

# Finance Policy Review

Glenn Gustafson  
&  
Mark Rydberg

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# Board Policy - Policy Making



**Colorado law requires local boards of education to adopt policies and prescribe rules and regulations necessary and proper for the efficient administration of the affairs of the district. C.R.S. 22-32-109.**

# Board Policy - Policy Making

## School Board Policy Process

The Board considers policy development its chief responsibility. The Board strives to reflect the community's values in its policies and commits itself to an ongoing effort to engage the community regarding policy-level concerns. The Board develops policies and puts them in writing to provide for the successful, consistent and efficient operation of the district's schools and the high achievement of district students. Policy development shall be aimed primarily toward the continual formation and evaluation of goals and desired end results for students, rather than toward daily district operations.

The Board uses the policy development and codification system of the National Education Policy Network/National School Boards Association (NEPN/NSBA), as recommended by the Colorado Association of School Boards.

This system, while it may be modified to meet needs, is to serve as a general guideline for such tasks as policy research, drafting of preliminary policy proposals, reviewing policy drafts with concerned groups, presenting new and revised policies to the Board for consideration and action, policy dissemination, policy monitoring and the continuous maintenance of the Board policy manual.

The policies of the Board shall be interpreted in accordance with state and federal laws and regulations.

# Board Policy - Policymaking

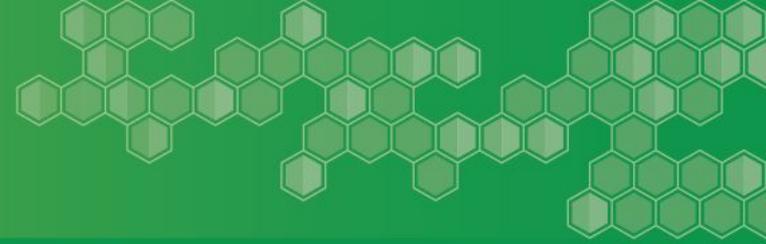
## Policymaking

Good business practice and, in many instances, the law itself require the board to adopt written policies governing the operations of the schools and to make these policies easily accessible to school employees, parents and the general public.

Because policy making is central to the board's governance and oversight responsibilities, it's imperative that adopted policy be clearly written, up-to-date and legally viable. The board and staff have specific roles in policy development, adoption, implementation, review and evaluation.

- Policy development is a cooperative effort involving the board, the staff and the community.
- Policy adoption is the responsibility of the board.
- Policy implementation is the responsibility of the superintendent and staff.
- Policy review is a responsibility of the board based on information received from the superintendent, staff, community and other resources.

The policy making process should result in policies that (1) reflects the board's intent and articulates a definite course of action; (2) delegates key responsibilities; and (3) declares desired outcomes. Written board policy fosters stability and continuity, establishes a legal record and a legal basis for many board actions, forms the core of the district's written communication system, and provides a framework for the superintendent and staff to confidently assign duties and execute those assignments.



## The Policy Governance® Model

Policy Governance®, an integrated board leadership paradigm created by Dr. John Carver, is a groundbreaking model of governance designed to empower boards of directors to fulfill their obligation of accountability for the organizations they govern. As a generic system, it is applicable to the governing body of any enterprise. The model enables the board to focus on the larger issues, to delegate with clarity, to control management's job without meddling, to rigorously evaluate the accomplishment of the organization; to truly lead its organization.

In contrast to the approaches typically used by boards, Policy Governance separates issues of organizational purpose (ENDS) from all other organizational issues (MEANS), placing primary importance on those Ends. Policy Governance boards demand accomplishment of purpose, and only limit the staff's available means to those which do not violate the board's pre-stated standards of prudence and ethics.

The board's own Means are defined in accordance with the roles of the board, its members, the chair and other officers, and any committees the board may need to help it accomplish its job. This includes the necessity to "speak with one voice". Dissent is expressed during the discussion preceding a vote. Once taken, the board's decisions may subsequently be changed, but are never to be undermined. The board's expectations for itself also set out self-imposed rules regarding the delegation of authority to the staff and the method by which board-stated criteria will be used for evaluation. Policy Governance boards delegate with care. There is no confusion about who is responsible to the board or for what board expectations they are responsible. Double delegation (for example, to a board committee as well as to the CEO) is eliminated. Furthermore, boards that decide to utilize a CEO function are able to hold this one position exclusively accountable.

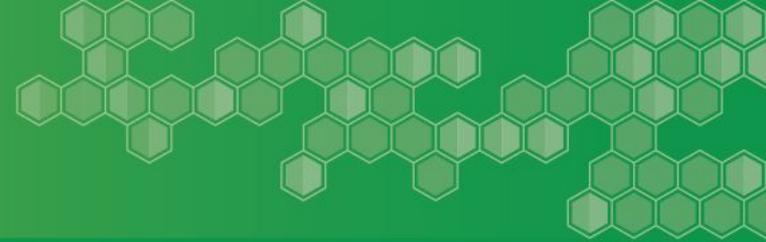
Evaluation, with such carefully stated expectations, is nothing more than seeking an answer to the question, "Have our expectations been met?" The board, having clarified its expectations, can assess performance in that light. This focused approach reduces the mountains of paperwork boards often feel obliged to review. Moreover, those boards which worry that they are only furnished the data management wants to give them find that, in stating their expectations and demanding a relevant and credible accounting of performance, they have effectively taken over control of their major information needs. Their staff no longer has to read their minds.

Policy Governance is a radical and effective change in the way boards conceive of and do their job. It allows greater accountability. Board leadership isn't just rhetoric. It's a reality.

# Board Policy - The “D” Series

- DA - Fund Balance
- DB - Budget
- DC - Taxing & Borrowing
- DD - Grants
- DFA - Investments
- DID - Fixed Assets
- DKA - Payroll Procedures/Compensation
- DJ - Procurement & Contracting
- DO - Employee Misconduct

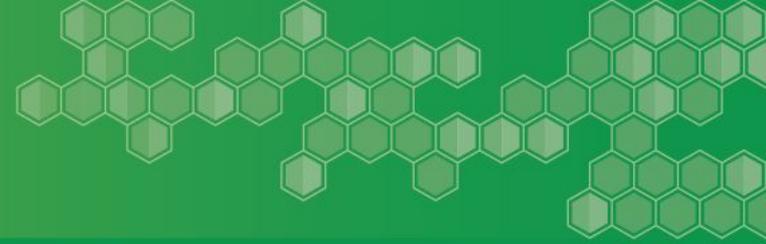
- **Does your District Really need this policy?**
  - It can help create consistency with fund balance over a period of time
  - It creates a healthy conversation with the Board of Education about an appropriate level of reserves
- **What is the appropriate level?**
  - Larger Districts need a smaller percentage
  - Smaller Districts need a larger percentage
  - Do you have enough fund balance for cash flow?
  - Remember: A \$1M roof is the same in any size district
- **Which Funds need a Fund Balance target?**
  - General Fund is most important
  - Other funds probably less important



