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ANNUAL OPERATING BUDGET

The St. Tammany Parish School Board shall approve an annual budget for the general fund and each special revenue fund for the fiscal year July 1 to June 30, no later than September 15th of each year. The School Board shall submit a copy of its adopted budget to the State Superintendent no later than September 30th of each year, as well as a general summary of the adopted budget. The summary shall include projected revenues, expenditures, and beginning and ending fund balances.

It shall be the responsibility of the Superintendent and designated members of his/her staff to prepare the operating budgets for submission to the School Board. The budgets shall be prepared on forms in accordance with such rules and regulations as may be prescribed by statutes and by the State Superintendent of Education. Said budgets shall be submitted to the School Board for the purposes of revision and approval prior to submission to the State Superintendent.

After the School Board has reviewed the proposed budget and made desired changes, if any, the School Board shall cause to be published a notice in the official journal stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held specifying the date, time and place of the hearing. The proposed budget shall not be considered for adoption or otherwise finalized until at least one public hearing has been conducted on the proposal. The notice shall be published at least ten (10) calendar days prior to the date of the first public hearing and may be published in the same advertisement as the notice of availability of the proposed budget and the public hearing.

The School Board shall certify completion of all action required by publishing a notice in the same manner as provided above.

No budget shall be approved where expenditures exceed the expected means of financing. Except as provided in *policy DCE, Budgetary Item Transfer Authority*, no items of expense may be incurred through the fiscal year except as provided for in the approved budget unless a revision is adopted by the School Board. The budget shall be reviewed periodically and such financial reports as the School Board directs shall be prepared and presented to the School Board by the Superintendent.

DAILY OPERATIONS

The adoption of the original budget and the adoption of all subsequent amendments by the School Board constitute the authority of the Superintendent and administrators of the School Board to incur liabilities and authorize expenditures from the respective budgeted funds during the fiscal year. The Superintendent has the authority to enter into routine and necessary contracts or agreements to carry out the general business operations of the School Board.

ASSURANCE OF EQUITABLE FUNDING

The St. Tammany Parish School Board shall provide funding for education through local, state and federal sources and shall use funds for the benefit of all students in the school district, in compliance with all regulations by state and federal agencies granting such funds. The School Board shall allocate such funds equitably and in the interest of all of the St. Tammany Parish school students. This ensures equivalence among schools in the provision of curricular materials and instructional supplies. It is the policy of the St. Tammany Parish School Board that it maintains an equitable and fair equivalence among the schools in the allotment of teachers, administrators, and auxiliary personnel.

GENERAL FUND BALANCE

To ensure that the St. Tammany Parish School Board is protected against unanticipated events that would adversely affect the financial condition of the School Board and jeopardize the continuation of necessary operations, the School Board shall maintain an adequate fund balance in the School Board's General Fund to provide the capacity to:

1. Provide sufficient cash flow for daily financial needs;
2. Secure and maintain investment grade bond ratings;
3. Offset significant economic downturns and revenue shortfalls; and,
4. Provide funds for unforeseen expenditures related to emergencies.

There shall be a commitment of the fund balance of the General Fund equal to a minimum of 15 percent of the current fiscal year operating expenditures (including transfers out) budgeted for the General Fund with a goal of 19 percent as recommended by the Government Finance Officers Association (GFOA). This committed fund balance shall be for the purpose of improving and maintaining the School Board's bond rating and for financial stability. For the purposes of the calculation, the current fiscal year General Fund budget shall be the budget as originally adopted by resolution on or before September 30th for the subsequent fiscal year.

The remainder of the fund balance shall be assigned by the School Board to be used for local priorities, which shall be defined as salaries, related benefits, and other instructional purposes.

None of the School Board's fund balance shall be considered unassigned.

The School Board may draw down on such fund balance due to extraordinary circumstances upon the recommendation of the Superintendent and approval of the School Board.

Replenishment of Fund Balance Deficits

If, at the end of any fiscal year, the actual amount of the fund balance falls below the required fund levels set forth herein, the Superintendent shall prepare and submit a plan for expenditure reductions and/or revenue increases to the School Board. As a part of the annual budget review, the School Board shall review and, if necessary, amend the plan submitted by the Superintendent for restoring the amounts of fund balance to the required levels.

Annual Review

Compliance with the General Fund Reserve provisions shall be reviewed as a part of the annual budget adoption process.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 17:1990, 39:1301, 39:1302, 39:1303, 39:1304, 39:1305, 39:1306, 39:1307, 39:1308, 39:1309, 39:1310, 39:1311, 39:1312, 39:1313, 39:1314, 39:1315.

BUDGET PLANNING AND PREPARATION

The St. Tammany Parish School Board shall cause to be prepared a comprehensive budget presenting a complete financial plan for the ensuing fiscal year. The revenues shall be those normally expected from constitutional, statutory, and regular sources and shall not include probable revenues that may arise from doubtful or contingent sources.

PRESENTATION OF BUDGET DOCUMENT

The revenues and expenditures in the budget shall be listed and classified in such manner and substance as shall be prescribed by the State Superintendent of Education, and shall detail as nearly as possible the several items of expected revenues and expenditures, the total of which shall not exceed the expected means of financing, composed of the beginning fund balance, cash balances, and revenues. If during the course of the fiscal year it becomes evident that revenues or expenditures may vary substantially from those budgeted, then the School Board shall prepare and adopt an amended budget.

A budget proposed for consideration by the School Board shall be accompanied by a proposed budget adoption instrument which shall be necessary to adopt and implement the budget document. The adoption instrument shall define the authority of the Superintendent and administrative officers of the School Board to make changes within various budget classifications without approval by the School Board as well as those powers reserved solely to the School Board. The budget document shall at least include the following:

1. Basis of Budgeting - Budgets shall be prepared on the same basis of accounting as that used in the financial statements and in accordance with generally accepted accounting procedures.
2. Organization of the Budget - The accounts of the School Board shall be organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund shall be accounted for with separate sets of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures.
3. Funds Budgeted - Activities of the General Fund and the Special Revenue Fund shall be presented to the School Board for adoption annually. Formal adoption of any Debt Service and Capital Projects funds shall not be required but shall be included in the operating budget for informational purposes.
4. Budget Format - The presentation of the budget shall include fund balances, revenues, expenditures and other financing sources/uses. Revenues shall be budgeted by source and expenditure by function as defined by the Louisiana

Board of Elementary and Secondary Education (BESE). The format shall also include the presentation of actual data from the prior fiscal year, budget data for the current fiscal year, and budget data for the proposed budget year.

5. Budget Adoption Instrument - The operating budget shall be accompanied by a proposed budget adoption resolution.
6. Balanced Budget - The total budgeted expenditures shall not exceed the total estimated funds available within each fund.
7. Budget Message - A budget message shall be prepared and signed by the Superintendent that articulates priorities and issues for the budget for the new year. The message should describe significant changes in priorities from the current year and explain the factors that led to those changes.

STAFF INVOLVEMENT IN THE PREPARATION OF THE BUDGET

The Superintendent or his/her designee shall assign various budgetary areas to members of the administrative staff. Each staff member who is assigned a budget area shall recommend what items are placed in his/her area of the budget, and shall also be held responsible for seeing that expenditures in those areas stay within budget boundaries. Should any administrative staff member encounter problems in any budget area after the budget has been adopted by the St. Tammany Parish School Board, the Superintendent or his/her designee shall be promptly notified in order that adjustments might be made according to School Board policy.

PUBLIC INVOLVEMENT IN THE BUDGET

Upon completion of the proposed budget and its submission to the School Board, the Superintendent shall publish a notice in the newspaper stating that the proposed budget is available for public inspection. The notice shall also state that a public hearing on the proposed budget shall be held with the date, time and place of the hearing specified in the notice. The guidelines following public involvement shall apply as follows:

1. Public Inspection of the Proposed Budget - The proposed budget document shall be made available for public inspection at least fifteen (15) days prior to the date of the public hearing. Also, it shall be made available to the public at the School Board office during regular office hours Monday through Friday, excluding holidays.
2. Public Hearing on the Proposed Budget - The St. Tammany Parish School Board shall conduct at least one public hearing prior to the adoption of the proposed budget.

ADOPTION PROCEDURES

All action necessary to adopt or revise the budget shall be taken in open meeting requiring a *simple majority of the School Board* voting in favor of the proposed resolution and/or revisions for adoption or any revision. The adoption procedures shall also include the following:

1. Review by Committee - The annual operating budget and any revisions to the budget shall be sent to the Committee of the Whole for review and/or alterations.
2. Retention of Certified Copies - The Superintendent or his/her designee shall retain and file certified copies of the adopted budget, budget adoption resolution, duly authorized budget revisions or amendments, and other necessary information related to the budget.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 39:1304.

PERIODIC BUDGET RECONCILIATION

The St. Tammany Parish School Board authorizes the Superintendent to reconcile and/or to recommend changes in the budget during the fiscal year, provided the schools are operated for the minimum term according to the rules and regulations of the Louisiana Board of Elementary and Secondary Education (BESE). Such changes shall be subject to the approval of the School Board, and in no event shall a budget amendment be adopted proposing expenditures which exceed the total estimated funds available for the fiscal year. Any change in the budget that necessitates an expenditure from the general fund balance must conform to the processes set forth in policy *DC, Annual Operating Budget* relative to expenditures from the fund balance.

Revisions to the budget shall be required when the following conditions exist:

1. Revenue collections plus projected revenue collections for the remainder of the year, within a fund, are failing to meet estimated annual budgeted revenues by five percent (5%) or more;
2. Actual expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding the estimated budgeted expenditures by five percent (5%) or more; or
3. The actual beginning fund balance, within a fund, fails to meet the estimated beginning fund balance by five percent (5%) or more, and the fund balance is being used to fund current year expenditures.

Each administrative position charged with budget authority shall be responsible for the periodic review and analysis of assigned budgets. Should any adjustments or corrections to any budgetary line item become necessary, such change should be brought to the attention of appropriate finance personnel. Any change shall require approval of the Superintendent or his/her designee.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 39:1301, 39:1302, 39:1303, 39:1304, 39:1305, 39:1306, 39:1307, 39:1308, 39:1309, 39:1310, 39:1311, 39:1312, 39:1313, 39:1314, 39:1315.

BUDGETARY ITEM TRANSFER AUTHORITY

The St. Tammany Parish School Board, Superintendent and his/her staff shall continually evaluate the school district's budget and maintain required records which support entitlement and disposition of public funds. Line items in the budget may be changed, with School Board approval, at any time during the fiscal year, provided such change is consistent with existing laws and regulations of the State of Louisiana. Any request for modification of a budgetary line item shall be approved by appropriate supervisory personnel and submitted to the Superintendent for consideration.

The Superintendent, as secretary-treasurer of the School Board, shall be authorized, in his/her sole discretion, to make such changes within the various budget classifications as he/she may deem necessary provided that any reallocation of funds affecting in excess of five percent (5%) of the projected revenue collections shall be approved in advance by action of the School Board.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 39:1301, 39:1302, 39:1303, 39:1304, 39:1310, 39:1311.

DEBT LIMITATION

The St. Tammany Parish School Board may, as authorized by the Constitution and laws of the State, borrow money, incur debt, issue bonds, levy taxes, or pledge uncollected taxes or revenues, with the approval of the electorate and the consent of the State Bond Commission. Before incurring any form of debt whatsoever, the School Board is required by law to obtain the consent and approval of the State Bond Commission. The School Board may incur debt and issue general obligation bonds for the purposes of acquiring and/or improving lands, purchasing, erecting and/or improving school buildings, and/or for other purposes allowed by state law which, including the existing bonded debt of the School Board for all bonded purposes, may not exceed thirty-five per centum (35%) of the assessed valuation of all property as ascertained by the last assessment for the parish.

