn on board funds may be signed electronically the board, under the direct supervision of the Business Services Department.

The board will designate the authorized signatures for depositories to honor.

**Legal Reference:** Alabama Code - §Act 16-13A-8

**Date Adopted:** December 11, 2007

**Date Amended:** September 27, 2021

**BONDED EMPLOYEES AND OFFICERS**

Board employees and officers responsible for handling or expending school funds or property shall be adequately bonded at all times as prescribed by State Board of Education regulations.

## LOCAL SCHOOL FUNDS

Funds held in school accounts, regardless of the funding source, will be maintained and accounted for in accordance with the Business Division Procedure Manual, Local School Accounting Manual, and such procedures, rules, and regulations as may be developed by the Chief School Financial Officer or the Superintendent. The principal is ultimately responsible for all school funds and for ensuring that such funds are properly accounted for and secured.

All purchases made for and in the name of individual schools shall be approved by the principal. The principal is responsible for assuring all purchasing at the school level conforms to board policies, business office procedures and regulations.

All local school purchases of a single item costing \$500 or more are to be approved by the chief financial school officer. Principals are prohibited from entering contracts on behalf of the local school.



## AUDITS

Business and financial transactions of the Board and the records of Board financial accounts will be audited in accordance with state law and appropriate auditing and accounting standards.

The Internal Auditor shall audit, review, and otherwise investigate the receipts and disbursements of funds to ensure compliance with legal requirements, ethical standards, and other policies and procedures. The purpose of the Internal Audit function is to provide assurance that the System's internal control processes are operating effectively and make recommendations for improvement if deficiencies are discovered. School/department audit selections will follow a revolving schedule with preference to schools, departments, and activities that are high-risk, have concerns reported, and/or as school leadership changes are made.

**Legal Reference:** Alabama Code § 16-13A-7

**Date Adopted:** December 11, 2007

**Date Amended:** September 27, 2021

**Date Adopted:** December 11, 2007

### **WORTHLESS CHECKS**

The Board of Education authorizes the superintendent to charge a fee for worthless checks and to implement procedures for collection of worthless checks written to the school system, including referring the matter to the district attorney for prosecution.

Uncollected fund balances in the Child Nutrition Program will not be carried over from one fiscal year to the next. Monies will be taken from non-public funds at the end of the fiscal year to cover the amount of the worthless checks. When payment has been received, the funds will be deposited into the non-public fund account.

## ACCOUNTING

Generally accepted accounting standards and procedures will be employed in the administration of all Board and school finances. All Board and school accounts will be reconciled to financial records. All reports required by the State Department of Education will be completed in a timely manner with copies provided to Board members. The general purpose Financial Statement shall be submitted to the State Superintendent of Education and published in accordance with state law.

[Reference: ALA. CODE §16-8-37 (1975)]

**Date Adopted: September 27, 2021**

**Date Adopted: December 11, 2007**

**PURCHASING AUTHORITY**

The Purchasing Department will strive to obtain maximum value for expenditures to purchase equipment, materials or services. Insofar as possible, the department will propose standards and specifications for all equipment, materials, supplies and services to be purchased. Purchases will be initiated by a requisition approved by the appropriate administrator. The Purchasing Department has authority to question the quality, quantity and kind of material requested.

Date Adopted: December 11, 2007

Date Amended: September 27, 2021

**BIDDING REQUIREMENTS**

Reference: Alabama Code - §16-3B-1, *et seq.*

**Legal Reference:** Alabama Code - §41-16-2 et seq.

**Date Adopted:** December 11, 2007

Date Amended: September 27, 2021

## **SURPLUS EQUIPMENT AND SUPPLIES**

The Board has the option to sell surplus property at “Fair Value” on a negotiated basis or through competitive bid procedure. The Division of Business Services will approve all property sales prior to completion.

Any surplus property declared unusable may be disposed of in a reasonable, environmentally sound manner, including donation to appropriate nonprofit groups.

**Legal Reference:** Alabama Code - §16-8-8

**Date Adopted:** December 11, 2007

**Date Amended:** September 27, 2021

**Date Adopted:** December 11, 2007

**CASH IN SCHOOL SYSTEM BUILDINGS**

All monies collected within the schools shall be prudently handled and safeguarded.

