

3.9 Deposit and Expenditure of Funds

- 3.9.1 Deposits – All funds of the Board will be deposited with qualified depositories, as defined by law, in the manner prescribed by the Chief School Financial Officer or the MCS Financial Procedures.
- 3.9.2 Investments – The Board authorizes the investment of surplus funds in the manner prescribed by law and approved administrative guidelines.
- 3.9.3 Expenditures – The Superintendent or his designee may spend funds budgeted for operations in an amount not to exceed \$15,000 per transaction without prior Board approval unless the expenditure involves a capital outlay or is subject to the bid law. The term “transaction” and the limit specified above applies to the transaction as a whole and not to portions, segments, or phases of a project of undertaking. All such expenditures shall be reported monthly to the Board of Education in the manner prescribed by §16-13A-8 of the Code of Alabama (1975).

[Reference: ALA. CODE §16-13A-8 (1975)]

- 3.9.4 Reserve Funds –The Board will maintain, at all times, a minimum of one month’s unreserved fund balance.
- 3.9.5 Consultants – The Superintendent may engage professional consultants, specialists, and experts, including but not limited to medical, mental health, educational, financial, technical (e.g., engineering, architectural, computer) experts and specialists for discrete, ad hoc projects or tasks without prior express Board approval. The Superintendent’s authorization for such engagements is subject to any restrictions imposed by law and the following terms and conditions:
- a. The engagement is for a term not to exceed ninety calendar days and for which the total fees and costs are not expected at the time of engagement to exceed \$15,000.00.
 - b. The restrictions on expenditures contained in this policy shall apply to the total expenditure in question, and payments may not be made in installments or otherwise divided in order to avoid the restrictions.
 - c. The board-approved budget must contain funds for the expenditure;
 - d. The transaction and payment shall meet other applicable legal requirements, if any (e.g., the bid law);
 - e. This policy shall not be effective if formal Board action and approval is otherwise required by law;
 - f. All such expenditures shall be reported monthly to the Board of Education in the manner prescribed by §16-13A-8 of the Code of Alabama (1975).

- g. Nothing herein shall be deemed to create or give rise to personal liability on the part of any Board official for any good faith error, oversight, or excusable neglect in the administration of this policy.

3.9.6 Competitive Bid Law and Public Works Act – All purchases will be made in compliance with the competitive bid law and Public Works Act, when applicable, and with such corresponding rules, regulations, and procedures as may be set forth in the MCS Financial Procedures. The Superintendent is authorized to enter into cooperative purchasing agreements with other school systems or local governments as may be permitted by law.

[Reference: ALA. CODE §41-16-50, *et seq.* (1975), ALA. CODE §39-1-1, *et seq.*(1975)]

3.9.7 Authorized Signatures – Checks drawn on the general fund or any special fund, with the exception of school accounts, require the signature of the Superintendent and the Chief School Financial Officer or their alternates as designated by the Board. Checks drawn on school accounts require the signature of the principal and the school bookkeeper or their alternates as designated by the Board. All checks used will be prenumbered. Checks drawn on Board funds may be signed and processed by electronic means, under the direction of the Chief School Financial Officer or Superintendent.

3.9.8 Debt Management -

- a. ***Long-term debt.* Long-term debt shall not be used for operating purposes and the life of the bonds should not exceed the useful life of the projects financed.**
- b. ***Rating.* Full disclosure of operations, including annual audits will be provided to the bond rating agencies and EMMA. The board staff, its investment banker and bond counsel, will prepare the necessary materials for presentation to the rating agencies.**
- c. ***Federal requirements.* The board will maintain procedures to comply with arbitrage rebate and other federal requirements as necessary.**
- d. ***Debt service reserves.* The debt service fund should not have reserves or balances in excess of the amount required, if any.**
- e. ***Debt burden.* The debt burden should be within the norm of comparable school systems. Long-term debt financing will be submitted to State Board of Education for approval**
- f. ***Debt structuring.* The board will issue warrants not to exceed 30 years. The issuance should reflect an overall annual payment that is relatively level.**