The School Board shall notify the State Bond Commission whenever the transfer of funds authorizing indebtedness or payment on outstanding indebtedness has not been made in a timely manner.

RECORDKEEPING

The School Board shall continuously maintain:

1. A list of all Louisiana municipal securities for which the School Board is the issuer or is obligated to repay;
2. A copy of all continuing disclosure agreements relating to the securities to which the School Board is a party;
3. If, pursuant to a continuing disclosure agreement in which the School Board is a party, the School Board shall be responsible for filing notices of changes in bond ratings, a list of current ratings for such securities, if any.

All records required to be kept by the School Board under state law shall be subject to inspection by the legislative auditor and/or the School Board's auditor.

Municipal securities shall mean bonds, notes, certificates, or other written obligations for the repayment of borrowed money, including obligations to refund any security, which are issued by the School Board.

Ref: La. Rev. Stat. Ann. §§17:89, 17:1371, 18:1281, 18:1282, 18:1283, 18:1284, 18:1293, 39:471, 39:554, 39:562, 39:821, 39:1410.60, 39:1421, 39:1438.

SHORT TERM NOTES

The St. Tammany Parish School Board, in accordance with state law, shall have the authority during any fiscal year to borrow money in anticipation of current revenues for that fiscal year and to pledge the current revenues for said fiscal year for the payment of such loan or loans if funds on hand are not sufficient to meet current expenses. The amount of borrowed funds shall not exceed three-fourths of the anticipated revenue and such loans shall be due and payable not later than the close of the current fiscal year. All such loans shall be approved by the School Board prior to negotiation and execution of the loan. All such loans must also be approved by the State Bond Commission.

CERTIFICATE OF INDEBTEDNESS

The School Board may issue certificates of indebtedness covering that portion of the cost of public improvements, or the payment of other obligations, benefits, and/or services, which are to be borne or to be paid by the School Board under contracts payable out of the revenues of subsequent years. Such certificates shall mature over a period not exceeding ten (10) years from the date of such certificates, with limited exceptions permitted by state statutes. Before any certificate of indebtedness can be issued, the School Board must certify to the State Bond Commission the purpose and need for any such certificates.

All notes or other evidence of indebtedness of the School Board, unless specified otherwise by law, shall be signed by the President and the Superintendent and shall be limited as prescribed by law.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 17:98, 33:2923, 33:2923.1, 39:1410.60, 39:1425.

LOCAL TAX REVENUES

The St. Tammany Parish School Board shall annually adopt a resolution by June 1, or thirty (30) days after the receipt of assessment information from the parish assessor, levying parish school taxes as authorized by the Constitution, the laws of the State of Louisiana and the voters of the parish, including taxes to meet the principal and interest on outstanding bonds, and shall forward such resolution to the assessor of St. Tammany Parish. The assessor may grant an extension in writing if the School Board cannot formally adopt said resolution.

Special tax elections shall be called for the electors of the parish to vote on renewal of existing taxes and/or for additional tax millage for school purposes as provided by state law.

On the date and at the hour and place specified in the notice of election, the School Board, in public session, shall examine and canvass the returns and declare the results of the election. The results shall be promulgated by one publication in the official journal of the School Board.

Ref: Constitution of Louisiana, Art VI, Sec. 23, 29, 32; Art. VIII, Sec. 13(c); La. Rev. Stat. Ann. §§17:98, 17:1373, 47:338.84, 47:338.120, 47:1705.

STATE REVENUES

The St. Tammany Parish School Board receives state funds as an appropriation by the state legislature in accordance with the latest *Minimum Foundation Program* formula approved by the Louisiana Board of Elementary and Secondary Education and the state legislature. The Louisiana Department of Education shall transmit to the School Board no later than the 25th of each month one-twelfth of the amount payable under the formula, unless the Louisiana Department of Education notifies the School Board of a change in the schedule.

Ref: Constitution of Louisiana, Art. VIII, Sec. 13; La. Rev. Stat. Ann. §§17:25, 17:25.1, 17:89.1.

TAX AND BOND ELECTIONS AND SALES

TAX AND BOND ELECTIONS

The St. Tammany Parish School Board shall call elections for the public to vote on tax or general obligation bond issues. Every bond, tax, or other election at which a proposition or question is to be submitted to the voters shall be held only on one of the dates set forth by state law.. The proposition placed on the ballot submitted to the voters in any bond election shall state the kinds and sources of revenues which shall be pledged to retire the bonds, should the proposition be successful.

Public notice of the date, time, and place of any meeting at which the School Board intends to increase or renew any ad valorem property tax or sales and use tax or authorize the calling of an election for submittal of such question to the voters shall be both published in the official journal of the School Board no more than sixty (60) days nor less than thirty (30) days before such public meeting and shall be announced to the public during the course of a public meeting no more than sixty (60) days nor less than thirty (30) days before such public meeting. Notice of such meeting shall be written and hand delivered or transmitted by email to each voting member of any governing authority of a political subdivision that is required to approve such a measure previously adopted by another governing authority and to each state senator and representative in whose district all or a portion of the political subdivision is located, no more than sixty (60) days nor less than thirty (30) days before such public meeting. Email delivery shall be made to the official email address of such voting members or legislators and to any other address provided in writing to the School Board by such a voting member or legislator.

On the date and at the hour and place specified in the notice of election, the School Board, in public session, shall examine and canvass the returns and declare the result of the elections. The result shall be promulgated by one publication in the official journal of the School Board.

SALE OF BONDS

If approved by the electorate, the School Board shall adopt a resolution providing for the issuance of school bonds within a particular bonding district. Said issuance of bonds shall prescribe the form and fix the maturities thereof, and provide for the payment of said bonds in principal and interest.

All bonds may be sold at either a negotiated sale or an advertised competitive sale after published notice in accordance with the law.

Ref: Constitution of Louisiana, Art. VI, Sec. 30, Sec. 33; La. Rev. Stat. Ann. §§17:1372, 17:1373, 18:1281, 18:1282, 18:1283, 18:1284, 18:1285, 18:1286, 18:1293, 39:570, 39:1421, 39:1422, 39:1423, 39:1424, 39:1424.1, 39:1425, 39:1426, 39:1427, 39:1428, 39:1429, 42:19.1.

CASH MANAGEMENT AND INVESTMENTS

Strategies for proper cash management and investment of available funds shall be reviewed and evaluated on an annual basis to ensure that investment rules and guidelines expressed in this policy are being followed according to current statutory provisions. The monetary assets of the St. Tammany Parish School Board shall be held in trust by the fiduciary (fiduciaries) designated by the School Board. Cash management and the investment of funds shall be managed by the Superintendent and/or his/her designee.

CASH MANAGEMENT

All aspects of cash management operations shall be designed to ensure the absolute safety and integrity of the School Board's financial assets.

Cash management activities shall be conducted in full compliance with prevailing local, state and federal regulations. Furthermore, such activities shall be designed to adhere to guidelines and standards promulgated by applicable professional organizations.

Operating within appropriately-established administrative and procedural parameters, the School Board shall conservatively pursue optimum financial rewards, while simultaneously controlling its related expenditures. Therefore, cash management functions which engender interaction with outside financial intermediaries shall be conducted in the best financial and administrative interests of the School Board. In pursuit of these interests, the School Board shall utilize competitive bidding practices whenever practicable, affording no special financial advantage to any individual or corporate member of the financial or investment community.

The School Board shall authorize the Superintendent and staff to design and enforce written administrative regulations, guidelines, and procedures relating to a variety of cash management issues such as the eligibility or selection of various financial intermediaries, documentation and safekeeping requirements, philosophical and operational aspects of the investment function, and such other functional and administrative aspects of the cash management program which necessitate standard setting in pursuit of appropriate prudent, enhanced protection of assets or procedural improvements. Appropriate administrative regulations and procedures are outlined in the School Board's *Internal Financial Controls and Regulations*.

DEPOSITORY BANK

Louisiana statutes require School Boards to select a fiscal agent for purposes of receiving or depositing funds of the School Board. The bank selected as fiscal agent shall be asked to enter into a fiscal agency contract or such other necessary instruments setting forth the duties, responsibilities, and agreements pertaining to said

fiscal agency.

The fiscal agency bank, when selected, shall serve for a term as agreed to by the School Board and until its successor shall have been duly selected and qualified, and shall pledge approved securities, as provided for in the fiscal agency contract subject to the regulations under state law.

PLEDGED SECURITIES

Funds on deposit shall be collateralized in an amount at all times equal to 100% by pledged "approved securities" in accordance with state law to adequately protect the funds of the School Board.

The School Board shall periodically monitor the amount of approved securities to assure that an amount not less than 100% on deposit with the depository bank, less any applicable *Federal Deposit Insurance Corporation* (FDIC) insurance, is pledged.

The bank shall have the right and privilege of substituting approved securities only upon obtaining the prior written approval of the School Board. Such approval may be granted by facsimile transmission. The approved securities shall be valued at their market value.

INVESTMENTS

The School Board sets forth the following policy statement for the management of its various investment portfolios as mandated by the Louisiana Revised Statutes, Title 33, Chapter 6, Part IV, Section 2955.

General Purpose

The general purpose of this policy statement is: 1) to develop and outline clear Investment guidelines and objectives, 2) to develop procedures and constraints for the investment process itself, and 3) to develop a consistent method of reporting and monitoring investments and their market value.

All policies and investment objectives should reflect the primary mandate to manage public funds prudently.

Investment Objectives

All investment objectives shall be governed by the following priority of goals: 1) Safety of Principal, 2) Liquidity, and 3) Yield. In addition, all investments must qualify as acceptable and lawful under all applicable state and federal laws.

The School Board may opt to create separate investment accounts in order to segregate activity related to a specific purpose. It is understood that the specific investment guidelines may vary from account to account depending on the designated

use for each pool of funds. Each account that is managed separately should have its own set of investment guidelines that specifically state the types of investments to be used, the maximum maturity of the allowable investments and any other limitation. Such investment guidelines shall be developed by the School Board and approved by the Superintendent.

I. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk while avoiding the erosion of principal by inflation.

- a) Credit risk of the School Board's investment portfolio will be low because Louisiana Revised Statute (LRS 33:2955) limits a political subdivision's permissible investments to U.S. Government instrumentalities, Investment grade (A-1/P-1) commercial paper of domestic United States corporations, debt issued by the state of Louisiana or any of its political subdivisions, certain mutual or trust funds and other allowable short-term obligations including repurchase agreements. The School Board shall not be permitted to invest in mutual or trust funds, except for money market mutual funds. The School Board shall not invest over twenty five percent of its total portfolio with the same issuer to decrease the possibility of credit risk, unless the issuer is backed by the full faith and credit of the U.S. Government.
- b) Interest rate risk is the risk that the market value of the securities in the portfolio will fall due to the changes in the general level of interest rates. Interest rate risk may be mitigated by:
 - Structuring the investment portfolio so that securities mature to meet cash requirements for anticipated demands, thereby avoiding the need to sell securities on the open market prior to maturity, and
 - By stipulating that the maximum maturity of any single security in the School Board investment portfolio cannot exceed three (3) years. Longer term securities may be used for a specific pool of funds such as funds held for construction purposes or bond reserve funds.
- c) Inflation risk is the risk that the purchasing power of the portfolio will fall due to inflation being higher than the portfolio returns over sustained periods of time. This investment policy seeks to minimize inflation risk through the use of permissible investments that are shorter than or equal to the maximum allowable maturity (3 years).

II. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated by the Director of Business Affairs of

the School Board. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. To meet or partially offset unanticipated cash demands of the School Board, a minimum of 5% of the total investment portfolio shall be held in cash, money market funds. Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets.

III. Yield

The investment portfolio shall be designed with the objective of attaining a fair rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. In order to compare the rate of return of the investment portfolio to the market return throughout budgetary and economic cycles, the investment portfolio will be benchmarked against an available index or combination of indexes that is reflective of the investment portfolio composition and characteristics. However, return on investment is of least importance compared to the safety and liquidity objectives described above.

Standards of Care

I. Prudence

The standard of prudence to be used by investment officials and investment management firms shall be, first and foremost, to comply with Louisiana State Law. In addition, the standard shall be the “prudent person” standard as defined in Louisiana law and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and any required action is carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

II. Ethics and Conflicts of Interest

Elected officials, officers and employees of the School Board involved in the investment process shall at all times comply with Louisiana State Law governing Ethics for Public Officials and Public Employees. A full description of the State of Louisiana’s required behavior is found in the Code of Ethics for Public Officials and Public Employees, which is found in Title 42 of the Revised Statute.

Elected officials, officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make

impartial decisions.

Elected officials, employees and investment officials shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio.

Employees and officers shall refrain from undertaking personal investment transactions with the same broker(s) with whom business is conducted on behalf of their entity.

III. Delegation of Authority

Authority to manage the investment program is granted to the Superintendent and the Director of Business Affairs. The primary responsibility for the operation of the investment program is hereby delegated to the Director of Business Affairs, who shall carry out established written procedures and internal controls for the operation of the investment program consistent with this investment policy. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Superintendent and the School Board. The Director of Business Affairs shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees and his/her designees.

The School Board reserves the right to select a qualified investment management firm to act as the investment manager on behalf of and for the benefit of the School Board. The employment of an investment management firm shall be done by contract and approved by the School Board in accordance with its best business interests in mind. Any investment transactions undertaken by the investment management firm shall be conducted in such a manner as to ensure that the School Board obtains the best purchase or sale price possible while maintaining high ethical standards in soliciting price quotes from broker/dealers.

Should the School Board choose to employ the services of an investment management firm to act as the investment manager or seek the investment management advice of a broker/dealer, the investment management firm and their representatives and / or the broker/dealer and their representative brokers should have expertise in the types of securities allowable under the Louisiana statutes. It is critical that the investment management firm and / or each broker with whom the School Board does business know the client and understand the School Board's investment objective and policy statement as well as the investment statutes of the State of Louisiana.

Competitive bidding will be used and documented for all sale transactions. The investment management firm and / or broker/dealer should use their best efforts to obtain at least three (3) bids from market participants. This process helps to ensure the best possible execution on any given trade. However, for sales that are part of a swap transaction, competitive bidding is not required. To obtain the best offers (purchase

prices), the investment management firm and / or broker/dealer must stay abreast of the current market trends and bond spreads in order to judge effectively the attractiveness of any given offer.

IV. Safekeeping and Custody

The School Board shall utilize the services of a qualified financial institution or a security broker/dealer to provide custodial services for its investment portfolio. Financial institutions that can provide custodial services could be national banks, state-chartered banks or a national or state trust company. Security broker/dealers could provide custodial services, provided that the broker/dealer meets a minimum capital requirement of \$10,000,000 and has been in business for at least five years. These may include primary dealers or regional dealers that qualify under the Securities and Exchange Commission Rule 15C3-1. The approved list of custodial services providers will be kept to a manageable number.

The School Board may select a qualified institution that offers combined services of investment management and custodial services, provided such firm meets or exceeds the qualifications above.

An annual review of the financial condition and registration of the investment manager and/or the broker/dealers and the custodial services provider will be conducted by the Director of Business Affairs.

V. Internal Controls

The School Board is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the School Board are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met.

Accordingly, the School Board shall establish a process for annual independent review by an external auditor to assure compliance with policies and procedures. The internal controls shall address the following points:

- Investment Suitability. Purchased securities are in compliance with Louisiana State Law and the statutes that govern the investments of Louisiana Political Subdivisions and are in compliance with the School Board's Investment Policy Statement.
- Control of collusion. Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
- Custodial safekeeping. Purchased securities, including appropriate collateral, shall be placed with a qualified regulated custodial agency separate from the issuer of the security for custodial safekeeping.

- With the exception of Certificates of Deposit, the School Board should avoid the physical delivery securities. Book entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation is required for all trades and wire transfers. Due to the potential for error and improprieties arising from telephone transactions, all telephone transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax but the safekeeping institution should have a list of authorized signatures.
- Development of a wire transfer agreement with the lead bank and/or the appointed custodial agency. This agreement should outline the various controls, security provisions, and delineate responsibilities of each party making and receiving wire transfers.

VI. Delivery Versus Payment

All trades, where applicable, will be executed by delivery versus payment (DVP). This ensures that securities are deposited in the eligible financial institution simultaneously with the release of funds. Securities will be held by the custodian selected by the School Board as evidenced by safekeeping receipts or by monthly asset statements.

Financial Reporting and Portfolio Review

I. Responsibilities of the Director of Business Affairs

If the School Board determines that it is in their best interest to seek the investment management advice of a broker/dealer, the Director of Business Affairs shall prepare an investment report on a monthly basis, or more frequently at the request of the School Board or its internal / external auditor, that provides adequate detail as to the investment activity (purchases, sales, income, unrealized gains/losses, weighted average current yield, etc) occurring during the time frame of the report. At all times, the Director of Business Affairs shall maintain adequate documentation supporting all transaction activity and the valuation of the investment securities for review by the external auditor.

II. Responsibilities of the Investment Management Firm

If the School Board determines that it is in their best interest to hire an investment management firm to act as investment manager, the Investment Management Firm shall provide a monthly report to the Director of Business Affairs of all investment activity that gives adequate information about the following:

- All purchase and sale transactions occurring during the time period.

- Maturity dates of each security in order to assess the credit risk and interest rate risk of each security as well as the portfolio as a whole.
- Current credit risk information disclosing the credit quality ratings of:
 1. Investment in debt securities (as recognized by rating agencies).
 2. External investment pools.
 3. Money market funds.
 4. Other pooled investments of fixed-income securities.

Note: Obligations of or guaranteed by the U. S. government do not require disclosure of credit quality ratings.

- The income (loss) derived from each investment security and the investment portfolio as a whole, including the amount of unrealized gains and losses on the investment securities resulting from the appreciation or depreciation of the market value as compared to cost.
- Weighted average Current Yield of the investments of the portfolio.
- The percentage of the total portfolio that each type of investment security represents.
- The relative performance of the investment portfolio versus the appropriate benchmark.

The Investment Management Firm shall plan to meet with the Superintendent or his/her designee on an as needed basis to discuss the status of the portfolio. Telephone consultations and e-mail transmissions are acceptable forms of communication. At the request of the School Board, the investment management firm must make themselves available, with appropriate notice, for additional meetings.

III. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. In order to compare the rate of return of the investment portfolio to the market return throughout budgetary and economic cycles, the investment portfolio will be benchmarked against an available index or combination of indexes that is reflective of the investment portfolio composition and characteristics. Portfolio performance should be compared to appropriate benchmarks on a regular basis and analyzed within the context of all the risk constraints on the portfolio.

IV. Marking to Market

A statement of the market value of the portfolio, including current credit risk information disclosing the credit quality ratings of the individual securities in the portfolio, shall be issued at least quarterly. This will ensure that the minimal amount of review has been

performed on the investment portfolio in terms of value and subsequent price volatility.

An independent pricing source is an important part of a sound investment process. The custodial agent of the investment securities shall provide independent pricing on a regular basis. Should broker pricing be required for some securities such as mortgages, the custodial agent shall verify the accuracy through some other market pricing mechanism such as Bloomberg Financial Services.

If the Director of Business Affairs is managing the portfolio, he/she should try to obtain an independent pricing source. If broker pricing is all that is available, two brokers should be used to price all securities. The average of the prices obtained for each security should be used for reporting purposes.

POLICY

I. Exemption

No investments shall be exempt from this policy.

II. Amendment

This policy shall be reviewed on an annual basis. Any changes must be approved by the School Board upon the recommendation of the Director of Business Affairs and the Superintendent.

Ref: La. Rev. Stat. Ann. §§17:99, 33:2955, 39:1211, 39:1212, 39:1219, 39:1221, 39:1222, 39:1223, 39:1225, 39:1226.

GRANTS

The St. Tammany Parish School Board encourages the development of proposals to federal, state, and private granting agencies and other sources of financial aid for subsidizing such activities as innovative projects, feasibility studies, long-range planning, and research and development. All such activities shall meet the following criteria:

1. They are based on a specific set of internal objectives that relate to the established goals and objectives of the school district.
2. They are to provide measures for evaluating whether or not project objectives are being or have been achieved.
3. The execution of all projects shall conform to state and federal laws and to the policies of the School Board.
- 4, The application and implementation of any such activities is to be inclusive of students at all schools within the parish, to the maximum extent possible within the terms and provisions of each grant.

The School Board shall be notified of all grants. The School Board President and/or the Superintendent shall be authorized to sign all grant proposals, subject to the School Board's right to recall or rescind the application. For any grant opportunities where the School Board serves as the fiscal agent, it shall be the responsibility of the Superintendent to ensure that all eligible entities which operate public schools within St. Tammany Parish are provided with an opportunity to participate in the grant application prior to submission of the grant proposal. Eligibility for these purposes shall be determined by the criteria set forth in each grant request.

Grant awards shall be coordinated through Central Office personnel as designated by the Superintendent. In addition to adhering to the rules and regulations required by the grantor agency, all grant awards shall follow all established policies of the School Board, as well as administrative regulations and procedures. An assessment shall be conducted prior to submission of any grant proposal to determine any residual or recurring costs that may be incurred by the School Board.

When the grant award letter or written notification is received and budgeted expenditures have been approved by the granting agency, grant funds may be expended by the Superintendent or designee/recipient. In the event that awarded funds differ from the amount applied for in the initial submission, the School Board reserves the right to appropriately revise the budget and scope of the initial application to align to the amount actually awarded. Such revisions shall be at the sole discretion of the Superintendent, subject to the School Board's right to review and revise any such

determinations; notification of any such modifications shall be required to be provided to each entity participating in such grant at the earliest practical opportunity. Grant awards and grant budgets shall be submitted to the School Board as soon as possible after the grant award letter or written notification is received. The School Board shall be informed of any recurring or residual costs related to grants and reserves the right to terminate a grant at any time and return any unexpended funds to the grantor.

Ref: La. Rev. Stat. Ann. §17:81.

DONATIONS AND GIFTS

No public servant shall solicit or accept, directly or indirectly, any thing of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public servant knows or reasonably should know that such person:

1. Has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency, or
2. Is seeking, for compensation, to influence the passage or defeat of legislation by the public servant's agency.

No public employee shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or from any officer, director, agent, or employee of such person, if such public employee knows or reasonably should know that such person:

1. Conducts operations or activities which are regulated by the public employee's agency.
2. Has substantial economic interests which may be substantially affected by the performance or nonperformance of the public employee's official duty.

Notwithstanding the foregoing, this shall not preclude the acceptance by a public employee employed by a prekindergarten, kindergarten, elementary, or secondary school of anything of economic value as a gift from or on behalf of a student or former student when the value of the gift does not exceed twenty-five dollars and the aggregate value of all gifts from or on behalf of any one person does not exceed seventy-five dollars in a calendar year.

DONATIONS

The St. Tammany Parish School Board shall encourage community groups, organizations, and individuals to assist the School Board in providing material and financial resources to the School Board or schools which otherwise might not be available.