Monies collected by school employees for any purpose shall be submitted to the school principal or his designee who shall provide for its prompt and proper deposit. Money shall not be left overnight in classrooms. Monies totaling \$25.00 or more are to be deposited and not left on school premises overnight. Monies collected by central office departments should be turned into the Business Division General Accounting Office daily.

**Date Adopted: December 11, 2007**

**PETTY CASH ACCOUNTS**

Petty cash accounts are prohibited.

**Date Adopted: December 11, 2007**



## VENDING MACHINE CONTRACTS

Principals and department managers may allow vending machines in their respective schools and departments only in accordance with the current vending contract approved by the Board and signed by the Superintendent.

It is the responsibility of the vendor and the principal to insure all State Laws and Child Nutrition Guidelines regarding the operation of vending machines are met.

Reference – Procedures: Local School Accounting Procedures, Section I

State References: Alabama’s Healthy Snack Standards for Foods and Beverages at School  
Alabama Department of Education Log #FY02-3005

Legal References: USDA Rule, 7 CFR 210.11 and 220.12

Date Adopted: July 24, 2008

**LIABILITY**

Liability claims shall be referred to the State Board of Adjustment.

**Date Adopted: December 11, 2007**

## **INSURANCE PROGRAM**

The Business Division and Facilities Division will develop and implement an insurance program to cover the buildings and property owned by the Board, taking into consideration financial feasibility, advice from professionals in the field, availability of State Insurance Program coverage and self-insurance options. The program should be evaluated periodically and the analysis submitted to the superintendent and Board for review.

A cumulative, up-to-date record will be kept of all insurance records and policies on school buildings, equipment and insurable properties.

Legal Reference: Alabama Code §16-8-42

Date Adopted: July 24, 2008

## INVENTORY CONTROL

The superintendent is responsible for implementing and maintaining inventory on all fixed assets and equipment.

The primary responsibility for inventory control rests with Business Operations and will be regulated in accordance with standard accounting procedures and practices.

Principals are responsible for reporting changes in inventory to Business Operations, Fixed Asset Office. The principal will be held accountable for inventories at the local school and will be held personally accountable for any unreported losses. The principal has the prerogative to hold the individual teacher in the assigned classroom areas responsible for losses of equipment, should said losses not be reported to the principal as they occur.

A physical inventory of all fixed assets and equipment will be made on an annual basis by the financial division. Other physical inventory of supplies may be made at the discretion of appropriate staff.

**Date Adopted: December 11, 2007**

**Date Amended: September 27, 2021**

## **PAYROLLS**

All employees of the board shall be paid on the basis of payrolls approved by the supervisor responsible for the employee (i.e., principal, director, etc.) except as otherwise directed by the superintendent.

The treasurer-comptroller shall pay promptly all payrolls.

All regular employees of the board will be paid at least monthly with checks distributed according to a schedule annually established by the superintendent.

**Date Adopted: December 11, 2007**

### **SALARY DEDUCTIONS**

With the exceptions of deductions for absences not covered by paid leave and those required by law, all categories of deductions from salary must be approved in writing by the employee.

Reference: Alabama Code - §16-22-6  
Alabama Code - §16-22-17

**Date Adopted: December 11, 2007**

### **NON-TRAVEL EXPENSE REIMBURSEMENT**

Expenses, other than travel expenses, incurred in the performance of duties shall be reimbursed, provided said expenses are authorized by the appropriate official in charge of the budget account incurring said expense and appear to be reasonable amounts for the charges incurred and with the approval of the supervisor as spelled out in the procedures of the division incurring the expense. Expenses shall be reimbursed up to \$200.00; expenses greater than \$200.00 shall be reimbursed with advance approval of the purchase by the appropriate Business Division Representative.

**Date Adopted: December 11, 2007**

**Date Revised: June 28, 2016**

## **TRAVEL EXPENSE REIMBURSEMENT / PART 200 REQUIREMENTS**

### **Employees: Student Sponsors**

Local school funds may be used to reimburse actual documented expenses of professional employees who serve as sponsors on student educational excursions.

### **Employees: In-County**

Employees traveling within Mobile County on approved travel shall be reimbursed for personal vehicle usage expenses at the cost-per-mile rate currently accepted by federal and/or state laws applicable at that time.

