

**3000 FISCAL AUTHORITY**

**3001 Fiscal Authority and Responsibility**

Fiscal policies of Community High School District 94 shall be in conformance with the provisions of the *Illinois School Code*.

Through them the Board of Education is able to establish, enlarge, equip, furnish, operate and maintain its school; pay any school indebtedness; provide staff, materials and resources for a quality instructional program; and annually levy and collect the necessary taxes, in addition to annual State appropriation, to meet its obligations and the goals of the district.

Adopted: April 18, 2000

Revised:

Replaces:

Reference: 105 ILCS 5/10-1 to 5/10-27.1A

**3100 BUDGET****3101 Budget Objectives**

In the district's fiscal management, the Board of Education seeks to achieve the following objectives:

- To engage in thorough advance planning in order to develop budgets and to guide expenditures so as to achieve the greatest educational returns and the greatest contributions to the educational program;
- To establish levels of funding which will provide high quality education for the students of the district;
- To use the best available techniques and processes for budget development and management;
- To provide timely and appropriate information to the Board of Education and all staff with fiscal management responsibilities; and
- To establish and implement efficient procedures for accounting, reporting, investing, purchasing and delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3102 Calendar**

Annually, the Assistant Superintendent – Business shall prepare a budget calendar which specifies timelines and responsibilities for submitting budget requests. The budget calendar shall also specify dates for Board of Education review, public participation, adoption, and tax levy certification, all of which shall be in accordance with applicable law.

An annual budget shall be presented to the Board of Education for review and tentative adoption as prescribed by law.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3103 Fiscal Year**

The fiscal year for Community High School District 94 shall begin July 1, and end June 30, of the succeeding year.

Adopted: April 18, 2000

Revised:

Replaces: DCB – Annual Operating Budget Fiscal year

Reference:

**3104 Budget Planning and Preparation**

The Assistant Superintendent – Business shall prepare a tentative annual budget in accordance with applicable law and as directed by the Board of Education. Each administrator shall prepare and submit to the Assistant Superintendent – Business budget information, data proposals and other information requested by the Assistant Superintendent – Business regarding his/her department and/or responsibility.

The tentative budget shall be set forth in necessary detail using the forms of the State Board of Education or similar documents and shall be approved and made available to the public as required by law.

Adopted: April 18, 2000

Revised:

Replaces: DCC – Annual Operating Budget – Preparation Procedures

Reference:

**3105 Budget Hearing**

At least one (1) public hearing shall be held as to the tentative budget prior to final action thereon.

The Board of Education shall annually, at least thirty (30) days prior to the adoption of the annual budget, prepare a tentative budget for public inspection to all persons who may request a copy.

Notice of availability of the tentative budget for public inspection and of such public hearing shall be given by publication in a newspaper at least thirty (30) days prior to the time of such hearing.

Adopted: April 18, 2000

Revised:

Replaces:

Reference: 105 ILCA 5/17-1

### **3106 Tax Levy**

The Board of Education may, in order to establish, enlarge, equip, furnish, operate and maintain any school or department, or to pay indebtedness that has or may be created by the school district, or to defray all necessary expenses and liabilities of the district, levy a tax annually, at not to exceed the maximum rates and for the specified purposes, upon all taxable property of the district at the value, as equalized or assessed by the Department of Revenue.

Levies and rates shall be those established by the Board within the parameters defined by the *Illinois School Code*.

The Board of Education shall annually ascertain, as near as practicable, financial requirements for all funds for the next ensuing year. Such amounts shall be certified and returned annually to the County Clerk on or before the last Tuesday in December, in accordance with the *Illinois School Code*.

Adopted: April 18, 2000

Revised:

Replaces: DFA – Revenues – Local Tax Revenues

Reference: 105 ILCA 5/17-2 to 5/17-16

**3200 SYSTEM OF ACCOUNTS****3201 Accounting System**

An accounting system shall be maintained which will provide an accurate record of revenues and expenditures, using the guidelines set forth by the *Illinois School Code*.

The cash system shall be the accounting system used for all district funds.

The district's accounting system and practices shall comply with all requirements of the *Illinois School Code* and all regulations promulgated by the State Board of Education.

Adopted: April 18, 2000

Revised:

Replaces: DIA – Accounting System

Reference:

**3202 Working Cash Fund**

The Board of Education shall create and use a Working Cash Fund, as provided in the *Illinois School Code* and all regulations promulgated by the State Board of Education.

Adopted: April 18, 2000

Revised:

Replaces: DFAA –0 Local Tax Revenues – Working Cash Fund

Reference: 105 ILCS 5/20-1

**3203 Debt Limit**

The Board of Education shall not become indebted in any manner or for any purpose in an aggregate amount, including existing indebtedness, exceeding 6.9% on the value of the taxable property in the district, or as defined elsewhere within and by the *Illinois School Code*, whichever is greater.

Adopted: April 18, 2000

Revised:

Replaces:

Reference: 105 ILCS 5/19-1

**3204 Depository of Funds**

The Board of Education shall designate banks of depository for all district funds, including Imprest and Activity Funds, at its Annual Organization Meeting.

The amount of district monies on deposit in any bank of depository shall not exceed seventy-five percent (75%) of the capital stock and surplus of the bank. If an additional depository is necessary to maintain this limit, the Board of Education shall name such additional depository at an official meeting.

Adopted: April 18, 2000  
Revised:  
Replaces: DG – Depository of Funds  
Reference:

### **3205 Tax Anticipation Warrants**

Tax Anticipation Warrants, not exceeding an amount equal to seventy-five percent (75%) of the total amount of taxes levied for either educational, building, bond principal and interest, or transportation purposes, may be issued following the adoption of an appropriate resolution of the Board of Education providing for such issuance. Such warrants are payable solely for the taxes against which they are drawn and shall bear interest at a rate not exceeding the maximum rate permitted by law.

Adopted: April 18, 2000  
Revised:  
Replaces: DFE – Short Term Notes  
Reference: 105 ILCS 5/17-16

### **3206 Financial Reports and Statements**

A statement describing the status of all school district funds shall be submitted to the Board of Education each month by the Treasurer in accordance with the provisions of the *Illinois School Code*.

The Superintendent shall cause to be prepared a monthly statement showing the receipts, expenditures, and balances in each school district fund and shall submit said report to the Board of Education at each regular monthly meeting.

An annual financial statement of the school district shall be prepared and shall be published in a newspaper of general circulation in the district in accordance with the provisions of the *Illinois School Code*.

Adopted: April 18, 2000  
Revised:  
Replaces: DIB – Financial Reports and Statements  
Reference: 105 ILCS 5/8-15

### **3207 Bonded Employees**

The school district Treasurer, appointed pursuant to the provisions of Policy Series 1000, Paragraph 1106 – Duties of Officers, shall be bonded in accordance with the requirements of the *Illinois School Code*.

Other employees shall be bonded or covered by crime loss insurance in amounts commensurate with the amounts of monies they are likely to be handling at any given time.

Adopted: April 18, 2000  
Revised:  
Replaces: B5 – Qualifications, Terms and Duties of Board Officers; DH – Bonded Employees  
Reference: *Illinois School Code*, Chapter 745  
Cf: Series 1000, Paragraph 1106 – Duties of Officers

### **3208 Internal Funds**

Internal Funds are all funds collected for school purposes from whatever source, are public monies and are controlled by the policies and directives of the Board of Education. This includes, but is not restricted to, class or school fees, athletic gate receipts, school lunch proceeds, ticket sales, donations, and student organization funds. All extra curricular activities involving money shall come under the jurisdiction of the person in charge of the “extra-curricular bank.”

Each principal or any other person in charge of an internal fund shall make an annual report on the status of such fund to the Superintendent and shall make such report available for the district’s auditor.

The report shall indicate opening balances, receipts by source, expenditures by type and closing balances, and shall be made prior to July 10 of each year for the preceding fiscal school year.

Pre-numbered receipts shall be used by all persons receiving funds on behalf of the school system, an individual school, or a school organization. All duplicate copies of receipts shall be accounted for. The person signing receipts shall insure that his/her signature is legible. The receipt and its duplicate shall clearly indicate the source and the purpose of the funds received.

Receipts in the form of checks should be written in favor of the school district or the name of the appropriate internal fund of the particular school.

All organizations shall submit a financial report within a reasonable time to the Principal or designee for all money-making activities.

Each expenditure from school internal accounts shall be made by check only, signed by the Principal or designee or other employee authorized by the Superintendent. Such checks may be signed by the Principal upon receipt of a "check request" prepared and signed by the individual responsible for the financial affairs of a particular organization or activity.

The check blanks are to be pre-numbered, and the person in charge shall account for each blank.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

### **3209 Activity Funds**

The Associate Principal shall act as the custodian of the activity funds of the district.

Activity funds are to be used for the general welfare of the student only, and for activities not a part of the regular curriculum.

Each check shall be co-signed by the Associate Principal/designee and another person within the district designated by the Board of Education. Depositories of all monies will be prescribed by the Board of Education.

All fundraising activities shall be approved by the Associate Principal/designee.

Any new and unusual fundraising projects must receive the approval of the Board of Education as recommended by the Associate Principal.

The school or district name shall not be used for any unauthorized fundraising activities.



For all fundraising projects, two or more people shall be required to count proceeds, verify ticket sales, and submit said proceeds to the Associate Principal's office – along with a properly completed district submission form.

On all fundraising projects, such as dances, musicals, plays, etc., tickets shall be pre-numbered.

No employee of Community High School District 94 shall be permitted to purchase items for resale unless the order is submitted through the school office and payment drawn on an activity fund check. All sales shall be handled by club/ organization officers and members, and profits from these sales shall go into the club/organization treasury.

All items sold by organizations shall conform to the laws governing resale of goods as established by the Illinois Department of Revenue.

All clubs/organizations shall use a uniform bookkeeping system as approved by the Business office.

The Associate Principal shall be responsible for assuring that each activity is adhering to the bookkeeping system. Within each activity, the treasurer or secretary shall be required to give receipts for all money received.

The Associate Principal shall report monthly the cash balances of all the accounts within the district to the Superintendent of Schools.