## Fiscal Management – Fund Balance

Maintaining a sufficient amount of fund balance/net position in all funds is essential for the financial health of Colorado Springs School District 11 (the District). Borrowing cash from the general fund should be carefully monitored to ensure no undue burden is placed on cash flows. The Colorado Springs School District 11 Board of Education (the Board) assigns to the Superintendent or designee the responsibility of accumulating and maintaining appropriate fund reserves and cash borrowing policies. In 2012, C.R.S. 22-44-102 (7.3) was revised to define an ongoing deficit as being a negative amount on a modified accrual basis of accounting (generally accepted accounting principles (GAAP) basis) in the unassigned fund balance for governmental funds or unrestricted net position for proprietary funds. C.R.S. 22-44-105 (1.5)(a)&(c) further require that districts ensure that there are no ongoing deficits resulting from recording expenditures beyond current revenues and beginning fund balance. Districts must acknowledge compliance with these statutes on the accreditation report signed by district officials.

# DA - Fund Balance (con't)



## Definitions

Fund balance will be reported in governmental funds under the following categories using the definitions provided by GASB Statement 54:

**Nonspendable fund balance** – amounts that are not in a spendable form (e.g. inventory) or are legally or contractually required to be maintained intact (e.g. permanent fund principal).

**Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g. TABOR).

**Committed fund balance** – amounts that can be used only for the specific purposes determined by a formal action of the Board. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally

**Assigned fund balance** – amounts intended to be used by the District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

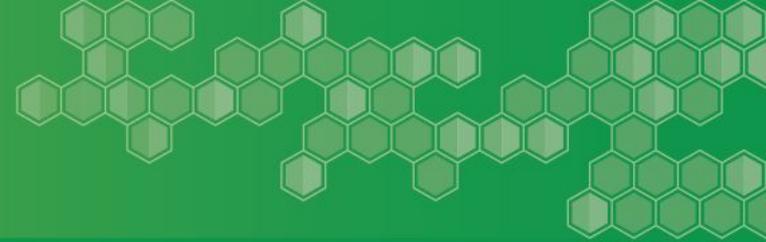
**Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. Unassigned amounts are available for any legal purpose.

# DA - Fund Balance (con't)

## Minimum Balances and Other Criteria

1. **Maintain a Positive Cash Balance.** As per Colorado revised statute 22-44-113, interfund borrowing requires prior approval from the Board of Education. Approved borrowings will also define the terms of repayment.
2. **An Asset Sufficiency Ratio of One-hundred (100) Percent or Greater.** This is a state measure used for all districts to evaluate fiscal health. (Fund total assets/fund total liabilities = asset sufficiency ratio). Governmental funds are excluded from this calculation as they use a modified accrual basis of accounting.
3. **Three (3) Percent TABOR Emergency Reserve.** The District shall maintain the 3% Emergency Reserve requirement in either cash or real estate, in accordance with the State constitution and statutes.
4. **Operating Reserves.** The General Fund will maintain at least a four (4) percent fund balance based on the current fiscal year adopted expenditure budget less reserves/contingency. The proprietary funds will maintain a five (5) percent net position based on the current fiscal year adopted expense budget less reserves/contingency.
5. **Capital Reserves.** The Capital Reserve Fund shall maintain a \$1 million contingency fund for unexpected capital project emergencies. In the event the contingency is used, the emergency reserve shall be replaced in the following year's budget.
6. **Positive unassigned or unrestricted fund balance.** The general fund and proprietary funds will have a positive unassigned or unrestricted fund balance. The general fund will be negative until sufficient reserves are built as described above.

# DA - Fund Balance (con't)



Fund	Maintain a Positive Cash Balance	Asset Sufficiency of 1 or Greater	3% TABOR	Fund Balance/Net position
General Fund	X	n/a	X	4%
<b>Other Funds:</b>				
• Debt Service	X	n/a	n/a	n/a
• Capital Reserve	X	n/a	n/a	\$1,000,000
• Food Service	X	n/a	n/a	n/a
• Risk Related Activities	X	X	n/a	5%
• Production Printing	X	X	n/a	5%

- **Most Budget Requirements are already set in statute**
  - Budget timelines
  - Community Involvement
  - Appropriation rules

## ANNUAL BUDGET

The Colorado Springs School District 11 Board of Education (the Board) shall adopt a budget and an appropriations resolution for each fiscal year prior to the beginning of the fiscal year for which adopted. The fiscal year shall be from July 1 through June 30 in accordance with state statute.

The budget shall present a complete financial plan for the ensuing fiscal year. It shall specify:

1. The amounts budgeted for proposed expenditures by fund, program and account
2. The corresponding amounts budgeted by fund, program and account that actually were expended during the last completed fiscal year
3. All revenue anticipated for the ensuing fiscal year and classified as to funds and sources of income, including only those revenues which may be reasonably anticipated and excluding contingency revenues
4. The fund balance at the end of the previous fiscal year, which may be carried forward as a beginning balance for the ensuing fiscal year.

# DB - Budget (Con't)

BookBoard Policies

SectionSection D: Fiscal Management

TitleDetermination of Budget Priorities

CodeDBD

StatusActive

AdoptedNovember 19, 1992

Last RevisedAugust 18, 2016

All resources of the district shall be directed toward ensuring that all students reach their learning potential.

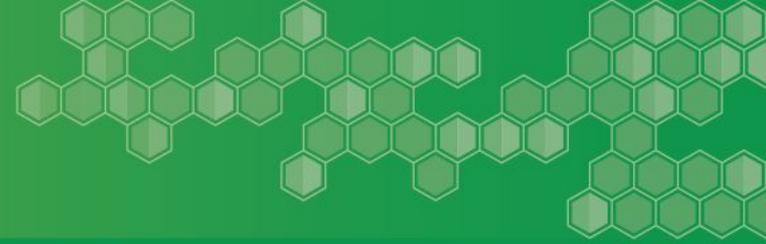
In order to fulfill its trustee obligation with regard to district resources, the Board must know how resources are currently allocated, whether such allocation is effective and what changes should be made to achieve the greatest educational returns. The superintendent shall develop a comprehensive and ongoing system to collect and analyze resource allocation information. The analysis of this information shall form the basis for the budget prepared by the superintendent for presentation to the Board. The system shall:

1. determine how resources are currently allocated by school, grade and program
2. link specific inputs with results for students and determine whether the current allocation of resources is effective in raising student achievement
3. identify ways to better use resources to achieve the district's educational objectives and improve teaching and learning

As part of the budget preparation process, each building accountability advisory committee (BAAC) shall make recommendations to the principal relative to priorities for expenditures of district funds by the school. The principal shall consider these recommendations when formulating budget requests to be presented to the superintendent. The superintendent shall also consider the BAAC recommendations when preparing the budget to be presented to the Board of Education. A copy of the BAAC recommendations shall be sent to the district accountability advisory committee (DAAC) and to the Board.