### **Employees: Out-of-County**

Travel related expenses incurred in the performance of duties or assignments is reimbursable, provided said employee has obtained prior approval for travel from the superintendent or his/her designee and provided the expenses are reasonable and are authorized by the appropriate officials in charge of the budget account to be charged. All authorized expenses with the exception of personal vehicle usage expenses will be reimbursed at actual cost to the employee for all eligible expenses. Personal vehicle usage expenses will be reimbursed at the cost-per-mile rate currently accepted by federal and/or state laws applicable at that time. Documentation of expenses is required. Board personnel shall travel by tourist class when on authorized travel, but will be eligible for first class travel when tourist class is not available.

### **Board Members: Out-of-County**

Board members shall inform the other members of the board of any plans to travel on official board business. If possible, notice should be provided in advance and in writing. Board members will be reimbursed for actual expenses while on official business travel provided that necessary documentation is submitted and costs are reasonable in light of the event and location. Personal vehicle usage expenses will be reimbursed at the cost-per-mile rate currently in use by the system. If air travel would have been less costly, the vehicle usage expenses only will be reimbursed based on the average cost of advanced-purchased coach travel. All board travel reimbursement requests are to be shared with all board members.

Board members are expected to travel economically and will travel tourist class when on official business travel. Board members will be eligible for full reimbursement for first class travel only if tourist class is not available.

### **Part 200 Requirements**

The board's travel policy provides for reimbursement and payments for travel costs of employees paid from federal funds that is consistent with the travel costs for board employees paid from state or local funds.

**Legal Reference: Alabama Code - §16-1-6; §16-13-14; U.S. Department of Education and  
U. S. Department of Agriculture Part 200 Requirements**

**Date Adopted: December 11, 2007**

**Date Revised: September 28, 2016**



## USE OF VEHICLES AND/OR EQUIPMENT

Board vehicles and/or equipment may not be used for personal business.

The assignment of system-owned vehicles and/or equipment to supervisory personnel is strictly for the purpose of expediting the delivery of services by board employees and should not be construed by employees as a fringe benefit unless required by the Internal Revenue Code. Personal Use of a company vehicle is a taxable, non cash fringe benefit. Personal use includes, but is not limited to, commuting to and from work..

Reference – Procedures: Use of Vehicles and/or Equipment

**Date Adopted: December 11, 2007**

Date Amended: September 27, 2021

**PROCEDURE:  
USE OF VEHICLES AND/OR EQUIPMENT**

1. Mobile County Public School System Vehicles are provided for the following purposes:
  - a. Transporting materials, tools or equipment used by employees in their daily job assignment.
  - b. Transporting employees whose job assignments require extensive travel within the system.
2. Driver Qualifications
  - a. Driver must hold a valid license for the operation of the type of vehicle to be driven.
  - b. Driver's experience record shall not prevent his/her insurability with the system's insurance carrier.
3. Each driver must exert every reasonable effort to assure that his/her assigned vehicle is maintained in a safe operating condition. The driver shall perform a visual daily inspection to detect need for any obvious necessary adjustments or repairs. This inspection should include, but not necessarily be limited to, tires, glass, lights, horn, windshield wipers, brakes, exhaust system, etc. Any defects noted should be reported to the employee's supervisor for corrective action.
4. In the event of an accident on the public streets involving a system vehicle, the driver should:
  - a. Render such assistance as warranted to any injured person(s)
  - b. Report the accident to appropriate law enforcement authorities dependent upon the geographic location.
  - c. Secure the name(s) of the insurance carrier of all vehicle(s) involved in the accident as well as the names and addresses of all persons involved in the accident along with those people who witnessed the incident.
  - d. Immediately report the accident to his/her respective system supervisor for information and/or assistance. However, the driver should exercise caution not to:
    1. Leave the accident scene until authorized to do so by the investigating police.
    2. Make any statements at the scene accepting responsibility for the accident.