The School Board may accept and administer any donation that may be made to it for educational or literary purposes. If accepted, the School Board shall administer the property entrusted to them in conformity with the directives contained in the act of donation and for that purpose the School Board shall be vested with all the necessary powers of administration. The School Board reserves the right, however, to examine the provisions of any and all prospective donations to a school, the School Board, or a School Board-related entity to ascertain the propriety of the donation.

Unrestricted donations may be accepted by the School Board, or any school, subject to approval guidelines of the School Board. Items donated to schools may be retained by the receiving school under the ownership of the St. Tammany Parish School Board. The School Board shall retain the discretion to remove, repair, or modify any item which it considers obsolete, worn-out, or unsafe. Principals shall be required to keep a permanent record of donations received by the school from community groups, organizations, or individuals, exclusive of funds raised by the school or funds provided by students for special activities, such as field trips.

GIFTS AND AWARDS

School funds shall not be used to provide any form of gift to an employee, and no employee shall accept such gift, except that which is dedicated for that specific purpose. No cash gifts shall be given to School Board employees, whether in appreciation, as a "bonus," or for any other reason. For purposes of this policy, gift certificates for merchandise shall be considered cash and shall not be given as a gift. This includes payment from athletic booster clubs or other organizations to coaches, sponsors, or employees.

Ref: La. Rev. Stat. Ann. §§17:381, 17:382, 17:383, 42:1115, 42:1123.

ADMISSIONS AND GATE RECEIPTS

The St. Tammany Parish School Board shall establish and maintain uniform procedures for the handling and accounting of admission fees charged for all school events, such as athletics or entertainment, whether such is assessed in advance or upon entering. All such fees shall be controlled through the use of pre-numbered tickets. The price of tickets shall be determined and set by each school.

Ref: La. Rev. Stat. Ann. §17:81.

LEASE OF SCHOOL LANDS

The St. Tammany Parish School Board may execute a lease of any of its school land in accordance with the requirements of state law. Leases for the production and removal of minerals granted by or on behalf of the School Board shall provide for a minimum of royalties of minerals produced and saved, as required by state law or the School Board. All mineral leases shall be advertised, received, opened and accepted/rejected by the School Board or the State Mineral Board on behalf of the School Board. The School Board or State Mineral Board may reject any and all bids that may be submitted or may lease a lesser quantity of property than advertised and withdraw the rest.

Leases for the purposes of trapping, grazing, hunting, agriculture/farming or any other legitimate purposes other than for removal of oil, gas, or other minerals, may be executed on such terms and conditions as are in the best interest of the School Board and in compliance with state law. Such leases shall be awarded only after formal advertisement for and receipt of bids as set forth by state law.

The School Board shall require all appropriate leases, as determined by the School Board's legal adviser, to include the purchase of appropriate liability insurance by the individual or organization leasing the property, which shall hold the School Board free from any liability that may result directly or indirectly from the leased property's usage.

GEOPHYSICAL OR SEISMIC SURVEY PERMITS

The School Board may grant permission for geophysical or seismic surveys to be conducted on School Board property. For the privilege of conducting seismograph exploration over and across lands owned by the School Board, application shall be submitted to the School Board seeking permission to conduct surveys. If said application is approved by the School Board, the applicant shall be permitted to conduct its seismographic operations in accordance with terms and conditions set forth in the permit agreement for a minimum fee as set by the School Board. All applications shall contain pertinent information to adequately evaluate the proposed survey.

Upon completion of any survey conducted, the surveyor shall be responsible for plugging and properly abandoning any drilled holes in accordance with state guidelines.

RIGHTS-OF-WAY

The School Board may grant rights-of-way on school lands upon formal written request. No application for a right-of-way shall be considered unless certificate of publication of due notice is on file in the office of the School Board, showing advertisement of the pending application has been made two times within ten (10) calendar days in the official journal of the system wherein the school lands are situated. A fee may be charged for such privilege.

SIXTEENTH SECTION LANDS

Leasing of Sixteenth Section lands shall be handled as follows:

1. The School Board, upon determining to lease any Sixteenth Section lands, shall publish an advertisement in the official journal of the school district where the land is located setting forth a description of the land to be leased, the time when bids will be received, and a short summary of the terms, conditions, and purposes of the lease to be executed. If the lands are situated in two (2) or more parishes, the advertisement shall appear in the official journals of all parishes in which the lands are located. The advertisement shall be published for a period of not less than fifteen (15) calendar days and at least once a week during three (3) consecutive weeks. The School Board may also send notices to those whom it may think would be interested in submitting bids for the leases.
2. Bids shall be secret and sealed and shall be forwarded to the School Board at its domiciled address through the United States mail.
3. Bids shall be accompanied by a minimum deposit in an amount equal to 10% of the bid but not less than \$100.00 or such larger amounts as may be required by state law, and this deposit shall be in the form of cash or a certified check made payable to the St. Tammany Parish School Board.
4. *Acceptance or Rejection of Bids Handled Through the State Mineral Board*

When through adoption of the appropriate resolution, the School Board authorizes and directs the State Mineral Board to handle the leasing of Section 16 lands, the Mineral Board may reject any and all bids, or may lease a lesser quantity of property than advertised and withdraw the rest.

LEASES

The Superintendent and/or his/her representative shall be authorized to negotiate all leases, subject to approval of the School Board. Leases shall generally be for a three (3) year period, unless otherwise stipulated at time of advertisement, or subsequently negotiated and approved by the School Board and lessee. All leases shall be publicly bid at the expiration of the lease.

The lessee shall be required to provide the School Board with a certificate of insurance showing property and/or general liability coverage on such limits as set by the School Board and naming the St. Tammany Parish School Board as an additional insured. Said certificate shall be provided to the School Board at least ten (10) calendar days prior to the beginning date of the lease.

Ref: Constitution of Louisiana, Art. VII, Sec. 4(c); Art IX, Sec. 4(b); La. Rev. Stat. Ann. §§17:87, 17:87.1, 17:87.2, 17:87.3, 17:87.8, 30:121, 30:127, 30:151, 30:152, 30:153, 41:1211, 41:1212, 41:1213, 41:1214, 41:1215, 41:1215.1, 41:1215.2, 41:1216, 41:1217, 41:1218, 41:1219, 41:1220, 41:1221, 41:1222, 41:1223, 41:1224.

SALE OF SURPLUS EQUIPMENT AND SUPPLIES

Equipment and supplies no longer usable for the purpose for which it was acquired or built shall be declared surplus by the Superintendent or his or her designee upon notification by the department to which the equipment or supplies has been assigned. The equipment and supplies will then be inspected to determine if they are usable or should be declared surplus. If the items are declared surplus, the St. Tammany Parish School Board shall then call for sealed bids and/or public auction for the sale of such equipment or supplies. A minimum fair value price shall be established for each item and the bid price shall start at that point for items considered worthy. Said bids shall be opened publicly and disposed of in a prudent, businesslike manner. The School Board shall reserve the right to accept or reject any and all bids.

The sale of surplus equipment or supplies shall be final, on the "as is" or "where is" basis and shall carry no warranties whatsoever. If not eventually sold, these items shall be sold as junk, or if no salvage value can be realized, destroyed in the most economical manner possible.

COMPUTING DEVICES

When the School Board determines that an individual computing device used by a student or students has reached the end of its typical life cycle, is no longer needed for school purposes, and will be removed from classroom use, and that the best interest of the public school system would be served by the private sale of such device due to the cost of auctioning the device or recycling it or due to other factors, the School Board may sell the device to a student enrolled in a school in the school system or to the parent, tutor, or legal guardian of such a student.

The sale price for the device shall be reasonably equivalent to the value of the device, taking into consideration its typical life cycle, current condition, and costs of other methods of alienation or disposal.

All such sales shall be in accordance with School Board policies, and sale prices shall be approved by appropriate school system administrative personnel prior to sale. Such sales shall apply only to individual computing devices used for classwork by students and shall not apply to other computer equipment or related equipment such as routers, switches, or servers.

Ref: La. Rev. Stat. Ann. §§17:87.6, 38:2320, 49:125.

**PROCEDURE TO DISPOSE OF UNNEEDED OR UNUSED
SCHOOL LANDS, SCHOOL SITES, BUILDINGS OR FACILITIES**

1. Sale of unused or unneeded school lands

- a. Prior to the possibility of unneeded or unused land being disposed of by sale, lease or exchange, the Superintendent shall obtain a current survey of the property and at least two (2) appraisals by licensed appraisers as to each piece of land so involved.
- b. The Board shall, by Resolution, at a scheduled Board meeting subject to public input at that meeting, order the sale of the land after making a determination that it is no longer needed or is unused for school purposes.
- c. The land will be sold for an amount equal to or greater than the average of the two appraisals provided for in 1(a) above. The Board shall sell the land either by auction or sealed bids as determined by the Superintendent.
- d. Advertisement
 - i) Prior to the sale under either auction or sealed bids, the proposed sale shall be advertised on at least three (3) separate days for at least thirty (30) days prior to the date the land will be offered for sale in the official journal of the parish in which the land is situated. In the event that the parish where the land is situated does not have an official journal but has a newspaper of general circulation, the advertisement shall be placed in that newspaper. If there is no newspaper of general circulation in the parish where the land is situated, then the written or printed notice of the offering of the land for sale shall be placed for no less than thirty (30) days prior to the sale of the land at or near.
 - a) the front door of the courthouse in the parish in which the property is situated;
 - b) the front door of both this school board office and the school board office where the land is situated, and;
 - c) at one other public place in the parish where the land is situated.
 - ii) The advertisement shall state the average appraisal value of the property. Further, the advertisement shall state that the

property will be sold only for an amount equal to or greater than the average appraisal value.

- e. If the sale is by public auction, it shall take place at the St. Tammany Parish School Board office between the hours of eleven o'clock a.m. and four o'clock p.m. local time. The auction shall be conducted by the President of the School Board or an auctioneer designated by the Board at the meeting provided for in paragraph 1(b) above.
 - i) The property shall be sold to the last and highest bidder, if and only if, the bid price equals or exceeds the average of the previously obtained two (2) appraisals or updated versions of same as provided for herein at paragraph 1(a) above. If the bid price does not equal or exceed the average of the two (2) appraisals, then the sale shall be cancelled and no bid accepted.
 - ii) The deeds or acts of sale shall contain:
 - a) the usual security clauses, and;
 - b) a stipulation by the bidder to pay ten (10) percent of the attorney's fees in the event it becomes necessary to secure the services of an attorney for the purpose of collection.
 - iii) If the sale takes place on the appointed date and time, then the highest and last bidder shall:
 - a) immediately pay ten (10) percent of the bid price in cash, certified funds, or bid bond;
 - b) the balance of the bid price is to be paid by the bidder at the Act of Sale, and;
 - c) if the bidder fails to pay the balance due at the Act of Sale, the ten (10) percent deposit shall be forfeited by the bidder and the sale shall be cancelled, or, at the sole discretion of the Board, action may be undertaken to collect the balance of the bid price from the bidder and seek specific performance of the sale.
- f. If the property is to be sold under sealed bids:

- i) The bids will be opened at the St. Tammany Parish School Board office at the hour designated in the advertisement.
- ii) The property shall be sold to the highest bidder upon such terms and conditions the Board shall determine.
- iii) The Board reserves the right to reject any and all bids and all bids shall be rejected in the event that the highest bid is not equal to or does not exceed the average of the two (2) appraisals provided for previously herein.
- iv) Each bid shall be accompanied by ten (10) percent deposit in certified funds, cashier's check or a commercial bid bond.
- v) The balance of the bid price is to be paid by the bidder at the Act of Sale.
- vi) If the bidder fails to pay the balance due at the Act of Sale, the ten (10) percent deposit shall be forfeited by the bidder and the sale shall be cancelled, or, at the sole discretion of the Board, action may be undertaken to collect the balance of the bid price from the bidder and seek specific performance of the sale.
- vii) The deeds or act of sale shall contain:
 - a) the usual security clauses, and;
 - b) a stipulation by the bidder to pay ten (10) percent of the attorney's fees in the event it becomes necessary to secure the services of an attorney for the purpose of collection.

