

**MALTA SCHOOL DISTRICT**

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**7000 SERIES  
FINANCIAL MANAGEMENT**

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## Malta School District

### FINANCIAL MANAGEMENT

7000

#### Goals

Because educational programs are dependent on adequate funding and the proper management of those funds, District goals can best be attained through efficient fiscal management. As trustee of local, state, and federal funds allocated for use in public education, the Board shall fulfill its responsibility to see that funds are used to achieve the intended purposes.

Because of resource limitations, fiscal concerns often overshadow the educational program. Recognizing this, the District must take specific action to ensure that education remains primary. This concept shall be incorporated into Board operations and into all aspects of District management and operation.

The Board seeks to achieve the following goals in the District's fiscal management:

1. Engage in advance planning, with staff and community involvement, to develop budgets which will achieve the greatest educational returns in relation to dollars expended.
2. Establish levels of funding which shall provide superior education for District students.
3. Provide timely and appropriate information to staff who have fiscal responsibilities.
4. Establish efficient procedures in all areas of fiscal management.

Legal Reference: Title 20, Chapter 9, MCA Finance

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## **Malta School District**

### **FINANCIAL MANAGEMENT**

7110

#### Budget and Program Planning

The annual budget is evidence of the Board's commitment to the objectives of the instruction programs. The budget supports immediate and long-range goals and established priorities within all areas – instructional, noninstructional, and administrative programs.

Before presentation of a proposed budget for adoption, the Superintendent and business manager will prepare, for the Board's consideration, recommendations (with supporting documentation) designed to meet the needs of students, within the limits of anticipated revenues.

Program planning and budget development will provide for staff participation and the sharing of information with patrons before any action by the Board.

#### Policy History:

Adopted on: August 2, 2005

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7121

Budget Adjustments

When any budgeted fund line item is in excess of the amount required, the Board may transfer any of the excess appropriation to another line item(s) within the same fund.

The Board authorizes the administration to transfer line items within the same budgeted fund to adjust line item overdrafts or to meet special line item needs. Line item budget transfers to adjust line item overdrafts are at the discretion of the administrators.

Total budget expenditures for each fund as adopted in the final budget shall constitute the appropriations of the District for the ensuing fiscal year. The Board will be limited in the incurring of expenditures to the total of such appropriations.

With timely notice of a public meeting, trustees, by majority vote of those present, may declare by resolution that a budget amendment (in addition to the final budget) is necessary. Budget amendments are authorized for specified reasons by § 20-9-161, MCA. The resolution will state the facts of the budget amendment, the estimated amount of funds needed, and the time and place the Board will meet for the purpose of considering and adopting a budget amendment.

The meeting to adopt a budget amendment will be open and will provide opportunity for any taxpayer to appear and be heard. Budget procedures will be consistent with statutory requirements. When applicable, the District will apply for state financial aid to supplement the amount to be collected from local taxes.

Legal Reference:	§ 20-9-133, MCA	Adoption and expenditure limitations of final budget
	§ 20-9-161, MCA	Definition of budget amendment for budgeting purposes
	§ 20-9-162, MCA	Authorization for budget amendment adoption
	§ 20-9-163, MCA	Resolution for budget amendment – petition to superintendent of public instruction
	§ 20-9-164, MCA	Notice of budget amendment resolution
	§ 20-9-165, MCA	Budget amendment limitation, preparation, and adoption procedures
	§ 20-9-166, MCA	State financial aid for budget amendments
	§ 20-9-208, MCA	Transfers among appropriation items of fund – transfers from fund to fund

Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7210

#### Revenues

The District will seek and utilize all available sources of revenue for financing its educational programs, including revenues from non-tax, local, state, and federal sources. The District will properly credit all revenues received to appropriate funds and accounts as specified by federal and state statutes and accounting and reporting regulations for Montana school districts.

The District will collect and deposit all direct receipts of revenues as necessary but at least once monthly. The District will make an effort to collect all revenues due from all sources, including but not limited to, rental fees, bus fees, fines, tuition fees, other fees and charges. Uncollectible checks may be turned over to the county attorney for collection.