5. No system employee shall operate a system vehicle while under the influence of alcohol, drugs, or any controlled substance. A legal conviction for the violation of this provision shall be cause for dismissal.
6. A vehicle owned by the system shall not be used by an employee for personal use nor may it be driven by a member of the employee's family.
7. The use of system credit cards shall be limited to purchases of fuel for system owned vehicles or as otherwise approved by the administrator who issued the cards.
8. The personal use of system vehicles is strictly prohibited. The misuse of system vehicles or gasoline credit cards could result in the criminal prosecution of the offending individual(s).
9. A contemporaneous log shall be maintained in each system owned vehicle. The log shall be kept on approved system log forms. Each supervisor shall be responsible for approving the logs.
10. Vehicle must use system services for normal and routine fueling purposes while operating in the system area. The responsibility for fueling a vehicle and maintaining the proper crankcase lubricating oil level is placed on the assigned driver.
11. The vehicle should be securely locked at all times in the absence of the assigned driver.
12. All vehicles must be stored overnight in system facilities unless otherwise authorized for potential emergencies which might arise during non-use hours as approved by the superintendent or his designee. Personnel who may be required to return to duty on an emergency basis, using personal transportation for the event, shall be reimbursed at the established rate per mile. The employee shall keep a log to document such travel.
13. All procedural statements concerning vehicles shall apply as applicable to equipment.
14. All system owned vehicles will be marked with the system emblem and vehicle identification number. Exception to the rule must be made in writing by the superintendent.
15. The Fixed Assets Department will notify the Risk Management Supervisor of changes in vehicle status. The Risk Management Supervisor will place and maintain proper insurance coverage on each system vehicle during the period of system ownership.

In the event of an accident involving the vehicle, the department head will submit to the Risk Management Supervisor a Vehicle Accident Report within 24 hours of the accident. The Risk Management Supervisor will file the necessary reports (claims) with the insurance carrier.

**CHILD NUTRITION PROGRAM MANAGEMENT**

The Child Nutrition Program (CNP) shall provide food service for breakfast and lunch in all schools where feasible. The CNP management shall be coordinated within the Business Operations Division, with the local school principal responsible for its management in his/her school.

**SANITATION INSPECTIONS**

The principal has primary responsibility in seeing that the child nutrition staff meets applicable rules and regulations relative to sanitation. The principal may request assistance from the Child Nutrition Director in discharging this responsibility.

Date Adopted: December 11, 2007

Date Amended: September 27, 2021

**SCHOOL SALE OF COMPETITIVE FOOD AND BEVERAGES**  
**SCHOOL SALE OF COMPETITIVE FOOD AND BEVERAGES**

During meal service times, “Child Nutrition Program” may sell only those competitive foods and beverages which make a significant contribution to the students’ daily requirement for nutrients. Food services operated for profit in the school, separate and apart from the non-profit breakfast and lunch program, may not operate during meal service times. All income from concessions or extra sale items being vended or sold during meal service periods must be deposited into the Child Nutrition Program account.

Reference: State Board of Education Resolution (as amended) July 12, 2005

Resource: Statewide Committee to Review the State of Health of America’s Youth with Particular Emphasis on Alabama’s Youth: Implementation Guidelines for Exercise and Nutrition

**Legal Reference:** P.L. 108-265 Section 204  
**Date Adopted:** December 11, 2007

Date Amended: September 27, 2021

### **SPECIAL FUNCTIONS**

Special functions include the preparation of any meals, food or beverage by the Child Nutrition staff other than for programs (breakfast and lunch) approved under the official Child Nutrition application. Principals are authorized to approve special functions provided they conform to all approved policies and procedures, do not interfere with the serving of meals to students, and do not result in expenses to the Child Nutrition Program for food, supplies, utilities or labor. A report of each special function should be made to the Child Nutrition Director on an approved form and attached to the monthly child nutrition financial report.



### **FOOD SAFETY PROGRAM**

For purpose of this policy, each school within the Mobile County Public School System will implement and maintain a food safety program based on the Hazard Analysis Critical Control Point (HACCP) guidelines as required by the United States Department of Agriculture.

The Board of School Commissioners of Mobile County recognizes that the food safety programs in the schools participating in the National School Lunch Program or the School Breakfast Program will conform to Section 111 of the Child Nutrition and WIC Reauthorization Act of 2004 (Public Law 108-265) amended section 9(h) of the Richard B. Russell National School Lunch Act.

The Board of School Commissioners of Mobile County will maintain a food safety program in each school following HACCP guidelines for the preparation and service of school meals served to children.