2. Lease of unneeded or unused school lands

- a. The Board, when it determines that school lands are unused or unneeded for school purposes, can decide to lease the property upon such terms and conditions as determined by the Superintendent.
- b. The amount of the lease payment for the property shall be obtained by the Board engaging at least two (2) licensed appraisers to determine the market value for various terms of the lease of the land except if the lease is to another political entity or except as part of an authorized cooperative endeavor agreement.

- c. In no event shall a lease of school lands exceed a period of ten (10) years except if the lease is to another political entity or except as part of an authorized cooperative endeavor agreement.

3. Exchange of unused or unneeded school lands

- a. The Board may determine that it is in the public's and school system's benefit to exchange unused or unneeded land for another parcel of property which could be used for school purposes.
- b. Should the Board choose to exchange such unused or unneeded property with an owner of another parcel, the Board shall obtain two (2) appraisals from licensed appraisers as to the fair market value of the property to be exchanged by the Board.
- c. The Board shall demand that the person seeking to exchange property with the Board obtain two (2) appraisals by licensed appraisers as to the fair market value of the property to be received by the Board. The person seeking to exchange property with the Board may agree to accept the appraisals of the Board.
- d. Both pairs of appraisals shall be averaged or the Board's appraisals shall be averaged, as agreed in writing by the parties.
 - i) If the averaged appraisal value of the school board parcel exceeds that of the averaged appraisal value of the parcel to be received by the Board, then the owner of the parcel to be received by the Board will pay the difference between the averaged appraisal amounts to the Board. Both the Board and the owner of the other tract shall, in addition to the foregoing, transfer to each other full ownership of their respective parcels unto each other mutually and reciprocally.
 - ii) If the averaged appraisal value of the school board property is less than the averaged appraisal value of the parcel to be received by the Board, then the Board will pay the difference between the averaged appraisal amounts to the owner of the parcel to be received by the Board in the exchange. Both the Board and the owner of the other tract shall, in addition to the foregoing, transfer to each other full ownership of their respective parcels unto each other mutually and reciprocally.

4. Sale, lease or exchange of any school site, building or facility

- a. Prior to the possibility of the sale, lease or exchange of any school site, building or facility, the Superintendent shall obtain at least two

- (2) appraisals by licensed appraisers as to each school site, building or facility so involved.
- b. The Board shall, by Resolution, at a scheduled Board meeting subject to public input at that meeting, order the sale, lease or exchange of any school site, building or facility after making a determination that school site, building or facility is not used and in its judgment is not needed in the operation of any school or schools within its jurisdiction.
 - c. The amount of the sale, lease, or exchange of any school site shall be no less than the average of the appraisals except to another political entity or except as part of an authorized cooperative endeavor agreement. Exchange shall follow the procedures as provided herein at paragraph 3(c)(d) above.
5. The procedures governing the sale, lease or exchange of unneeded or unused school lands, buildings or facilities shall govern the sale, lease or exchange of any school site, building or facility, except upon the request of the Superintendent and the vote of the Board, the Board may, as to a particular school site, building or facility, modify or revise the procedure employed to sell, lease or exchange such property subject to public input.

Ref: La. Rev. Stat. Ann. §§17:87, 17:87.6, 41:728, 41:891, 41:892.

DEPOSITORY OF FUNDS

The St. Tammany Parish School Board shall contract with a depository to provide the most efficient and otherwise desirable services for the School Board and school district. Selection of the official depository shall be in accordance with statutory provisions. All funds of the School Board shall be deposited to the account(s) of the School Board in the official depository. Schools are allowed to choose a different depository if the official depository does not have a branch that is convenient to the school.

All monies retained in school buildings shall be safeguarded in secure areas at all times. However, the School Board shall assume no responsibility for funds lost in a school. The School Board requires that school funds shall be deposited on a daily basis, whenever possible.

Ref: La. Rev. Stat. Ann. §§17:95, 39:1211, 39:1212.

BONDED EMPLOYEES

The St. Tammany Parish School Board shall require all persons authorized to sign checks or warrants drawn against the school funds to furnish a surety bond in an amount to be determined by the School Board, but which shall be not less than fifteen thousand dollars, for the faithful performance of their duties.

The School Board Treasurer shall give an indemnity bond in such sum as may be determined by the School Board, made in favor of the governor or his/her successors in office and the School Board, and the School Board shall pay the premium of said bond.

All bonds purchased by the School Board made in favor of the School Board shall include coverage for faithful performance of duties as well as coverage against loss sustained by the School Board through any fraudulent or dishonest act committed by any of the bonded employees. All bonds purchased by the School Board shall be from an insurance company licensed to do business in Louisiana.

Ref: La. Rev. Stat. Ann. §§17:95, 17:97.

ACCOUNTING SYSTEM

The St. Tammany Parish School Board delegates to the Superintendent or his/her designee, the responsibility for accounting for all School Board and school funds, and for maintaining complete, accurate, and detailed records of all financial transactions in the school district. These records shall be in accordance with generally accepted accounting principles, as prescribed, and approved regulations of the Louisiana Board of Elementary and Secondary Education (BESE), as well as procedures found in the *St. Tammany Parish School Board Internal Financial Controls and Regulations*.

Said accounts and fiscal records shall be available during normal business hours for inspection by the public.

SCHOOL BOARD FUNDS

The School Board shall require the Superintendent to provide the necessary guidance and direction for the administrative implementation, review, analysis, reporting, and modification of all budgeted activities as approved by the School Board. All administrative regulations and procedures developed and maintained governing the fiscal responsibility of the School Board and its personnel and resources shall be designed to promote efficient management and sound fiscal accountability at every level of the school system.

All School Board employees charged with receipt, handling, and/or disbursement of any School Board funds shall abide strictly by state and federal law, policies of the School Board, and administrative regulations and procedures developed by the Superintendent or his/her designee.

SCHOOL FUNDS

Each school Principal shall maintain a school fund for the management of any money which accrues to benefit the school. The School Board shall require that uniform procedures be applied throughout the school district to assure the proper accounting for, and expenditure of, all monies in the school fund. All school funds may be subject to regular audit by the appropriate School Board personnel or as may otherwise be provided.

Adherence to and implementation of state law and all administrative regulations and procedures, as may be established by the Superintendent, shall be the responsibility of each school Principal or his/her designee. The administrative regulations and procedures shall include, but not be limited to the following:

1. Each fund in each school shall maintain accounting records in such a way as to conform to written procedures prescribed by the Superintendent and in the Administrative Guidelines/Best Practices for School Activity Funds

Accounting manual

2. Principals shall neither make nor permit the purchase or the incurring of any obligations which exceeds the cash assets available in the school fund.
3. All funds received from students for the purchase of class rings, pictures or similar projects shall constitute trust funds and shall be used for no other purpose. Any other use shall constitute a misappropriation of those funds.
4. All obligations of the school shall be paid and the books closed not later than June 30 of each year and a final report made to the Superintendent or his/her designee on or before August 31st.
5. Any recommendations made in audit reports shall be evaluated by the school Principal and the Director of Business Affairs. A corrective action plan will be developed for the school by the Principal and the Director of Business Affairs. The Superintendent will be presented with the recommendations and the corrective action plan. He or she shall then decide if further action is required and recommend the nature of the action to the School Board.

Any deviation from this policy shall be dealt with according to law. Principals shall be responsible for the maintenance of current and proper financial records and may be personally liable for purchases which exceed the financial resources of the school or purchases deemed prohibited

Ref: La. Rev. Stat. Ann. §§17:59, 17:196, 17:414.3, 24:515, 39:1301, 39:1302, 39:1303, 39:1304, 39:1305, 39:1306, 39:1307, 39:1308, 39:1309, 39:1310, 39:1311, 39:1312, 39:1313, 39:1314; Louisiana Handbook for School Administrators, Bulletin 741, Louisiana Accounting and Uniform Governmental Handbook, Bulletin 1929, Louisiana Department of Education.

FINANCIAL REPORTS AND STATEMENTS

The St. Tammany Parish School Board shall make all reports required by the Louisiana Board of Elementary and Secondary Education (BESE) and/or state law relative to the financial operation of the school district.

The School Board shall require that all financial reports and statements be prepared completely and accurately and that said reports and statements be submitted to designated officials on or before specified due dates.

The Superintendent shall provide the School Board with periodic financial statements, upon request. Said reports shall reflect compilation of all school financial reports plus system-wide budgetary data as prepared by the Superintendent or his/her designees, as well as any other financial information requested.

Principals shall be required to provide the Superintendent or his/her designee with all required financial reports and necessary documentation he/she may prescribe. These reports shall be presented by the dates established by the Superintendent.

Ref: La. Rev. Stat. Ann. §§17:88, 17:196.

INVENTORIES

CAPITAL ASSETS

The St. Tammany Parish School Board directs the Superintendent or his/her designee to maintain a current itemized list of all land, buildings, improvements other than buildings, equipment, and any other fixed assets which were purchased or otherwise acquired, for which the School Board is accountable.

The property control system shall include a list for reporting purposes of all fixed assets with a value of \$5,000 or more in the school district including all items purchased or donated to the School Board. The list shall include information as to the date of purchase, the initial cost and the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of. In the case of theft of an asset, a police report should be obtained immediately, and the Superintendent or his/her designee should also be immediately notified of the theft.

For accountability and internal control purposes, an inventory of equipment and other items costing less than \$5,000 may also be inventoried, tagged, and tracked by the School Board. This may include items such as computers, cameras, projectors, televisions, band equipment, appliances (e.g. stoves or refrigerators), and furniture.

Physical Inventory

In order to maintain an accurate account of St. Tammany Parish School Board possessions, a physical inventory of all possessions shall be taken at the building level at least annually, but may be more frequent as needed. Principals or their designees are the designated custodians of all possessions at the school level and shall be ultimately responsible for the safeguarding and record maintenance of all assets/equipment in their schools. However, any employee who has physical custody of School Board assets shall be personally responsible for safeguarding the assets, i.e., each teacher shall be responsible for his/her classroom, the librarian for the assets in the library, the band director for the assets in the band department, etc.

Building level administrators shall be responsible for ensuring that annual inventories are taken and that the Business Affairs Department is notified of any changes that need to be made to their respective inventory records or reported as required. The Superintendent and/or his/her designee shall maintain pertinent procedures for maintaining inventory and tracking records, including, identifying, appraising, tagging, and removing fixed assets from any inventory records.

A full fixed asset inventory will be performed every two years as required by federal guidelines by the Business Affairs Department.

GRANT ASSETS

Fixed assets purchased by federal, state, or local grants should be placed in operation immediately. If there is a problem in getting the asset in operation, the Superintendent should be notified immediately. Fixed assets purchased by federal, state, or local grants must be disposed of in accordance with the requirements of the federal, state, or local grants.

INTANGIBLE ASSETS

An *intangible asset* shall be considered an asset with an initial life that extends beyond a single reporting period, lacks physical substance, and is nonfinancial in nature. Intangible assets shall include easements, water rights, timber rights, patents, trademarks, and computer software which can be purchased or licensed or internally generated.