Interest income earned on the activity funds will be prorated annually based on the average monthly balance for each club or activity.

At the end of each fiscal year, it shall be the responsibility of the Associate Principal to meet with the designated members of the Business Office to assure that his/her activity books, invoices, and completed reconciled bank statements are in order for auditing.

Purchase of materials or supplies (on behalf of student activity related accounts) costing in excess of \$1,000.00 is to be made upon solicitation of quotations or bids from three or more responsible bidders.

Adopted: April 18, 2000

Revised:

Replaces: DK – Student Activities Funds Management

Reference:

## **3300 PURCHASING**

### **3301 General Purchasing Policy**

The function of the purchasing program is to serve the educational program by procuring the necessary supplies, equipment and services. The Board of Education declares its intention to purchase competitively without prejudice and to make all purchases in compliance with Federal, State and local laws and regulations to seek maximum educational value for every dollar expended.

The acquisition of services, equipment and supplies is centralized in the purchasing program, as defined by the Assistant Superintendent - Business and the Board of Education.

Adopted: April 18, 2000

Revised:

Replaces: DJE – Purchasing

Reference: 105 ILCS 5/10 – 20.21

### **3302 Purchasing Authority**

The Assistant Superintendent – Business is authorized to contract for goods and services up to established budgetary limits. For that portion of a fiscal year prior to the adoption of the budget for the fiscal year, the Board of Education shall annually determine expenditure limits that will facilitate the procurement of goods and services necessary for the operation of the district. Contracts for goods and services that are not within the limitations stated above shall be approved in advance by the Board of Education.

However, the above limitations shall be waived in the event of an emergency that necessitates immediate action in order to protect persons or property or to continue the operation of the school system. In the event of an emergency requiring expenditures in excess of the above limitation, the Superintendent shall make a complete report to the Board of Education regarding the emergency and the resulting expenditures at the first Board of Education meeting after the emergency situation has been resolved.

Adopted: April 18, 2000

Revised:

Replaces: DJEA – Purchasing Authority

Reference:

### **3303 Bids and Quotations**

Bidding Criteria - The Board of Education believes that one of its primary responsibilities is to insure that district funds are spent wisely and that all expenditures of funds are in compliance with the requirement of the *Illinois School Code*.

Therefore, all contracts for supplies, materials, or work involving an expenditure of \$25,000 or more shall be let to the lowest responsible bidder after due advertisement, except contracts that are specifically exempted from competitive bidding by the *Illinois School Code*. At least three (3) written competitive quotations will be obtained for purchases of \$5,000 but less than \$25,000. Written quotations shall be maintained on file for all such purchases. In addition, verbal competitive quotations shall be sought and a record maintained for items of this nature costing less than \$5,000.

Further, the bidding threshold for exemptions defined as “contracts for repair, maintenance, remodeling, renovation or construction, or a single project ... not involving a change or increase in the size, type, or extent of an existing facility” is set at not to exceed \$50,000. At least three (3) written competitive quotations will be obtained for purchases of \$10,000 but less than \$50,000. Written quotations shall be maintained on file for all such contracts. In addition, verbal competitive quotations shall be sought and a record maintained for all items of this nature costing less than \$10,000.

Advertisement - The Board of Education shall annually establish bid procedures and authorize the administration to proceed with the preparation of bids for the following year.

In such cases where bids are required by law, purchase may be made only after public notice has been given as prescribed by the *Illinois School Code*.

Such advertisement or notice shall give all necessary information, or give notice of convenient access thereof, in such manner that bidders can intelligently make bids for such contracts.

The Board of Education shall accept the lowest responsible bid, when the kind and quality of equipment, supplies, materials and goods are equal. The Board of Education shall have the right to reject any and all bids or select any single item or groups of items from any bid.

Bid Preparation – Whenever feasible, bid instructions shall include product or item specifications.

The district will, when feasible, develop a standardized list of products for purchase.

Bid Awards – When the bids have been summarized and evaluated, with samples examined as necessary, the district shall prepare a recommendation to the Board of Education specifying which companies should be awarded the contract(s).

Recommendations for award will be made by the District in accordance with specifications established by the district, and prices offered by the supplier(s). Bids will be awarded to the lowest responsible bidder, kind, quality and material being equal. Additional factors to be considered in award of all bids will be past history of the supplier's performance, serviceability, and safety.

The Community High School District 94 Board of Education must approve all bids awarded by Community High School District 94.

Volume Purchasing – Cooperative purchasing with other school districts, regional offices of education, and other volume bidding arrangements shall be utilized whenever practical and only to the extent permitted by law. Individual purchases shall be combined or consolidated whenever possible.

Waiver of Bidding Procedures – The foregoing bidding procedures as described in school board policy may be waived as permitted by law, including, but not limited to, the following circumstances:

1. In those cases where the nature of the personal service relates closely to an individual and/or a firm (i.e., legal counsel, architectural consultant, etc.) the Superintendent may, upon the approval of the Board of Education, utilize procedures other than the traditional sealed bid process.

2. In those cases where an emergency condition exists, the Board of Education may waive the bidding procedures.

Adopted: April 18, 2000

Revised: April 28, 2009

Replaces: DJED – Bids and Quotations

Reference: 105 ILCS 5/10 – 20.21

Cf: Series 3000, ¶3308 – Quotations

**3304 Purchase Orders and Contracts**

Requisitions and purchase orders shall be coordinated through the Business Office. As such, they will:

- be cross-referenced to a bid number, where applicable
- be maintained on file by the district
- be prepared by individuals with a budgetary responsibility
- be approved only when an unencumbered balance sufficient to cover the transaction exists
- follow the process defined by the Business Office
- be approved by authorized individuals
- be submitted in a timely manner
- seek prior Board approval when the budget allocation is exceeded.

Adopted: April 18, 2000

Revised:

Replaces: DJEG – Purchase Orders and Contracts

Reference: *Illinois School Code*, Article 8

**3305 Unauthorized Purchase and Purchases Exceeding Budget**

Neither the Board of Education nor the employee in charge of an internal fund will be responsible for making payments for unauthorized purchases or purchases made in excess of budgeted funds.

Payment on invoices received for supplies and materials not covered by approved requisitions and/or proper purchase orders shall be made by the person or persons who requested said supplies or materials.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3306 Sales Calls and Demonstrations**

No sales representatives are to call on staff members without authorization from the school administration.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

### **3307 Vendor Relations and Ethics**

The school district's suppliers, their products, personnel and services are a natural extension of the district's own resources. It is the responsibility of all employees to work to maintain the good name of the school district, to develop and maintain good relations between the school district and its suppliers, and to keep in mind that personal contacts form much of the basis for the supplier's opinion of the school district.

Employees of Community High School District 94 will maintain and practice the highest possible standards of business ethics, professional courtesy and competence in all dealings. At all times, applicable laws must be strictly observed. In this regard, the following will be observed when dealing with suppliers and their representatives:

- Accord prompt and courteous reception, as well as fair and equal treatment to all suppliers and their representatives.
- Provide equal opportunity for all suppliers to make price and specification quotations, except where the supplier has a record of bid, quotation, or contract defaults.
- Guarantee the confidentiality of all specifications and price quotations made by suppliers.
- Decline to take advantage of supplier's errors, and show consideration for supplier's difficulties by cooperating with him/her whenever possible.
- Avoid putting a supplier to unnecessary expense or inconvenience on returned goods.
- Explain as clearly and fully as possible to suppliers the reason for rejection of their bids, quotations, or proposals.
- Keep informed about sources of supply, methods, services and materials, and encourage testing of products.
- If, for valid reason, one supplier is permitted to re-quote, his competitors will be given the same opportunity. Re-quoting will be restricted to an absolute minimum and will only be permitted when the circumstances lead to a competitive bid environment. Bid auctioneering is not permitted.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3308 Quotations**

Price quotations may be sought when a decision is made to procure items, bidding is not required, and such action best serves the interests of the school district.

Quotations should be solicited on standardized forms from vendors willing to quote a selling price on an item to be purchased. Quotations serve the same purpose as bids; however, require no advertising, and are sent only to those companies directed by the district.

Quotations will be received in writing or by documented telephone solicitation by the Business Office or other administrative departments as required. The quotation will be awarded to the lowest responsible vendor, kind, quality, and material being equal. Additional factors to be considered in award of all quotations will be past history of vendor's performance, serviceability, and safety.

Upon completion of the evaluation and approval of the quotation, purchase orders will be issued and delivery dates established by the Business Office. The quotation number will be cross-referenced to the final purchase order number on all purchase orders.

A complete copy of the quotation, and quotation tabulation (as applicable) will be maintained on file by the Business Office.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

**3309 Petty Cash**

The Principal is to be given an advance via check, in an amount established by the Business Office, to cover miscellaneous office expenses such as the mailing of letters, films, etc. When the money is expended, the Principal should submit a reimbursement form with the necessary receipts to the Business Office at which time the petty cash will be replenished.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

**3310 Payment of Bills**

Before approving bills each month or authorizing needed transfers of funds, members of the Board of Education shall determine that funds are properly appropriated for the payment of such bills.

Once receipt of goods and services has been verified, payment of bills shall be made by the Treasurer on the drawing of voucher checks signed by the Treasurer and the Secretary and the President or the Vice-President, either by hand or by machine.

Personnel services to the school district at athletic contests in Community High School District 94, (e.g., officials) shall be paid through Board approval of the payment of bills.

Adopted: April 18, 2000  
 Revised:  
 Replaces:  
 Reference:

### **3311 Authorized Signatures**

The signature of the Treasurer shall be required for all checks drawn on the Educational Fund; Tort Immunity Fund; Operations & Maintenance Fund; Bond and Interest Fund; Transportation Fund; Illinois Municipal Retirement Fund; Site & Construction Fund; Working Cash Fund; and Fire Protection and Safety Fund.

The signature of the duly appointed business official or his/her designee shall be required for all checks drawn on the Imprest Account.