### **CHARGED MEAL POLICY**

It is the intent of the Mobile County Public School System to provide an opportunity for every student to eat a nutritious breakfast and lunch during the school day. It is also the intent of the Mobile County Public School System to comply with all federal program regulations pertaining to the National School Breakfast and National School Lunch programs. Program regulations do not allow for meal charges to the Child Nutrition Program. Students must remit payment for meals at the time of service.

Each local school principal, at their discretion, may develop a written contingency plan to provide meals to a student in the event the student does not have available funds. If a student cannot pay for a meal, and there is no written contingency plan in effect, an alternate meal consisting of: 2 oz. bread/grain, 2 oz. meat/meat alternate and a carton of milk will be provided to the student. Students who have documented dietary needs will be given a meal that meets the nutritional guidelines and the specifications of their diet restrictions if an alternate meal is needed.

**Date Adopted: December 11, 2007**

### **CASH MANAGEMENT FOR FEDERAL FUND**

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of those federal funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed, such as monthly program salaries and benefits. Disbursements will be made within twenty business days after receipt of funds.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balance of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief School Financial Officer determines that banking requirements for minimum or average balances are so high that an interest bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposit under the SAFE program.

**Legal Reference: U. S. Department of Education and U. S. Department of Agriculture  
Part 200 Requirements  
Date Adopted: September 28, 2016**

### DETERMINATION OF ALLOWABLE COSTS

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the Chief School Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the board including:
  - Purchase order approval procedures;
  - Contract review and approval procedures;
  - Applicable competitive purchasing procedures and;
  - Documentation supports allowability of transaction.

Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations.

**Legal References: U. S. Department of Education and U. S. Department of Agriculture  
Part 200 Requirements  
Date Adopted: September 28, 2016**

## CONFLICT OF INTERESTS

Generally, a conflict of interest exists when a board member, board employee, or agent of the board participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A financial interest may include, but is not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant, vendor, or entity. A board member, board employee, or agent of the board may not participate in his or her official capacity in a matter that is likely to have direct and predictable effects on his or her financial interests.

A board member, board employee, or agent of the board will abide by the Federal and state laws and regulations that address conflict of interest standards. In general, the Federal rules provide that:

*No employee, officer or agent of the board shall participate in selection, or in the award or administration of a contract supported by Federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from the firm considered for a contract. The board's officers, employees, or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontracts.*

The board's conflict of interest policies include adherence to the Alabama Ethics Law, which defines conflict of interest as:

*A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.*

A board member, board employee, or agent of the board may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the review process would create the appearance that he or she is: (a) giving preferential treatment; (b) losing independence and impartiality; (c) making decisions outside official and appropriate channels; or (d) harming the public's confidence in the integrity of the board.

Situations and circumstances presenting an actual conflict of interest or the appearance of a conflict of interest should be brought to the immediate attention of the superintendent. A board employee, board member, or agent of the board who has knowledge of a possible conflict of interest should identify the conflict and notify the superintendent. The superintendent will document his or her actions related to the reported conflict of interest. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Appropriate measures may include reporting a conflict of interest to the State Ethics Commission, the Alabama State Board of Education, or the appropriate federal agency.

**Legal Reference: U. S. Department of Education and U. S. Department of Agriculture  
Part 200 Requirements  
Date Adopted: September 28, 2016**

## PROCUREMENT

The board will follow state laws for the procurement of property and services. The primary state procurement laws for Alabama school boards are:

- *Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975);*
- *Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16, Code of Alabama 1975); and*
- *Public Works Law (Title 39, Code of Alabama 1975).*

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board's *Conflict of Interest Policy* and the procurement decisions of the board will:

- Avoid acquisition of unnecessary or duplicative goods and services;
- Use the most economical and efficient approach for acquisitions;
- Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
- Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
- Maintain records sufficient to document the history of the procurement; and
- Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement of property and services.

The board will request proposals for those professional service contracts (excluding architectural and engineering services) that are exempt under state procurement laws if the contracts exceed \$150,000 and will be paid from federal or child nutrition program funds. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's conflict of interest policy.

**Legal References:** U. S. Department of Education and U. S. Department of Agriculture  
Part 200 Requirements

**Date Adopted:** September 28, 2016