Legal Reference:       § 20-9-303, MCA       Nonisolated school BASE budget funding – special education funds

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7251

#### Disposal of School District Property Without a Vote

The Board is authorized to dispose of a site, building, or any other real or personal property of the District, that is or is about to become abandoned, obsolete, undesirable, or unsuitable for school purposes.

To effect proper disposal, the trustees shall pass a resolution stating their decision concerning property disposal. The resolution will not become effective until fourteen (14) days after the resolution is published in a newspaper of general circulation in the District.

Should any taxpayer properly protest the resolution during the fourteen (14) days after the date of publication, the trustees shall submit testimony to the court with jurisdiction.

Once the resolution is effective, or if appealed the decision has been upheld by the court, the trustees shall sell or dispose of the real or personal property in a reasonable manner determined to be in the best interests of the District. Proceeds from the sale of fixed assets can be deposited to the general, debt service, building, or any other appropriate fund.

Legal Reference:       § 20-6-604, MCA       Sale of property when resolution passed after hearing – appeal procedure

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7310

#### Budget Implementation and Execution

Once adopted by the Board, the operating budget shall be administered by the Superintendent's designees. All actions of the Superintendent/designees in executing programs and/or activities delineated in that budget are authorized according to these provisions:

1. Expenditure of funds for employment and assignment of staff shall meet legal requirements of the State of Montana and adopted Board policies.
2. Funds held for contingencies may not be expended without Board approval.
3. A listing of warrants describing goods and/or services for which payment has been made must be presented for Board ratification each month.
4. Purchases will be made according to the legal requirements of the State of Montana and adopted Board policy.

Legal Reference:      § 20-3-332, MCA      Personal immunity and liability of trustees  
                                 § 20-9-213, MCA      Duties of trustees

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

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#### Purchasing

##### Authorization and Control

The Superintendent is authorized to direct expenditures and purchases within limits of the detailed annual budget for the school year. The Board must approve purchase of capital outlay items, when the aggregate total of a requisition exceeds \$5,000.00, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when necessary to protect the interests of the District or the health and safety of staff or students. The Superintendent will establish requisition and purchase order procedures to control and maintain proper accounting of expenditure of funds. Staff who obligate the District without proper authorization may be held personally responsible for payment of such obligations.

##### Bids and Contracts

Whenever any building furnishing, repairing, or other work for the benefit of the District or purchasing of supplies for the District is necessary, the work done or the purchase made must be by contract if the sum exceeds Eighty Thousand Dollars (\$80,000). The District will call for formal bids by issuing public notice as specified in statute. Specifications will be prepared and made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the trustees may reject any or all bids. The Board, in making a determination as to which vendor is the lowest responsible bidder, will take into consideration not only the amount of each bid, but will also consider the skill, ability, and integrity of a vendor to do faithful, conscientious work and to promptly fulfill the contract according to its letter and spirit. Bidding requirements do not apply to a registered professional engineer, surveyor, real estate appraiser, or registered architect; a physician, dentist, pharmacist, or other medical, dental, or health care provider; an attorney; a consulting actuary; a private investigator licensed by any jurisdiction; a claims adjuster; or an accountant licensed under Title 37, Chapter 50.

Advertisement for bid must be made once each week for two (2) consecutive weeks, and a second (2<sup>nd</sup>) publication must be made not less than five (5) nor more than twelve (12) days before consideration of bids.

The Superintendent will establish bidding and contract-awarding procedures. Bid procedures will be waived only as specified in statute. Any contract required to be let for bid shall contain language to the following effect:

*In making a determination as to which vendor is the lowest responsible bidder, if any, the District will take into consideration not only the pecuniary ability of a vendor to perform the contract, but will also consider the skill, ability, and*

*integrity of a vendor to do faithful, conscientious work and promptly fulfill the contract according to its letter and spirit. References must be provided and will be contacted. The District further reserves the right to contact others with whom a vendor has conducted business, in addition to those listed as references, in determining whether a vendor is the lowest responsible bidder. Additional information and/or inquiries into a vendor's skill, ability, and integrity are set forth in the bid specifications.*

### Cooperative Purchasing

The District may enter into cooperative purchasing contracts with one or more districts for procurement of supplies or services. A district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of 20-9-204(3), MCA if the cooperative purchasing group has a publicly available master list of items available with pricing included and provides an opportunity at least twice yearly for any vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard, for inclusion of the vendor's supplies and services on the cooperative purchasing group's master list.