Adopted: April 18, 2000  
 Revised:  
 Replaces: DJAA – Authorized Signatures  
 Reference:

### **3312 Payment of Pre-Approved and Emergency Contracts**

It is the purpose of the Board of Education to effect a prompt payment of bills in order to enjoy the benefit of discounts and to treat fairly the persons with whom and entities with which the district contracts. Nevertheless, prompt payment of invoices when those invoices are individually approved by the Board may be made difficult because of gaps in time between the receipt of invoices and the occurrence of scheduled Board meetings.

Therefore, the Board of Education, by adoption of this policy, hereby authorizes the Business Office to pay, upon receipt, the bills described in the following categories in accordance with the following procedures.

Payment orders may be drawn by the Business Office pursuant to this policy for:

1. payments due for:



- A. Regular utility bills
- B. Health insurance provider, Life, and other regular insurance contracts.
- C. Regular payroll related expenditures (including, but not limited to, unemployment compensation, social security, retirement and workers' compensation).

2. other emergencies deemed urgent and applicable by the Assistant Superintendent – Business and the Superintendent.

No payment shall be made under this policy until the administration has determined that the payment invoice is in order and that the goods related thereto are in acceptable condition or the services related thereto were satisfactorily rendered. In the event that a purchase order relates to any matter in which the district has retained consulting services including, but not necessarily limited to, services of architectural or engineering review, said payment will not be made until the additional approval of the consultant has been obtained. In no event shall any payment be made to the order of cash.

Each payment made pursuant to this policy shall be reported to the Board of Education at the next regular meeting thereof.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

### **3313 Standardization of Goods**

Items commonly used in the various schools or units thereof shall be standardized consistent with educational goals and in the interest of efficiency or economy. Such items shall be summarized and listed and posted in all school

administrators' offices. No deviation shall be permitted in buying substitute items without the express authorization of the Business Office.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

### **3314 Conflicts of Interest**

The district will not purchase supplies or materials from a staff member of the school district. Neither will the district purchase supplies, materials or services from a member of the Board of Education. Likewise, the district shall not purchase supplies, materials, or equipment from or sell supplies, materials, or equipment to any person identified in this paragraph. Exception to the above policy may be made only by the Board of Education based upon specific notification of the exception by the Business Office.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

**3400 INSURANCE****3401 Insurance on Building: Public Liability, Insurance for Employees, Broker of Records**

Community High School District 94 shall have full power and authority to make and enter into any contract or contracts permitted by law and not inconsistent with Board policy with any person, firm or corporation, including any mutual fire insurance company authorized to transact business in the State, for the purpose of insuring against loss or damage by fire, or otherwise, any or all of the school buildings or other property owned or leased by the school district.

The school district shall have full power and authority to enter into any contract or contracts permitted by law and not inconsistent with Board policy with any person, firm or corporation including any mutual insurance company authorized to transact business in this State, for the purpose of insuring every employee of the school district against liability for damages sustained by pupils, or others as result of the employee's negligence in the performance of his or her duties during the course of his or her employment.

Community High School District 94 shall purchase insurance for its buildings and the contents therein for fire, extended coverage and vandalism, and malicious mischief. Also to be purchased is coverage in the following areas: Comprehensive General Liability; Comprehensive Automobile Liability, Excess Indemnity – Umbrella Liability, Boiler and Machinery Insurance, Workers' Compensation, Travel Accident Policy, Fidelity Bonds, and Broad Form Money and Security Loss Policy.

The Business Office shall maintain a complete file of all policies and information concerning all insurance coverage. The Business Office shall also assume the responsibility and shall determine that all insurance policies are kept in force.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3402 Liability for Personal Property**

The school district will not be responsible for the personal property of pupils, employees, or other persons using school district facilities.

Articles of clothing, jewelry, money, and other articles of a personal nature or constituting personal property such as radios, eyeglasses, etc., are the responsibility of the student, employee, or person while in a school facility.

Items deemed necessary to carry on the educational program of the school district will be furnished by the school district to students, employees, and to those others using school facilities under such rules and regulations as the Board of Education may establish.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3403 Athletic Participation**

All students who participate in interscholastic sports shall be required to have medical/accident insurance coverage, or their parents must sign a waiver statement which releases and otherwise holds the school district harmless in the event a student is injured while participating in athletics. The school district assumes no responsibility for such injuries or damages, including, but not limited to medical expenses, so incurred by students.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3404 Student Accident**

The school district shall offer the opportunity for parents to participate in a student group accident insurance program. Participation in such insurance program shall be voluntary. Premiums are paid by parents. The school district assumes no responsibility for injuries, damages or medical expenses incurred by students.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3405 Claims and Reporting**

The Business Office shall be responsible for reporting all incidents and accidents and for filing all claim reports with the insurance carriers, as appropriate.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

**3500 SALARY/EXPENSE RELATED****3501 Salary Schedule**

The Board of Education shall establish and approve the salaries and/or salary schedules for all employees.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

Cf: Series 6000 – Personnel

**3502 Payroll Information**

Community High School District 94 employees are paid on the 15<sup>th</sup> and the end of each month. Pay dates will be established in accordance with holiday schedules and/or negotiated contractual agreements between the district and its employee groups.

It is the employee's responsibility to insure that all personal information regarding payroll (dependents, change of address, withholding elections, etc.) is personally submitted to the Personnel Office.

Salary adjustments for teachers resulting from advanced degrees or additional credits will be made per the contractual agreement between District 94 and its employee groups.

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

Cf: Series 6000 – Personnel

**3503 Deductions From Pay**

In compliance with State and Federal Law, and any properly made employee election (to the extent permitted by law) the Board of Education shall deduct the appropriate withholdings from the full amount of compensation paid to an employee. Money so deducted shall be removed by the district as required by law.

Deductions may include the following:

- Federal Income Tax
- FICA or Social Security
- Local Wage Taxes
- Retirement Contributions
- Group Health Insurance
- Hospitalization Insurance
- Professional Organization Dues
- Charitable Organizations
- Tax Deferred Annuities

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

### **3504 Expenses for Personnel**

The Board shall reimburse employees for expenses necessary for the performance of their duties, provided the expenses have been approved by the Superintendent or his/her designee. If the anticipated expense amount exceeds budgeted amounts, prior Board approval is required. For the purpose of this policy, actual and necessary expenses shall be defined as those expenses actually incurred on the days of travel to and from and attendance at required meetings.

Requests for expense reimbursement must be submitted in accordance with this policy and regulations adopted by the Board as Administrative Procedure 1904P Administrative Procedure – Regulations for the Reimbursement of Travel, Meal, and Lodging Expenses. Expense reimbursement is not guaranteed and employees should seek pre-approval of expenses, except in situations when the expense is diminutive. An employee must return to the District any portion of an expense advance not used. Employees must submit to the Superintendent an itemized, signed voucher showing the amount of actual expenses, attaching receipts to the voucher if possible. An employee submitting a bill for a group function should record participating persons' names on the receipt. Money shall not be advanced nor shall expenses be reimbursed for any person except the employee.

The Superintendent or his/her designee shall review the submitted vouchers for compliance with this policy and regulations adopted by the Board. If any voucher's compliance appears uncertain, the Superintendent or designee shall notify the employee who submitted the voucher. If the voucher seeks reimbursement of expenses for travel, meals, and lodging that exceed the maximum allowed under regulations adopted by the Board, the Superintendent or designee shall include the voucher in the monthly list of bills that is presented to the Board for

approval or rejection, marked as an excess reimbursement request. Other expense vouchers shall be presented to the Board in its regular bill process.

Adopted: April 18, 2000

Revised: December 13, 2016

Replaces: Policy General Personnel - Expenses

Reference: 105 ILCS 5/10-20, 10-20.5; 50 ILCS 150/

### **3505 Tuition Reimbursement**

Teachers shall not be reimbursed for college credits until they have begun to teach in the school district. The amount of the reimbursement will be determined by both the Collective Bargaining Agreement, and prorated on the basis of the current teaching assignment within that school year (i.e., part-time to full-time).

Adopted: April 18, 2000

Revised:

Replaces:

Reference:

### **3506 Pro-ration of Supplemental Contracts**

Those who hold a supplemental contract in the district shall be compensated for the role at the rate established within the Collective Bargaining Agreement or, apart from that, at the rate established by Board policy.

When one who holds a supplemental contract is unable or unwilling to fulfill the position from the beginning to the end of the contract term, the compensation for the role shall be pro-rated. For TRS purposes the pro-ration shall consist of the number of days completed in the role divided by the total number of days in the regular supplemental contract. When the number of days cannot be determined, the pro-ration shall be based on the number of completed weeks in the roles. For purposes of this policy a full week shall begin on Sunday.

In the event a supplemental contract includes competitions or other activities which may extend the length of the regular season or contract, such additional days or weeks shall not be included in the divisor in paragraph two above.

Adopted: June 20, 2000

Revised:

Replaces:

Reference:



**3600 REPORTING**

**3601 Publication of Notices**

The district shall give public notice of the schedule of regular meetings at the beginning of each calendar or fiscal year and shall state the regular dates, times and places of such meetings.

An agenda shall be posted in the main office of the building and at the location where the meeting is to be held at least forty-eight (48) hours in advance of the meeting.

The district shall supply copies of the notice of its regular meetings, and of the notice of any special, emergency, rescheduled or reconvened meeting, to any and all news medium that has filed an annual request for such notice.

Adopted: April 18, 2000

Revised:

Replaces:

Reference: 5 ILCS 120/2.02

Cf: Series 1000 – School board Governance/Commitments ¶1303 – General Provisions; ¶1306 – Regular Meetings; ¶1307 – Special Meetings; ¶1309 – Reconvened or Rescheduled Meetings; ¶1310 – Emergency Meetings; ¶1311 – Agendas

**3602 Retention of Records**

**Scope of Policy**

This policy establishes the procedures to be used for the creation, storage, access and security of reproduced records at District 94, and to assure the authenticity of reproduced District 94 records (by digital imaging, micro-photographic or other established, legally sufficient processes) where the originals of such records have been disposed of or destroyed.