The DAAC shall make recommendations to the Board relative to priorities for expenditures of district funds and provide a copy of the recommendations to the superintendent. The Board shall consider these priorities when it adopts the annual budget. The superintendent shall consider the DAAC recommendations when preparing the budget to be presented to the Board.

# DB - Budget (Con't)



Accordingly, the budget prepared and presented by the superintendent shall:

1. include contingency plans in the event budget assumptions prove erroneous
2. be in a summary format understandable by a lay person
3. itemize district expenditures by fund
4. include information regarding school-level expenditures
5. adequately describe proposed expenditures
6. show the amount budgeted for the current fiscal year and the amount budgeted for the ensuing fiscal year
7. comply with spending limitations in the state constitution
8. consider recommendations made by each school-level accountability committee relative to priorities for expenditures of district funds
9. contain enough information to enable credible projection of revenue and expenses
10. disclose budget planning assumptions
11. not excessively rely on non recurring revenues
12. not provide for expenditures, interfund transfers or reserves in excess of available revenues and beginning fund balances
13. not include the use of beginning fund balance unless the Board has adopted a resolution as described in state law specifically authorizing such use
14. not reduce without approval of the Board, the current cash reserves at any time to less than the minimum amount required by the spending limitations set forth in the state constitution
15. provide adequate and reasonable budget support for Board development and other governance priorities, including the costs of fiscal audits, Board and committee meetings, Board memberships and district legal fees
16. take into consideration fiscal soundness in future years and plans for the building of organizational capabilities sufficient to achieve the Board's goals in future years
17. reflect anticipated changes in employee compensation including inflationary adjustments, step increases, performance increases and benefits
18. comply with state and federal law
19. provide sufficient resources to address the district's facility needs.

**Adopted:** November 19, 1992

**Revised:** September 20, 2007

**Revised:** August 18, 2016



# DBJ - Budget - Budget Transfers

- **Probably the most important element of a budget policy**
  - Who is authorized to transfer between accounts
  - Transfer between “Funds” must be BOE approved
  - What signatures /approvals are required for transfers
  - What thresholds need approval
- **Best practices**
  - Principals/Dept Heads can transfer within their approved budget
  - CFO/Business Manager can transfer for smaller unforeseen issues
  - Superintendent has a higher threshold for unforeseen/emergencies
  - Board of Education for high level requests
- **Good Idea**
  - Break out part of your fund balance as a “Contingency” that can only be used for transfers above appropriated levels
  - Track those transfers on a separate spreadsheet
  - Don’t forget to appropriate Fund Balance/Contingency

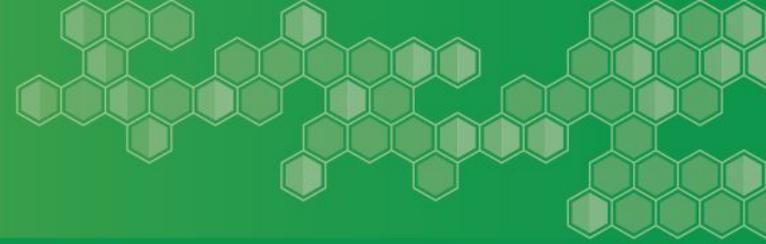
# DBJ - Budget - Budget Transfers (Con't)

**BUDGET TRANSFERS** In compliance with C.R.S. 22-44-112, budget transfers do not cross funds unless following the statute's prescribed manner. Instructional supplies and materials, instructional capital outlay or other instructional purpose accounts in the general fund will require prior approval of the school's Executive Director of K12 Education before transfer of moneys into a non-instructional account.

Unencumbered moneys may be transferred among the instructional supplies and materials, instructional capital outlay and other instructional purpose accounts and by Colorado Springs School District 11 Board of Education (the Board) resolution between the capital reserve fund, and the risk related activities fund or the risk management (insurance reserve) fund as defined in state law.

The Superintendent may authorize transfers from the General Fund contingency reserve account up to a maximum of \$100,000 per occurrence. The Chief Financial Officer may authorize transfers from the General Fund contingency reserve account up to a maximum of \$50,000 per occurrence.

Except for extreme emergencies, the total undesignated contingency reserve may not be reduced by more than 25 percent in any one fiscal year without prior approval of the Board. Established emergency reserves, or amounts pledged in accordance with Article X Section 20 of the Colorado Constitution, may not be transferred to expenditure accounts without prior approval of the Board. In emergency situations, the Superintendent may authorize use of such funds when lawful and with immediate notification to the Board. The Administration shall include the annual General Fund Contingency Report, with line item transfer detail, in each quarterly financial report to the Board



- **School District borrowing is limited under TABOR**
  - Borrowing cannot exceed 1 year unless:
    - Voter Approval
    - Non-Appropriation Clause
    - Lease with the ability to non-appropriate
- **Board of Education and Superintendent should always be required to approve any long-term borrowing**

# DC - Taxing & Borrowing

## Short-term borrowing

- Loan shall meet the requirements of the TABOR restrictions for Multiple Fiscal-Year Obligations. The Board may authorize its President, Secretary, or the Chief Financial Officer to execute promissory notes on behalf of the District from time to time as such borrowing of funds becomes necessary and may further authorize them to execute any and all other documents necessary, or incidental to the borrowing of funds.
  - By law, these short-term loans are liquidated within two months of the close of the fiscal year from moneys received by the District.

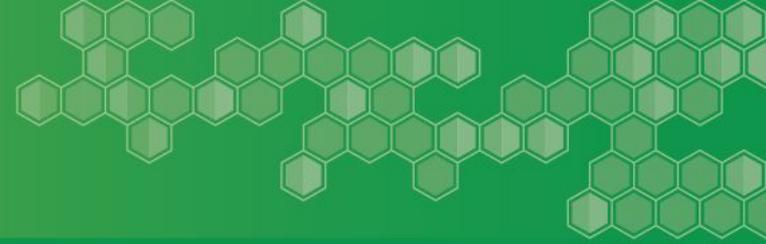
## State interest-free loan program

- The District may elect to participate in an interest-free loan program upon application to the State Treasurer in any month in which a general fund cash deficit will exist. The loan may not exceed an amount for the month as certified by the District's Chief Financial Officer. The State Treasurer shall determine the method for calculating cash deficits and appropriate reporting mechanisms. All loans shall be repaid by June 30 of the fiscal year in which they were made or at an alternate date determined by the State Treasurer.