Legal Reference:	§§ 18-1-101, et seq., MCA	Preferences and General Matters
	§§ 18-1-201, et seq., MCA	Bid Security
	§ 20-9-204, MCA	Conflicts of interests, letting contracts, and calling for bids
	§ 20-10-110, MCA	School Bus Purchases – contracts- bids
	<i>Debcov v. City of Glasgow</i> , 305 Mont. 391 (2001)	

### Policy History:

Adopted on: August 2, 2005

Reviewed on:

Revised on: July 9, 2007

Revised on: July 15, 2013

## **Malta School District**

### **FINANCIAL MANAGEMENT**

7326

#### Documentation and Approval of Claims

All financial obligations and disbursements must be documented in compliance with statutory provisions and audit guidelines. Documentation will specifically describe acquired goods and/or services, budget appropriations applicable to payment, and required approvals. All purchases, encumbrances and obligations, and disbursements must be approved by the administrator designated with authority, responsibility, and control over budget appropriations. The responsibility for approving these documents cannot be delegated.

The District business office is responsible for developing procedures and forms to be used in the requisition, purchase, and payment of claims.

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## **Malta School District**

### **FINANCIAL MANAGEMENT**

7329

#### Petty Cash Funds

The use of petty cash funds shall be authorized for specific purchases only. Those purchases will include individual purchases of supplies and materials under the amount of Fifty Dollars (\$50). Individual reimbursements which exceed Fifty Dollars (\$50) should not be made from petty cash funds. Petty cash accounts will be maintained as cash on hand, with the total dollar amount of each petty cash account limited to One Hundred Fifty Dollars (\$150) for elementary and Three Hundred Dollars (\$300) for the District Office. The District Office petty cash account will be used for postage, delivery charges, and freight.

Each administrator of a school or department with a petty cash fund account may appoint and designate a fund custodian to carry out bookkeeping and security duties. Moneys not specifically designated as petty cash will not be co-mingled with the petty cash fund. At the conclusion of each school year, all petty cash funds must be closed out and the petty cash vouchers and cash on hand returned to the business office for processing.

The District business office is responsible for establishing procedures for use and management of petty cash funds.

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

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#### Advertising in Schools/Revenue Enhancement

Revenue enhancement through a variety of District-wide and District-approved marketing activities, including, but not limited to, advertising, corporate sponsorship, signage in or on District facilities, etc., is a Board-approved venture. The Board may approve such opportunities subject to certain restrictions in keeping with the contemporary standards of good taste. Advertising will model and promote positive values for District students through proactive educational messages and not be simply traditional advertising of a product. Preferred advertising includes messages encouraging student achievement and establishment of high standards of personal conduct.

All sponsorship contracts will allow the District to terminate the contract on at least an annual basis, if it is determined that it will have an adverse impact on implementation of curriculum or the educational experience of students.

The revenue derived should:

1. Enhance student achievement;
2. Assist in maintenance of existing District athletic and activity programs; and
3. Provide scholarships for students participating in athletic, academic, and activity programs, who demonstrate financial need and merit.

Appropriate opportunities for marketing activities include but are not limited to:

1. Fixed signage.
2. Banners.
3. District-level publications.
4. Television and radio broadcasts.
5. Athletic facilities, including stadiums, high school baseball fields, and high school gymnasiums.
6. District-level projects.
7. Expanded usage of facilities beyond traditional uses (i.e., concerts, rallies, etc.).
8. The interior and exterior of a limited number of District buses, if the advertising is associated with student art selected by the District. The only advertising information allowed will note sponsorship of the student art by the participant. Maintenance for these buses will include but not exceed normal maintenance costs.
9. Individual school publications (when not in conflict with current contracts).