**Records Covered by Policy**

Records listed on the “Application for Authority to Dispose of Local Records #04:291” that have been certified prior to disposal as being “filmed or digitized in compliance with the standards given in Sections 4000.50 and 4000.60 of the Regulations of the Local Records Commission”, as summarized in the following table.

Item #	Description	Retention Requirements (In Years)	Additional Comments	Originating Department
1	Application for Authority to	Permanently		Personnel

<b>Item #</b>	<b>Description</b>	<b>Retention Requirements (In Years)</b>	<b>Additional Comments</b>	<b>Originating Department</b>
	Dispose of Records and Records Disposal Certificate			
2	Activity Fund Records	7		Finance/ Business
3	Administrative Correspondence Files (including e-mails)	1		All Administrators/ Tech Director (email)
4.	Annual Financial Statements for Publication	1		Finance/ Business
5	Annuity Contracts	3	Post close of agreement, retain Premium Statements 7 years	Finance/ Business
6	Applications for employment_by Non-Immigrant students	5		Personnel
7	Applications for Employment	2	Unsolicited Applications retain 1 year.	Personnel
8	Application for Free/Reduced Price Meals	5		Asst. Principal for Student Services
9	Appointment Books	2		All Areas
10	Appraisals	3		Finance/ Business
11	Asbestos Removal Files (Also Electronic)	Permanently		Finance/ Business
12	Assignment changes for schedules, counselors, etc.	3		Counseling
13	Audits	Permanently	Duplicate copies retain 1 year	Finance/ Business
14	Bid Records	10	Unsuccessful bids retain 3 years	Finance/ Business
15	Budgets and/or Budget Worksheets	Budgets 7		Finance/ Business
16	Bulk Mail Postage Receipts	2		Finance/ Business
17	Cancelled Bonds and Coupons	2 Yrs. > cancellation		Finance/ Business
18	Cancelled Checks, Bank Statements, and Deposit Slips	7		Finance/ Business
19	Census of students in college courses for HS credit	5		Counseling
20	Certificate of authorized signatures for organizations	Until Superseded		Finance/ Business
21	Certificates of eligibility for non-immigrant status	5	Post-graduation transfer or withdraw	Counseling
22	Certificates of Insurance	3	Post-expiration of cancellation	Finance/ Business
23	Certificates of Publication,	1		Superintendent

<b>Item #</b>	<b>Description</b>	<b>Retention Requirements (In Years)</b>	<b>Additional Comments</b>	<b>Originating Department</b>
	Newspaper Clippings, Notices of Hearings			
24	Certificate of Status of Exempt Property	2		Finance/ Business
25	Class Achievement Test Scores	5		Counseling
26	Consent to Release Student Records	5		Registrar; Nurses
27	Construction Plans, Drawings, Specifications	Permanently		Finance/ Business
	Other construction Records	10 Years Post Completion		Finance/ Business
28	Contracts, Leases and Agreements	10	Post completion; copies retain 2 years	Finance/ Business
29	Collective Bargaining Agreements and Supporting Documents	Permanently	Agreement permanently supporting documents 15 years post-completion.	Personnel
30	Course Syllabi		1	All Areas
31	Staff Development Files		5	Curriculum Director
32	Developer Donation Files		7	Finance/ Business
33	District-Owned Property (Real Estate Records)		Permanently or until sold	Finance/ Business
34	District Teacher's Aide Rosters	4		Special Education
35	Election Records	0.16	Dispose of after 60 days	Finance/ Business
36	Employee Grievance Files	5	Post-resolution	Personnel
37	Employee Leave Requests		2	Personnel
38	Employee Pay Scales		7	Finance/ Business
39	Employee Personnel Files (also Electronic)	60	Post-termination or until employee's 78 <sup>th</sup> birthday	Personnel
40	EEO Voluntary Self-Identification Cards	5		Personnel
41	Fire and Severe Weather Drill reports	3		Asst. Principal
42	"Freedom of Information Act" Requests and Denials	2		Superintendent
43	GED and ESL Records	5		Registrar
44	Graduation Lists (Also electronic)	Permanently		Registrar
45	Grant, Title, Chapter Records	3 years >		Finance/ Business
46	High School District Newsletters (also Electronic)	Permanently		Superintendent
47	IMRF Records	Permanently	Beneficiary designation permanently or 78 <sup>th</sup> birthday,	Personnel

<b>Item #</b>	<b>Description</b>	<b>Retention Requirements (In Years)</b>	<b>Additional Comments</b>	<b>Originating Department</b>
			all else 7 years	
48	Imprest Fund Records	7		Finance/ Business
49	Insurance policies and claims	Policy – 7 Claims – 7		Finance/ Business
50	Insurance Records	3		Finance/ Business
51	Insurance Survey Cards	0		Personnel
52	Inventories	2		Finance/ Business
53	Investment Records	7	Post-maturity date	Finance/ Business
54	Invoices, vouchers and paid bills	7		Finance/ Business
55	JTPA Records	Destroy		
56	Key Insurance Records	2	After being superseded	Personnel
57	Ledgers and Journals – all Accounts/Areas (also electronic)	7 60 (or until terminated employees' 78 <sup>th</sup> birthday, which- ever comes 1 <sup>st</sup> )		Finance/ Business
58	Legal Case Files	3		Personnel
59	Life Safety Records	Permanently		Finance
60	Lunchroom and Cafeteria Records	3		Finance/ Business
61	Minutes and Agendas of Boards, Committees, Groups, Commissions	Permanently	Includes job descriptions, district goals, objectives	Superintendent
62	Monthly and YTD Reports	Monthly Reports — 2 years; Annual Reports – – 7 years		All Areas
63	Nurse's Logs	6		Nurse
64	Payroll Deduction Authorization & Docking of Pay Records	5 7		Finance/ Business
65	Policy and Procedure Manuals	Permanently		Superintendent
66	Purchase Orders and Requisitions	2		Finance/ Business
67	Receipts – all types/areas	2		All
68	Referendum Records	1		Finance/ Business
69	Release and Waivers for Interscholastic Competitions	NLT 5 Yrs.		Athletics
70	Request for Exemption from PE based on participation in Interscholastic Athletics	NLT 5 Yrs.		Counseling (Students' Permanent File)
71	Weekly, Monthly, & Yearly	7		Superintendent

<b>Item #</b>	<b>Description</b>	<b>Retention Requirements (In Years)</b>	<b>Additional Comments</b>	<b>Originating Department</b>
	School Calendars (also electronic)			
72	School District annual reports/certificates of recognition	2		Finance/ Business
73	School District Assurances for Compliance	3		Superintendent/ Finance/ Business
74	School Vehicle Safety Inspection Reports	2-Daily; 3-Monthly Rpts.		Drivers Ed. Division
75	School Yearbooks	Permanently		Superintendent
76	Seniority Lists	5		Personnel
77	Special Education Student Records	5		Special Education Director
78	State Aid Claims for Reimbursements (All types/areas)	3		Finance/ Business
79	State and Federal Tax Statements & Reports (W2s, W3s, W4s, 941, etc.)	7		Finance/ Business
80	State Reports	5	Billing Census report, School Report Card, Fall Housing Report, etc.	All Areas
81	State Visitation	7		All Areas
82	Student Class Drops	5		Data Processing
83	Student Disciplinary and Special Education Hearing Case Files	5		Asst. Principal for Admin. Services; Director Special Education
84	Student Fee Schedules	2		Finance/ Business
85	Student Grade Book/Records, Attendance Books (also electronic)	5	Post-transferring same to student's permanent records	Principal
86	Student Information Sheets (electronic)		After being superseded	Counseling
87	Student Permanent Records	60	Post-graduation, transfer, or withdraw	Registrar
88	Student Readmit Back into School Contracts	5		Asst. Principal
89	Student Supply Check-out Sheets	1		Asst. Principal
90	Student Temporary Records	5		Asst. Principal for Student Services; Registrar
91	Subpoenas	2		Personnel

<b>Item #</b>	<b>Description</b>	<b>Retention Requirements (In Years)</b>	<b>Additional Comments</b>	<b>Originating Department</b>
92	Suspension/Expulsion Records/ Reports	5	Post-graduation, transfer, or withdraw	Asst. Principal
93	Tax Levies	7		Finance/ Business
94	Teacher's Assignment Sheets	5		Personnel
95	Teachers' Retirement System Records	60		Personnel
96	Teachers' Service Records	4		Personnel
97	Textbook Request Forms	2		Principal
98	Time Sheets	2		Finance/ Business
99	Treasurer's Bonds	2		Finance/ Business
100	Unemployment Records	7		Finance/ Business
101	Workers Compensation Records	7		Finance/ Business
	<p><u>Disposal Standards:</u> Records listed above may be disposed of per the "Application for Authority to Dispose of Local Records Application #04:291" after their individual retention period is complete; <i>provided that:</i></p> <ul style="list-style-type: none"> <li>• All local, state and federal audit requirements have been met</li> <li>• The records are not needed for any litigation, either pending or anticipated.</li> <li>• They are correctly listed on a proper Records Disposal Certificate submitted to, and approved by, the appropriate Records Commission.</li> </ul>			
	Any record on this list may be microfilmed and the record disposed of if the record is microfilmed in accordance with the standards of the Local Records Commission and Rules and if the film is retained for the prescribed retention period. Disposal of records after microfilming must be noted on the Records Disposal Certificate.			

Adopted: April 18, 2000

Revised: January 10, 2006; June 16, 2009

Replaces: ¶3601 - Retention of Records

Reference: *See also* ¶3602P – Procedures/Standards for Reproduction of Records by Micro-photographic Processes; and ¶3603 – Electronic Records

**3602P Procedures/Standards for Reproduction of Records by Micro-photographic Processes**

All District records reproduced by micro-photographic processes shall be reproduced in compliance with the Standards set forth in 44 Ill. Admin. Code Sections 4500.50 and 4500.60, as amended.

**Procedures to Create Digital Copies of Records**

A digital image will be made of all records listed in the above table with a retention period of 60 years or longer, and all records that must be permanently maintained. Once a digital image has been made, the original records will be submitted on a proper "Record of Disposal Certificate" and, upon approval from the Local Records Department, will be destroyed. The digital image will be kept for the specified retention period. A digital image will be made of all other District records listed above upon expiration of the applicable retention period for that type of record. All digitally reproduced records must satisfy applicable disposal standards prior to destruction or disposal of the original record. In the event that the disposal standards set forth above are inconsistent with applicable law or regulations or with standards subsequently published by the AIIM, the applicable law, regulation or AIIM standard will apply.

Printed copies of digitally imaged records will be used as the legal representation of the original record as outlined in **AIIM TR31-1992**, *Performance Guidelines for the Admissibility of Records Produced by Information Systems as Evidence* by the Association for Information and Image Management (AIIM), as amended.

A copy of digitally imaged records will be retained on a mirrored hard drive of a designated document server. A separate copy of digitally imaged records will be retained on a DVD-ROM and stored off campus in a District-maintained secure location (e.g., lock box) for the purpose of disaster recovery.

"Read-only" access to digitally imaged records will be made available to approved District users.

Digitally imaged records shall not be supplemented unless necessary. Supplementation shall only be made upon written authorization of the Superintendent, by the Superintendent's secretary, the Registrar and authorized Data Processing staff; all such employees shall receive training to instruct them on the correct means to "create/append" digitally imaged records. All other employees will have "read-only" privileges.

**Imaging Technology**

Digital images of District 94 records will be created using the DocSTAR Electronic Filing System, or other authorized system. All digital imaging equipment and software will be located in the Data Processing office, a secured office area. Digitally imaged records will be accessible by the Registrar's office, Superintendent's secretary, and the Director of Finance. Printed copies of digitally imaged records may only be made by the Registrar's office, Superintendent's secretary, and the Director of Finance.

Records ranging in size from 8.5" X 14" and smaller shall be indexed by the employee scanning or otherwise imaging the document. If designated, the digital image created shall undergo an Optical Character Recognition (OCR) process to create a text based copy of the record to be stored in conjunction with its image copy. Records may be retrieved by searching on the text based copy of the record (if it exists).

“AuthentiDate” Image Authentication Technology or comparable authorized technology shall be used to verify the authenticity of each page of a digitally imaged record. An index of the digital authentication mark shall be electronically stored for comparison purposes.

### **Responsibility to Maintain Systems**

District 94 recognizes the importance of maintaining the functionality of its existing digital imaging system so as to ensure access to its existing digitized records. The District shall ensure that all modifications to its digital imaging equipment and software are either “backwards compatible” or include a bridge system sufficient to maintain access to previously digitized records whose original paper documents have been destroyed.

A litigation hold become effective when there is litigation against the District. The District is required to preserve any and all potentially relevant information maintained in the ordinary course of the District’s operations.

Potentially relevant information includes, but is not limited to papers, memoranda, books, records, accounts, writings, communications, drawings, graphs, charts, photographs, films, sound recordings, images, information in computer storage, and other data stored in any medium from which information can be obtained.

The Superintendent will notify relevant District personnel when a litigation hold is in effect. The Superintendent shall appoint a litigation records custodian who will coordinate identification, collection, categorization, preservation and retention of all potentially relevant information. The litigation records custodian will work with the District’s legal counsel, IT department, employees and Board members to identify and collect potentially relevant information. Potentially relevant information will be segregated from other information produced during the District’s operations and kept in a separate location.

The District will suspend all activities that may destroy or modify data until all potentially relevant information has been identified.

Adopted: April 18, 2000

Revised: January 10, 2006

Replaces: ¶3601 - Retention of Records

Reference: *See Also* ¶3602 – Retention of Records; and 3603 – Electronic Records



## **3603 Electronic Records**

### **Scope of Policy**

This Policy is intended to help employees determine whether information created or stored in an electronic format, including information sent or received by e-mail, should be retained and when and how to dispose of the information.

Any questions related to this policy should be directed to the Director of Business Services or his/her designee.

### **Definitions**

A “public record” as used in this Policy, means any book, paper, map, photograph, digitized electronic material or other official documentary material regardless of physical form or characteristics, made, produced, executed or received by any public agency or officer pursuant to law or in connection with public business.

“Electronic record” as used in this Policy, means any word processing document, spreadsheet, PowerPoint presentation, calendar, telephone log, e-mail (including attachments and metadata), voicemail, video/audio tape, instant messages, online tools (e.g., grading, attendance, discipline software).

“Electronic mail” or “E-mail” as used in this Policy, is a method of communicating information over the Internet or intranet. An e-mail message is a public record if the information transmitted satisfies the definition of “public record.” E-mail messages that contain significant information relating to the transaction of business by the District are public records subject to all applicable record retention requirements. E-mail messages that are informational or routine (e.g., meeting schedules, phone messages, personal email) are most likely not public records.

If the information contained in an electronic record meets the definition of public record, it may only be deleted or otherwise disposed of in accordance with applicable law.

### **Litigation Hold**

A litigation hold becomes effective when there is litigation against the District. The District is required to preserve any and all potentially relevant information maintained in the ordinary course of the District’s operations.

Potentially relevant information includes, but is not limited to papers, memoranda, books, records, accounts, writings, communications, drawings, graphs, charts, photographs, films, sound recordings, images, information in computer storage, and other data stored in any medium from which information can be obtained. This includes all potentially relevant e-mail messages and their metadata, which is the information describing the data contained in an email (e.g. date, subject, recipients).

The Superintendent shall notify relevant District personnel when a litigation hold is in effect. The Superintendent shall appoint a litigation records custodian who will coordinate identification, collection, categorization, preservation and retention of all potentially relevant information. The litigation records custodian shall work with the District's legal counsel, IT department, employees and Board members to identify and collect potentially relevant information.

Potentially relevant information shall be segregated from other information produced during the District's operations and kept in a separate location. Electronically-stored information shall be preserved and retained in such a manner that secures a mirror image copy of all data. A mirror image includes active files, deleted files, deleted file fragments, hidden files, directories, and any other data contained in the electronically-stored information. Electronically-stored information shall be stored in a manner in which the information cannot be modified, deleted, or otherwise altered.

The District shall suspend all activities that may destroy or modify data, e.g. overwriting server backup tapes, automatic deletions of emails, until all potentially relevant information has been identified.

### **Electronic Mail Retention**

E-mail that meet the definition of a public record must be retained by a legal custodian. The "legal custodian" of an e-mail message is the originator of the e-mail if that person is a District employee; otherwise, it is the individual to whom the e-mail was addressed and received. The legal custodian is responsible for retaining the e-mail for the appropriate time period, as provided by the Illinois Local Records Commission. Please refer to the District's Policy Manual or contact the Director of Business Services or his/her designee) for information about the District's Records Retention Schedule for all public records.

The District's computer system administrator is not the legal custodian of e-mail messages. Even though the system administrator may periodically back up information residing on the system hard drives, this back up function does not meet the requirements for retaining public records.

The legal custodian shall not retain public records in e-mail format. The legal custodian must transfer the e-mail to another medium and appropriately file it so that e-mail messages can be purged at regular intervals. The following are acceptable methods for retaining e-mail messages:

1. Print the e-mail and store the hard copy in the relevant subject matter file as would be done with any other hard copy public record.
2. Electronically store the e-mail in a word processing document, a file, a disk, or a server, so that it may be maintained and stored according to its content.

If e-mails are reproduced in a microfilm or similar format, the District must comply with the *Local Records Act*, the *Filmed Records Certification Act*, and the *Filmed Records Destruction Act*.

If an e-mail is a student record it must be retained in accordance with the *Illinois School Student Records Act*. Temporary student records must be kept for at least 5 years after the student has transferred, graduated or permanently withdrawn from the District. Permanent student records must be kept for at least 60 years after the student has transferred, graduated or permanently withdrawn from the District. If multiple copies of the public record exists, the legal custodian will determine which record is the “official” public record. All other copies shall be considered information copies and may be disposed of at any time. At no time shall an information copy be retained longer than the official public record.

### **Records Disposal**

E-mail messages that are not public records must be deleted as soon as the messages have served their informational or administrative purposes. Deleted e-mail messages remain on the District’s computer system for days after deletion by the user.

The legal custodian must give e-mails that are public records to the Director of Business Services at least thirty (30) days prior to the records’ disposal date. Refer to Policy ¶3602 - Retention of Records; ¶3602-P - Procedures/Standards for Reproduction of Records by Micro-photographic Processes for further information on the disposal of public records.

Adopted: June 16, 2009

Revised:

Replaces:

Reference: See Also ¶3602 - Retention of Records; ¶3602-P - Procedures/Standards for Reproduction of Records by Micro-photographic Process

### **3604 Audits**

All school financial records shall be audited annually, as soon after June 30, as practicable, by a Certified Public Accountant selected by the Board of Education and licensed in the State of Illinois.

Such audit shall be conducted in accordance with generally accepted auditing standards applicable to statements of cash receipts and disbursements.

Adopted: April 18, 2000

Revised: June 16, 2009

Replaces: DID – Audits

Reference: 105 ILCS 5/10 – 22.45

## **3700 SCHOOL OWNED PROPERTY/GIFTS**

### **3701 Sale of Unneeded or Obsolete Equipment**

The Superintendent or his /her designee shall report to the Board, as necessary, so that the Board may consider its disposition: school sites, buildings, or other real estate that is unnecessary, unsuitable or inconvenient.

District personal property (property other than buildings and land) that is no longer needed for school purposes or that is obsolete or non-functioning shall be offered for sale through a bid process. Items not sold through a bid process may be disposed of upon approval of the Superintendent. District property to be disposed of shall be done in an environmentally responsible manner. Obsolete textbooks may be sold or disposed of upon the approval of the Superintendent. District personal property and textbooks acquired through a grant shall be disposed of in the manner stipulated in the grant, if contrary to above. The intent of this policy is for the District to receive the greatest return or the least cost of disposal. An inventory log of items in use, sold or disposed of shall be maintained by the Business Office.

Adopted: April 18, 2000

Revised: October 19, 2010

Replaces:

Reference:

### **3702 Gifts and Donations to the District**

It is the policy of the Board of Education to encourage its staff to seek and make use of funds from appropriate Federal, State and private grant programs ("Grant Funds"), as well as to accept appropriate bequests, donations and other gifts ("Gifts"), that support the activities and mission statement of the District. The Board shall exercise appropriate control with respect to the receipt of Grant Funds and Gifts. While it is not the intent of the Board to discourage interest in or assistance to the District, neither the Board nor the District shall accept Grant Funds or Gifts designated for causes or purposes for which public funds cannot be expended, or which require the Board or the District to abide by conditions or restrictions that are not in the best interests of the District.

Awards and scholarships presented by groups or individuals to students to recognize their accomplishments shall be administered consistent with Policy 8605 - Awards and Scholarships.

#### **1. Grant Funds**

The receipt and use of Grant Funds shall be in accordance with the following guidelines:

A. Entitlement Grants - Grant Funds annually extended to all school districts by Federal or State agencies that specify parameters within which the District can spend funds that are received shall be included in the annual District budget to the extent then known or anticipated; the budget shall identify the programs/personnel/ purposes supported by the use of

such funds. The Board shall annually receive a copy of the itemized planned expenditures for each entitlement grant. Board approval of expenditures of entitlement grant funds shall be made through the monthly expenditure approval process.

B. Competitive Grants - Grant Funds received as the result of specific requests made to a public or private entity require staff initiative to formulate an application or proposal for submission, and should be based on clearly-defined and unique District needs as well as the requirements of the entity providing the competitive grant funds.

The Administration shall prepare for the Board an Executive Summary of no more than two pages describing any competitive grants that require awarded funds to be expended for a specific purpose, adherence to any conditions or restrictions, or the support of an identified grant or program initiative. The summary shall state the competitive grant's purposes and objectives, intended use, conditions, restrictions and/or requirements, any submission deadlines and the nature of the approval required from the Board. If the District receives notification that it has been awarded the competitive grant it sought, the Board shall, based on the stipulations set forth therein accept or reject the grant award.

C. Procurement Grants - Unrestricted, unconditional Grant Funds awarded based on requests made by the District to public or private entities in which the District identifies a purpose or use for which the funds are sought will be reported to the Board after receipt, which report shall include a brief description of the purpose(s) for which the funds will be used.

2. Gifts

Appropriate Gifts may be received by the District. Gifts shall be used for the general benefit of the District. The Board has determined as a matter of general policy that it is not practical or prudent to honor a request that a Gift be used for a particular purpose, unless it builds upon and supports a previously adopted District goal, policy, or initiative. Exceptions to this general policy may be made on a case-by-case basis.

Individuals or entities desiring to make a Gift of supplies, equipment or other tangible personal property should consult with the Superintendent or his/her designee regarding the acceptability of the Gift, as well as any installation or maintenance costs or any initial or continuing expenditures of District funds that may be required if the Gift were made.

All proposed Gifts shall be presented by the Superintendent or his/her designee to the Board for its consideration and approval. Proposed Gifts of supplies, equipment, other tangible personal property or services submitted for Board consideration and approval must include a description and estimate of any related installation or maintenance costs or any initial or continuing expenditure of District funds that would be required as a result of the approval of such Gift. No actions, expenditures or appropriations should be made or taken by the District or a prospective donor with respect to a proposed Gift until it has been approved by the Board. The Superintendent or his/her designee shall provide to the Board at least annually a list of all approved Gifts made during the school year.

Gifts provided by the Education Foundation, Booster Clubs and other similar student and staff support organizations shall be administered consistent with this policy together with the operating principles and practices currently in effect.

Proposed Gifts shall be considered for approval using the following general guidelines:

- ♦ the identity of the donor;
- ♦ whether the proposed Gift would require an additional or matching expenditure of District funds, and if so, the anticipated nature, duration and amount of such expenditure;
- ♦ the likelihood that the proposed Gift could otherwise be acquired or received by the District; and,
- ♦ if an exception is requested to allow a proposed Gift to be used for a particular purpose, the amount of the proposed Gift, the purpose of the proposed Gift, the stated reason for the requested exception, any restrictions or conditions imposed on the District, the relationship (if any) between the donor and the District, the total value of all other Gifts received by the District from the donor, and the total value of all other Gifts made to the District for the same or similar purpose.

Title to all Gifts shall be vested in the Board, subject to the provisions of applicable law. All Gifts of supplies, equipment or other tangible personal property shall be subject to the same controls and regulations that govern the use of other District-owned property.

Adopted: April 22, 2008

Revised:

Replaces: April 18, 2000 version

Reference: 105 ILCS 5/10-23.6; 5/16-1

### **3703 Ethics and Gift Ban**

#### Prohibited Political Activity

The following precepts govern political activities being conducted by District employees and School Board members:

1. No employee shall intentionally perform any *political activity* during any *compensated time*, as those terms are defined herein. No Board member or employee shall intentionally use any District property or resources in connection with any political activity.
2. At no time shall any Board member or employee intentionally require any other Board member or employee to perform any political activity: (a) as part of that Board member's or employee's duties, (b) as a condition of employment, or (c) during any compensated time off, such as, holidays, vacation, or personal time off.

3. No Board member or employee shall be required at any time to participate in any political activity in consideration for that Board member or employee being awarded additional compensation or any benefit, whether in the form of a salary adjustment, bonus, compensatory time off, continued employment or otherwise; nor shall any Board member or employee be awarded additional compensation or any benefit in consideration for his or her participation in any political activity.

4.

A Board member or employee may engage in any activity that: (1) is otherwise appropriate as part of his or her official duties, or (2) has been authorized, assigned or delegated by or with board approval, or (3) is undertaken by the individual on a voluntary basis that is not prohibited by this policy.

#### Limitations on Receiving Gifts

Except as permitted by this policy, no Board member or employee, and no spouse of or immediate family member living with a Board member or employee, shall intentionally solicit or accept any *gift* from any *prohibited source*, as those terms are defined herein, or that is otherwise prohibited by law or policy. No prohibited source shall intentionally offer or make a gift that violates this policy.

The following are exceptions to the ban on accepting gifts from a prohibited source:

1. Opportunities, benefits, and services that are available on the same conditions as for the general public.
2. Anything for which the Board member or employee, or his or her spouse or immediate family member, pays the fair market value.
3. Any: (a) contribution that is lawfully made under the Election Code, or (b) activities associated with a fundraising event in support of a political organization or candidate.
4. Educational materials and missions.
5. Travel expenses for a meeting to discuss business.
6. A gift from a relative, meaning those people related to the individual as father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, and including the father, mother, grandfather, or grandmother of the individual's spouse and the individual's fiancé or fiancée.
7. Anything provided by an individual on the basis of a personal friendship unless the recipient has reason to believe that, under the circumstances, the gift was provided because of the official position or employment of the recipient or his or her spouse or immediate family member and not because of the personal friendship. In determining whether a gift is provided on the basis of personal friendship, the recipient shall consider the circumstances under which the gift was offered, such as: (a) the history of the relationship between the individual giving the gift and the recipient of the gift, including any previous exchange of gifts

between those individuals; (b) whether to the actual knowledge of the recipient the individual who gave the gift personally paid for the gift or sought a tax deduction or business reimbursement for the gift; and (c) whether to the actual knowledge of the recipient the individual who gave the gift also at the same time gave the same or similar gifts to other Board members or employees, or their spouses or immediate family members.

8. Food or refreshments not exceeding \$75 per person in value on a single calendar day; provided that the food or refreshments are: (a) consumed on the premises from which they were purchased or prepared; or (b) catered. *Catered* means food or refreshments that are purchased ready to consume, which are delivered by any means.
9. Food, refreshments, lodging, transportation, and other benefits resulting from outside business or employment activities (or outside activities that are not connected to the official duties of a Board member or employee), if the benefits have not been offered or enhanced because of the official position or employment of the Board member or employee, and are customarily provided to others in similar circumstances.
10. Intra-governmental and inter-governmental gifts. *Intra-governmental gift* means any gift given to a Board member or employee from another Board member or employee, and *inter-governmental gift* means any gift given to a Board member or employee from an officer or employee of another governmental entity.
11. Bequests, inheritances, and other transfers at death.
12. Any item or items from any one prohibited source during any calendar year having a cumulative total value of less than \$100.
- 13.

Each of the listed exceptions is mutually exclusive and independent of every other. A Board member or employee, his or her spouse or an immediate family member living with the Board member or employee, does not violate this policy if the recipient promptly takes reasonable action to return a gift from a prohibited source to its source or gives the gift or an amount equal to its value to an appropriate charity that is exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

#### Enforcement

The Board President and Superintendent shall seek guidance from the Board attorney concerning compliance with and enforcement of this policy and State ethics laws. The Board may, as necessary or prudent, appoint an Ethics Advisor for this task.

Written complaints alleging a violation of this policy shall be filed with the Superintendent or Board President. If attempts to correct any misunderstanding or problem do not resolve the matter, the Superintendent or Board President shall, after consulting with the Board Attorney, either place the alleged violation on a Board meeting agenda for the Board's disposition or refer the complainant to Board policy 8003, *Uniform Grievance Procedure*. A Board member who is related, either by blood or by marriage, up to the degree of first cousin, to the person who is the subject of the complaint, shall not participate in any decision-making capacity for the Board. If the Board finds it more likely than not that the allegations in a complaint are true, it shall notify the State's Attorney and/or consider disciplinary action for the employee.



Definitions

Unless otherwise stated, all terms used in this policy have the definitions given in the State Officials and Employees Ethics Act, 5 ILCS 430/1-5.

*Political activity* means:

1. Preparing for, organizing, or participating in any political meeting, political rally, political demonstration, or other political event.
2. Soliciting contributions, including but not limited to the purchase of, selling, distributing, or receiving payment for tickets for any political fundraiser, political meeting, or other political event.
3. Soliciting, planning the solicitation of, or preparing any document or report regarding anything of value intended as a campaign contribution.
4. Planning, conducting, or participating in a public opinion poll in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
5. Surveying or gathering information from potential or actual voters in an election to determine probable vote outcome in connection with a campaign for elective office or on behalf of a political organization for political purposes or for or against any referendum question.
6. Assisting at the polls on Election Day on behalf of any political organization or candidate for elective office or for or against any referendum question.
7. Soliciting votes on behalf of a candidate for elective office or a political organization or for or against any referendum question or helping in an effort to get voters to the polls.
8. Initiating for circulation, preparing, circulating, reviewing, or filing any petition on behalf of a candidate for elective office or for or against any referendum question.
9. Making contributions on behalf of any candidate for elective office in that capacity or in connection with a campaign for elective office.
10. Preparing or reviewing responses to candidate questionnaires.
11. Distributing, preparing for distribution, or mailing campaign literature, campaign signs, or other campaign material on behalf of any candidate for elective office or for or against any referendum question.
12. Campaigning for any elective office or for or against any referendum question.
13. Managing or working on a campaign for elective office or for or against any referendum question.
14. Serving as a delegate, alternate, or proxy to a political party convention.
15. Participating in any recount or challenge to the outcome of any election.

The term “political activity” does not include the dissemination of factual information pertaining to a referendum; presentations (including, but not limited to, presentations by political candidates) or use of political campaign materials for educational purposes related to the District’s educational programs; voter education activities; and, non-partisan voter

registration. All such activities are subject to, and shall be conducted in accordance with, Board policy and rules, including, but not limited to, Board policy 9301.

Political activity also does not include activities (i) relating to the support or opposition of any executive, legislative, or administrative action (as those terms are defined in Section 2 of the Lobbyist Registration Act), (ii) relating to collective bargaining, or (iii) that are otherwise in furtherance of the person's official State duties or governmental and public service functions.

With respect to an employee whose hours are not fixed, *compensated time* includes any period of time when the employee is on premises under the control of the District and any other time when the employee is executing his or her official duties, regardless of location.

*Prohibited source* means any person or entity who:

1. Is seeking official action by: (a) a Board member, or (b) an employee, or by the Board member or another employee directing that employee;
2. Does business or seeks to do business with: (a) a Board member, or (b) an employee, or with the Board member or another employee directing that employee;
3. Conducts activities regulated by: (a) a Board member, or (b) an employee or by the Board member or another employee directing that employee;
4. Has an interest that may be substantially affected by the performance or non-performance of the official duties of the Board member or employee;
5. Is registered or required to be registered with the Secretary of State under the Lobbyist Registration Act, except that an entity does not become a prohibited source merely because a registered lobbyist is one of its members or serves on its board of directors; or
6. Is an agent of, a spouse of, or an immediate family member living with a prohibited source.

*Gift* means any gratuity, discount, entertainment, hospitality, loan, forbearance, or other tangible or intangible item having monetary value including but not limited to, cash, food and drink, and honoraria for speaking engagements related to or attributable to government employment or the official position of a Board member or employee.

LEGAL REF.: 5 ILCS 430/, State Officials and Employees Ethics Act.  
10 ILCS 5/9-25.1, Election Interference Prohibition Act.

CROSS REF.: 6030 (Employee Ethics)

Adopted: April 18, 2000  
Revised: June 15, 2004; November 15, 2016  
Replaces: ¶3703 Gifts – State Gift Ban Act  
Reference: 5 ILCS 430/1-1 et seq.

**3704 Capital Expenditure Plan**

The district shall annually develop a capital expenditure plan for the Education and Operations and Maintenance Funds that is projected over five (5) years; incorporates input from space, service and equipment users; levels expenditures from year to year; and seeks late fall approval to provide time for planning summer projects.

The plan shall be approved by the Board each year.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

**3705 Capital Assets**

Any investment exceeding \$2,500 in an asset that has a useful life or benefit of two years or more will be considered a Capital Asset and capitalized in the financial records of the District. The following are additional clarifications:

If a project or item cost is less than \$2,500, then the entire amount should be expensed. If a project is comprised of a bulk purchase of similar items of less than \$2,500, the assets should be expensed. However, if the aggregate cost of the similar items is \$10,000 or greater, such costs should be capitalized.

Projects or items which are hereby considered Capital Assets shall be processed with a 5000 series object code and projects or items which fall below the \$2,500 threshold shall be coded with a 7000 series object code.

The Superintendent or his/her designee is responsible for developing and maintaining an inventory of property, buildings and capital equipment.

The capital inventory shall include a description of the item, the quantity, the location, the date of purchase, useful life, and the cost or estimated replacement cost. All equipment with a cost of \$2,500 or greater shall be recorded. All computer equipment will be maintained on a separate inventory. Non-capitalized equipment and assets shall be accounted for in accordance with the Illinois State Board of Education guidelines.

All equipment acquired through a grant shall be accounted for in accordance with the grant agreement if contrary to above.

Adopted: October 19, 2010  
Revised:  
Replaces:  
Reference:



## **3800 INVESTMENTS**

### **3801 Investment Policy**

The District's financial assets are defined as money held in funds which are accounted for in the District's annual financial report. This investment policy applies to all financial assets of the District, including all current operating funds, any other funds which may be created from time to time and interest earned from those funds. All transactions involving the District's financial assets shall be administered in accordance with the provisions of this policy.

#### 1. Objectives

The primary objectives of this policy, in priority of order, are as follows:

- **Safety of Principal:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the District's overall portfolio. The objective will be to mitigate credit risk and interest rate risk. As such, only appropriate investments will be purchased, and insurance or collateral may be required to ensure the return of capital.
- **Liquidity of Funds:** The District's investment portfolio shall remain sufficiently liquid to enable the District to meet all operating requirements as they come due.
- **Return on Investments:** The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles taking into account the risk restraints, cash flow characteristics, and legal restrictions on investment applicable to a public agency. Return on investment is of secondary importance to the safety and liquidity concerns discussed above.

#### 2. Standard of Care

The standard of care to be used by District officials and employees in investing District funds and managing the District portfolio shall be the "prudent person" standard. District officials and employees who act in accordance with written procedures developed by the District's Financial Officer and this policy, and who exercise due diligence, shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of investments are carried out in accordance with policy.

Investments shall be made with the judgment and care, under the circumstances prevailing at the time, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

#### 3. Ethics and Conflicts of Interest

District officials and all District employees involved in the investment program shall refrain from any personal business activity that could conflict with the proper execution and management of the investment program, or which could impair their ability to make impartial investment decisions. Officials and employees shall disclose any material interests in financial institutions with which they conduct District business. They shall also disclose any personal financial/investment positions that could be related to the performance of the District's investment portfolio. Officials and employees shall refrain from undertaking personal investment transactions with the same individual with whom any District financial or investment business is conducted.

4. Designation of Investment Officer

The District's Assistant Superintendent for Business is designated as the Investment Officer and is authorized to manage and operate the District's investment program. The Investment Officer is authorized to purchase and sell investments at market rates, authorize wire transfers, authorize the release of pledged collateral, and execute any documents required to effect the objectives of this Policy and all relevant Administrative Procedures, including, but not limited to wire transfer agreements, depository agreements, safekeeping agreements and custody agreement. The Investment Officer shall act in accordance with this Policy when conducting investment activities. The Investment Officer shall be responsible for all District investment transactions undertaken and shall establish written procedures and a system of internal controls to regulate the activities of subordinate employees.

The Investment Officer may use financial intermediaries, brokers, and/or financial institutions to solicit bids for securities and certificates of deposit provided that these people meet the requirements of this policy.

The Investment Officer is responsible for drafting agreements necessary to fulfill his or her responsibilities under this policy. The Investment Officer may solicit the input of the District's legal counsel and auditors to ensure proper drafting of agreements including, but not limited to, wire transfer agreements, depository agreements, safekeeping agreements, and custody agreement.

5. Written Procedures to be Established by the Investment Officer

The Investment Officer shall establish and enforce internal controls and written procedures for the operation of the District's investment program. The internal controls and written operational procedures will be designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the District.

The internal controls shall include an annual independent review by an external auditor to ensure compliance with this policy and the written procedures. The internal controls shall also address the following:

- Control of collusion
- Separation of transaction authority from accounting and record keeping
- Custodial safekeeping

- Avoidance of physical delivery securities
- Clear delegation of authority to subordinate employees
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian.

The written operational procedures shall include explicit delegation of authority to, and designation of, persons responsible for investment transactions, including, but not limited to, check signing, check reconciliation, deposits, bond payments, report preparation and wire transfers. No person may engage in any investment transaction except as provided for under the terms of this policy.

6. Authorized Financial Institutions and Dealers

A. Qualified Financial Institutions for Maintaining District Funds. Financial institutions selected to maintain District funds shall provide normal banking services, including, but not limited to: checking accounts, wire transfers and safekeeping. District funds will not be maintained in any financial institution that is not a member of the FDIC system. In addition, District funds will not be maintained in any institution not willing or capable of posting required collateral, or purchasing private insurance for funds in excess of FDIC insurable amounts.

To qualify as a depository for District funds, a financial institution must furnish the Investment Officer with copies of the latest two statements of resources and liabilities which it is required to furnish to the Commissioner of Banks and Real Estate, or to the Comptroller of Currency. All institutions must continue to furnish such statements to the Investment Officer within forty-five (45) days of the end of each fiscal quarter as long as District funds are deposited with them.

All financial institutions acting as depositories for District funds must enter into a "Depository Agreement."

In order to be eligible to hold District funds in certificates of deposit, a financial institution must:

- Provide wire transfer and certificate of deposit safekeeping services, and
- Hold membership in the FDIC system and be willing and capable of posting required collateral for funds in excess of FDIC or insurable limits.

Fees for banking services shall be mutually agreed to by an authorized representative of the depository financial institution and the Investment Officer on an annual basis. Fees for such services shall be verified by a monthly account analysis.

B. Qualified Financial Institutions and Dealers for Investment. All financial institutions, brokers, dealers, intermediaries and advisers with whom the District's fund are invested shall be qualified prior to the transfer of any funds. Brokers and dealers include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

All financial institutions, brokers and dealers who desire to become qualified for District investment must supply the following as appropriate:

- Audited financial statements
- Proof of National Association of Securities Dealers (NASD) certification
- Proof of state registration
- Completed broker/dealer questionnaire
- Certification of having read, understood and agreed to the District's investment policy

The Investment Officer may desire to invest in instruments offered by minority or community financial institutions from time to time. Such investments may be made after a waiver of the foregoing criteria has been obtained from the Board of Education.