An intangible asset should only be recognized if it is identifiable. An asset is identifiable if it is separable, i.e., the asset is capable of being separated and sold, transferred, licensed, etc., or if the asset arises from contractual or other legal rights, regardless of whether rights are separable.

Intangible assets shall be amortized over their useful lives. The useful life of an intangible asset that arises from contractual or legal rights should not exceed the legal term of the rights. Renewal periods should be considered in determining the useful life if there is evidence that renewal will be sought and achieved and the cost of the renewal is nominal in relation to the level of service capacity expected to be obtained through the renewal. An intangible asset is not amortized if the asset has an indefinite useful life. An intangible asset should be considered to have an indefinite useful life if there are no legal, contractual, regulatory, technological, or other factors that limit the useful life of the asset. For example, a permanent right-of-way easement would have an indefinite useful life.

Rules for accounting, calculating the initial value and depreciation of the asset shall be in accordance with generally accepted accounting standards.

For accountability and internal control purposes, an inventory of intangible assets shall be kept for any asset with a value of \$5,000 or more.

TEXTBOOK INVENTORIES

Each school shall keep an inventory record of all textbooks on hand at the beginning of the session, as well as records of those textbooks added, worn out, and in need of replacement. Textbook records should be kept up to date using the inventory. All lost or damaged books must be paid for by the student to which the books have been assigned. Money received by a Principal for lost or damaged books must be recorded

and deposited into the school account. Payment for lost and damaged textbooks should be remitted to Business Affairs department by the end of the school year.

Ref: La. Rev. Stat. Ann. §§17:81, 24:515; Louisiana Handbook for School Administrators, Bulletin 741, State Textbook Adoption Policy and Procedure Manual, Bulletin 1794, Louisiana Accounting and Uniform Governmental Handbook, Bulletin 1929, Louisiana Department of Education.

AUDITS

The St. Tammany Parish School Board shall require all financial records and accounts, including business transactions, of the School Board to be audited in accordance with generally accepted auditing standards. The audit of selected accounts shall be conducted by a licensed certified public accountant in conformance with prescribed standards and legal requirements. Said audits, upon completion, shall be presented to the School Board for examination.

Other financial audits or agreed upon procedure engagements may also be made of schools or other appropriate accounts upon the transfer, resignation, or dismissal of personnel responsible for receiving and disbursing school funds, or whenever, in the opinion of the School Board, a financial audit or agreed upon procedure engagement is deemed advisable. The School Board's certified public accountant or a reputable accounting firm may conduct such audits or agreed upon procedures.

All audits and agreed upon procedure engagements shall be conducted and filed in accordance with statutory provisions. Should any error or discrepancies be found as a result of any audit, any personnel found responsible may be subject to disciplinary action, up to and including termination.

ANNUAL AUDIT

The School Board shall require an annual examination of all financial statements, financial accountability, and review of all books and accounts of the School Board that must be completed by December 31st of each year. Such a complete examination shall be conducted by a licensed certified public accountant(s), who has been engaged by the School Board and such examination shall be performed in accordance with generally accepted governmental auditing standards and the *Louisiana Governmental Audit Guide*. The accountant shall have access to and assistance privileges of all accounts, records, files, and any other forms of recordation of the School Board. However, the accountant shall comply with any and all restrictions imposed by law on documents, data, or information deemed confidential by law furnished to him/her during the examination. The annual audit report and audited financial statements must be submitted to the Louisiana Legislative Auditor and the Louisiana Department of Education by December 31st of each year.

Ref: La. Rev. Stat. Ann. §§17:88, 17:89, 17:196, 24:513, 24:514, 24:515.

RECORDS RETENTION

The St. Tammany Parish School Board shall exercise diligence and care in preserving all records used or retained for use in the operation and management of the school district, including, but not limited to, financial records, supporting documents, statistical records and all other records pertinent to accounting and reporting for sources and uses of funds. Records shall be retained in accordance with a *Records Retention Schedule* developed by the Superintendent or his/her designee and approved by the State Archivist.

A microphotographic process or other legal form of archival recordkeeping may be utilized and the resulting microform retained for storage in lieu of the original itself unless specifically prohibited by law.

Records should not be destroyed when there is pending litigation or until the appropriate state or federal audits have been conducted. The disposal of public records in any school shall be supervised by the Principal and a record made of the disposal, including the disposal date and names of those observing the disposal. Disposition of all School Board and individual school records should be performed in accordance with Louisiana Revised Statute 44:411 and in accordance with guidelines established by the State Archives.

Any off-site storage of records or official documentation shall be properly labeled for easy reference, and protected for security.

Ref: La. Rev. Stat. Ann. §§17:196, 39:1597, 39:1598, 39:1626, 39:1627, 44:36, 44:411.

EXPENDITURE OF FUNDS

In accordance with statutory provisions, the St. Tammany Parish School Board shall direct the Superintendent to serve as treasurer for the School Board, who shall receive, hold in custody, and expend all funds as directed by the School Board in conformance with statutory accounting and budgetary requirements. The Superintendent shall also maintain pertinent administrative regulations and procedures to assure the proper expending of School Board funds.

No expenditure of funds shall be made where the expenditure would be more than funds available, unless approved by the School Board.

SCHOOL FUNDS

The Principal of a school shall receive, hold in custody, and expend all funds, in accordance with proper administrative procedures as maintained by the Superintendent and/or his/her designee, of all activities of the school for which the Principal is responsible. All purchases by the schools shall be made or approved by the Principal or by a person authorized in writing by the Principal.

Ref: La. Rev. Stat. Ann. §§17:97; 39:1301, 39:1302, 39:1303, 39:1304, 39:1305, 39:1306, 39:1307, 39:1308, 39:1309, 39:1310, 39:1311, 39:1312, 39:1313, 39:1314.

AUTHORIZED SIGNATURES

The St. Tammany Parish School Board, in accordance with state law, shall require the Board President and the Superintendent, as secretary-treasurer, to sign any and all checks issued in payment of expenditures for non-school accounts. The School Board authorizes the use of a secure electronic digital signature device for those persons designated to sign checks. The Superintendent shall establish and maintain appropriate administrative procedures assuring the proper issuance of all checks and security of the electronic digital signature devices.

The Superintendent shall be authorized to open bank accounts as necessary and to manage all investments of the School Board including all school accounts.

GENERAL CONTRACTS

Contracts obligating the School Board shall be signed by the President of the School Board and/or the Superintendent, as applicable. School contracts under \$5,000 that do not obligate the school to more than one payment may be signed by the school Principal.

SCHOOL CHECKING ACCOUNTS

The Superintendent authorizes the opening or closing of school bank accounts. School Board personnel shall monitor the appropriateness of each checking account and shall be authorized to recommend to the Superintendent the closure of any account when warranted.

Ref: La. Rev. Stat. Ann. §§17:81, 17:83, 17:97.

PAYROLL PROCEDURES

Salaries for all personnel shall be paid according to the salary schedule established by and approved by the St. Tammany Parish School Board.

PAYDAY SCHEDULES

Employees shall be paid on the 15th and last day of the month. Employees shall receive their salaries over a 12-month period twice a month. When an employee's payday falls on or during a weekend or Federal Reserve holiday, the employee shall receive his pay the calendar day immediately prior to the weekend or Federal Reserve Holiday.

All employee paychecks will be direct deposited. All employees must arrange for direct deposit of their checks through the Payroll Department.

EMPLOYEES SEPARATING

Employees separating from the school system during the school year shall receive payment in full for their services on or before the next regular payday or no later than fifteen (15) calendar days following the date of termination, whichever occurs first.

Ref: La. Rev. Stat. Ann. §§17:81, 23:631.

SALARY DEDUCTIONS

The St. Tammany Parish School Board maintains that salary deductions which are considered statutory, including federal income tax, state income tax, retirement, garnishments, etc., shall be deducted in accordance with applicable laws and regulations. Any voluntary deductions desired by an employee must be authorized by the Superintendent or his/her designee and said request must be submitted in writing by the employee before the Payroll Department can enter a deduction into the payroll system.

The School Board shall only be responsible for making approved salary deductions as requested in writing by any employee of the School Board. Under no circumstances shall special arrangements be made as to the commencement or transaction of salary deductions.

No new payroll deductions shall be authorized until there is a demonstrated need by employees and approved by the Superintendent or his/her designee after careful evaluation.

1. If at any time additional deductions are considered, there shall be only one deduction for each payroll type except tax-sheltered annuities. Example: Only one company shall be authorized for group medical insurance; only one company shall be authorized for cancer insurance, etc.
2. No new companies shall be authorized to participate in the tax-sheltered annuity program until the number of presently approved companies reduces to less than five (5). If at any time the number of participants of a presently approved company drops to zero, that company shall no longer be allowed to participate. Additional companies may then be approved, provided a company garners not less than twenty-five (25%) percent of the employees who wish to participate in that particular company's tax-sheltered annuity program in order to be considered.

TAX-SHELTERED ANNUITIES

Additional administrative regulations and procedures may be imposed and maintained by the Superintendent and staff to properly oversee the participation in tax-sheltered annuity programs by employees. The School Board reserves the right to cancel or discontinue the program at any time and to change any of the regulations and procedures imposed from time to time in the administration of the programs, and in no instance shall the School Board or its employees be responsible for damages or claim of any kind of description by any employee or any insurance company for any error or omission of the School Board, its agents or employees, in connection with the annuity program, including the failure to pay premiums, failure to properly apply for policies or

any other error or omission in administering the program.

CHANGES TO TAXES OR PAYROLL DEDUCTIONS

Changes in taxes or payroll deductions shall be submitted on the appropriate form and received by the payroll department to change the amount being deducted. Cancellations in payroll deductions shall only be by written notification from and signed by the employee. Changes sent directly to insurance companies shall not be effective until the change notification is received by the payroll department.

Ref: La. Rev. Stat. Ann. §§17:438, 17:1184, 17:1202; 17:1315.

PAYMENT FOR INDEPENDENT SERVICES

SCHOOL-BASED PAYMENTS TO INDIVIDUALS FOR SERVICES

The St. Tammany Parish School Board recognizes the need to hire employees and other individuals to assist with school functions and events during and after school, such as athletic contests, craft shows, nighttime pageants, etc. Any school that agrees to pay teachers or any other school system employee for any school event or school-related activity, the payment for services rendered shall be handled through the School Board's regular payroll. No payment for services or works performed shall be made through school activity funds, whether by cash or check. One exception to this rule is payments made to bus drivers for field trips. These payments are made directly by the school and the school sends a report of payment form to the Business Affairs Department along with a check for benefits. Schools are allowed to make payments to independent contractors such as game officials, law enforcement personnel serving a security function at events at the school, and other independent contractors that do not meet the criteria to be classified as employees. Payments for these services shall be made in accordance with provisions outlined in the *Administrative Guidelines/Best Business Practices for School Activity Funds Accounting*.

To comply with federal and state earned income reporting requirements, all individuals who render independent services to the school system shall be required to complete and submit appropriate reporting documents and forms. It shall be the Principal's responsibility to ensure that all individuals to whom his/her school pays funds properly completes all required forms.

Ref: La. Rev. Stat. Ann. §17:81.

TRAVEL EXPENSE REIMBURSEMENT

The St. Tammany Parish School Board shall reimburse employees and School Board members for expenses incurred while on official School Board business, within budgetary limitations. Travel expenses shall be limited to those expenses necessarily incurred by employees or School Board members in the performance of official responsibilities as may be authorized by the School Board or the Superintendent. Reimbursement of expenses shall be based on submission of the forms and documentation designated for that purpose as required by and in accordance with approved administrative procedures. Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense. All travel guidelines and procedures are outlined in the St. Tammany Parish School Board travel policy distributed to all employees.

