The Board recognizes that money and money management comprise the foundational support of the entire school program. To make that support as effective as possible, the Board intends:

1. To encourage advance planning through the best possible budget procedures
2. To explore all practical sources of dollar income
3. To guide the expenditure of funds so as to extract the greatest educational returns
4. To expect top quality accounting and reporting procedures
5. To maintain the level of expenditure needed to provide high quality education within the ability of the community to pay.

Adopted: August 27, 2001

LEGAL REF: Section 120.10 Wisconsin Statutes
120.12(3)
The budget of the School District of Algoma is based on a strategic/educational plan that lays out the work to be done and the policies to be followed in the program, which is to be emphasized. The strategic/educational plan is a product of the cooperative efforts of the Board, the superintendent, the staff, and interested citizens. By order of the Board the superintendent is responsible for the budget. The superintendent can delegate all or part of the budget process.

The responsibility for budget preparation can be delegated to the director of business services who, in turn, will enlist the aid of the school staff as needed.

The director of business services shall submit a tentative budget on behalf of the superintendent to the Board for its discussion and approval. In order to facilitate thorough understanding of budget expenditures, the superintendent may have the director of business services provide an explanation of each of the major budget categories.

The Board shall submit its recommended budget to the public at the budget hearing.

By order of the Board, the superintendent is responsible for administration of the budget. Administration of the budget shall be delegated to the director of business services by the superintendent. The director of business services shall keep the Board informed on the status of the budget in each of the regular monthly school board meetings by category.

Before checks are issued, a schedule of payable bills will be submitted to the Board for approval each month. Exceptions would include: regular monthly payroll, regular monthly payments, and bills that will be discounted or have penalties as approved at the Annual Budget Hearing.

The district accounting system will be patterned after the expenditure categories and account codes recommended in the Wisconsin Uniform Financial Accounting Requirements (WUFAR).

The adopted budget shall be adhered to as closely as possible and shall only be revised by the director of business services using proper accounting procedures. Alterations in the amounts and purposes of the appropriations stated in the budget will be made only when authorized by a vote of 2/3 of the entire membership of the Board as prescribed by state law.

Adopted: August 27, 2001
Revised: April 24, 2017

LEGAL REF:
Section 65.90 Wisconsin Statutes
120.12(3)
120.17(8)
120.12 (33)
120.44
121.05 (1)(c)
623 – BUDGET IMPLEMENTATION

The Board places the responsibility for administering the operating budget, once adopted, with the superintendent. The Board also delegates to the superintendent the responsibility for establishing a system of fiscal control to govern the expenditure of funds. In establishing such a system, the superintendent will implement these general principles:

1. The budget will be administered in accordance with legal requirements of the state of Wisconsin. In keeping with this principle, the superintendent will ascertain the legality of all expenditures before recommending them to the Board for approval.

2. Each school must operate under budget controls established by the Board for that school and for the district.

3. Any major budget changes must be approved by Board of Education.

Adopted: August 27, 2001

LEGAL REF: Section 65.90 Wisconsin Statutes
67.11
Sale of school bonds is regulated by statement of purpose and authorized by referendum in compliance with the Wisconsin Statutes.

Adopted: September 26, 1988

LEGAL REF: Section 67.05 Wisconsin Statutes
The Board recognizes that the sale of supplies and materials to students by any school may be beneficial to students’ education or clubs and extracurricular activities.

To eliminate peer pressure to purchase certain items, to reduce the possibility of irregularities due to advertising or vendor preference and to comply with state regulations, the following guidelines shall be used when selling:

(a) The principal shall be responsible for accounting for sales and depositing funds to appropriate school district or student accounts.
(b) Sale of all supplies and materials will be at a recovery cost only and not for profit.
(c) No particular source of school supplies or material shall be designated to students under any circumstance.
(d) No employee of the school district shall act as an agent or vendor for the sale of any supplies or materials or receive any benefit directly or indirectly from such sales.
(e) No employee of the school district shall act as an agent for or promote or sell any service or receive any direct or indirect benefit of such promotions.

Adopted: August 26, 2002
Funds, which are not needed to meet immediate operating expenses, should be invested in authorized securities or funds to accrue maximum interest. Bids should be obtained from local financial institutions and or the local government investment pool to insure that the funds are invested where maximum return may be realized. Time deposits must mature in not more than 3 years. An effort should be made to spread investments among all financial institutions within the district while still securing maximum yield of interest revenue. The investments should be managed to maintain liquidity for meeting the district’s needs for cash and to limit potential risks due to rising interest rates depressing the market value of securities.

The investment program will be administered under the direction of the District Administrator and or Director of Business Services. The Director of Business Services shall be further authorized to execute, in the Board’s name, any or all documents relating to the investment program in a timely manner and confer with reputable consultants regarding investment decisions when necessary.

First Reading: September 29, 2000
Adopted: October 16, 2000
Revised: February 27, 2017

Legal Reference: Section 34.05 Wisconsin Statutes
34.09
66.0603 (1)
660.1 (OPEB) Other Post-Employment Benefits Investment Policy

The School Board of the School District of Algoma herein establishes a trust in Fund 73, where the School District has appointed Nicolet Bank to serve in the capacity of Trustee. The Trustee shall invest monies in this fund in accordance with Wisconsin’s Act 99, which ascertains the states version of Prudent Investor Rule must be followed.

The monies are to be invested in accordance with a Capital Preservation investment objective. The allocation has the following asset class targets:

79% of the monies are to be invested in fixed income instruments. This includes, but is not limited to the following: investment grade individual bond issues, bond mutual funds that provide exposure to investment grade corporate bonds, government bonds, mortgage backed securities, international bonds, emerging market bonds, floating rate bank notes, high yield bonds and money market instruments. The fixed income allocation is to be invested within and across the broad range of fixed income vehicles mentioned above to provide efficient and effective diversification in an attempt to create consistent cash flow.

11% of the monies are to be invested in low correlation assets. Low correlation assets are intended to provide greater diversification through the use of investments which do not correlate directly with the market.

The remaining 10% of the monies shall be invested in equities.

It will be the duty of the Trustee (Nicolet Bank) to actively manage this allocation, which includes selecting and monitoring investments, and periodically rebalancing the holdings to keep the portfolio in line with the School District of Algoma’s investment objective.

The trustee (Nicolet Bank) will review the established investment objective on an annual basis with the School District of Algoma to ensure that it is still appropriate for them. A quarterly report/statement will be provided to the School District of Algoma.

Adopted July 23, 2007
Revised December 17, 2007
Revised July 13, 2009
Revised September 27, 2011
Revised: February 27, 2017
661-DEPOSITORY OF FUNDS

Annually, the School Board shall, by resolution, designate one or more public depositories. Whenever the School Board fails or refuses to designate a public depository, the Board Treasurer, after written notice to each member of the governing board and subject to further action of the School Board, may designate the public depositories for no longer than 90 days in the same manner as if designated by the School Board.

First Reading: September 29, 2000
Adopted: October 16, 2000

Legal Reference: Sections 34.05 (1) (2) Wisconsin Statutes
Checks are to be signed by the President of the Board, Board Treasurer, and Board Clerk.

Adopted:  September 26, 1998
Revised:  August 27, 2001
Revised:  July 23, 2007

LEGAL REF:   Sections   66.042 Wisconsin Statutes
              120.15 (1)
              120.16 (2)
              120.17 (5)
The Board of Education shall authorize the establishment of student body activity accounts for the operation and maintenance of student body activities. Student body activities are defined as school clubs, classes and other related activities which organize to raise money and/or promote a particular program, project or subject area. Parent groups such as booster clubs are excluded from this definition.

Accounting and bookkeeping for all funds under this policy shall be in accordance with guidelines of the Business Office and coding as stipulated by the Department of Public Instruction’s Wisconsin Uniform Financial Accounting Requirements (WUFAR) - The General Fund accounts shall be handled in the same manner as any other operational budget accounts through the central Business Office, with the school serving as a collection agent where applicable. The Pupil Activity Funds and the Trust and Agency Funds of each school shall be under the direction and supervision of the individual building principals.

Each class or club shall be assigned a faculty member advisor by the building principal. Upon election of officers, each class or club shall submit an annual listing of officers to the school office. The treasurer and faculty advisor will be responsible to the building principal for documentation of the collection and disbursements of all class funds.

An activity fund bookkeeper in the district office is responsible for the internal accounting of the student activity accounts. Funds collected by anyone for the activity fund accounts are deposited with the activity fund bookkeeper. Numbered receipts are issued for all receipts. They include the name of the person depositing the funds, date, amount deposited, the account to which they are to be credited and the source of the income. Everything is receipted and cross-checked for the auditor. Deposits shall be made at least weekly.

Disbursements of funds may be made only with the recommendation of the faculty advisor upon the approval of the building principal. Proper documentation of vouchers or receipts must accompany each disbursement. Checks will be issued on the last day of each work week.

Any interest accrued on student activity accounts will be spent on student activities with the approval of the building principal or superintendent.

At the end of the school year, all balances will be carried over to the next school year, with the exception of the class that is graduating. The graduating class, or the class officers, after covering the expenses and activities of that class, shall then designate before the end of the school year how any remaining balance will be spent. Any funds not spent by the end of the school year of the graduation will automatically become part of the school district general fund.

Inactive accounts will be reviewed by the director of business services on an as need basis with recommendations of the building principal.

A monthly balance sheet of the student activity account is prepared and copies are distributed to school administrators.

Complete records related to class funds should be submitted at the end of the school year to the school board through the superintendent. An audit of all class funds shall be made at the same time as the annual audit of school funds with the school district bearing the cost.

Adopted: August 27, 2001
Revised: February 27, 2017

LEGAL REFERENCE: Section 120.14 (1) Wisconsin Statutes
662.3 Fund Balance Policies

DPI Definition of Fund Balances

Algoma School District (the “District”) fund structure follows the Wisconsin Uniform Financial Accounting Requirements (WUFAR), as required by the Wisconsin Department of Public Instruction (DPI). The WUFAR allows the District to use the following funds:

- **General Fund (Fund 10)**
- **Special Projects Funds**
  - Special Revenue Trust Fund (Fund 21) (2)
  - TEACH Fund (Fund 23)
  - Special Education Fund (Fund 27) (3)
  - Other Special Projects Fund (Fund 29) (2)
- **Debt Service Fund**
  - Non-Referendum Debt Service Fund (Fund 38) (2)
  - Referendum Approved Debt Service Fund (Fund 39) (2)
- **Capital Projects Funds**
  - Capital Expansion Fund (Fund 41)
  - ARRA—Qualified Zone Academy Bond Projects (Fund 44)
  - ARRA—Qualified School Construction Bond Projects (Fund 45)
  - TIF Capital Improvement Levy Fund (Fund 48)
  - Other Capital Projects Fund (Fund 49)
- **Food Service Fund (Fund 50) (2)**
- **Agency (Pupil Activity) Fund (Fund 60) (1)**
- **Trust Funds**
  - Private Purpose Trust Fund (Fund 72)
  - Employee Benefit Trust Fund (Fund 73)
  - Investment Trust Fund (Fund 76)
- **Community Service Fund (Fund 80)**
- **Package and Cooperative Program Fund**
  - Packaged Services (Fund 91) (1)
  - TEACH Program Consortium (Fund 93)
  - Other Package and Cooperative Program Funds (Fund 99) (1)

(1) DPI does not allow a fund balance in this fund
(2) DPI does not allow a fund deficit to be reported in this fund
(3) DPI requires fund to be separate; however, for financial reporting purposes, will be consolidated with the general fund

Each fund is considered a self-balancing set of asset, liability, and fund balance accounts used to account for the district's financial transactions in accordance with laws, regulations, or restrictions. Fund balance is the difference between assets and liabilities as reported in the basic financial statements for governmental funds. The District is currently using the funds in bold print. Chapter 5 of the WUFAR further details the types of transactions to be recorded in each fund.

From time to time, the State of Wisconsin revises the WUFAR to add or delete funds which are available to be used by Wisconsin school districts. The fund balance policies of the District will be periodically updated to be consistent with the WUFAR, when considered necessary by the District’s management.

**Accounting Definitions for Fund Balances**

GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes fund balance classifications based upon the extent to which the District is bound to observe
constraints imposed upon the use of the financial resources reported in governmental funds. Fund balance can now be reported in the following five classifications:

1. **Non-spendable fund balances (WUFAR Function 935 000)** cannot be spent and meet one of the following conditions:

   - Non-spendable Fund Balance (WUFAR Code 935 100) is not in spendable form and cannot be converted to cash. Examples include prepaid expenses and inventories. This fund balance classification can be reported in funds 10, 21, 50 and 80.

   - Corpus of Permanent Fund (WUFAR Code 935 200) is legally or contractually required to be maintained intact. This fund balance classification can be reported in funds 21 and 72.

2. **Restricted fund balances (WUFAR Function 936 000)** exist when net fund resources are subject to externally enforceable legal restrictions. Restrictions can be externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The WUFAR includes the following seven accounts within the restricted category:

   - Restricted for self-insurance (WUFAR Code 936 110) is the segregation of a portion of a fund balance that is restricted for self-insurance purposes. This fund balance classification can only be reported in fund 10.

   - Restricted for contractual obligations (WUFAR Code 936 120) is the segregation of fund balances for any contractual obligations. This fund balance classification can be reported in funds 10 and 21.

   - Restricted for debt refinancing (WUFAR Code 936 310) is the portion of a fund balance representing unexpended proceeds from debt incurred for refinancing. This fund balance classification can be reported in funds 38 and 39.

   - Restricted for other debt service retirement (WUFAR Code 936 320) is the remaining balance in debt service funds not previously coded to 936 310. This fund balance classification can be reported in funds 38 and 39. Funds 38 and 39 contain only restricted fund balances.

   - Restricted for food service programs (WUFAR Code 936 500) is the fund balance remaining in the food service fund at year end not coded to 936 800. This fund balance classification can be reported in fund 50.

   - Restricted for elderly nutrition programs (WUFAR Code 936 800) is the portion of fund balance restricted for elderly nutrition program. This fund balance classification can be reported in fund 50.

   - Restricted fund balance (WUFAR Code 936 900) is the portion of fund balance that is restricted, as defined within the paragraph immediately following #2 above, but not included in any of the above bullet categories. This fund balance classification can be reported in funds 10, 21, 23, 29, 41, 48, 49, 72, 73, 76 and 93.
3. **Committed fund balance (WUFAR Function 937 900)** is amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School Board. Committed amounts cannot be used for any other purpose unless the School Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. This fund balance classification can be reported in funds 10, 21, 50, and 80.

- Committed funds may not be used for any other purpose unless changed or amended by the same School Board action that created the original commitment, such as resolution or ordinance.

- Commitments must be made prior to the end of the fiscal year regarding purpose, although the amount may be determined subsequent to the fiscal year. Use of committed funds for intended purposes shall be authorized as part of the annual budget process. Addition of funds for commitments previously authorized shall be authorized in conjunction with budget adoption or year-end closing School Board action.

- Donations and fund-raising activities not specifically restricted by a third party shall be considered committed. Funds may be used within the confines of the budgetary processes.

4. **Assigned fund balance (WUFAR Function 938 900)** is a District’s intent to use funds for specific purposes provided that a restriction or commitment is not applicable. The School Board has authorized the Business Manager and the Superintendent to assign funds and report the information to the School Board at regular intervals any changes. This fund balance classification can be reported in funds 10, 21, 50, and 80.

The following amounts shall be treated as assigned amounts at fiscal year end.

- Budget assigned during the adoption of the budget for subsequent year expenditures.

- The District uses encumbrance accounting which allows operating funds designated by a purchase order for a specific good or service to be carried forward into the next year’s budget. Encumbrances outstanding at year end which will not lapse will be reported within the purpose of the expenditure (restricted, committed or assigned). General fund encumbrances not for restricted or committed projects will be considered assigned general fund balance.

- The District could assign portions of its general fund to maintain sufficient working capital to finance operating expenditures to minimize short-term borrowing for cash flow purposes.

- Capital projects and grants that have not been completed and are not otherwise committed or restricted.

- All governmental funds other than the general fund shall report all non-specified fund balances as assigned due to the nature and purpose of the fund to exist for its intended purpose.

5. **Unassigned fund balance (WUFAR Function 939 900)** is available expendable financial resources in the District’s general fund that are not subject to tentative management plans. The only other time a governmental fund can be reported as unassigned is if the fund reports a deficit. All
governmental funds may report a negative unassigned fund balance after first reducing all assigned fund balance available.

**District's Spending Policy**

The District has established the following order of spending when various funding sources exist.

1) Restricted;
2) Committed;
3) Assigned;
4) Unassigned.

**General Fund Balance Level and Rationale**

The general fund, as the principal operating fund of the District, often will have net resources in excess of the commitments. The School Board strives to maintain a General Fund at a level that supports attaining the District's long-range goals. A formal written policy governing the purpose and acceptable range of the District's general fund balance is an effective financial management tool to responsibly utilize District's financial resources to stabilize property taxes and ensure the continued provision of services to residents. An adequate general fund balance provides resources to:

- Maintain sufficient working capital to finance operating expenditures, minimizing short-term cash flow borrowing.
- Temporarily finance unanticipated expenditures or unusual fluctuation in the District's revenue sources while also setting aside funds for anticipated future cash outlays.
- An appropriate amount of financial reserves will result in higher credit ratings which will lower the District's borrowing costs.

The District intends to maintain a general fund balance that is sufficient to meet the district's cash flow requirement and thus avoid any operational borrowing during the annual operating cycle. The adequacy of the general fund shall be reviewed annually as part of the District's budget development process using the following factors:

- The District's enrollment pattern and the District's current property tax levies and their impact on the District's revenue limit.
- The District's level of state equalization and categorical aid funding and federal funding levels. The District will monitor the percentage of the District's budget being supported by federal and state grants.
- The District's capital asset conditions, assessing the age and condition of the facilities and major facility and equipment needs within the next five years.
- The District's current debt position
- The District's bond rating
- The District's current and predicted economic environment.
Any dollars anticipated to be realized through cost efficiencies from the current budget year will be evaluated for commitment, assignment or left unassigned by action of the School Board or management. The actual amount of any funds will be reported in the District’s year-end audit report.

**Restoration of General Fund Balance**

From time to time, the District’s general fund balance may be depleted below the range approved in this policy. If the general fund balance is depleted below the levels established by this policy, the District:

- will develop a plan to restore the balances over time for School Board approval,
- develop a plan including recommendations for revenue adjustments and/or expenditure reductions as may be appropriate.
- review and update the plan on an annual basis with the School Board until the policy level guidelines are achieved.

The District’s fund balance policy is subject to review and change by District management and elected officials on a regular basis.

Adopted by resolution at the June 23, 2011 School Board Meeting
671.1 - PAYROLL SCHEDULES

Administrative contracts run from July 1 to June 30. Administrators will be paid in 24 equal installments during the year (15th and last day of the month).

Support/Auxiliary staff will be paid on the 15th and last day of the month based on the hours worked.

Professional staff will be paid on the 15th and last day of the month in 24 equal installments. Professional staff contracts will run from September 1st to August 31st.

Adopted: August 27, 2001
Revised: February 27, 2017
671.2 – RULE - STAFF EXPENSE REIMBURSEMENT

Staff guidelines for allowable expenses shall be as follows:

- **Airfare** – Actual Fare
- **Lodging** – Actual Cost, Ask for the State Rate
- Actual cost for cab fares, shuttle bus, vehicle rental
- **Mileage** - IRS Rate
- **Meals**: Breakfast $8.00, Lunch $10.00, and Dinner $16.00 (including tip)

First Reading August 28, 2000
Adopted: September 25, 2000
Any time an employee must travel on school related business, a district expense request in Skyward must be approved by the building principal or district administrator. Documentation of expenses (receipts) should be attached to the request in Skyward before submitting them to the Director of Business Services for reimbursement.

First Reading: August 28, 2000
Adopted: September 25, 2000
Revised: February 27, 2017
Purchasing of supplies and equipment must be entered in Skyward and must be approved by two (2) administrators.
Purchasing and Contracting Services

It shall be the goal of the Board and the administration to secure materials, equipment, and services for the district at the best prices and quality that can be obtained working within the approved budget allotments.

The Director of Business Services and/or District Administrator shall serve as the purchasing agent for the district and shall work with all administrators and staff in carrying out established purchasing procedures.

The District shall solicit bids whenever required by law or a contract with a state or federal agency. The Board reserves the right to require a competitive bidding process.

The Board also reserves the right to reject any and all bids or to accept any bid which best serves the interest of both the Algoma School District and the community at large.

LEGAL REF: Wisconsin Statutes 120.13(5) and (33) and 66.0133

Adopted: October 20, 1980
Revised: August 27, 2001
1ST Reading of Revision: March 23, 2015
Adopted Revision: April 27, 2015
Revised: February 27, 2017
Whenever possible, price and quality being equal, supplies, materials, and service of local business enterprise should be given first consideration.

Adopted: September 26, 1988
Agents and solicitors, who wish to do business with any of the school personnel during school hours, must first gain permission from the building principal's office. All purchasing and ordering from any agent must be officially approved by the building principal and/or District Administrator.

Adopted: September 26, 1988
Revised: August 27, 2001
673 – PAYMENT PROCEDURES

All bills must have board approval at a regular meeting prior to payment. Exceptions would include: regular monthly payroll, regular monthly payments, and bills that will be discounted or have penalties as approved at the Annual Budget Hearing.

Adopted: September 26, 1988
Revised: August 27, 2001
Revised: February 27, 2017

LEGAL REFERENCE: Sections 66.285 Wisconsin Statutes 66.286 120.12
684 - AUDITS

The general fund and the school activities fund are to be audited annually at the closing of the books by a certified public accountant approved by the Board of Education.

Adopted: September 26, 1988

LEGAL REF: Section 120.14 Wisconsin Statutes
691 - SCHOOL PROPERTIES DISPOSAL PROCEDURE

It shall be the policy of the School Board to dispose of surplus, obsolete equipment, materials, or supplies no longer required to accomplish the mission of the school system. Action to dispose shall be taken when equipment, materials, or supplies:

1. Have been designated obsolete by the Administrator.
2. Have been found to be in violation of ordinance or statute.
3. Exist in quantities exceeding the possibility of effective educational use by the district.
4. Are educationally unsound, out of date, inaccurate, or in unstable condition.

The Building Principal, serving as district property custodian, shall make the initial determination as to the condition of these items and refer to the Administrator for action.

Equipment, materials, and supplies determined to be surplus or obsolete by the Administrator shall be classified and disposed of as follows.

1. Items having minimal or no resale value, as determined by the Administrator:
   May be offered without cost to charitable or civic organization, or disposed of by the most expedient and efficient method without School Board approval.

2. Items having resale value, as determined by the Administrator:

   A. Those estimated to have a fair market value of less than $1,000 may be disposed of by the Administrator/designee at the most advantageous price by private sale, without advertising, and without School Board approval.

   B. Items estimated to have a fair market value of $1,000 or more shall be advertised for sale, upon School Board approval, in a newspaper of general circulation in the district and sold to the highest bidder. The School Board reserves the right to reject all bids.

All money received from the sale of surplus, obsolete equipment, materials or supplies shall be deposited by the Administrator in the general fund of the school district. Records of such transactions shall be maintained for five years.

Adopted: August 27, 2001

LEGAL REFERENCE: Sections 120.10 (12) Wis. Statutes