

Series 3000: Operations, Finance, and Property

3200 Finance and Borrowing

3207 School Activities Fund

A. Fiduciary Funds

A fiduciary fund is a fund held by the District, in its discretion, in a trustee or agency capacity, for a purpose within the scope of the District's legal authority. A fiduciary fund cannot be used by the District to support its operations. All District fiduciary funds must comply with generally accepted accounting principles and be held in accordance with the standards adopted by MDE in the Michigan Public School Accounting Manual (Bulletin 1022). A fiduciary fund may be a Custodial Fund or a Private-Purpose Trust Fund. For purposes of this Policy, capitalized terms not defined in this Policy are defined in Bulletin 1022.

1. Activity Funds

The District may not use an activity fund as defined by GASB Statement No. 84 and adopted by Bulletin 1022.

2. Custodial Funds

A Custodial Fund may be used only to hold assets and issue payments for a non-District Custodial Fund beneficiary. A Custodial Fund may be maintained if the account:

- a. does not contain the District's sole source revenue, such as state and federal aid, tax collections, and non-exchange transactions;
- b. does not designate the District as a beneficiary; and
- c. is not subject to District control, including administrative or financial control.

3. Private-Purpose Trust Funds

A Private-Purpose Trust Fund (Private Trust) may be maintained as a fiduciary fund if:

- a. a written, lawful trust agreement exists and is submitted to the District;
- b. the trust assets are for a private purpose;
- c. the District is not a beneficiary, directly or indirectly; and
- d. the District does not have control, including administrative or financial control, or the ability to make decisions about trust assets.

Trust funds failing to meet the above requirements must be treated as a public purpose trust fund, subject to Policy 3201.

B. Scholarship Funds

1. Private Trust Scholarships

An individual, estate, support group, club, company, or other donor that desires to establish a trust fund to benefit persons through scholarships must meet the criteria for a Private Trust described above.

2. Compact Scholarships

Public funds may not be used to administer scholarships, except that the District may establish and administer a scholarship fund for its students or graduates to attend a postsecondary educational institution if the fund arises from a compact between the State of Michigan and a federally-recognized Indian tribe under the Indian Gaming Regulatory Act.

Legal authority: MCL 380.11a(3), 380.11a(14); MDE *Michigan Public School Accounting Manual (Bulletin 1022)*, as amended March 28, 2019; GASB Statement No. 84, *Fiduciary Activities* (January 2017)

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Date revised:

Series 2000: Bylaws

2300 Board Member Conduct

2305 Board Member Reimbursement and Travel Expenses

A. Reimbursement

Board members may be reimbursed for their actual and necessary expenses incurred in the discharge of their official duties or in the performance of functions authorized by the Board (Expense(s)), if 1 or both of the following apply:

1. the Board, by a majority vote of its members at an open meeting, approved reimbursement of the specific Expense before the Expense was incurred; or
2. the Expense is consistent with this Policy, establishing specific categories of reimbursable Expenses, and the Board, by a majority vote of its members at an open meeting, approves the reimbursement before it is actually paid.

B. Established Categories of Reimbursable Expenses

1. Conferences, Membership Fees, and Training Programs

Registration fees, conference fees, and training fees for Board member attendance at education workshops, conferences, training programs, and meetings sponsored by the District or state and national educational organizations which are relevant to Board members in performing their duties or which are in the District's best interests, may be reimbursed within Board-approved budget parameters if approved by a majority vote of the Board. Board members are encouraged to enhance their effectiveness through participation in such programs.

2. Travel Expenses

- a. Travel by privately owned vehicle may be reimbursed, within Board-approved budget parameters, at the standard mileage rate set by the Internal Revenue Service, if approved by a majority vote of the Board.
- b. For travel within District boundaries, the Board will not expend District funds for the purchase, rental, or lease of cars for Board members or for chauffeurs for Board members.
- c. Expenses incurred while traveling will be reimbursed as defined by the Government Services Administration (GSA) and IRS mileage rates for those days approved. This should include lodging and meals.

3. Meals

- a. The Board may reimburse a Board member only for Expenses actually and reasonably incurred for the Board member's meals, if approved by a

majority vote of the Board. The Board will not reimburse a Board member for meals for a non-Board member.

- b. The Board will not expend District funds for the purchase of alcoholic beverages.
 - c. If breakfast, lunch, or dinner is included in a Board member's registration fee or lodging rate, a Board member will not request reimbursement for alternative meals, unless required for medical or religious reasons.
4. Lodging
- a. The Board may reimburse a Board member for Expenses actually and necessarily incurred for the Board member's lodging in the discharge of official duties or in the performance of functions authorized by the Board, if approved by a majority vote of the Board.

C. Use of District Credit/Debit Cards

The Board will not provide, allow, or obtain credit cards for, issue credit cards to, or provide a Board member a debit card or similar instrument that pledges payment of funds from the District, except as permitted by law and Policy 3209.

D. Public Records

Records of payments made under this Policy are considered public records.

Legal Authority: MCL 129.241-.247; MCL 380.11a, 380.601a, 380.621, 380.1217a, 380.1254; MCL 388.1764b

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