THE TRUST
Model Policy Program

Model Policies and Procedures 2026/2027: Part 1-A Suggested Updates

The Trust is issuing clean-up changes to the Model Policy Manual based on guidance from the Auditor General's Office.

These changes include additional information in compliance with the Uniform System of Financial Records (USFR). They reflect the Auditor General's updates effective July 1, 2026, as well as training and guidance provided during the Auditor General's August 12, 2026, webinar.

The material below supplements the revisions included in Part 1, issued July 22, 2026.

Policy, Procedure and Form Revision

The Trust has revised two (2) policies and four (4) procedures based on recommendations from the Auditor General's office. The Trust has also updated the conflict of interest form.

Approval of Student Activities

As discussed in Part 1 of the Trust Model Policy updates, the revisions to Policy © 3-102 entitled Revenue permit governing boards to approve all student fundraising activity or to delegate approval authority to the superintendent within established parameters.
The Auditor General has recommended that if the board delegates this authority, it should still annually establish the types of fundraising activities in which students may participate.

The Trust has prepared a sample agenda item for this purpose. In the alternative, districts may add types of approved fundraisers to Policy © 3-102.

General Recommendations

The Trust recommends that districts work with legal counsel to review and assist in policy and procedure revisions. The Trust also advises districts to retain copies of their existing procedures prior to making changes.

Please note that districts must obtain governing board approval for policy revisions. Unless board policy dictates otherwise, governing boards are not required to approve procedures. The Trust recommends, however, that governing boards be advised of any changes to procedures. Additionally, we ask that you send your final approved policies and revised procedures to the Trust for placement on the district's MicroScribe platform.

The tables below describe proposed changes to the Trust model policies and procedures, along with a corresponding summary of the underlying legislation, regulation, or court holding. Actual proposed policy and procedure changes begin on p. 4, with additions and deletions noted in bold.

If you would like us to make these changes on the district's MicroScribe platform, please notify either Jennifer MacLennan at jmaclennan@the-trust.org or Lilian Le at lle@the-trust.org, or contact your member services coordinator.

<table>
<tr><th>Policy and Form</th><th>Legal Foundation</th><th>Subject Matter</th></tr>
<tr><td>Policy © 1-105 Conflicts of Interest

Form 1-105.A Conflicts of Interest</td><td>USFR FY 2027 revisions</td><td>Conflicts of Interest</td></tr>
<tr><td colspan="3">The Trust suggests further revision to the conflicts of interest policy ©1-105. The revisions reorder the definitions and clarify the responsibilities of board members and employees to refrain from participating in any contract in which the employee or a relative has a substantial interest.

The Trust has also aligned its sample Conflicts of Interest Disclosure Form with the form issued by the Auditor General's Office. The Auditor General has indicated that districts are not required to use this specific form as long as the form used contains all requisite questions. Districts may establish electronic methods for disclosure. If a district does so, it should enable features to ensure form fields are completed correctly and include an authentication method (such as log-in) for completion.</td></tr>
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Policy and Procedures	Legal Foundation	Subject Matter
Policy © 3-102 Revenue Procedure © 3-102.A Revenue – Accounting of Revenue Procedure © 3-102.C Revenue – Bank Accounts Procedure © 3-102.D Revenue – Cash Controls	USFR FY 2027 revisions	Accounting Requirements and Cash Control
The Trust suggests additional revisions to Policy © 3-102 and three procedures related to accounting for revenue to address FY 27 USFR changes. The recommended changes to the policy would permit an option to authorize an alternative deposit schedule as per the USFR. Procedure © 3-102.A is revised to discuss separation of responsibilities and to permit districts to use of online systems for revenue collection if the systems have sufficient internal controls. Procedure © 3-102.C adds procedures for online banking. Procedure © 3-102.D updates cash control requirements.		

Procedure	Legal Foundation	Subject Matter
Procedure © 3-109.C Procurement - Statutory Exemptions	USFR FY 2027 revisions	Procurement Exemptions
The Trust suggests removal of the final paragraph of Procedure © 3-109.C to align exactly with the exemptions listed in the Arizona Procurement Code for School Districts.		