

DA-R

MANAGEMENT OF FUNDS

1. Background

This regulation provides specific directions in support of Policy DA, Management of Funds. The policy calls for the use of "...appropriate fiscal planning and management methods, modeled after the best accepted business practices and directed toward the educational goals of the division."

This regulation draws from previous guidance and provides additional clarification on the appropriate use of funds entrusted to Essex County Public Schools (ECPS). The Virginia State Code requires every school division in the Commonwealth to report annual expenditures according to specific categories. All operating expenses must support instructional services, central administration, student attendance and health services, pupil transportation, operations and maintenance, facility improvements, or instructional technology. The superintendent is responsible for administering the division budget in accordance with all applicable federal, state, and local regulations and laws. It is incumbent upon all employees to become familiar with these regulations.

2. Discussion

Although the focus of this regulation is on operating budget expenses, all public funds received, regardless of source, must be used to support the primary education mission of ECPS. The source of funds does not waive the requirement to properly manage and account for funds entrusted to ECPS. Funding sources include but are not limited to: appropriated state and local revenue in the operating budget, federal funds including Title I, Title VI-B, Title II, Title III, grant funds from all sources and student activity funds.

The best test to use when determining whether an expense is appropriate is sometimes called the "public scrutiny test." The test is simple and merely asks whether the tax paying public would view the expenditure as necessary to support public education. If you are already wondering whether the expense is appropriate, it most likely is not. It is far better to err on the conservative side of this issue. In most cases, it is obvious when an expenditure supports one of the categories listed above. In other cases, the linkage may not be as clear. Since there is not a universal understanding of what constitutes best accepted business practices, this regulation identifies specific practices and procedures to be followed by all ECPS employees when using public funds.

3. Procedures

1. Food and refreshments. This is the most frequently questioned practice. This section of the regulation applies to food and refreshments served at a local public site (within 25 miles of school division boundaries) and supersedes all previous guidance issued. The Travel and Expense Reimbursement policy (DLC) meals provision applies to food reimbursement outside of 25 miles.

2. CODE: DA-R SECTION D: FISCAL MANAGEMENT

- a. Food and refreshments may only be served if the meeting, conference, or in- service training is of such duration (generally, four 4 hours or more) that separate breaks would be severely disruptive to the objectives of the meeting or training. Extreme care must be used when providing lunch, or other meals/snacks. For a meal to be served, the timing of the meeting should include a meal time. When an event is scheduled to start at the end of an employee's contracted day and will extend beyond normal meal time, a meal may be served prior to the start of the event. Meals and snacks are considered a personal expense, as most employees buy or bring their lunch or snack on a daily basis. Therefore, any meal or snack served must be a reasonable price (less than the US General Services Administration (GSA) established per diem rate for that meal <http://www.gsa.gov/portal/content/101518>) and an integral part of the session in order to use public funds. When lunch or dinner is provided to all participants in order to maintain the continuity and schedule of the training session, these events are typically catered and/or purchased by one person for all participants. Lunch provided away from the training site would normally not be considered integral to the training session. Written pre-approval for such expenses must be obtained by the Superintendent, Assistant Superintendent, or Executive Directors for training events that include meals. Written documentation (meeting agenda, meeting times, list of attendees, etc.) regarding these expenses must accompany any requisition, ECPS purchase card transaction, or request for payment.
- b. Routine staff meetings should not include refreshments paid for by public funds. The only exception would be refreshments paid for from the faculty funds account within a school's student activity funds.
- c. Coffee and other beverages are normally a personal expense. A voluntary collection can be made from those who desire to have coffee or other beverages in the school/department. Schools/departments with a vending machine that is used primarily by staff may use profits to purchase beverages and other items for staff members.
- d. Receptions for individual employees should never be paid from public funds. This includes retirement dinners, staff meals, welcome-aboard receptions and similar gatherings where food and/or refreshments may be served. Voluntary collections can be taken from those attending such gatherings.
- e. In some cases, a building or part of a building is routinely open to the public for conducting Essex County Public Schools' business. The superintendent's office and school principals' offices are such locations. Having beverages of nominal value (such as coffee) available to members of the public would be considered a courtesy and are authorized in these limited circumstances.

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f. The school board and/or superintendent may determine that the serving of food and refreshments is appropriate for selected occasions. The annual retirement reception for all Essex County Public Schools employees is one such example.

g. The school board meets at times that are intended to be convenient for the general public. If the closed session and school board meeting span the normal dinner hours, serving a meal of reasonable cost to board members and appropriate staff members is considered to be an appropriate expense.

h. Food purchased for students from public funds as part of an initiative, program, or incentive (e.g., SOL rewards, honor roll) will be approved by the Principal.

3. Gifts

a. Gifts to individuals are not authorized from school funds. This includes gifts purchased for staff birthdays or other personal occasions, except if paid from a staff-funded hospitality account. The exception to this policy is for the retirements gift that is presented at the division annual retirement ceremony. These gifts will be valued at no more than \$200 and must be preapproved by the superintendent or his designee.

b. The purchase of tokens of nominal value (e.g., ECPS coffee mugs, pens, tote bags, ECPS t-shirts/apparel, etc.) that promote Essex County Public Schools or present ECPS in a favorable light are authorized. Nominal value is defined as being less than \$25.00 per person per occasion. Approval to purchase these items shall be at the Assistant Superintendent or Director level. Budgeting for such items is the responsibility of individual departments or schools.

c. Cash and cash equivalents (gift cards, etc.) are not permitted for faculty and staff. Per IRS regulations, no amount is considered de minimis, therefore any given amount must be reported to payroll and the amount will be added to the employee's W-2.

d. Gifts purchased for students from public funds as part of an initiative, program, or incentive (e.g., SOL rewards, honor roll) shall be approved by the Principal. Gifts and incentives (prizes) should not be cash and should mirror the accomplishment (ex. Books for a reading achievement). A gift card to a specific vendor is permissible if there are no other reasonable alternatives. Awards should be kept modest in value (no more than \$50 per student).

The superintendent or his/her designee shall be responsible for administering the division budget in accordance with board policies and applicable state and federal regulations, and laws; therefore, the superintendent or his/her designee is authorized to

make expenditures and commitments of funds and will use appropriate fiscal planning and management methods, modeled after the best accepted business practices and directed toward the educational goals of the division.

1. Funds may be transferred by the School Board from one category to another. These categories are defined as those contained under Section 22.1-115.¹
2. The superintendent or designee shall be authorized by the School Board to make line item transfers within a category, up to \$100,000 per transfer. Transfers in excess of \$100,000 will require School Board approval.

The Superintendent or his/her designee shall manage and control the funds made available to the School Board for the public schools and may incur costs and expenses.

ADOPTED: 7-8-2013

REVISED:

REPLACES: Any previous policy/regulation related to subject

LEGAL REFERENCES: Code of Virginia, 1950, as amended, Sections 22.1-78, 22.1-89 and 22.1-115

CROSS REFERENCES: None