All out-of-state travel by employees shall be approved in advance by the Superintendent or his/her designee. Travel rates for employees and School Board members shall be in accordance with rates authorized by the School Board.

All employees who use their private vehicles for official School Board business shall be required to carry liability insurance. When a private vehicle is used for official School Board duties, mileage shall be reimbursed based on the rate authorized by the School Board. In no case shall an employee be allowed mileage or transportation reimbursement when the employee has been gratuitously transported by another person.

Claims for reimbursement of out-of-parish/out-of-state travel expense shall be submitted for payment within 60 days following the month for which travel expenses were incurred. Failure to submit the necessary paperwork and/or documentation in a timely manner may result in non-payment of expenses for that month. In the event any employee is unable to report his/her travel before the end of the reporting period, the Superintendent and/or his/her designee shall approve any extension of the reporting date on a monthly basis.

Any employee or School Board member who misappropriates public funds or assets in connection with any travel claim shall be subject to disciplinary action and shall be reported in accordance with law. The School Board shall be entitled to restitution.

TRAVEL REGULATIONS

Administrative regulations and procedures governing travel reimbursement, allowances, and standard round-trip mileage to various locations, schools, and/or selected cities, as well as forms and charts to be used for requesting travel and subsequent reimbursement of expenses shall be maintained by the Superintendent and/or his/her designee.

Ref: La. Rev. Stat. Ann. §§17:56, 24:523, 32:861, 32:862, 32:863, 32:863.1, 32:900.

PURCHASING

All purchasing for the school system to be paid from public funds shall be made by the Superintendent or his/her designee in conformance with existing administrative regulations and procedures outlined in the St. Tammany Parish School Board *Internal Financial Controls and Regulations*, and the laws pertinent to state and federal agencies. Budget allocations for specific purposes shall constitute advance School Board approval for all purchases except in such cases as state law or School Board policy may require. No debt shall be contracted in the name of the St. Tammany Parish School Board without action by the School Board, except those items which are provided for in the regular budget. Purchases shall be made at the lowest possible cost to the School Board consistent with specifications of quality and service.

Each Principal shall assure that purchases by the individual school shall be made in accordance with administrative regulations and procedures developed by the Superintendent and staff and the laws pertinent to state and federal agencies.

No employee, officer or agent of the St. Tammany Parish School Board shall participate in the selection, award, or administration of a contract or purchase of supplies, materials and equipment if a conflict of interest, real or apparent, would be involved. School Board employees shall neither solicit nor accept gratuities, favors or anything of monetary value from vendors, contractors, potential contractors, or parties to sub-agreements. All purchasing shall comply with the U.S. Department of Education Department *General Administrative Regulations* (EDGAR), the *Louisiana Public Bid Law*, the *Louisiana Code of Governmental Ethics*, the *Louisiana Procurement Code*, and applicable state or federal regulations, as applicable.

PROCUREMENT METHOD

Depending on the funding source and purchase amount, the following procurement methods shall be used:

Procurement Methods	Federal Requirement Uniform Grants Guidance Section 200.320	State Requirement Title 38 La. Bid Law R.S. 38:2212.1	State Requirement Title 39 La. Procurement Code R. S. 39:1551-1736	Action required
Micro Purchases (new method)	Purchases less than \$3,500 per Federal Acquisition Regulations at 48 CFR 2.101** No competitive process required.	Purchases less than \$1,000 No competitive process required.	Purchases less than \$5,000 No competitive process required.	Title 38 - Follow more restrictive state requirement. Title 39 - Follow more restrictive federal requirement.
Small Purchases	\$3,500 - \$150,000	\$1,000 - \$10,000	Purchases less than \$5,000	Title 38 - Follow more restrictive state

(informal)	Price or rate quotation from adequate number of qualified sources.	3 or more quotes suggested but not required.	No competitive process required.	requirement. Title 39 - Follow more restrictive federal requirement.
		\$10,000 - \$30,000	\$5,000 - \$15,000	Title 38 and Title 39 Align with federal requirement.
		Solicit 3 or more quotes.	Solicit 3 or more quotes.	Title 39 - Follow more restrictive state requirement.
Sealed Bids (formal advertising)	Exceeding \$150,000 Publicly bid and award to lowest responsible bidder.	Materials and Supplies Exceeding \$30,000	Exceeding \$25,000	Title 38 - Follow more restrictive state requirements for materials and supplies; use more restrictive federal requirements for public works. Title 39 - Follow more restrictive state requirements.
		Public Works Exceeding \$152,400 Publicly bid and award to lowest responsible bidder.	Refer to LA Procurement Code (R.S. 39:1551-1736)	
Competitive Proposals	Exceeding \$150,000 Request for Proposal from adequate number of sources; must have written method for selecting recipients.	Materials and Supplies Exceeding \$30,000 Public Works Exceeding \$152,400 Publicly bid and award to lowest responsible bidder.	Exceeding \$25,000 Refer to LA Procurement Code (R.S. 39:1551-1736)	Follow more restrictive state requirements.
Noncompetitive Proposals – Sole Source Purchases	Sole source purchases are appropriate only under the circumstances listed below. These circumstances must be adequately documented.			
	<ol style="list-style-type: none"> 1. The item procured is only available from a single source; 2. The purchase is in response to a public emergency that will not permit a delay resulting from the competitive process; 3. The purchase is expressly authorized by awarding or pass-through agency in response from the School Board; or 4. After soliciting a number of sources competition is deemed inadequate. Process must be adequately documented. 			
Note:	** Refer to 48 CFR Subpart 2.101 to identify the current micro-purchase threshold designated by the Federal Acquisition Regulations (FAR) which is subject to adjustment due to inflation.			

The School Board may choose by resolution to adopt the *Louisiana Procurement Code* in part or in its entirety. The School Board may also purchase from vendors with state contracts that have been pre-approved by the *Office of State Procurement (OSP)*.

USE OF FEDERAL FUNDS

Procurement of materials and supplies made when using federally generated funds shall follow the appropriate procurement method as summarized in the above chart.

Solicitations from Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms

When spending federal funds, the St. Tammany Parish School Board shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Louisiana Economic Development Agency, and Small Business Administration and the Minority Business Development Agency of the United States Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs 1 through 5 of this section.

Exclusion or Rejection of Quotes or Bids

A contract award or a purchase made with federal funds shall not be made to parties listed on the government-wide exclusions in the *System for Award Management* maintained by the U.S. Government, which contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority.

USE OF STATE FUNDS

Procurement of materials and supplies when using state or locally generated funds shall follow the procurement method as summarized in the above chart. As noted in the chart, the procurement method may be dependent on whether the School Board has adopted the provisions of Title 38 or Title 39 of the Louisiana Statutes as it pertains to the actual purchase.

Financing Purchases

The School Board may finance the purchase of equipment or other movable property to be used by the School Board by entering into an installment sale, lease, or similar agreement with any lender or other person. Such agreement shall be subject to approval of the State Bond Commission if required by state law. No individual school or school employee shall obligate the School Board.

Use of State Contract

If equipment, materials or supplies are available from a State of Louisiana Contract, the Superintendent and/or his/her designee may approve the purchase without using one of the purchasing procedures outlined in statutory provisions, if advantageous to the School Board.

The School Board may also *piggyback*, or purchase materials and supplies on valid contracts of other political subdivisions. In doing so, the School Board shall obtain documentation from the other agency that clearly demonstrates the contract was previously bid and is a viable contract. The price paid by the School Board shall be the same as the contract's bid price.

Louisiana Procurement Code

State law authorizes School Boards to adopt all or any part of the *Louisiana Procurement Code* as contained in state statutes (La. Rev. Stat. Ann. §39:1551-39:1755). For proper and efficient operations, the St. Tammany Parish School Board may adopt, by resolution or otherwise, pertinent provisions of the *Louisiana Procurement Code*, accompanying administrative regulations as promulgated in the *Louisiana Procurement Code*, as well as guidelines and policies issued by the state's Office of State Purchasing relevant to the procurement of materials, supplies, merchandise, and other types of property.

Sole Source Provider

The School Board may award a contract for the purchase of supplies, services, or major repairs without competition when the Superintendent or designated employee has determined, in writing, that there is only one source for the supply, service, or major repair item(s) to be acquired. Pertinent procedures for purchasing such items from a sole source shall be as outlined in the State of Louisiana Office of State Purchasing's *Purchasing Rules and Regulations* and any applicable Federal Guidelines.

PREFERENCES

In accordance with Louisiana Revised Statute 38:2252 preference is given to any materials, supplies, and provisions, produced, manufactured or grown in Louisiana,

quality being equal to articles offered by competitors outside of the state. Bidders must indicate on their bid response when they are claiming a preference.

In accordance with Louisiana Revised Statute 38:2253, in making any purchase it shall be the duty of the officer purchasing agent, Board, District, or Commission, all things being equal, to give preference to firms doing business in the State of Louisiana. However, this preference shall be inferior to and superseded in instances of conflict with that preference granted by Louisiana Revised Statute 38:2251.

The School Board has a 5% in-parish preference for purchases under \$10,000. This preference shall be given to in-parish vendors provided the cost of such products does not exceed five percent (5%) of the lowest quote price of an out-of-parish vendor. An in-parish vendor shall be considered any business with a physical facility located in St. Tammany Parish out of which it either sells equipment or supplies or provides services to the customer. For clarification, a *vendor* shall be further defined as any person(s), partnership, company, association, or corporation authorized to do business in St. Tammany Parish, paying all taxes duly assessed, owning or leasing a store front or plant equipped with machinery and equipment capable of producing the work, or maintain an inventory therein with storage facilities and actually engaged in selling equipment or supplies, or providing services.

Preferences can only be utilized for purchases made with state or local funds. Preferences cannot be utilized for purchases made with federal funds.

VENDORS

The St. Tammany Parish School Board shall seek business and bids from all eligible vendors, regardless of race, creed, color, sex, national origin, age or handicap. No favoritism shall be extended to any vendor. Each order shall be placed on the basis of quality, price and delivery.

No person officially connected with or employed by the School Board shall be an agent for, or have any pecuniary or beneficial interest in or receive any compensation or reward from any vendor for the sale of supplies, materials, equipment, services or public works contracts.

No employee of the School Board shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any vendor representative or agent of a vendor, or a prospective vendor or contractor.

CREDIT CARDS

The Superintendent may authorize the use of credit cards or procurement cards by authorized personnel to facilitate the purchase of school district materials, supplies, employee travel and gas. Only personnel employed by the School Board and authorized by the Superintendent may be permitted to use any charge card in the name of the School

Board. No personal usage of any card shall be permitted.

Each person authorized by the Superintendent shall be issued a credit card in the name of the School Board. Once received, the card(s) shall remain in the possession of the employee/cardholder and he/she shall be held accountable for the card's usage. Documentation (purchase order and/or itemized receipt) shall be required for all purchases, credits or transactions for which the card is used including prior authorization when applicable.

The usage of any card issued shall be in accordance with the administrative regulations and procedures outlined by the Superintendent and the administrative procedures and controls outlined in the *Internal Financial Controls and Regulations*.

Designated School Board personnel shall be responsible for monitoring all charges, the number and amount of purchases, vendors used, as well as detailed transaction information.

Misuse of any School Board credit card may result in discipline and/or personal liability for dishonored, erroneous, or improper charges.

Ref: 2 CFR 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*), 48 CFR 2.101 (*Definitions*); La. Rev. Stat. Ann. §§33:4712.7, 38:2184, 38:2211, 38:2212, 38:2212.1, 38:2214, 38:2218, 38:2219, 38:2271, 39:1551, 39:1552, 39:1553, 39:1554, 39:1554.1, 39:1556, 39:1557, 39:1558, 39:1597, 39:1702, 39:1710.