Advertising will not be allowed in classrooms, other than corporate-sponsored curriculum materials approved subject to Board policy.

The following restrictions will be in place when seeking revenue enhancement. Revenue

enhancement activities will not:

1. Promote hostility, disorder, or violence;
1. Attack ethnic, racial, or religious groups;
2. Discriminate, demean, harass, or ridicule any person or group of persons on the basis of gender;
3. Be libelous;
4. Inhibit the functioning of the school and/or District;
5. Promote, favor, or oppose the candidacy of any candidate for election, adoption of any bond/budget issues, or any public question submitted at any general, county, municipal, or school election;
6. Be obscene or pornographic, as defined by prevailing community standards throughout the District;
7. Promote the use of drugs, alcohol, tobacco, firearms, or certain products that create community concerns;
8. Promote any religious or political organization;
9. Use any District or school logo without prior approval.

Cross Reference:     2120 Curriculum Development and Assessment  
                          2309 Library Materials  
                          2311 Instructional Materials

Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7335

#### Personal Reimbursements

While it is recommended that all purchases of goods or services be made within established purchasing procedures, there may be an occasional need for an employee to make a purchase for the benefit of the District from personal funds. In that event, an employee will be reimbursed for a personal purchase under the following criteria:

1. It is clearly demonstrated that the purchase is of benefit to the District;
2. The purchase was made with the prior approval of an authorized administrator;
3. The item purchased was not available from District resources; and
4. The claim for personal reimbursement is properly accounted for and documented with an invoice or receipt.

The District business office is responsible for developing procedures and forms to be used in processing claims for personal reimbursements.

#### Policy History:

Adopted on: August 2, 2005

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7336

Travel Allowances and Expenses

The District will reimburse employees and trustees for travel expenses while traveling outside the District and engaged in official District business. District employees who are not exempted by another policy will be reimbursed according to the current State levels pursuant to Montana law. All travel expenses must be reported on the established travel expense and voucher forms and approved by the employee's supervisor and the Superintendent.

The District business office is responsible for development of procedures and forms to be used in connection with travel expense claims and reimbursements.

If available, the District vehicle is to be used before using the employee's private vehicle.

Legal Reference:	§ 2-18-501, MCA	Meals, lodging, and transportation of persons in state service
	§ 2-18-502, MCA	Computation of meal allowance
	§ 2-18-503, MCA	Mileage – allowance

Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7400

#### Credit Card Use

The Board of Trustees permits the use of District credit cards by certain school officials and Board members to pay for actual and necessary expenses incurred in the performance of work-related duties for the District. A list of those individuals that will be issued a District credit card will be maintained in the business office and reported to the Board each year at its meeting in May. All credit cards will be pre-approved by the Board and will be in the name of the District.

The District shall establish a credit line not to exceed \$1,000.00 for each card issued and an aggregate credit limit of \$15,000 for all cards issued to the District.

Credit cards may only be used for legitimate District business expenditures. The use of credit cards is not intended to circumvent the District's policy on purchasing.

Users must take proper care of District credit cards and take all reasonable precautions against damage, loss, or theft. Any damage, loss, or theft must immediately be reported to the business office and to the appropriate financial institution. Failure to take proper care of credit cards or failure to report damage, loss, or theft may subject the employee to financial liability.

Purchases that are unauthorized, illegal, represent a conflict of interest, are personal in nature, or violate the intent of this policy may result in credit card revocation and discipline of the employee.

Users must submit detailed documentation, including itemized receipts for commodities, services, travel, and/or other actual and necessary expenses which have been incurred in connection with school-related business for which the credit card has been used.

The Superintendent shall establish regulations governing the issuance and use of credit cards. Each cardholder shall be apprised of the procedures governing the use of the credit card, and a copy of this policy and accompanying regulations shall be given to each cardholder.

The District Clerk shall monitor the use of each credit card every month and report any serious problems and/or discrepancies directly to the Superintendent and the Board.