## Tax Anticipation Notes

- The Board may issue tax anticipation notes without an election if it determines that taxes due the District will not be received in time to pay projected budgeted expenses.
- Tax Anticipation Notes shall be issued and made payable within the fiscal year for which such taxes are levied.
- Tax anticipation notes issued by the District shall not exceed 75 percent of the taxes the District expects to receive in the current fiscal year as shown by the current budget.
- The Board may authorize its President, Secretary, or the Chief Financial Officer to execute promissory notes on behalf of the District from time to time as such issuance of tax anticipation notes becomes necessary, and may further authorize them to execute any and all other documents necessary or incidental to the issuance of tax anticipation notes.

- **Grants Policies can be helpful for:**
  - Who's allowed to submit a grant?
  - What grant approvals are required before submission?
  - Who manages the grant?
  - Is there a grant threshold for inclusion as a grant vs a school-based student activity fund?
  - Who is responsible for grant compliance?
  - Is there a grants indirect charge to be applied?
  - Are staff allowed to include “extra” pay for them/others in the grant?

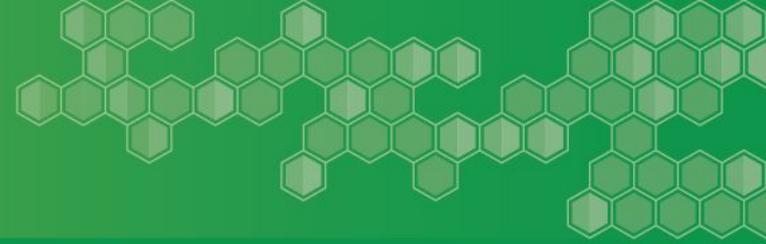


## **GRANTS – PRE-AWARD PLANNING AND BUDGETING**

All grant-seeking activities by the District schools, District central offices, and external organizations seeking to partner with the District (with a value over \$10,000) must be coordinated with the District Grants Office.

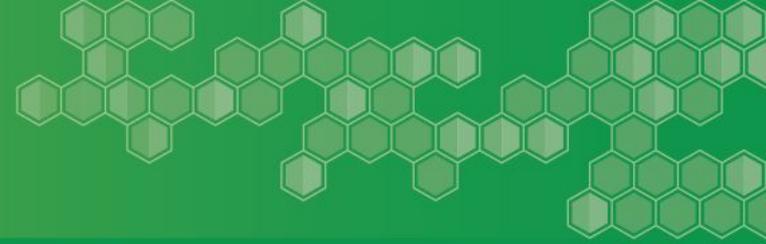
This ensures alignment with the District’s mission and priorities as well as makes certain the District has capacity to implement, monitor and evaluate grant-funded activities.

All grant-seeking activities over \$10,000 shall be reviewed by the Director of Grants or his/her designee. The review process is managed through use of Intent to Apply forms submitted by all internal staff/office and external organizations wanting to apply for grant funding. (see Exhibits DD-E-1 and DD-E-2).



**All district funds not immediately needed for daily cash flow shall be invested in such a manner so as to accomplish the primary objectives of:**

- 1. ensure the safety of funds**
- 2. ensure that adequate funds are available to meet the financial obligations of the district when due, and**
- 3. ensure for a market rate of return**



- Key Sections in Policy
  - Eligible Investments
  - Delegation of Authority/Authorization
  - Fiscal Prudence
  - Banking
  - Reporting

# DID - Fixed Assets & Federal Grant Capitalization Thresholds

## Uniform Grant Guidance:

- Definition of Equipment has been raised from \$5,000 to \$10,000
- The rule is the most restrictive of limits applies
- If your policy is less than the Uniform Grant Guidance then the policy takes precedent

## Definition:

- Tangible personal property with a useful life > 1 year
- Per-unit acquisition cost that meets or exceeds the local policy threshold of \$10,000, whichever is less
- Per-unit cost includes shipping, installation and other costs related to “activating” the equipment

**Recommendation:** Update your grant policy to the higher \$10,000 threshold

**Link:** [2CFR 200.1 Equipment](#)



# DID - Fixed Assets

## I. FIXED ASSET ADDITIONS

### A. Purchases:

Both capitalized and non-capital fixed assets include items purchased and items donated to schools or departments by external sources that meet the requirements of section B, C and D.

### B. Capital:

1. Assets that meet the capitalization criteria shall be capitalized for reporting purposes and included in the asset accounts of Colorado Springs School District 11 (the District). Capitalized fixed assets are land, buildings and improvements, and equipment.
  - a. Land. The land account includes all land purchased or otherwise acquired.
  - b. Buildings and Improvements. The buildings account includes the value of all buildings at purchased price or construction cost. Additions and modifications to buildings (e.g. a new heating and ventilating system) or other permanently attached fixtures should be added to the building and improvements account when these costs are \$250,000 or more and extend the useful life of the asset.
  - c. Equipment. The equipment account should consist of property (vehicles, machinery, furniture, and equipment) that has a value of \$10,000 or more, does not lose its identity when removed from its location; is not permanently attached to a structure; and is not changed materially or expended in use. This property should be recorded at cost, including freight, installation and other charges incurred to place the asset in use.



# DID - Fixed Assets

## C. Non-Capitalized equipment:

1. Assets that are non-capitalization fixed assets include items purchased through central funding, school funding, and grant funding. Examples of Noncapital Assets are, but not limited to, computers, laptops, mobile devices, printers, switches, wireless access points, musical instruments, assistive technology, etc.

## D. Accounting Classification of Equipment:

1. As defined above, equipment with a value of \$10,000 or more will be capitalized and equipment with a value less than \$10,000 will be non-capitalized.
  - a. Capitalized equipment – Purchases of capitalized equipment will be classified as equipment expenditures and included in the General Fixed Asset Account Group for reporting Fund Financial Statements; then reclassified as Assets – Equipment for reporting District-wide Financial Statements as required by Governmental Accounting Standards Board (GASB) Statement 34.
  - b. Non-capitalized equipment – Purchases of non-capitalized equipment will be classified as expenditures and will not be included in the General Fixed Asset Account Group.

# DID - Fixed Assets & GASB 104 Disclosure of Certain Capital Assets

## Summary

State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets.

