

First Reading of New Board Policies 705.4 Expenditures for a Public Purpose and 705.4R1 Use of Public Funds Regulations

Background:

School finance is a highly codified area of board governance, and for good reason. Districts are entrusted with taxpayer dollars to fund and fulfill the education mission of the district. As a result, strict laws and regulations apply to districts on how these funds can be spent. In 2019, the Auditor of State's office released multiple reports related to school district expenditures of public funds. The reports provided further guidance to districts on areas to help tighten internal controls and improve oversight of these funds. This guidance is valuable for all districts within Iowa.

In response to the recommendations listed in these reports, as well as the laws and regulations currently in place, IASB has updated several sample policies to provide further guidance for districts to consider as boards enhance their financial stewardship of the district's public funds. These updates are designed to help districts identify areas of school finance to provide all employees with further guidance, and which areas of school finance can allow for greater latitude to districts. Please review these carefully and adapt these sample policies to fit the unique priorities of your district.

705.4 Expenditures for a Public Purpose

This new sample policy provides board level guidance to the district on how all potential purchases or reimbursements should be regulated. At the heart of this policy is the idea that prior to making a purchase, all individuals should feel comfortable describing the public purpose served in using tax dollars to complete the transaction. It is important to remember here that while districts must serve the educational needs of their community, they do still maintain the latitude to determine what constitutes a public purpose. Public purpose should be clearly defined for all employees and volunteers in the district. Any ambiguity should be decided in favor of asking leadership for further guidance or not spending the taxpayer funds.

705.4R1 Use of Public Funds Regulations

This regulation provides detailed guidance for districts on appropriate uses of public funds. The guidance listed here is organized by category and should be tailored to suit the needs of individual school districts.

Recommended Action:

I recommend the board approve the first reading of the two policies 705.4 Expenditures for a Public Purpose and 705.4R1 Use of Public Funds Regulations.