BIDS AND QUOTATIONS

PUBLIC WORKS

The St. Tammany Parish School Board shall advertise and let by contract, except in cases of emergencies as provided below or as otherwise provided by law, all public work exceeding the contract limit set by law, Louisiana Revised Statute 38:2212. The contract shall be awarded to the lowest responsive and responsible bidder who has bid according to the contract, plans, and specifications advertised, and when the bid is within the probable construction costs estimate, except as otherwise provided by law. Public works which are estimated to cost less than the contract limit may be undertaken by the School Board with its own employees or may be quoted and awarded by the School Superintendent or his or her designee and reported in the monthly reporting.

MATERIALS AND SUPPLIES

All purchases of materials or supplies exceeding the sum of \$30,000 shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised. In addition, purchases of materials, supplies, or services costing between \$1,000 and \$10,000 shall require three (3) competitive quotes, and purchases of materials and supplies of at least \$10,000, but not more than \$30,000, shall be made by obtaining not less than three (3) documented quotations. A written confirmation of the accepted offer shall be obtained and made a part of the purchase file. The School Board may require a written contract or bond when purchasing the materials or supplies. If quotations are received that are lower than the quote accepted, a notation shall be entered into the file as to the reasons for rejection of the lower quotes. Provided the quality of products are equal, a 5% preference shall be given for purchase of materials or equipment under \$10,000.00 to in-parish vendors. If there is a tie, Louisiana vendors get preference over out-of-state vendors.

When using state or locally generated funds, purchases cannot be divided by departments or by a school if the effect is to evade the state's public bid law. Purchases of commodities that are bought in small but recurring amounts through the year shall be bid on an annual basis.

The School Board shall retain the option of requiring all bids that are let out for materials and supplies be submitted electronically.

SERVICES

Non-Competitive Service Contracts Districtwide

The following service contracts may be awarded without the necessity of competitive bidding or competitive negotiation:

1. Consulting Services and Professional Services under \$25,000;
2. Personal Services; and
3. Cooperative Endeavor Agreements.

The following professional services are exempt from the requirement of competitive negotiation even if they exceed \$25,000: lawyers, doctors, architects, engineers, landscape architects, land surveyors and accountants.

The full duration of the project/initiative must be considered when determining the total cost of a particular service.

Any non-competitive service contracts paid through the use of federal funds must comply with the U.S. Department of Education General Administrative Regulations (EDGAR).

Competitive Service Contracts Districtwide

Consulting services and professional services of \$25,000 or more unless exempted above shall be subject to competitive negotiation via a *Request for Proposal* (RFP) or Request for Qualifications (RFQ) as appropriate.

In cases of an emergency or extreme emergency when time is not sufficient to advertise for bids for public works or purchase of materials, the School Board, its Superintendent or his or her designee is permitted by law to declare through resolution that a public emergency or extreme public emergency exists and extend a contract for more than the sums mentioned without going out to bid. However, in such cases every effort shall be made by School Board personnel to secure competitive quotations. The accepted quote shall be confirmed and documented in writing. State law permits a person designated by the School Board to declare the existence of an *extreme public emergency*. This designated person shall be the Superintendent and/or his/her designee. Notices of an *emergency* or *extreme emergency* shall be published in the School Board's official journal.

USE OF STATE CONTRACT

The School Board may make use of valid contracts put in place by the State of Louisiana Office of State Procurement. The School Board may also enter into a Cooperative Purchasing Agreement or piggyback, for the purchase of materials and supplies on valid contracts of other political subdivisions, as noted in policy DJE, Purchasing.

BID ADVERTISEMENTS

All advertisements for bids for public works that are required to be advertised shall be advertised in accordance with law.

Ref: 2 CFR 200 (*Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*), 48 CFR 2.101 (*Definitions*); La. Rev. Stat. Ann. §§9:2716, 9:2717, 38:2181, 38:2182, 38:2211, 38:2212, 38:2212.1, 38:2212.9, 38:2214, 38:2218, 38:2227, 38:2241, 38:2251, 38:2271, 39:1551, 39:1552, 39:1553, 39:1554, 39:1554.1, 39:1556, 39:1557, 39:1558, 39:1597, 39:1710.

PROFESSIONAL SERVICES

The St. Tammany Parish School Board may from time to time solicit for professional services. *Requests for Qualifications* shall be advertised in the official journal and copies of the *Requests for Qualifications* documents shall be made available to all firms interested in proposing. A review committee shall be appointed by the Superintendent and/or his or her designee to evaluate the proposals. The review committee shall make a recommendation to the appropriate School Board committee for consideration.

Ref: La. Rev. Stat. Ann. §17:81.

PURCHASE ORDERS

The St. Tammany Parish School Board shall require, in accordance with sound principles of financial accounting, purchase orders to be prepared on items purchased in the name of the School Board. Separate purchase orders shall be prepared for each vendor involved.

SCHOOL PURCHASES

School purchases of \$3,000 or more should be made through the use of a School Board purchase order except as noted in the *Administrative Guidelines/Best Business Practices for School Activity Funds Accounting*. School purchases under \$3,000 may be made through the use of school purchase order and all School Board policies and procedures should be followed.

Ref: La. Rev. Stat. Ann. §§17:81, 17:97, 39:1554, 39:1556, 39:1710.

STUDENT ACTIVITIES FUNDS MANAGEMENT

Student activity funds are those funds raised or collected for school-approved student groups, gate receipts, and student activity fees. The St. Tammany Parish School Board shall require all student activity funds to be collected and expended for the purpose of supporting the school's activities program. Student body representation should be encouraged whenever possible.

The Principal of each school shall be responsible for all school/student accounts. The principal may assign one or more school staff member(s) to share the responsibility for assuring that the system of accountability for school funds and maintenance of records are maintained in accordance with pertinent district administrative regulations and procedures, including the *Administrative Guidelines/Best Business Practices for School Activity Funds Accounting*. The Principal, however, shall have the ultimate responsibility for supervising the accounting functions to be performed at the building level.

SCHOOL CLUBS AND ORGANIZATIONS

The School Board shall require all activity funds generated by a club, organization, association, class, athletic team, or any other organization within the school to be deposited into a school fund bank account. Separate records of all financial transactions of the school fund account shall be maintained by the Principal for each group. No monies shall be drawn on the school fund account without a request for withdrawal which carries two (2) signatures, one of which shall always be the Principal's or his/her designee. No withdrawal shall occur unless the check carries the signature of the Principal, or the administrator who assumes his/her duties during his/her absence.

The records of the school account shall be reconciled monthly, and a written report shall be prepared by the Principal and submitted annually to the Superintendent or his/her designee, who shall review and consider the report for approval and notify the Principal accordingly. The School Board may require and provide for an audit of the school fund of any school within its jurisdiction at any time.

All school fundraising activities shall be approved by the Principal and may be subject to audits from the central office.

OTHER SCHOOL FUNDS

Schools may have other fund accounts as part of their school activity funds. Sources of money for these funds may include vending machines, coffee fees, and teacher dues. These funds may only be used to benefit the faculty or school as a whole. Any purchases made from these funds should be done with caution, as restrictions apply to the expenditure of such funds. Any questions about purchases should be directed to the Superintendent or designee for clarification before the purchase is made.

Ref: La. Rev. Stat. Ann. §§17:81, 17:414.3, 51:224; *Louisiana Handbook for School Administrators*, Bulletin 741, Louisiana Department of Education.

BOOSTER CLUBS AND SUPPORT ORGANIZATIONS

The St. Tammany Parish Public School Board recognizes that schools receive substantial assistance in providing co-curricular and extracurricular activities that are linked to its primary mission of meeting the academic, social, physical, and emotional needs of its students through support groups that form to lend help in a variety of ways. School programs are enriched and enhanced through the efforts of parents/guardians and other interested community members who form booster clubs and similar associations. Generally, these associations are organized to promote, advance, and financially support student participation in sports, music, ROTC and other activities.

While such organizations have no official link to the school or School Board, there is reason to help ensure that operations are conducted in a manner that follows acceptable practices. Moreover, it is important that the school exercise its authority in making sure that it is associated with sound and reputable organizations and that any efforts undertaken on its behalf are approved by the school Principal.

The School Board shall assign to the Superintendent the responsibility to develop administrative guidelines to govern booster clubs and other organizations that are formed to support school co-curricular and extracurricular programs. Such guidelines shall include any roles and responsibilities deemed necessary to help ensure sound fiscal policies to govern money collections and recordkeeping as well as internal and external controls. One organization that is not governed by this policy is the PTA/PTSA, when associated with District, State, and National PTA, as this well-established organization provides strong systemic structures for assistance and oversight and has been recognized as a School Board partner in all schools.

While it is not the intention of the School Board to direct the management of booster clubs or other organizations that support the school's mission of providing high-quality experiences for students, it is critical that the community trust those who solicit and manage funds intended to serve students, in order to ensure that they are operating in a sound, reliable fiscal mode of operation. It is also imperative that fund raising and other efforts to support school programs operate in concert with the administration and staffs of the schools.

Funds generated by an entity outside the school, such as a parents' club, community, business, civic or other similar type of organization, shall be considered to be independent funds under the exclusive control and supervision of the club or organization. The School Board, however, shall require all such funds, when expended for any school function, activity, or purpose, to adhere fully to all state and federal statutory and regulatory provisions.

In addition, the School Board may place restrictions on the donation and usage of any monies by an outside source, i.e. club, organization, or entity, to a school or School

Board-related entity. Specifically prohibited shall be the donation to an individual employee of the School Board anything of economic value including without limitation in the form of money, personalized articles, automobiles and/or their use, travel, entertainment or vacations, except as otherwise allowed in accordance with Louisiana Code of Governmental Ethics. The School Board reserves the right to examine the provisions of any and all prospective donations to a school or School Board-related entity to ascertain the propriety of the donation.

It is the policy of the St. Tammany Parish School Board that all fundraising activities conducted during the school day, on School Board property, using school employees and/or students, for school or school related purposes shall be properly controlled and have reasonable accountability applied. This requires that all funds shall be considered *public funds* and shall be deposited into the official checking account of the individual school and all state and local rules and regulations concerning financial management shall be applied.

Ref: La. Rev. Stat. Ann. §§17:81, 17:414.3, 51:224; Louisiana Handbook for School Administrators, Bulletin 741, Louisiana Department of Education.

CASH IN SCHOOL BUILDINGS

The St. Tammany Parish School Board shall direct that no money shall be left overnight in an unlocked safe, nor shall any Principal or other school personnel keep cash in his or her office or classroom overnight. Sound business procedure requires Principals or other school personnel in any school handling funds to forward money to the Principal's office on the day of collection, to be deposited on the same day of collection, whenever possible, except for small sums needed for petty cash.

Principals and other school personnel shall establish necessary precautions to ensure the safekeeping of all monies under their control, which shall be in compliance with applicable district administrative regulations and procedures.

Ref: La. Rev. Stat. Ann. §17:95.

SCHOOL LOANS

The St. Tammany Parish School Board shall require all school-based installment obligations, lease agreements or other financing agreement to be approved by the Superintendent. In determining whether to approve such debt obligations, the Superintendent shall consider the school's financial status and history of repayment.

Copies of all approved requests along with completed copies of the debt instrument shall be maintained in the Central Office. The Superintendent or his/her designee shall submit a request to incur debt to the State Bond Commission if required by state law.

Ref: La. Rev. Stat. Ann. §§17:81, 39:821, 39:822, 39:1410.60.