Cross Reference:     7320   Purchasing  
                          7335   Personal Reimbursement  
                          7336   Travel Allowances and Expenses

Legal Reference:     §2-7-503, MCA         Financial reports and audits of local government entities

#### Policy History:

Adopted on:   July 8, 2009

Reviewed on:

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7410

Fund Accounting System

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts. The accounts of the District are maintained on the modified accrual basis of accounting. The following funds are maintained by the District:

- |                                 |                            |
|---------------------------------|----------------------------|
| General Fund                    | Transportation Fund        |
| Bus Depreciation Fund           | Reserve Fund               |
| Miscellaneous Fund              | School Food Service Fund   |
| Tuition Fund                    | Retirement Fund            |
| Debt Service Fund               | Federal Programs           |
| Building Fund                   | Building Reserve Fund      |
| Adult Education Fund            | Housing and Dormitory Fund |
| Traffic Education Fund          | Extra-Curricular Fund      |
| Sick Leave Reserve Fund         | Mining Trust Fund          |
| Hardrock Mining and Impact Fund |                            |

Legal Reference: § 20-9-201, MCA Definitions and application

Policy History:

Adopted on: August 2, 2005

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7425

Extra- and Co-Curricular Funds

The Board is responsible for establishment and management of student extra- and co-curricular funds. The purpose of student extra- and co-curricular funds is to account for revenues and disbursements of those funds raised by students through recognized student body organizations and activities. The funds shall be deposited and expended by check, in a bank account maintained by the District for student extra- and co-curricular funds. The use of the student extra- and co-curricular funds is limited to the benefit of the students. Students will be involved in the decision-making process related to use of the funds.

The Board shall follow the *Student Activity Funding Accounting* (published by the Montana Association of School Business Officials (MASBO)) in establishing accounting procedures for administration of student extra- and co-curricular funds and will appoint a fund administrator.

Specific procedures are available in the clerk's office.

Legal Reference:	§ 2-7-503, MCA	Financial reports and audits of local government entities
	§ 20-9-504, MCA	Extracurricular fund for pupil functions

Policy History:

Adopted on: August 2, 2005

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7430

Financial Reporting and Audits

The Board directs that financial reports of all District funds be prepared in compliance with statutory provisions and generally accepted accounting and financial reporting standards. In addition to reports required for local, state, and federal agencies, financial reports will be prepared monthly and annually and presented to the Board. Financial reports shall reflect financial activity and status of District funds.

Appropriate interim financial statements and reports of financial position, operating results, and other pertinent information will be prepared to facilitate management and control of financial operations.

The Board directs that District audits be conducted in accordance with Montana law. Each audit shall be a comprehensive audit of the affairs of the District and District funds. The audits shall comply with all statutory provisions and generally accepted governmental auditing standards. Each audit may be made every two (2) years and cover the immediately preceding two (2) fiscal years, or it may be conducted annually.

Legal Reference:	§§ 2-7-501, et seq., MCA	Audits of Political Subdivisions
	§ 20-9-212, MCA	Duties of county treasurer
	§ 20-9-213, MCA	Duties of trustees

Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7500

#### Property Records

Property and inventory records will be maintained for all land, buildings, and physical property under District control and will be updated annually.

For purposes of this policy, “equipment” means a unit of furniture or furnishings, an instrument, a machine, an apparatus or a set of articles which retains its shape and appearance with use, is nonexpendable, and does not lose its identity when incorporated into a more complex unit. The Superintendent will ensure inventories of equipment are systematically and accurately recorded and updated annually. Property records of facilities and other fixed assets will be maintained on an ongoing basis. No equipment will be removed for personal or non-school use except in accordance with Board policy.

Property records will show, appropriate to the item recorded, the:

1. Description and identification
2. Manufacturer
3. Date of purchase
4. Initial cost
5. Location
6. Serial number, if available
7. Model number, if available

Equipment may be identified with a permanent tag providing appropriate District and equipment identification.

Cross Reference: 7510 Capitalization Policy for Fixed Assets

Legal Reference: § 20-6-602, MCA Trustees’ power over property  
§ 20-6-608, MCA Authority and duty of trustees to insure district property

#### Policy History:

Adopted on: August 2, 2005

Revised on:

**Malta School District**

**FINANCIAL MANAGEMENT**

7510

Capitalization Policy for Fixed Assets

A fixed asset is a property that meets all the following requirements:

1. Must be tangible in nature;
2. Must have a useful life of longer than the current fiscal year; and
3. Must be of significant value.

Fixed assets may be acquired through donation, purchase, or may be self-constructed. The asset value for a donation will be the fair market value at the time of donation. The asset value for purchases will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The cost of self-constructed assets will include both the cost of materials used and the cost of labor involved in construction of the asset.

The following significant values will be used for different classes of assets:

<u>Class of Fixed Asset</u>	<u>Significant Value</u>
Equipment and machinery	\$5000.00 or more
Buildings - Improvements	\$5000.00 or more
Improvements other than to buildings	\$5000.00 or more
Land	Any amount

Cross Reference: 7500 Property Records

Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7520

#### Independent Investment Accounts

The Board may establish independent investment accounts separate and apart from those funds maintained by the county treasurer. The Board may transfer cash into an independent investment account from any budgeted or non-budgeted funds. A separate account shall be established for each fund from which transfers are made. The principal and any interest earned must be reallocated to the fund from which the deposit was originally made.

The District may either:

1. Establish and use the account as a non-spending account, returning sufficient funds to the county treasurer in time to pay all claims against the applicable fund; or
2. Establish a subsidiary checking account and make expenditures from the investment account, provided all transactions are accounted for and reported, as required by applicable accounting principles. If the District desires to establish a subsidiary checking account for purposes of paying for expenditures directly from an investment account, the District must enter into a written agreement with the county treasurer, in accordance with § 20-9-235, MCA.

Legal Reference: § 20-9-235, MCA Authorization for school district investment account

#### Policy History:

Adopted on: August 2, 2005

Revised on:

## Malta School District

### FINANCIAL MANAGEMENT

7520P

#### Investment Policy

The policy for School District #14 and "A" in regard to investment of monies not in demand for a period of approximately thirty (30) days or more shall be as follows:

1. The Superintendent and/or clerk will make such investments for the school district within the limits set forth herein. If an investment within the limits prescribed can not be made, the matter will be referred to the Board at their next regular meeting for their disposition.
2. The rate of return for any investment being made or renewed on a given date shall not be less than  $\frac{1}{4}$  of one percent less than the Treasury Bill rate for a comparable maturity.
3. The local commercial banks will each be contacted by phone calls, soliciting bids for monies available for investments. Upon receiving all bids, the clerk is instructed to deposit the funds available with the highest bidder within the constraints of Item #2 above.
4. If all banks decline the investment, the matter will be referred to the Board.
5. The Board may seek alternative forms of investment with special attention to:
  - a. Safety of the investment.
  - b. Optimum return
  - c. Supporting the community by investing funds locally where practical.
  - d. Investing outside the community only when necessary and when complete safety of the funds is assured.

#### Policy History:

Promulgated on: August 2, 2005

Revised on:

Procurement of Supplies or Services

The Board adopts the following provisions of the Montana Procurement Act (i.e., §§ 18-4-101, et seq., MCA):

1. § 18-4-303, MCA – Competitive sealed bidding. With the exception of construction contracts, allows the District to negotiate an adjustment of the bid price with the lowest responsible and responsive bid in order to bring the bid within the amount of available funds, if, and only if, all bids exceed available funds and the lowest responsible bid does not exceed available funds by more than five percent (5%).
  
2. § 18-4-306, MCA – Sole source procurement. A contract may be awarded for a supply or service item without competition when, the District determines in writing that:
  - (a) there is only one source for the supply or service item;
  - (b) only one source is acceptable or suitable for the supply or service item; or
  - (c) the supply or service item must be compatible with current supplies or services.

Legal Reference:       § 18-4-121, et seq., MCA       Montana Procurement Act  
                                  2.5.604, ARM                       Sole Source Procurement

Policy History:

Adopted on:           August 2, 2005  
Reviewed on:  
Revised on:           July 7, 2010

Electronic Signatures

“Electronic signature” means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

Electronic signatures or digital signatures can take many forms and can be created using many different types of technology. For the purpose of this policy an electronic signature means any electronic identifier intended by the person using it to have the same force and effect as a manual signature.

District Use of Electronic Signatures

When not practical or possible to have an approved individual physically sign a document, and not otherwise prohibited by applicable laws, electronic signatures may satisfy the requirement of a written signature when transacting business with and/or for the District and/or with parents/guardians when the authenticity and reliability of such electronic signature(s) meets the provisions of this policy. In such instances, the electronic signature shall have the full force and effect of a manual signature.

In order to qualify for acceptance of an electronic signature the following additional requirements are applicable:

1. The electronic signature identifies the individual signing the document by his/her name and title;
2. The identity of the individual signing the document with an electronic signature is capable of being validated through the use of an audit trail;
3. The electronic signature, as well as the documents to which it is affixed, cannot be altered once the electronic signature is affixed. If the document needs to be altered, a new electronic signature must be obtained; and
4. The electronic signature conforms to all other provisions of this policy.

The District shall maintain District electronically signed records in a manner consistent with the District’s document retention policies yet also capable of accurate and complete reproduction of the electronic records and signatures in their original form. Such retention should include a process whereby the District can verify the attribution of a signature to a specific individual, detect changes or errors in the information contained in the record submitted electronically and protect and prevent access and/or manipulation or use access/use by an unauthorized person.

The District shall maintain a hardcopy of the actual signature of any District employee authorized to provide an electronic signature in connection with school board business.

Abuse of the electronic signature protocols by any District employee serves as grounds for disciplinary action up to and including termination.

#### Parent/Student Use of Electronic Signatures

With regard to documentation received by the District with an electronic signature from a parent/legal guardian, so long as the following provisions are met, the District may receive and accept such electronic signature as an original document:

1. Such communication with signature, of its face, appears to be authentic and unique to the person using such signature;
2. The District is unaware of any specific individualized reason to believe that the signature has been forged;
3. The District is unaware of any specific reason to believe the document has been altered subsequent to the electronic signature; and
4. The signature is capable of verification.

The District's Superintendent or designee may, at his or her discretion, request that an original of the electronic communication, signed manually by hand, be forwarded to the District in a timely manner.

District personnel may periodically audit the authenticity of such signature via a security procedure including such acts as making follow-up inquiry to the individual/entity who has submitted such electronic signature.

Should it be discovered that a student has falsified a parent's electronic signature on an official District document, the student may be subjected to discipline and the Administrators of the District are authorized, at their discretion, to thereafter only accept manual signatures associated with any submitted school document.

Legal Reference: 30-18-102(9), MCA  
30-18-106(4), MCA  
42.8.106, ARM

Definitions  
Legal recognition of electronic records,  
electronic signatures, and electronic  
contracts  
Electronic submission of documents and  
electronic signatures

#### Policy History:

Adopted on: July 13, 2016

Reviewed on:

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## Malta School District

### FINANCIAL MANAGEMENT

7550

#### Indirect Cost Reimbursement

Occasionally the Malta School District will receive indirect cost reimbursements from the Office of Public Instruction. Montana Code Annotated, 20-9-507, provides indirect costs reimbursements be spent at the discretion of the trustees.

The indirect cost reimbursements are not usually accumulated year-to-year without purpose, and are normally used for general administrative expenses.

Prior to the end of each budget year the Superintendent or Business Manager will present to the Board of Trustees, at a regular or special meeting, information regarding the amount of indirect cost reimbursement received along with a recommendation of expenditure for the amount. The Board of Trustees must approve the indirect costs reimbursement each year.

Legal Reference: § 20-9-507, MCA Miscellaneous programs fund

Additional Reference: Indirect Cost Rates, OPI

#### Policy History:

Adopted on: July 13, 2016

Reviewed on:

Revised on: