



Responsible Office: Office of Business & Financial Services

**BOARD POLICY 3100
FINANCIAL SERVICES**

PURPOSE

The Board of Trustees (Board), as the governing body of the Washoe County School District (District), is committed to its role of responsible financial stewardship. The District considers it prudent to establish a policy for its investments, student activity funds, and fees/deposits. These activities need to be managed in accordance with Nevada state laws and regulations, governmental accounting standards, internal procedures, and best practices to provide the framework to protect these assets.

DEFINITIONS

1. "Investments" refers to cash balances in excess of immediate needs that can be invested to achieve a positive return.
2. "Net terms" refers to the due date for payment of invoices by a vendor. After that date, interest would apply.
3. "Student Activity Funds" (SAF) are comprised of all monies received from sales, fees, fundraisers, donations, or other sources that are raised by individual schools of the District. Funds are held at the school in a trust capacity and are to be used for the benefit of the students by whom they were raised.

POLICY

1. The financial practices of the District are governed by state and, as applicable, federal laws and regulations.
2. Investments
 - a. Investments of the District shall be made in compliance with state laws and regulations, and specifically Nevada Revised Statutes (NRS) Chapter 350, Authorized Investment of Bond Proceeds, Chapter 355, Public Investments, and Chapter 356, Depositories of Public Money and Securities, with the objective of providing the highest degree of safety, liquidity and rate of return in that order of priority. The preservation of capital and investment principal is the primary objective of the investment program; the District should avoid taking undue risk in an effort to maximize potential returns.

- b. The Board of Trustees designates Chief Financial Officer with the responsibility for the management of the investments of the District. Written procedures shall establish explicit delegation of authority to persons responsible for investment transactions, and a system of controls to regulate investment activities.
3. Student Activity Funds
- a. These funds are maintained at the school level and are considered a part of the "county school district fund" as defined by NRS Chapter 387, County School District Fund: Composition.
 - b. The principal shall be responsible for the proper administration of student activity funds and shall ensure that activity accounts are maintained to manage funds collected from or on behalf of students for the intended school-related purposes. All such funds shall conform to procedures set forth in the District's "Student Activity Funds Procedures Manual", which specifies requirements and timelines.
 - c. Any school student group participating in a school-approved or sponsored activity may establish an account within the financial structure of the school of which it is a part.
 - d. Student activity funds shall be audited at prescribed intervals by the Internal Audit Department and are subject to review at any time by the Business Office.
 - e. Fees and Deposits
 - i. Athletic Fees - Per the Student Athletics Manual, student athletes at high schools and middle schools are required to pay an athletic transportation fee, an athletic impact fee, and an athletic trainer fee. These fees are annual, regardless of the number of sports a student may participate in, to partially offset the costs of athletic activities. No school is exempt from collecting and remitting all fees to the Office of Business & Financial Services.
 - ii. Materials or services purchased by individual students through the District as a part of the educational program shall be made available at the actual cost of providing such materials or service to the student.
 - iii. All fees collected as deposits are to be refunded in full if the items on which the deposit was placed are returned in the same condition as when issued or show only reasonable wear. Deductions are to be made only for abnormal wear, damage, and loss.

- iv. Waiver of Fees – While fees are an appropriate means to recover certain costs, the District also recognizes the importance of ensuring equity when determining and collecting fees. Upon receipt by the District of reliable documentation that a student and his/her parent/guardian are unable to pay a fee or deposit required by the school, such fee or deposit may be waived. Such student and his/her parent/guardian shall present evidence of an inability to pay to the principal who shall determine eligibility for a fee waiver.

4. Accounts Receivable

- a. Funds are received in a variety of ways: electronic via wire transfer and Automated Clearing House (ACH); cash; checks; and debit cards.
- b. All receipts shall be deposited in a timely manner. If the receipt is larger than \$25,000, the funds shall be deposited within one business day. All other receipts will be deposited in the bank in accordance with administrative regulations.
- c. Deposits shall be posted to the general ledger in a timely manner. If the receipt is larger than \$25,000, the posting will be made within one business day. All other receipts will be posted in accordance with administrative regulations.
- d. Cash and checks received by the Business Office, departments and schools will be stored securely pending deposit. Access to the vault or secured facilities is limited to authorized supervisory employee.
- e. For handling cash, proper segregation of duties will be established to ensure more than one employee is involved with the processing of any cash deposit.
- f. Debit card payments are accepted in the Office of School Police for fingerprinting fees. Credit card payments are not accepted due to the associated higher transaction fees associated with credit card payments.

5. Accounts Payable

- a. The Accounts Payable (AP) Department within the Office of Business and Finance is responsible for the timely payment of invoices for goods and services received by the District. Functions include processing timely and accurate payments to vendors; control of encumbrance activity on Purchase Orders; and end of the year reporting tasks.
- b. Vendor maintenance duties are processed by an employee not involved in the disbursement of payments for proper segregation of duties.

- c. Encumbered payments are payments originated with a Purchase Order (PO) which are reviewed and approved by appropriate employees prior to being issued.
 - d. Non encumbered payments are payments which do not require a PO or may not be paid with a Purchasing Card. Examples are one-time fees, conference registration, permits, subscriptions, and employee reimbursements for per diem travel and mileage. When vendors accept Purchasing Cards for conference registration and similar fees, that is the preferred method of payment over non-encumbered payments. The vendors are assigned to AP employee by alphabetical designation.
 - e. In return for services and goods provided to the District, vendors expect to receive payment in a reasonable timeframe; the processing of timely payments also benefits the District by ensuring that vendors do not perceive any risk or lag in payments from the District, which would disincentivize them from submitting bids or proposals for District procurements. Thus, payments shall be made in a timely and cost-effective manner and to avoid net terms or other late penalties.
 - f. The District should process payments in the most cost-effective manner possible including encouraging or requiring ACH payments to vendors versus paper checks and use of credit card payments where the District can receive a rebate. The District should use modern banking technology whenever possible and abide by proper internal controls to prevent both internal and external fraud.
 - g. Encumbrances are reviewed at fiscal year-end to determine which will roll forward to the next fiscal year and which will be disencumbered. Budgets for encumbrances that are to roll forward are reviewed in collaboration with the Budget Department to determine which will roll forward with budgets and which will roll forward without budgets.
 - h. District bank accounts are reconciled on a monthly basis. Checks become stale and are voided after six months.
 - i. Annual Internal Revenue Service IRS Form 1099-NEC (Non-Employee Compensation) and IRS Form 1099-MISC (Miscellaneous) are completed and distributed to vendors prior to the mandated IRS deadline, which is usually the last day in January.
6. Purchasing Cards
- a. The purpose of the purchasing card (P-Card) program is to facilitate small purchases, expedite payments to vendors and realize revenue share (portions of transaction amounts are deposited in the General Fund). The

use of P-Cards provides a rapid turnaround of small purchases while reducing paperwork and processing costs.

- b. P-Cards may be assigned to individuals, schools and/or departments based on the purchasing need of that person or entity. The school principal or department head is responsible for all uses of the P-Card assigned to them.
- c. P-Card is the preferred method of paying for travel and registration costs. Use of a P-Card is prohibited for personal items, meals during travel, cash advances, equipment that requires an asset tag, services requiring the use of an Independent Contractor Agreement, and for any items stocked in the District warehouse.
- d. Unless an exception is provided by the Purchasing Department for an unusual situation, a P-Card must be used instead of a Purchase Order when the total transaction amount is less than \$500.
- e. An online system is provided by the vendor for the P-Card program.
- f. The Business Office will conduct random audits of transactions to review for any unauthorized uses of a P-Card.

7. Payroll

- a. The central mission of the Payroll Department within the Office of Business and Finance is to process employee payroll accurately and on time; to maintain related payroll records with accuracy, efficiency; to perform end-of-year reporting tasks; and to provide excellent customer service to employees.
- b. Due dates for the submission of timesheets are established by the Payroll Department, who works closely with schools and departments to ensure all requirements are met to process each pay cycle.
- c. Deductions, contributions, and garnishments are processed by the Payroll Department as required.
 - i. Deductions are employee amounts subtracted from gross pay for items such as employee share of federal Medicare taxes, federal income taxes and employee contributions to deferred compensation accounts.
 - ii. Contributions are district-paid amounts for items such as employer share of federal Medicare taxes, employee insurance costs and employer paid amounts to the Public Employees Retirement System (PERS).

- iii. Garnishments are court ordered amounts subtracted from gross pay.
 - d. Employees will receive their pay by either direct deposit or paychecks. Employees are encouraged to use direct deposit for the enhanced security and convenience.
 - e. The Payroll Department is responsible for transmitting amounts for PERS, Social Security and Medicare, as well as the associated reporting requirements.
 - f. If irregularities concerning an employee's time records or pay codes are discovered, the Office of Business and Finance shall examine all available records and if there is evidence of criminal fraud, shall report the case to School Police and the Labor Relations Department. In cases where an employee was overpaid, the Offices of Business and Finance and Human Resources will work to collect the overpayment from the employee, including development of a payment plan and possibly referral to an outside collection agency.
 - g. The Payroll account is reconciled on a monthly basis. Checks become stale and are voided after six months.
 - h. Annual Internal Revenue Service IRS Form W-2 Wage and Tax Statements are completed and distributed to employees prior to the mandated IRS deadline, which is usually the last day in January.
8. Debt Management
- a. The District periodically issues debt to finance new construction and renovations of existing facilities. Debt consists of both long-term debt and medium-term debt. Long-term debt matures in ten years or more and medium-term debt matures in ten years or less.
 - b. All applicable federal, state, and local laws will be followed in the issuance of debt.
 - c. Due to the complex and highly regulated nature of tax-exempt debt, the District should utilize certain external experts when issuing debt including bond counsel, municipal financial advisors, and paying agents.
 - d. The Chief Financial Officer (CFO) will work with the Chief Operations Officer along with other capital projects employees and the District's municipal financial advisor to develop the five-year capital improvement plan (CIP). The CIP is developed in accordance with NRS 354.5945

- e. Debt should be contemplated in the context of the District's overall annual budget and CIP when cash resources are inadequate to fund needed projects. When considering the issuance of new debt, the District shall prepare a projection of available revenues for payment of debt service to ensure adequate coverage of debt service; confirm the District is below its statutory debt limit; consider the level of cash reserves and its overall debt profile; and work with the financing team of external experts to structure the debt within the context of the District's overall debt portfolio.
- f. The term "derivatives" refers to a wide array of financial products that are dependent for their value on (or "derived" from) an underlying financial instrument (e.g., stocks, bonds, or foreign currencies), a commodity, or an index representing values of groups of such instruments or assets. Some of the most commonly used derivatives are swaps, options, futures, forwards and a variety of structured securities. Derivative products are prohibited except in the case of forward delivery bonds with a closing date no more than twelve months in the future or taxable bonds with an option to convert to a set tax-exempt rate at some specified time.
- g. The District shall submit its Debt Management Policy and Statement of Indebtedness in the form required by NRS 350.013 by the statutory deadline.
- h. The District is required to maintain a debt service reserve of our outstanding General Obligation (GO) bonds debt service in accordance with NRS 350.020. An adequate reserve, which may exceed the statutory minimum, is necessary to buffer the District in recessionary periods or emergencies and to allow for payment of debt service.
- i. Debt service principal and interest payments must be paid on time. To avoid issues of timing or lost checks, all payments will be made by wire transfer. A comprehensive schedule of all debt service principal and interest payments due for the year and for the life of the debt will be maintained and updated as new debt is issued.
- j. Tax-exempt debt carries many long-term requirements of the issuer, as set forth by the US Department of Treasury and Municipal Securities Rulemaking Board (MSRB). The District will comply with all post-issuance maintenance requirements, in cooperation with bond and tax counsel and its municipal financial advisor. Post-maintenance obligations include: calculation of arbitrage rebate; continuing disclosure to the MSRB; disclosure of material events to the MSRB; and certain record-keeping requirements.

9. The Superintendent shall adopt administrative regulations and procedures as necessary to implement the provisions of this Board Policy. This may include, but is not limited to:
 - a. Implementation of a system of controls to regulate investment activities;
 - b. Outline of an explicit delegation of authority for managing the investment program;
 - c. Provisions for safekeeping and custody of securities purchased;
 - d. Description of authorized investments to be made using District funds;
 - e. Implementation of a system of controls to employ efficient and accurate accounting procedures for student activity funds, to include fees and deposits;
 - f. Implementation of a system of controls to regulate accounts receivable activities;
 - g. Implementation of a system of controls to regulate accounts payable activities; to include purchasing card activities;
 - h. Implementation of a system of controls to regulate payroll services activities;
 - i. Implementation of a system of controls to debt management activities.

LEGAL REQUIREMENTS AND ASSOCIATED DOCUMENTS

1. This Board Policy reflects the goals of the District's Strategic Plan and aligns with the governing documents of the District.
2. This Board Policy complies with Nevada Revised Statutes (NRS) and Nevada Administrative Code (NAC) to include:
 - a. Chapter 350, Authorized Investment of Bond Proceeds;
 - b. Chapter 354, Local Financial Administration;
 - c. Chapter 355, Public Investments, and specifically:
 - i. NRS 355.170, Authorized investments for counties, cities and school districts;
 - ii. NRS 355.171, Additional authorized investments for counties, cities and school districts; exceptions;
 - d. Chapter 356, Depositories of Public Money and Securities, and specifically:

- i. NRS 356.020, Collateral for uninsured deposits; and
- e. NRS 387.175 County School District Fund: Composition.

REVISION HISTORY

Date	Revision	Modification
2/10/2015	1.0	Adopted (merged Board Policy 3210.1, School Activity Funds, Board Policy 3211, Investments, and Board Policy 3250, Fees and Deposits)
10/11/2016	2.0	Revised to remove reference to Investment Committee and to designate CFO with responsibility over investments.
07/07/2021	3.0	Revised: formatted per BP 9070.