

Board of Education

ACTION

TITLE: Consider Adopting Financial Policy Changes for First Reading

DATE: November 9, 2018

RESPONSIBLE ADMINISTRATOR: Charles Warren
Chief Financial Officer

BACKGROUND/CONSIDERATIONS:

The administration has been charged with aligning current policies to the structure and language used in the model policies provided by Arkansas School Board Association (ASBA). The new policies will have specific references to Arkansas statutes in the policies and can be quickly updated as statutes change.

During the administration's review of current policies in comparison to ASBA model policies, a number of current policies were outdated and not necessary. Additional policies that previously were not addressed will be introduced for approval. The following table shows the transition of current policies to the new policies.

| Current Section | Title | Proposed Section |
|------------------------|--|-------------------------|
| DA | Fiscal Management Goals | n/a |
| DBH | Budget Adoption | 7.2 |
| DFA | Revenues from Investments | n/a |
| DFB | Revenues from School-Owned Real Estate | n/a |
| DFBA | Sale of Real Property | 7.13 |
| DG | Depository of Funds | n/a |
| DIC | Financial Reports and Statements | 7.2 |
| DIDA | Inventory of Fixed Assets | 7.13 |
| DIF | Financial Records | 7.15 |
| DIG | Imprest Account | 7.7.1 |
| DJA | Purchasing Authority | 7.5 |
| DJAA | Electronic Transfer of Funds | 7.20 |
| DJC | Bidding Requirements | 7.5 |
| DJFAA | Procedure for Requisitioning | n/a |
| DN | School Properties Disposal Procedure | 7.13 |

The ASBA model policies included policies that the administration is still reviewing to determine if the policy is necessary and appropriate. The following table provides an explanation of the sections labeled as “Reserved”:

| Proposed Section | Title | Explanation of Reserved Designation |
|-------------------------|---|---|
| 7.4 | Grants and Special Funding | Closer review of policy is necessary |
| 7.16 | Information Technology Security | Closer review of policy is necessary |
| 7.21 | Naming School Facilities | Not considered necessary at this time |
| 7.22 | Private Sponsorship of Extracurricular Events | Closer review of policy is necessary |
| 7.23 | Healthcare Coverage and the Affordable Care Act | Not considered necessary – Procedures preferred over policy |

The administration is currently working on procedures to support the new language in the revised policies. Therefore, the policies are requested to be effective July 1, 2019.

RECOMMENDATION:

The administration recommends the board approve on first reading changes to Financial Policies, Section 7 – Business and Financial Management, as presented to be effective July 1, 2019.

If the Board agrees, the motion would read: ***move to approve on first reading the Financial Policies, Section 7 – Business and Financial Management as presented to be effective July 1, 2019.***