This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

# DKA - Payroll Procedures/Compensation

- **This could be your most important policy**
- **Allows you to control things that often slip through the cracks**
- **Fantastic for budgetary controls**

# DKA - Payroll Procedures/Compensation

## COMPENSATION ADMINISTRATION (REGULATION)

- This regulation is intended to provide a framework to establish desired internal controls, specifically segregation of duties over the administration of compensation payments. Administration of compensation payments includes the following items:
- Authorization of permanent FTE positions
- Authorization for temporary FTE positions
- Authorization of substitutes/guest staff workers
- Authorization of salary schedules
- Authorization of hourly pay rates
- Authorization of employment contracts
- Non Recurring Compensation
- Stipend payment approvals
- Mileage allowance approvals
- Extra duty pay authorization
- Overtime pay authorization
- Incentive Payments
- Over/Under Payments
- Change in Pay Calendar
- Change in Employee Contract term (days)
- Salary Advances
- All other payments not covered above

# DJ - Procurement & Contracting

- **Contracting policies can save a district thousands of dollars**
- **Avoids/prevents contract disputes**
- **Assures fair practices**
- **Sets contracting preferences**
  - Authority to sign contracts
  - Thresholds for approval
- **Purchase Order Process & Integration w/Policy**

# DJ - Procurement & Contracting

Except as otherwise provided by this policy and subject to the terms of policies DJ/DJA and DJE, the following procedures shall govern district purchase of goods and/or services based on the total cost of the purchase:

1. **Purchases up to \$3,500 may be made without complying with the procedures** described in item numbers 2 through 5 below.
2. **Purchases of \$3,500 and less than \$15,000 shall be based on at least three documented price quotes. Price quotes may be provided verbally and then documented in writing.**
3. **Purchases of \$15,000 through \$34,999 shall be based on at least three documented price quotes that are supported by written confirmation.** Examples of written confirmation include a screenshot of pricing from the vendor's website, an email from the vendor's representative, or a quote on the vendor's letterhead.
4. Purchase orders \$15,000 and over, whether district-wide or school-based, require the signature of the CFO
5. **Purchases \$35,000 and up to \$50,000 shall be based on a competitive proposal process as specified by the RFP and approved by the district's chief financial officer (CFO).**
6. **Purchases of \$50,000 or more shall be based on a competitive bidding process as noted in #5, and shall be approved by the Board.**

## District best interests

If it is determined by the superintendent or CFO with a purchase of up to \$50,000 or by the Board with respect to a purchase of \$50,000 or more that competitive bidding and/or competitive proposals would result in higher cost to the district or would otherwise adversely affect the district, any or all such procedures may be waived for that purchase.

## Emergencies

For purposes of this policy, an "emergency" is defined as: (a) the substantial likelihood of an imminent adverse effect on the health, welfare or safety of district students, staff or the general public; (b) the substantial likelihood of imminent destruction or substantial damage to property; or (c) the substantial likelihood that a delay in purchasing particular goods and/or services will create an excessive financial risk or liability exposure for the district.

In cases where an emergency requires the immediate purchase of goods and/or services, the responsible district employee shall have the authority to make necessary purchasing notwithstanding this policy's requirements. Such purchases shall be made in the best interest of the district and shall not require documented price quotes, competitive bidding or competitive proposals. As soon as possible after making such a purchase, the district employee shall submit an emergency purchasing requisition to the CFO, with a written explanation of all relevant information concerning the emergency.

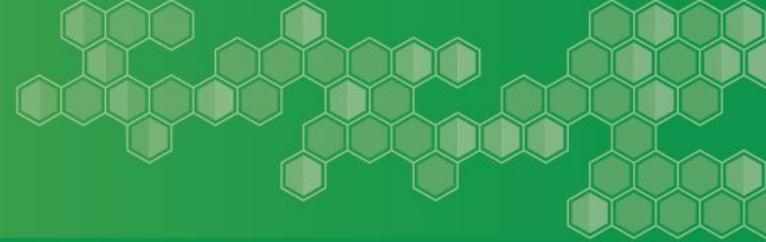
# DJ - Procurement & Contracting

## Procurements and Contracts Requiring Board Approval

- Certain procurement department staff is delegated the approval and authority to obligate the District through the Superintendent of schools. The approval and authority allows for the named individual(s) to obligate the District in providing needed equipment, supplies, and services for the day to day operations so long as it is within the scope specified in the Board approved operating budget.
- The following types of transactions/ agreements shall be approved by the Board prior to execution of the obligating document:
  - a. all charter school contracts as a result of a new application or a renewal approved by the Board resolution;
  - all land acquisitions and sales;
  - all agreements to purchase an asset (land, building and equipment) costing more than \$100,000 unless specifically approved in the current operating budget approved by the Board;
  - all agreements for long-term leases including District owned facilities in excess of one year;
  - all agreements to sell or dispose of a District asset with a current fair market value of more than \$50,000;
  - all service agreements, resulting in the privatization of a job function currently covered by a District staffing allocation and which reduces such allocation;
  - The Board's primary legal service contract;
  - Auditors - financial or performance with annual fees over \$50,000;
  - Investment advisors, financial advisor, and underwriter services exceeding \$50,000 in any one fiscal year;
  - Architects and general construction contractors for new construction, building additions and major repair projects over \$1 million in scope per project.
  - Service and commodity contracts over \$500,000.00 in scope;
  - Intergovernmental agreements for non-construction purposes over \$250,000 (unless otherwise mandated by a government agency);
- 32 - Legislative/lobbying consulting services.



# DO - Employee Misconduct (Whistleblower)



## Definitions:

- Fraud is defined as an intentional deception, misappropriation of resources or the manipulation of data to the advantage or disadvantage of a person or entity.
- Some examples of fraud include:
  - Theft of cash or fixed assets
  - Falsification of expenses, invoices and requests for funding
  - Failure to account for monies collected
  - Alteration or falsification of records
- Corruption is defined as the offering, giving, soliciting or accepting of an incentive or reward that may improperly influence the action of a person or entity.
  - Some examples of corruption include: Bribery Conspiracy Extortion

# DO - Employee Misconduct

- **Also known as a whistleblower policy**
- **Auditors like this for internal controls**
  - Provides a policy for employees to report
  - Needs an accompanying online form (pref anonymous)
- **But is rarely used**

# DO - Employee Misconduct

The normal sequence of events, should misconduct involving District resources be alleged, will be as follows:

- If employees suspect an indiscretion has occurred, or is likely to occur, they should normally report this to their Supervisor who will in turn inform the appropriate upper level Supervisor.
- Should preliminary investigations suggest the suspicion is reasonable, the Superintendent must be informed without delay.
- Where further investigations indicate wrongdoing may have occurred, the Superintendent will consult with all parties he deems necessary. This may result in a decision to handle the matter according to the appropriate disciplinary action and/or to involve law enforcement if appropriate.
- Where financial impropriety is suspected, law enforcement will customarily be informed. Neither the existence nor the outcome of investigations or other activity will be revealed or discussed with anyone other than those persons who have a legitimate need to know in order to perform their duties successfully.
- All inquiries from an attorney or other contacts outside of the District will be referred to the Superintendent or designee. This includes requests from law enforcement agencies.
- Care must be taken when following up on suspected misconduct and dishonesty to avoid acting on incorrect or unsupported allegations, to avoid notifying suspected individuals of the investigation, and to avoid making comments that could potentially affect the District or an employee.

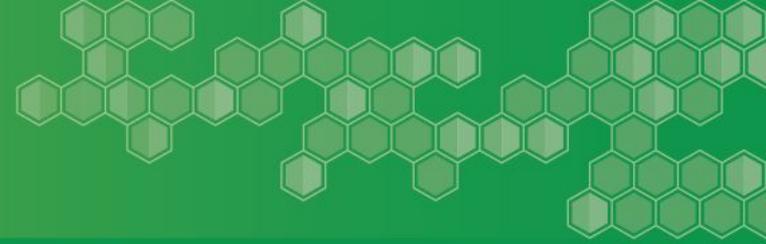
# Board Policy - The “G” Series

- GBEB - Staff Conduct
- GBJ - Personnel Records & Files
- GBGF - FMLA
  - Follow Federal Law
  - Know the new law on Intermittent FMLA
- Coordination between Employee Handbook and Board Policy
  - Is your handbook adopted by the Board?

# Board Policy - The “G” Series

- **“G” Series policy control employment and leave accruals**
- **These all have financial implications**
  - GASB 101 (Comp Absences) now recognizes more liability for accrued leave

# GBEB - Staff Conduct



**All staff members, regardless of their position, have a responsibility to make themselves familiar with and to abide by federal and state laws as these affect their work, and the policies and regulations of the district.**

- Modeling behaviors which advance the development of local, national and global stewardship for students is the responsibility of all staff members. In scholastic and athletic activities and in all written and oral communications, staff should exemplify appropriate adult professional behaviors. At no time may any staff member engage in behavior that may be deemed otherwise (including but not limited to profanity, inappropriate jokes or gestures, sexist or racist comments, and electronic harassment or cyber bullying). Staff members must maintain professional boundaries in accordance with this policy's accompanying regulation. Staff members are encouraged to support their colleagues in adhering to this expectation. Supervisory and administrative personnel are responsible for the maintenance and enforcement of this policy.
- A supervisor notified of a staff member's inappropriate behavior must consult with personnel services to determine the appropriate course of action. Violations of the policy may result in discipline up to including termination.

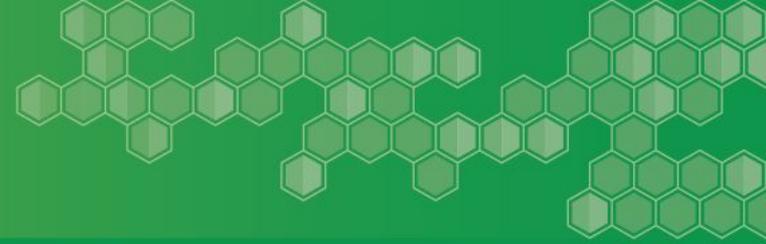


# GBEB - Staff Conduct

Each staff member must observe rules of conduct established in law which specify that a school employee must not:

- Disclose or use confidential information acquired in the course of employment to substantially further personal financial interests.
- Accept a gift of substantial value or substantial economic benefit tantamount to a gift of substantial value which would tend to improperly influence a reasonable person in the position to depart from the faithful and impartial discharge of the staff member's duties, or which the staff member knows or should know is primarily for the purpose of a reward for action taken.
- Engage in a substantial financial transaction for private business purposes with a person whom the staff member supervises.
- Perform an action which directly and substantially confers an economic benefit tantamount to a gift of substantial financial interest or is engaged as counsel, consultant, representative, or agent.

# GBEB - Staff Conduct



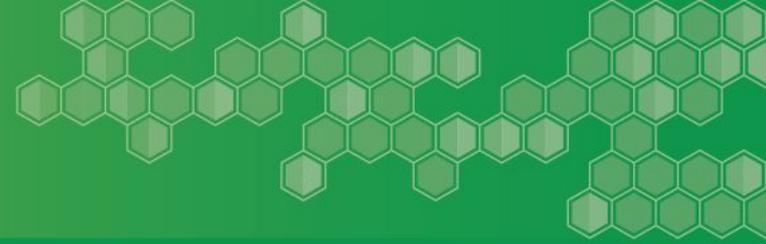
It is not considered a breach of conduct for a staff member to:

- Use school facilities and equipment to communicate or correspond with constituents, family members or business associates on an occasional basis.
- Accept or receive a benefit as an indirect consequence of transacting school district business.

Essential to the success of ongoing school operations and the instructional program are the following specific responsibilities which must be required of all personnel:

- Faithfulness and promptness in attendance at work.
- Support and enforcement of policies of the Board and regulations of the school administration in regard to students.
- Diligence in submitting required reports promptly at the times specified.
- Care and protection of school property.
- Concern and attention toward the safety and welfare of students.

# GBGF - FMLA



This policy shall apply to all family and medical leaves of absence covered under the Family and Medical Leave Act of 1993 ("FMLA"). Terms used in this policy and its accompanying regulation, such as "serious health condition," "qualifying exigency," "covered active duty," "covered servicemember," and "serious injury or illness" shall be as defined by the FMLA and its implementing regulations.

## Eligibility

To be eligible for a family and medical leave of absence (FMLA) under this policy, an employee shall have been employed for at least 12 months and shall have worked at least 1,250 hours over the 12-month period preceding the commencement of the leave. A full-time teacher shall be deemed to meet the hourly requirement but also must meet the 12-month requirement to be eligible for FMLA leave.

## Permitted reasons for FMLA leave

An eligible employee shall be entitled to a combined total of 12 weeks leave per year for the following reasons:

1. The birth and care of the employee's newborn child;
2. The placement of a child with the employee for adoption or foster care;
3. To care for the employee's spouse, child or parent with a serious health condition;
4. When the employee is unable to perform the essential functions of his or her position because of the employee's own serious health condition; or
5. Any qualifying exigency arising out of the fact that the employee's spouse, son, daughter or parent is on covered active duty in the Armed Forces or has been notified of an impending call or order to covered active duty in the Armed Forces.

Spouses who are both employed by the district shall be entitled to a total of 12 weeks of leave (rather than 12 weeks each) per year for reasons (1), (2), to care for a sick parent under reason (3), and/or (5) specified in the immediately preceding paragraph.

Entitlement for child care leave shall end after the child reaches age one or 12 months after adoption or foster placement. Leave to care for a child shall include leave for a step-parent or person *in loco parentis*.

An eligible employee who is a spouse, son, daughter, parent or next of kin of a covered servicemember with a serious injury or illness incurred or aggravated in the line of duty on active duty shall be entitled to a total of 26 weeks of leave during a single 12-month period to care for the covered service member.



# GBGF - FMLA

**Use of leave** - The maximum time allowed for FMLA Leave is 12 weeks in the designated 12-month period unless the leave involves care for a covered service member. In this case, the maximum combined leave entitlement is 26 weeks in the designated 12-month period, with leaves for all other reasons constituting no more than 12 of those 26 weeks.

The district measures the 12-month period in which leave is taken by the "rolling" 12-month method, measured backward from the date of any FMLA leave unless the leave is to care for a covered servicemember. In this case, the district calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ending 12 months after that date.

Spouses who are both employed by the district shall be entitled to a total of 26 weeks (rather than 26 weeks each) in a single 12-month period if the leave is to care for a covered service member with a serious injury or illness, or a combination of caring for a covered service member and reasons (1), (2), (3) and/or (5) above.

**Intermittent/reduced leave** - An employee does not need to use his/her leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary to care for the serious health condition of the employee, immediate family member, or covered servicemember, or when necessary for a military qualifying exigency. The district may require the employee to transfer temporarily to an alternative position which better accommodates recurring periods of absence or a part-time schedule provided that the position has equivalent pay and benefits.

However, leave taken intermittently or on a reduced schedule is not permitted for the birth of a child, to care for a newly-born child or for placement of a child for adoption or foster care.

Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the district's operations. Employees taking intermittent or reduced schedule leave that is foreseeable may be required to temporarily transfer to another job with equivalent pay and benefits that better accommodates that type of leave.

Teachers requesting intermittent or reduced leave involving greater than 20 percent of their working time during such period may, in the alternative, be required to take leave continuously for all or a specified part of the total period involved.

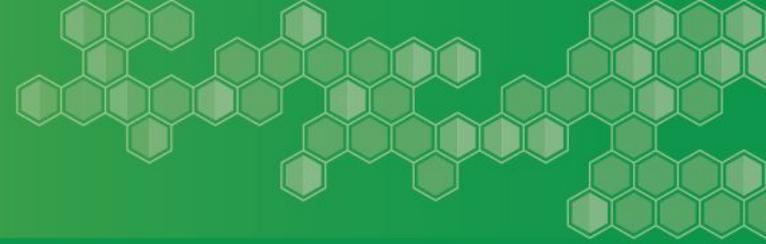
## **Benefits and protections**

The district shall maintain coverage under any group health insurance plan for any employee who is granted an approved leave of absence under this policy for the duration of the leave. Such coverage shall be maintained at the same level and under the same conditions as coverage would have been provided if the employee were not on leave. The district reserves the right to seek reimbursement for this benefit in the event that an employee elects not to return to work, as allowed by law.

The use of FMLA leave shall not result in the loss of any employment benefit that accrued prior to the start of an employee's FMLA leave.



# GBGF - FMLA



## **Reinstatement after FMLA leave**

Upon return from FMLA leave, most employees are restored to their original or equivalent positions with equivalent pay, benefits and other employment terms. Certain highly compensated employees ("key" employees) may have limited reinstatement rights.

Notwithstanding any other provision of this policy, an employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the period of FMLA leave.

## **Use of accrued paid leave**

To the extent permitted by law, the district requires that employees use any accrued paid leave (such as annual or accrued sick leave) concurrently with their FMLA leave.

## **Development of procedures**

The superintendent or designee shall develop procedures to require appropriate medical certifications, notification and reporting which are consistent with law. The procedures shall describe how the district will post notices concerning the FMLA and other steps the district shall take to inform employees of the FMLA's requirements.

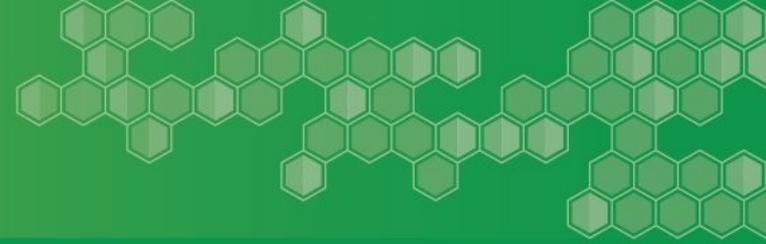
## **Compliance with governing law**

The district shall fully comply with the FMLA and shall be entitled to take all actions and exercise all options authorized under the FMLA and consistent with this policy and its accompanying regulation. In the event that this policy or its accompanying regulation conflict or are otherwise inconsistent with mandatory provisions of the FMLA, the mandatory provisions of the FMLA shall control.

# Board Policy - Records Retention

- **What is your policy?**
- **This can result in litigation**
  - Example of bus video in a school district
- **Bond Records must be retained for the life of the bond plus “some” years**
- **Are you aware of the State Archivist?**
  - <https://archives.colorado.gov/records-management/school-district-records-management>
- Federal Records Retention Rules
  - <https://www.ecfr.gov/current/title-2/section-200.334>
- **Records retention is especially important in HR matters, CORA requests, etc**
- **Don't forget the IT side with e-mails, etc**

# Board Policy EHB - Records Retention



The Colorado Springs School District 11 Board of Education (the Board) directs the Superintendent or designee to develop a records management program that manages the Colorado Springs School District 11 (the District) records efficiently, in compliance with state and federal laws. This program shall include records retention schedules to include time periods for maintaining, converting, and destroying records. These schedules can be found on the District's website by going to [www.d11.org/departments/departments lists/ records and transcripts/ records retention schedules for district records](http://www.d11.org/departments/departments%20lists/records%20and%20transcripts/records%20retention%20schedules%20for%20district%20records). This policy and the District's records retention schedules are not intended to create a contractual obligation or to create contract or property rights or rights to due process, benefiting any employee or other person. This policy, and any retention schedules and regulations implementing it, can be modified by the District at any time at its discretion.

The District's records are created in the course of the operations and business processes of the school system. Records created or collected in the course of the District's business are the property of the District. The information contained in the District's records may be useful to other organizations or individuals because the records were created for a specific purpose at a given point in time. The District does not modify record content to satisfy the requirements of other entities that are not part of the educational process, except that the District does seek to maintain records to satisfy specific state and federal recordkeeping requirements. Certain District records are open to the public, while other records are only available to specific persons, in accordance with federal and state law, including the Colorado Open Records Act, the Student Data Transparency and Security Act, and the Family Educational Rights and Privacy Act.

# Board Policy - Records Retention

**Definitions:** Records can be created when an office either generates or receives information that relates to the District's functions, policies, decisions, procedures, or operations or that contains valuable District data.

A record can be in any form, including, but not limited to:

- Paper (letters, memos, forms, photographs)
- Film (microfilm, microfiche and photographic negatives)
- Electronic or digital (word processing, spreadsheets, text, database, image files and email)
- Sound recordings – electronic or digital (tape or disc)
- Video recordings – electronic or digital (tape or disc)

District records do not include documents received by the District that do not contain District information such as: Reference Materials: These are convenience copies that are made of records created or received and publications that do not ordinarily document the District's business or activities such as magazines, catalogues, trade journals, federal or state policies or regulations, books, pamphlets and so forth. These are not records and are not, therefore, subject to retention and disposition schedules. Blank Forms: Until they are filled in, blank forms are supplies, not records. Duplicate and Draft copies are not ordinarily treated as District records. They are not generally retained, except for ease of access and reference, and when they are the subject of a special instruction or directive, such as a litigation hold.

# Board Policy EHB - Records Retention

Duplicate and Draft copies are not ordinarily treated as District records. They are not generally retained, except for ease of access and reference, and when they are the subject of a special instruction or directive, such as a litigation hold.

Electronic Communication is an electronic message that is transmitted between two or more electronic devices whether or not the message is converted to hard copy format after receipt, and whether or not the message is viewed upon transmission or stored for later retrieval. Depending on its nature and content, electronic communications sent or received by the Board, or the District's employees or agents, may be District records and may also be considered public records subject to disclosure or inspection under the Colorado Open Records Act. The format for retention of an electronic communication may depend on the nature and content of the communication, specific administrative instructions or directives (if any), and applicable legal requirements. Board members, employees and agents of the District should review their electronic communications for deletion on a routine basis (no less than every 90 days) unless otherwise required to be retained by a District records retention schedule ([www.d11.org/departments/department lists/ records and transcripts/ records retention schedules for district records](http://www.d11.org/departments/department%20lists/records%20and%20transcripts/records%20retention%20schedules%20for%20district%20records)) administrative instructions or directives, or applicable state or federal law.

Reviewing electronic communications for deletion helps keep the District's email system from experiencing a potential overload. The District uses software that backs up emails for 7 years (on a rolling forward basis). Email messages will therefore be accessible for 7 years after creation and/or receipt. However, it is the content of the communication that governs how long an electronic communication is to be kept. If you have sent or received an email that carries a retention period beyond 7 years, the sender and/or recipient shall save it according to the applicable retention schedule ([www.d11.org/departments/department lists/ records and transcripts/ records retention schedules for district records](http://www.d11.org/departments/department%20lists/records%20and%20transcripts/records%20retention%20schedules%20for%20district%20records)), or any other applicable situation (i.e. a litigation hold).

# Board Policy EHB - Records Retention

**Form** refers to the shape, size, style and general makeup of a particular record.

**Office of record** is the department, office or school which has primary responsibility for the record and for fulfilling the disposition requirements.

**Permanent records** are records appraised as having sufficient historical, legal, or other value to warrant continued preservation by the District without a limited retention period.

**Retention period** is the length of time that a record must be kept and after which the record is typically destroyed in accordance with the District's document destruction procedures.

**Retention schedule** is a document that provides the minimum retention periods and final disposition of District records. The records retention schedules are kept on the District's Records Management Center's home page ([www.d11.org/departments/department lists/ records and transcripts/ records retention schedules for district records](http://www.d11.org/departments/department%20lists/records%20and%20transcripts/records%20retention%20schedules%20for%20district%20records)). Department heads are required to review their applicable schedules no less than every three years.

**Litigation hold** is a directive issued by the Superintendent or his/her designee or the Records Management Center providing for the preservation and suspension of the destruction of specific District records and/or other documents. A litigation hold may be issued for any of various reasons, such as a court order, subpoena, or other legal requirement, or because of the record's relevance to imminent or ongoing litigation.

# Board Policy EHB - Records Retention

**Keeping Records** - In its recordkeeping practices, the District seeks to comply with applicable requirements of the State Archives Office, as well as its duties under other state and federal laws. Retention schedules shall identify which office is responsible for keeping a record, how long it will be kept and any special requirements pertaining to the record(s). Compliance with the time periods for maintaining and destroying records is expected. However, the District Superintendent or his/her designee can authorize an exception to the applicable schedule, including a suspension of records destruction. When a record is subject to suspension of records destruction, a notification will be provided by the District Superintendent or his/her designee, or the Records Management Center, with instructions regarding how to store and maintain the record(s). Employees, Board members and agents shall make a good faith effort to comply with this policy and records retention schedules.

**Suspension of records destruction** by the District may include, but is not limited to, the following:

1. There is a current request for copies of the records or access to the originals.
2. The District determines that the records are related to ongoing litigation or a government investigation or audit, or that there is reason to believe the records are relevant to expected litigation, investigation or audit. In these circumstances, the District may issue a litigation hold or other instruction requiring preservation of the records, in their original format, and suspension of document destruction.
3. The records have been found relevant to a current project or program and retention has been approved by the Records Management Center or the applicable department head.

# Board Policy EHB - Records Retention

## Destruction of Record Copies

Records are destroyed when they reach the end of their lifetime as defined on the records retention schedule. Like duplicate copies, it is important to destroy the record copy in the normal course of business when the proper time arrives. The District's Records Management Center will issue guidelines concerning acceptable methods for destruction of records, including records containing sensitive or confidential information. Each Office of Record is expected to coordinate destruction of records with the District's Records Management Center guidelines. Converting a record to a different form, that is, scanning or microfilming does not satisfy the requirement to destroy a record.

**Copies Requests** for review and/or copies shall be submitted to the Records Management Center. All written requests are to be kept on file. The cost of copying will be borne by the person requesting such copy.

# Questions?

## General Matters:

- Mark Rydberg - [Rydberg\\_M@cde.state.co.us](mailto:Rydberg_M@cde.state.co.us)
- Glenn Gustafson - [Gustafson\\_g@cde.state.co.us](mailto:Gustafson_g@cde.state.co.us)

## Data Pipeline & COA:

- Yolanda Lucero - [Lucero\\_Y@cde.state.co.us](mailto:Lucero_Y@cde.state.co.us)
- Kelly Wiedemer - [Wiedemer\\_k@cde.state.co.us](mailto:Wiedemer_k@cde.state.co.us)

## The “Run” & Mill Levy Certification:

- Tim Kahle - [Kahle\\_T@cde.state.co.us](mailto:Kahle_T@cde.state.co.us)
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