7. Investment Instruments

A. Authorized Investments. District funds may be invested in any type of security as permitted by Sections 2 through 6 of The Public Funds Investment Act, 30 ILCS 235/2 et seq, as amended from time to time, or any other applicable law. All investments shall be executed by delivery vs. payment method where applicable to ensure that investments are deposited in an eligible financial institution prior to the release of funds. All investments shall mature or be redeemable on a date prior to the time when it is reasonably anticipated that the funds will be required to be expended. Investments made with banks or savings and loan associations may be made with only those that are insured by the Federal Deposit Insurance Corporation.

B. Authorized Investments. The District's funds may be invested in the following investments:

- U. S. government obligations, U. S. government agency obligations and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value.
- Certificates of deposit, other evidences of interest bearing deposit or any other investments constituting direct obligation, of any bank as defined by the Illinois Banking Act.
- Short term obligations of corporations organized in the United States with assets exceeding \$500,000,000.00 if: (1) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard ratings services and which mature not later than 180 days from the date of purchase; (2) such purchases do not exceed 10% of the corporation's outstanding obligations; and (3) no more than one-third of the District's funds may be invested in short term obligations of corporations.



- Money market mutual funds regulated by the Securities Exchange Commission provided that the portfolio of any such mutual fund is limited to the obligations of the U.S. government or its agencies, or to agreements to repurchase such obligations.
- Short term discount obligations of the Federal National Mortgage Association.
- Shares or other forms of securities legally issuable by savings banks or savings and loans associations incorporated under the laws of any state or under federal law.
- Dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under Illinois or federal laws, provided the principal office of any such credit union is located in Illinois and the accounts are insured pursuant to applicable law.
- A Public Treasurer's Investment Pool created under the State Treasurer Act.
- Repurchase agreements which meet all of the requirements of Section 2(g) of *The Public Funds Investment Act*, 30 ILCS 235/2(g).

C. Prohibited Investments      Except for deposits or financial services with a local bank or savings and loan in which the Investment Officer is a director, officer, employee or holder of less than 7.5% of the total ownership interest, and which are allowed under the Public Officers Prohibited Practices Act, the Investment Officer shall not:

- Have any direct or indirect interest in any investments in which the District is authorized to invest;
- Have any direct or indirect interest in the sellers, sponsors or managers of those investments; and
- Receive, in any manner, compensation of any kind from any investments in which the District is authorized to invest.

#### 8. Investment Procedures

A. Diversification:      The District shall diversify its investment portfolio. Investments shall be diversified to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer or maturity. Diversification strategies shall be determined and revised periodically, as needed, by the Investment Officer, to meet the District's needs for safety, liquidity, and rate of return.

Because of the inherent difficulty in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as Public Treasurers' Investment Pools, money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet ongoing obligations.

B. Designation of District as Payee and Designation of the Appropriate Fund.

The District shall be designated as the payee whenever investments which are issuable to a designated payee or to the order of a designated payee are purchased with District funds. Such investments shall also include the name of the fund from which money was taken to purchase them. Any securities that are registerable as to principal or interest shall be registered in the District's name and in the name of the fund from which money was taken to purchase them.

All investments shall be credited to, and considered a part of, the fund from which money was taken to purchase them. All payments of principal, interest or otherwise shall be made to the District only and shall be credited to the appropriate fund.

C. Collateralization

1. Deposits in excess of FDIC insurable limits must be secured by some form of collateral or private insurance to protect public deposits in the event of default or failure of the financial institution holding the funds. Eligible collateral instruments are as follows:

- U.S. Government Securities
- Obligations of Federal Agencies
- Obligations of Federal Instrumentalities
- Obligations of the State of Illinois
- Other investment instruments authorized by law

2. Third party safekeeping is required for all collateral. Safekeeping of collateral must be documented by an approved written agreement, which may be in the form of a safekeeping agreement. The collateral instruments may be held in the following locations:

- A Federal Reserve Bank or its branch office
- At another custodial facility in a trust or safekeeping department through book entry
- By an escrow agent of the pledging institution
- By the trust department of the issuing bank

Safekeeping shall be documented by an approved written agreement, which may be in the form of a safekeeping agreement, escrow agreement or custody agreement.

Substitution or exchange of collateral instruments held in safekeeping for the District may be approved by the Investment Officer, provided the market value of the replacement collateral instruments is equal to or greater than the market value of the collateral instruments being replaced.

9. Safekeeping of Securities

Third party safekeeping is required for all securities and commercial paper purchased with District funds. These instruments may be held at the following locations:

- A Federal Reserve Bank or its branch office
- At another custodial facility in a trust or safekeeping department
- By an escrow agent of the pledging institution
- In an insured account at a primary reporting dealer

Safekeeping shall be documented by an approved written agreement, which may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement. Original certificates of deposit will be held by the originating bank. A safekeeping receipt will be acceptable documentation.

10. Sale of Investments

Any District investment may be sold at any time after maturity for no less than the current market price. Investments shall not be sold prior to maturity except under the following situations:

- An investment with declining value or credit may be sold early to minimize loss of principal.
- An investment swap would improve the quality, yield or target duration in the portfolio.
- Liquidity needs of the portfolio require that the investment be sold.

#### 11. Reporting

The Investment Officer shall prepare and present to the Board of Education an investment report on no less than a quarterly basis. The investment report shall include a summary that provides an analysis of the status of the current investment portfolio and transactions made since the last report. The report shall include:

- A listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of investments, over a one-year duration, that are not intended to be held until maturity.
- Average weighted yield to maturity of the portfolio investments as compared to applicable benchmarks.
- Listing investments by maturity date.
- Percentage of the total portfolio which each type of investment represents.
- The market value of the portfolio shall be calculated at least quarterly and included with the investment report.

#### 12. Policy Considerations

A. Exempt Investments. Any investment of District funds held at the time this policy is approved and which does not conform to the requirements contained herein shall be exempt from those requirements. The funds represented by any such investments shall be reinvested upon maturity or liquidation only as provided herein.

B. Amendments. This policy shall be reviewed from time to time by the Investment Officer and the Board of Education, or any subcommittee thereof. Any recommended changes shall be reported to the Board of Education for full Board approval.

Adopted: April 18, 2000

Revised:

Replaces: DFL – Investment Policy – December 21, 1999

Reference; The Public Funds Investment Act, 30 ILCS 235/1 et seq.

Cf: Series 3000 – Fiscal Authority, ¶3802 – New Investment Approval; ¶3803 – Investment

### **3802 New Investment Approval**

Approval of any new or additional investment funds, investment programs, banks, or opportunities must be made by the Board of Education prior to such investments being made by the Assistant Superintendent – Business. Annually, the Assistant Superintendent – Business will provide a list of such investors for Board review and approval.

Adopted: April 18, 2000

Revised:  
Replaces:  
Reference:

Cf: Series 3000 – Fiscal Authority, ¶3801 – Investment Policy; ¶3803 – Investment Transfers

### **3803 Investment Transfers**

The Board of Education shall delegate authority to the Assistant Superintendent – Business to make necessary transfers of funds between accounts by means of telephone, FAX, verbal order, on-line, e-mail, or written order for investment and cash management purposes.

Adopted: April 18, 2000  
Revised:  
Replaces:  
Reference:

Cf: Series 3000 – Fiscal Authority, ¶3801 – Investment Policy; ¶3802 – New Investment Approval

### **3804 High Lake Property Sale Revenue**

A. It is the goal and intent of the Board to retain funds generated from the sale of the High Lake property as a self-propagating source of capital within a sub-account created within the Capital Improvement Fund. To this end, the Board has created the principles set forth below to govern the retention of funds realized from this sale of property:

1. All revenue from the sale of High Lake land shall be deposited in a separate sub-account within the Capital Improvement Fund. This sub-account shall consist of High Lake funds in the amount of \$\$4,360,000 after withdrawals made pursuant to Section B.
2. The balance within the High Lake sub-account shall be retained from year to year unless specific action is taken by the Board to reduce such amount by means of a withdrawal or borrowing. Either action can occur as a part of the annual budgeting cycle or as a way to address a bona fide emergency, deemed as such by formal action of the Board. In no event shall the aggregate amount of all withdrawals and borrowing exceed ten (10%) percent of the initial deposit in any fiscal year, and shall not exceed fifteen (15%) percent of said initial deposit within any three fiscal year period. Both withdrawals and borrowing must be utilized for capital projects at the discretion of, and approval by, the Board. A withdrawal need not be repaid to the High Lake account from which it was taken.
3. All borrowing under either the annual budgeting cycle or the bona fide emergency provision shall be repaid to the High Lake account, pursuant to a repayment schedule approved by the Board no more than two months after the approval of the

withdrawal, borrowing, or expenditure. The Board may, at its discretion, include a charge for interest in the repayment plan.

4. Interest earned on the High Lake account created pursuant to this Policy shall be credited to the High Lake account, and shall be separately accounted for therein. Such interest may be utilized for capital projects at the discretion of, and approval by, the Board. Approved expenditures of interest made pursuant to this paragraph shall not be counted as a withdrawal for purposes of paragraph 2 or borrowing for purposes of paragraph 3 of this Policy.

5. All High Lake funds created pursuant to this Policy shall be invested, in accordance with applicable law, in funds based on taking advantage of secure and legal higher-yield options and cash flow needs.

B. Notwithstanding any provision to the contrary, The Board of Education hereby authorizes the permanent withdrawal of \$2,500,000.00 for certain fiscal year 16 capital projects as approved by the Board of Education.

Annually with the budget presentation, the Board shall receive a statement of balance for the High Lake account noted herein together with any withdrawals specifically approved by the Board.

Adopted: December 14, 2004

Revised: November 4, 2008; June 16, 2015

Replaces:

Reference: