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Operational Services

4.10 Fiscal and Business Management

The Superintendent is responsible for the School District's fiscal and business management. This responsibility includes annually preparing and presenting the District's statement of affairs to the School Board and publishing it before December 1 as required by State law.

The Superintendent shall ensure the efficient and cost-effective operation of the District's business management using computers, computer software, data management, communication systems, and electronic networks, including electronic mail, the Internet, and security systems. Each person using the District's electronic network shall complete an "Authorization for Electronic Network Access."

Budget Planning

The District's fiscal year is from July 1 until June 30. The Superintendent shall present to the School Board, no later than the first regular meeting in August, a tentative budget with appropriate explanation. This budget shall represent the culmination of an ongoing process of planning for the fiscal support needed for the District's educational program. The District's budget shall be entered upon the Illinois State Board of Education's "School District Budget Form." To the extent possible, the tentative budget shall be balanced as defined by the State Board of Education guidelines. The Superintendent shall complete a tentative deficit reduction plan if one is required by the State Board of Education guidelines.

Preliminary Adoption Procedures

After receiving the Superintendent's proposed budget, the School Board sets the date, place, and time for:

1. A public hearing on the proposed budget, and
2. The proposed budget to be available to the public for inspection.

The School Board Secretary shall arrange to publish a notice in a local newspaper stating the date, place, and time of the proposed budget's availability for public inspection and the public hearing. The proposed budget shall be available for public inspection at least 30 days before the time of the budget hearing.

At the public hearing, the proposed budget shall be reviewed and the public shall be invited to comment, question, or advise the School Board.

Final Adoption Procedures

The School Board adopts a budget before the end of the first quarter of each fiscal year, September 30, or by such alternative procedure as State law may define. To the extent possible, the budget shall be balanced as defined by the State Board of Education; if not balanced, the Board will adopt a deficit reduction plan to balance the District's budget within 3 years according to State Board of Education requirements.

The School Board adopts the budget by roll call vote. The budget resolution shall be incorporated into the meeting's official minutes. School Board members' names voting yea and nay shall be recorded in the minutes.

The Superintendent or designee shall perform each of the following:

1. Post the District's final annual budget, itemized by receipts and expenditures, on the District's Internet website.
2. Notify parents/guardians that the budget is posted and provide the website's address.
3. File a certified copy of the budget resolution and an estimate of revenues by source anticipated to be received in the following fiscal year, certified by the District's Chief Fiscal Officer, with the County Clerk within 30 days of the budget's adoption.
4. Make all preparations necessary in order for the Board to timely file its Certificate of Tax Levy, including preparations to comply with the Truth in Taxation Act, and file a Certificate of Tax Levy with the County Clerk on or before the last Tuesday in December. The Certificate lists the amount of property tax money to be provided for the various funds in the budget.
5. Submit the annual budget, a deficit reduction plan if one is required by State Board of Education guidelines, and other financial information to the State Board of Education according to its requirements.

Any amendments to the budget or Certificate of Tax Levy shall be made as provided in The School Code and Truth in Taxation Act.

Budget Amendments

The School Board may amend the budget by the same procedure as provided for in the original adoption.

Implementation

The Superintendent or designee shall implement the District's budget and provide the School Board with a monthly financial report that includes all deficit fund balances. The amount budgeted as the expenditure in each fund is the maximum amount that may be expended for that category, except when a transfer of funds is authorized by the School Board.

The School Board shall act on:

- All interfund loans, interfund transfers, and transfers within funds.
- All transfers from one program to another.
- All expenditures that are to be charged to a contingency account, if such an account exists.

LEGAL REF.: 35 ILCS 200/18-55 et seq. 105 ILCS 5/10-17, 5/10-22.33, 5/17-1, 5/17-1.2, 5/17-2A, 5/17-3.2, 5/17-11, 5/20-5, and 5/20-8.

CROSS REF.: 4:40 (Incurring Debt), 6:235 (Access to Electronic Networks)

ADMIN. PROC.: 6:235-E2 (Exhibit - Authorization for Electronic Network Access)

4.20 Fund Balances

Fund Balances ¹

The Superintendent or designee shall maintain fund balances adequate to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses. The Superintendent or designee shall inform the Board whenever the District must draw upon its reserves or borrow money.

The School District seeks to maintain year-end fund balances no less than the range of 15-20 percent of the annual expenditures in each fund. ²

CROSS REF.: 4:10 (Fiscal and Business Management), 4:80 (Accounting and Audits)

Adopted: August 2008

¹ This optional policy is at the local board's discretion. Its intent is to help the board monitor the district's financial health and allows a board to clarify its expectations for maintaining fund balances. A board must modify the policy to reflect realistic targets after considering important financial and operational issues, such as current financial practices, long term projects, standards of fiscal health, and the current budget. A board facing a doubting and demanding employee union may want to obtain an objective opinion from an outside auditor before adopting this policy.

² The following alternative is for a district with fund balances deemed not currently adequate:

The School District will seek to establish year-end fund balances representing _____ percent of the annual expenditures for each fund by budgeting a surplus in each fund.

The board should ask the administration to prepare a multi-year cash flow projection to validate the sufficiency of the target figure.

4.30 Revenue and Investments

Revenue

The Superintendent or a designee is responsible for making all claims for property tax revenue, State Aid, special state funds for specific programs, federal funds, and categorical grants.

Investments

The Superintendent shall either appoint a Chief Investment Officer or serve as one. The Chief Investment Officer shall invest money that is not required for current operations, in accordance with this policy and state law.

The Chief Investment Officer and Superintendent shall use the standard of prudence when making investment decisions. They shall use the judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of their capital as well as its probable income.

Investment Objectives

The objectives for the School District's investment activities are:

1. Safety of Principal. Every investment is made with safety as the primary and over-riding concern. Each investment transaction shall ensure that capital loss, whether from credit or market risk, is avoided.
2. Liquidity. The investment portfolio shall provide sufficient liquidity to pay District obligations as they become due. In this regard, the maturity and marketability of investments shall be considered.
3. Rate of Return. The highest return on investments is sought, consistent with the preservation of principal and prudent investment principles.
4. Diversification. The investment portfolio is diversified as to materials and investments, as appropriate to the nature, purpose, and amount of the funds.

Authorized Investment

The Chief Investment Officer may invest any District funds:

1. In bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, that are guaranteed by the full faith and credit of the United States of America as to principal and interest;
2. In bonds, notes, debentures, or other similar obligations of the United States of America or its agencies; The term " agencies of the United States of America" includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress;
3. In interest-bearing savings accounts, interest bearing certificates of deposit or interest-bearing time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act;
4. In short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the 3 highest classifications established by at least 2 standard rating services and which matures not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the public agency's funds may be invested in short term obligations of corporations;
5. In money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described (1) or (2) of this subsection and to agreements to repurchase such obligations;

6. In short term discount obligations of the Federal National Mortgage Association or in shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of this State or any other state or under the laws of the United States. Investments may be made only in those savings banks for savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Chief Investment Officer, the public funds so invested will be required for expenditure by such public agency or its governing authority;
7. In dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of this State or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable by law;
8. In a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act. Any public agency may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds;
9. In the Illinois School District Liquid Asset Fund Plus;
10. In repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder. The government securities, unless registered or inscribed in the name of the public agency, shall be purchased through banks or trust companies authorized to do business in the State of Illinois.

Except for repurchase agreements of government securities which are subject to the Government Securities Act of 1986, no public agency may purchase or invest in instruments that constitute repurchase agreements, and no financial institution may enter into such an agreement with or on behalf of the District unless the instrument and the transaction meet all of the following requirements:

- a. The securities, unless registered or inscribed in the name of the public agency, are purchased through banks or trust companies authorized to do business in the State of Illinois.
- b. The Chief Investment Officer, after ascertaining which firm will give the most favorable rate of interest, directs the custodial bank to “purchase” specified securities from a designated institution. The “custodial bank” is the bank or trust company, or agency of government, which acts for the public agency in connection with repurchase agreements involving the investment of funds by the public agency. The State Treasurer may act as custodial bank for public agencies executing repurchase agreements.
- c. A custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and that any claims by the custodian are subordinate to the public agency’s claims to rights to those securities.
- d. Trading partners shall be limited to banks or trust companies authorized to do business in the State of Illinois or to registered primary reporting dealers.
- e. The security interest must be perfected.
- f. The public agency enters into a written master repurchase agreement that outlines the basic responsibilities and liabilities of both buyer and seller.
- g. Agreements shall be for periods of 330 days or less.
- h. The Chief Investment Officer informs the custodial bank in writing of the maturity details of the repurchase agreement.

- i. The custodial bank must take delivery of and maintain the securities in its custody for the account of the public agency and confirm the transaction in writing to the public agency. The Custodial Undertaking shall provide that the custodian takes possession of the securities exclusively for the public agency; that the securities are free of any claims against the trading partner; and that any claims by the custodian are subordinate to the public agency's claims to rights to those securities.
- j. The obligations purchased by a public agency may only be sold or presented for redemption or payment by the fiscal agent book or trust company holding the obligations upon the written instruction of the Chief Investment Officer.
- k. The custodial bank shall be liable to the public agency for any monetary loss suffered by the public agency due to the failure of the custodial bank to take and maintain possession of such securities.

11. In any investment as authorized by the Public Funds Investment Act, and Acts amendatory there to, Paragraph 11 supersedes paragraphs 1-10 and controls in the event of conflict.

Investments may be made only in banks, savings banks, savings and loan associations, or credit unions that are insured by the Federal Deposit Insurance Corporation.

Selection of Depositories, Investment Managers, Dealers, and Brokers

The Chief Investment Officer shall establish a list of authorized depositories, investment managers, dealers and brokers based upon the creditworthiness, reputation, minimum capital requirements, qualifications under state law, as well as a long history of dealing with public fund entities. The Board will review and approve the list at least annually.

In order to be an authorized depository, each institution must submit copies of the last 2 sworn statements of resources and liabilities or reports of examination, that the institution is required to furnish to the appropriate state or federal agency. Each institution designated as a depository shall, while acting as such depository, furnish the District with a copy of all statements of resources and liabilities or all reports of examination, that it is required to furnish to the appropriate state or federal agency.

The above eligibility requirements of a bank to receive or hold public deposits do not apply to investments in an interest-bearing saving account, interest bearing certificate of deposit, or interest bearing time deposit if: (1) the District initiates the investment at or through the bank located in Illinois, and (2) the invested public funds are at all times fully insured by an agency or instrumentality of the federal government.

The District may consider a financial institution's record and current level of financial commitment to its local community when deciding whether to deposit funds in that institution. The District may consider factors including:

1. Financial institutions subject to the federal Community Reinvestment Act of 1977, the current and historical ratings that the financial institution has received, to the extent that those ratings are publicly available, under the federal Community Reinvestment Act of 1977;
2. Any changes in ownership, management, policies, or practices of the financial institution that may affect the level of the financial institution's commitment to its community;
3. The financial impact that the withdrawal or denial of District deposits might have on the financial institution;
4. The financial impact to the District as a result of withdrawing public funds or refusing to deposit additional public funds in the financial institution; and
5. Any additional burden on the District's resources that might result from ceasing to maintain deposits of public funds at the financial institution under consideration.

Collateral Requirements

All amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by (1) securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the

Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization. The Chief Investment Officer shall determine other collateral requirements.

Safekeeping and Custody Arrangements

The preferred method for safekeeping is to have securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3 Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category I, the highest recognized safekeeping procedures.

Controls and Report

The Chief Investment Officer shall establish a system of internal controls and written operational procedures to prevent losses arising from fraud, employee error, misrepresentation by third parties or imprudent employee action.

The Chief Investment Officer shall provide a quarterly investment report to the Board. The report will: (1) assess whether the investment portfolio is meeting the District's investment objectives, (2) identify each security by class or type, book value, income earned, and market value, (3) identify those institutions providing investment services to the District, and (4) include any other relevant information. The investment portfolio's performance shall be measured by appropriate and creditable industry standards for the investment type.

The School Board will determine, after receiving the Superintendent's recommendation, which fund is in most need of interest income and the Superintendent shall execute a transfer.

Ethics and Conflicts of Interest

The School Board and District officials will avoid any investment transaction or practice that in appearance or fact might impair public confidence. Board Members are bound by the *Board Member Conflict of Interest* policy 2:100. No District employee having influence on the District's investment decisions shall:

1. Have any interest, directly or indirectly, in any investments in which the District is authorized to invest,

2. Have any interest, directly or indirectly, in the sellers, sponsors, or managers of those investments, or
3. Receive, in any manner, compensation of any kind from any investments in which the agency is authorized to invest.

4.40 Incurring Debt

The Superintendent shall provide early notice to the School Board of the District's need to borrow money. The Superintendent or designee shall prepare all documents and notices necessary for the School Board, at its discretion, to issue State Aid Anticipation Certificates, tax anticipation warrants, working cash fund bonds, bonds, notes, and other evidence of indebtedness. The Superintendent shall notify the State Board of Education before the District issues any form of long-term or short-term debt that will result in outstanding debt that exceeds 75% of the debt limit specified in State law.

4.45 Insufficient Fund Check

The Superintendent or a designee is responsible for collecting the maximum fee authorized by State law for checks written to the District which are not honored upon presentation to the respective bank or other depository institution for any reason. The Superintendent is authorized to contact the district attorney whenever necessary to collect the check amount, fee, collection costs and expenses, and interest.

4.50 Payment Procedures

T Payment Procedures ³

The Treasurer shall prepare a list of all due and payable bills, indicating vendor name and amount, and shall present it to the School Board in advance of the Board's first regular monthly meeting. These bills are reviewed by the Board, after which they may be approved for payment by Board order. ⁴ Approval of all bills shall be given by a roll call vote and the votes shall be recorded in the minutes. ⁵ The Treasurer shall pay the bills after receiving a Board order or pertinent portions of the Board minutes, even if the minutes are unapproved, provided the order or minutes are signed by the Board President and Secretary, or a majority of the Board. ⁶

The Treasurer is authorized to pay Social Security taxes and wages without further Board approval. ⁷ These disbursements shall be included in the listing of bills presented to the Board.

The Board authorizes the Superintendent or designee to establish revolving funds and a petty cash fund system for school cafeterias, lunchrooms, athletics, or similar purposes, provided such funds are maintained in accordance with Board policy 4:80, *Accounting and Audits*, and remain in the custody of an employee who is properly bonded according to State law. ⁸

LEGAL REF.: 105 ILCS 5/8-16, 5/10-7, and 5/10-20.19.
23 Ill.Admin.Code §100.70.

CROSS REF.: 4:55 (Use of Credit and Procurement Cards), 4:60 (Purchases and Contracts),
4:80 (Accounting and Audits)

Adopted: August 2008

³ State or federal law controls this policy's content.

⁴ 105 ILCS 5/8-16 and 5/10-20.19.

⁵ 105 ILCS 5/10-7.

⁶ Except for the payment of social security taxes, 105 ILCS 5/8-16 permits the treasurer to "pay out funds of the school district only upon an order of the board signed by the president and clerk or secretary or by a majority of the board." 5/10-20.19 grants the treasurer authority to pay bills after receipt of "a certified copy of those portions of the board minutes, properly signed by the secretary and president, or a majority of the board." As minutes are not approved until the following meeting, a literal reading of this statute would result in late payments. The policy uses a pragmatic solution: the treasurer may pay bills upon receiving a board order or minutes, even if the minutes are unapproved, provided the order or minutes are signed by the president and secretary, or a majority of the board.

⁷ 105 ILCS 5/8-16 and 5/10-20.19. There is no statutory authority for boards to give prior authority to the treasurer to pay recurring bills, such as utility bills, other than those specifically mentioned. Districts may want to seek their attorney's opinion on whether the board, by policy, may give advance authority to pay such bills.

⁸ 105 ILCS 5/10-20.19(2); 23 Ill.Admin.Code §100.70.

4:55 Use of Credit and Procurement Cards ⁹

The Superintendent and employees designated by the Superintendent are authorized to use District credit and procurement cards to simplify the acquisition, receipt, and payment of purchases and travel expenses incurred on the District's behalf. Credit and procurement cards shall only be used for those expenses that are for the District's benefit and serve a valid and proper public purpose; they shall not be used for personal purchases. Cardholders are responsible for exercising due care and judgment and for acting in the District's best interests.

The Superintendent or designee shall manage the use of District credit and procurement cards by employees. It is the Board's responsibility, through the audit and approval process, to determine whether District credit and procurement card use by the Superintendent is appropriate.

In addition to the other limitations contained in this and other Board policies, District credit and procurement cards are governed by the following restrictions: **10**

1. Credit and/or procurement cards may only be used to pay certain job-related expenses or to make purchases on behalf of the Board or District or any student activity fund, or for purposes that would otherwise be addressed through a conventional revolving fund. **11**
2. The Superintendent or designee shall instruct the issuing bank to block the cards' use at unapproved merchants.
3. Each cardholder, other than the Superintendent, may charge no more than \$500 in a single purchase and no more than \$1000 within a given month without prior authorization from the Superintendent. **12**
4. The Superintendent or designee must approve the use of a District credit or procurement card whenever such use is by telephone, fax, and the Internet. Permission shall be withheld when the use violates any Board policy, is from a vendor whose reputation has not been verified, or would be more expensive than if another available payment method were used.
5. The consequences for unauthorized purchases include, but are not limited to, reimbursing the District for the purchase amount, loss of cardholding privileges, and, if made by an employee, discipline up to and including discharge.

⁹ If district employees or board members are issued credit and/or procurement cards, an ISBE rule requires this subject matter to be covered in policy and specifies its content (23 Ill.Admin.Code §100.70(d)). Add the following optional new paragraph if the district issues credit cards to board members:

The District may from time-to-time issue and/or authorize Board members to use District credit cards to simplify the payment of actual and necessary expenses as authorized in Board policy 2:125, *Board Meetings Expenses*. The Board will determine whether a Board member's use of a District credit card is appropriate through the expense approval process and the annual audit. All other components of this policy apply to a board member's use of a District credit card.

10 The policy's restrictions, numbered 1-9, correspond to the items that ISBE requires to be covered. Each item may be customized as long as the following items are covered as per 23 Ill.Admin.Code §100.70(d):

1. Identifies the allowable types of purchases;
2. Provides for the issuing bank to block the cards' use at unapproved merchants;
3. Limits the amount a cardholder can charge in a single purchase or within a given month;
4. Provides specific guidelines on purchases via telephone, fax, and the Internet;
5. Indicates the consequences for unauthorized purchases;
6. Requires cardholders to sign a statement affirming that they are familiar with the board's credit card policy;
7. Requires review and approval of purchases by someone other than the cardholder or user;
8. Requires submission of original receipts to document purchases; and
9. Forbids the use of a card to make purchases in a manner contrary to the requirements of Section 10-20.21 of The School Code [105 ILCS 5/10-20.21].

11 This limitation is from the introductory sentence in 23 Ill.Admin.Code §100.70(d).

12 The dollar caps are at the local board's discretion. An alternative follows: "The Superintendent shall limit the amount each cardholder may charge in a single purchase or within a given month and inform the issuing bank of these limitations."

6. All cardholders must sign a statement affirming that they are familiar with this policy. **13**
7. The Superintendent shall implement a process whereby all purchases using a District credit or procurement card are reviewed and approved by someone other than the cardholder or someone under the cardholder's supervision.
8. Cardholders must submit the original, itemized receipt to document all purchases.
9. No individual may use a District credit or procurement card to make purchases in a manner contrary to State law, including, but not limited to, the bidding and other purchasing requirements in 105 ILCS 5/10-20.21, or any Board policy.

LEGAL REF.: 105 ILCS 5/10-20.21.
23 Ill.Admin.Code §100.70(d).

CROSS REF.: 4:50 (Payment Procedures), 4:60 (Purchases and Contracts), 4:80 (Accounting and Audits), 4:90 (Activity Funds)

Adopted : August 2008

13 See Exhibit 4:55-E, *Cardholder's Statement Affirming Familiarity with Requirements for Using District Credit and/or Procurement Cards*.

4:60 Purchases and Contracts

The Superintendent shall manage the District's purchases and contracts in accordance with the State law, the standards set forth in this policy, and other applicable School Board policies.

Standards for Purchasing and Contracting

All purchases and contracts shall be entered into in accordance with State law. The Board Attorney shall be consulted as needed regarding the legal requirements for purchases or contracts. All contracts shall be approved or authorized by the Board.

All purchases and contracts should support a recognized District function or purpose as well as provide for good quality products and services at the lowest cost, with consideration for service, reliability, and delivery promptness, and in compliance with State law. No purchase or contract shall be made or entered into as a result of favoritism, extravagance, fraud, or corruption.

Adoption of the annual budget authorizes the Superintendent or designee to purchase budgeted supplies, equipment, and services provided that State law is followed. Purchases of items not included in the budget require prior Board approval, except in an emergency.

When presenting a contract or purchase for Board approval, the Superintendent or designee shall ensure that it complies with applicable State law, including but not limited to, those specified below:

1. Supplies, materials, or work involving an expenditure in excess of \$25,000 must comply with the State law bidding procedure, ILCS 5/10-20.21, unless specifically exempted.
2. Construction, lease, or purchase of school buildings must comply with State law and Board policy :150, *Facility Management and Building Programs*.
3. Guaranteed energy savings must comply with ILCS 5/19b-1 et seq.
4. Third party non-instructional services must comply with ILCS 5/10-22.34c.
5. Goods and services that are intended to generate revenue and other remunerations for the District in excess of \$1,000, including without limitation vending machine contracts, sports and other attire, class rings, and photographic services, must comply with ILCS 5/10-20.21. The Superintendent or designee shall keep a record of: (1) each vendor, product, or service provided, (2) the actual net revenue and non-monetary remuneration from each contract or

agreement, and (3) how the revenue was used and to whom the non-monetary remuneration was distributed. The Superintendent or designee shall report this information to the Board by completing the necessary forms that must be attached to the District's annual budget.

6. The purchase of paper and paper products must comply with ILCS 5/10-20.19c and Board policy .70, Resource Conservation.

The Superintendent or designee shall manage the execution of District contracts, including: (1) complying with requirements concerning listing certain expenditures in the Annual Statement of Affairs, (2) listing on the District's website all contracts in excess of \$25,000, (3) contracts with an exclusive bargaining representative, and (4) monitoring the discharge of contracts, contractors' performances, and the quality and value of services or products being provided.

LEGAL REF.: 105 ILCS 5/10-20.21, 5/10-22.34c, and 5/19b-1 et seq.
820 ILCS 130/0.01 et seq. and PUBLIC ACT 95-0990.

CROSS REFERENCE: 2:100 (Board Member Conflict of Interest), 4:150 (Facility Management and Building Programs)

ADOPTED: February 18, 2009

Operational Services

4.60-AP2 Administrative Procedure - Third Party Non-Instructional Contracts

When completed, this procedure documents that the requirements in 105 ILCS 5/10-22.34c have been fulfilled thereby allowing the School Board to approve a contract for third party non-instructional services currently performed by any employee or bargaining unit member. However, these conditions are not mandatory for the Board to enter into a contract, of no longer than 3 months in duration, with a third party for non-instructional services currently performed by an employee or bargaining unit member for the purpose of augmenting the current workforce in an emergency situation that threatens the safety or health of the District's students or staff, provided that the Board meets all of its obligations under the Illinois Educational Labor Relations Act.

Name or proposed contractor: _____

Name and description of proposed contract for third party non-instructional services: _____

Effective date of proposed contract: _____

Each of the following conditions must be checked to document that it was present or fulfilled:

- Any lay-off resulting from entering into the contract for third party non-instructional services will comply with the applicable collective bargaining agreement and/or Board policy 5:290, *Employment Terminations and Suspensions*.
- The proposed contract will not be entered into or become effective during the term of an applicable collective bargaining agreement covering any employees who perform the non-instructional services.
- The proposed contract will take effect upon or after the expiration of an existing collective bargaining agreement.
- The proposed contractor has submitted a bid that includes the following:
 - A. Evidence of liability insurance in scope and amount equivalent to the liability insurance provided by the Board pursuant to 105 ILCS 5/10-22.3;
 - B. A benefits package for the third party's employees who will perform the non-instructional services comparable to the benefits package provided to District employees who perform those services;
 - C. A list of the number of employees who will provide the non-instructional services, the job classifications of those employees, and the wages the proposed contractor will pay those employees;
 - D. A minimum 3-year cost projection, using generally accepted accounting principles, and which the proposed contractor is prohibited from increasing if the bid is accepted by the Board, for each and every expenditure category and account for performing the non-instructional services;
 - E. Composite information about the criminal and disciplinary records, including alcohol or other substance abuse, Department of Children and Family Services complaints and investigations, traffic violations, and license revocations or any other licensure problems, of any employees who may perform the non-instructional services, provided that the individual names and other identifying information of employees need not be provided with the submission of the bid, but must be made available upon request of the Board; and
 - F. An affidavit, notarized by the president or chief executive officer of the proposed contractor, that each of its employees has completed a criminal background check as required by 105 ILCS 5/10-

21.9 within 3 months prior to submission of the bid, provided that the results of such background checks need not be provided with the submission of the bid, but must be made available upon request of the Board.

The following is attached or otherwise available: a cost comparison, using generally accepted accounting principles, of each and every expenditure category and account that the District projects it would incur over the term of the contract if it continued to perform the non-instructional services using its own employees with each and every expenditure category and account that is projected the proposed contractor would incur if it performed the non-instructional services.

The Board reviewed and considered all bids by third parties to perform the non-instructional services in open session of a regularly scheduled Board meeting, unless the exclusive bargaining representative of the employees who perform the non-instructional services, if any such exclusive bargaining representative exists, agreed in writing that such review and consideration could take place in open session at a specially scheduled Board meeting.

Date of Board meeting: _____

Each of the following occurred:

1. A minimum of one public hearing, conducted by the Board prior to a regularly scheduled Board meeting, to discuss the proposed contract was held before the Board entered such contract.

Date of hearing: _____

2. The Board provided notice to the public of the date, time, and location of the first public hearing on or before the initial date that bids to provide the non-instructional services are solicited or a minimum of 30 days prior to entering into such a contract, whichever provides a greater period of notice.

Date and manner of notice: _____

The proposed contract contains provisions requiring the proposed contractor to offer available employee positions pursuant to the contract to qualified School District employees whose employment is terminated because of the contract.

The proposed contract contains provisions requiring the proposed contractor to comply with a policy of nondiscrimination and equal employment opportunity for all persons and to take affirmative steps to provide equal opportunity for all persons.

4.70 Resource Conservation

The School District will conserve energy resources whenever possible by:

- . full utilization of materials prior to disposal;
- . limited use of disposable materials;
- . limited use of non-biodegradable products;
- . participation in recycling programs.

The Superintendent shall develop procedures for purchasing recycled paper and paper products in amounts, which will, at a minimum, meet the requirements of The School Code.

All reporting formats used for the Annual Financial Report will be consistent with the Illinois Program Accounting Manual for Local Educational Agencies.

At the close of each fiscal year, the Superintendent shall arrange to have the District books and accounts audited by an independent certified public accountant designated by the School Board in conformance with prescribed standards and legal requirements. A complete and detailed written audit report shall be provided to each School Board member and to the Superintendent.

The Superintendent shall annually, on or before October 15, submit an original and one copy of the audit to the Educational Service Region Superintendent.

Inventories

The Superintendent is responsible for developing and maintaining the inventory of District buildings and capital equipment. The inventory record of equipment shall include such items as a description of each item, the quantity, the location, the date of purchase, and the cost or the estimated replacement cost.

Participation of students, under faculty supervision, in obtaining financial support for an activity may be approved by the Building Principal and Superintendent. The School Board annually shall appoint a student activity funds treasurer who shall be bonded in accordance with The School Code.

Cross Ref.: 7.325

4:80 Accounting and Audits ¹⁴

The School District's accounting and audit services shall comply with the Illinois Program Accounting Manual, as adopted by the Illinois State Board of Education, and State law. The Superintendent, in addition to other assigned financial responsibilities, shall report monthly on the District's financial performance, both income and expense, in relation to the financial plan represented in the budget.

Annual Audit ¹⁵

At the close of each fiscal year, the Superintendent shall arrange an audit of the District funds, accounts, statements, and other financial matters. The audit shall be performed by an independent certified public accountant designated by the Board and be conducted in conformance with prescribed standards and legal requirements. A complete and detailed written audit report shall be provided to each Board member and to the Superintendent. The Superintendent shall annually, on or before October 15, submit an original and one copy of the audit to the Regional Superintendent of Schools.

Annual Financial Report ¹⁶

The Superintendent or designee shall annually prepare and submit the Annual Financial Report on a timely basis using the form adopted by the Illinois State Board of Education. The Superintendent shall review and discuss the Annual Financial Report with the Board before it is submitted.

Inventories ¹⁷

The Superintendent or designee is responsible for establishing and maintaining accurate inventory records that, at a minimum, comply with the Illinois Program Accounting Manual. The inventory record of supplies and equipment shall include a description of each item, quantity, location, purchase date, and cost or estimated replacement cost.

Disposition of District Property ¹⁸

The Superintendent or designee shall notify the Board, as necessary, of the following so that the Board may consider its disposition: (1) District personal property (property other than buildings and land) that is no longer needed for school purposes, and (2) school site, building, or other real estate that is unnecessary, unsuitable, or inconvenient. Notwithstanding the above, the Superintendent or designee may unilaterally dispose of personal property of a diminutive value.

¹⁴ State or federal law controls this policy's content. A board policy or resolution is required concerning revolving funds and petty cash (23 Ill.Admin.Code §100.70). This policy is intended to facilitate the board's fiscal oversight role. The last sentence of the first paragraph should be modified to align with local conditions. The Illinois Program Accounting Manual is found at <http://www.isbe.state.il.us/sfms/pdf/ipam.pdf>.

¹⁵ Audit requirements are found in 105 ILCS 5/3-7 and 5/3-15.1, and 23 Ill.Admin.Code §100.110. The federal Single Audit Act adds audit requirements for federal programs (31 U.S.C. §7501 *et seq.*).

The following optional sentence establishes an audit committee: "The Board will annually establish an audit committee to help the Board select an external auditor, confer with the auditor regarding the audit's scope, and oversee the audit process." Note: all board committees are subject to the Open Meetings Act.

The following optional sentence establishes a competitive process for selecting the external auditor; it prevents a long-term relationship with an auditor and reduces the possibility of audits being too routine or friendly: "The Board will annually advertise a request for proposals to perform the external audit." Substitute "periodically" for "annually" if desired.

¹⁶ Requirements for the annual financial report are found in 105 ILCS 5/2-3.27 and 5/3-15.1; 23 Ill.Admin.Code §100.100. The last sentence of this section should be modified to align with local conditions.

¹⁷ Illinois Program Accounting Manual is found at <http://www.isbe.state.il.us/sfms/pdf/ipam.pdf>. The last sentence of this section should be modified to align with local conditions.

¹⁸ The requirements in this section are specified in 105 ILCS 5/5-22 and 5/10-22.8. A board that desires to act on the disposition of property having *any* value should use the following alternative to this section's the last sentence: "Notwithstanding the above, the Superintendent or designee may unilaterally dispose of worthless personal property."

Taxable Fringe Benefits 19

The Superintendent or designee shall: (1) require that all use of District property or equipment by employees is for the District's convenience and best interests unless it is a Board-approved fringe benefit, and (2) ensure compliance with the Internal Revenue Service regulations regarding when to report an employee's personal use of District property or equipment as taxable compensation.

Controls for Revolving Funds and Petty Cash 20

Revolving funds and the petty cash system are established in Board policy 4:50, *Payment Procedures*. The Superintendent shall: (1) designate a custodian for each revolving fund and petty cash fund, (2) obtain a bond for each fund custodian, and (3) maintain the funds in compliance with this policy, State law, and Illinois State Board of Education rules. A check for the petty cash fund may be drawn payable to the designated petty cash custodian. Bank accounts for revolving funds are limited to a maximum balance of \$500.00. All expenditures from these bank accounts must be directly related to the purpose for which the account was established and supported with documentation, including signed invoices or receipts. All deposits into these bank accounts must be accompanied with a clear description of their intended purpose. The Superintendent or designee shall include checks written to reimburse revolving funds on the Board's monthly listing of bills indicating the recipient and including an explanation.

Control Requirements for Checks 21

The Board must approve all bank accounts opened or established in the District's or a District school's name or with the District's Federal Employer Identification Number. All checks issued by the School District must be signed by either the Treasurer or Board President, except that checks from an account containing student activity funds and revolving accounts may be signed by the respective account custodian.

19 The intent of this optional section is twofold: (1) to control personal use of district property and equipment, and (2) to ensure compliance with IRS rules. As to the first point, allowing personal use of district property or equipment is arguably prohibited by the Ill. Constitution, Art. VIII, Sec 1 which states: "Public funds, property or credit shall be used only for public purposes." As to the second point, any fringe benefit an employer provides is taxable and must be included in the recipient's pay unless the law specifically excludes it. See Publication 15-B (2008), *Employer's Tax Guide to Fringe Benefits*, <http://www.irs.gov/publications/p15b/index.html>.

20 105 ILCS 5/10-20.19; 23 Ill.Admin.Code §100.70. This paragraph's contents are mandatory, except for the \$500 cap on the maximum balance of revolving funds. The cap amount may be changed or the following alternative used: "Each revolving fund shall be maintained in a bank that has been approved by the Board and established in an amount approved by the Superintendent consistent with the annual budget."

21 This section is largely up to the local board's discretion; additional controls may be added. The following alternative to the second sentence will mandate two signatories for checks:

Two of the following individuals, the Treasurer, Board President, and/or Board Vice-President, shall sign all checks issued by the School District, except that checks from an account containing student activity funds and revolving accounts may be signed by the respective account custodian.

A board must comply with State law requirements concerning the use of facsimile or electronic signatures on checks. The Secretary of State, Index Department, maintains certified manual signatures of officers authorized to sign checks (Uniform Facsimile Signature of Public Officials Act, 30 ILCS 320/). Electronic records and signatures are governed by the Electronic Commerce Security Act (5 ILCS 175/5). Attorneys disagree about the applicability of these laws to school districts.

Internal Controls 22

The Superintendent is primarily responsible for establishing and implementing a system of internal controls for safeguarding the District's financial condition; the Board, however, will oversee these safeguards. The control objectives are to ensure efficient business and financial practices, reliable financial reporting, and compliance with State law and Board policies, and to prevent losses from fraud, employee error, misrepresentation by third parties, or imprudent employee action.

The Superintendent or designee shall annually audit the District's financial and business operations for compliance with established internal controls and provide the results to the Board. The Board may from time-to-time engage a third-party to audit internal controls in addition to the annual audit.

LEGAL REF.: 105 ILCS 5/2-3.27, 5/2-3.28, 5/3-7, 5/3-15.1, 5/5-22, 5/10-21.4, 5/10-20.19, 5/10-22.8,
and 5/17-1 et seq.
23 Ill.Admin.Code Part 100.

CROSS REF.: 4:10 (Fiscal and Business Management), 4:50 (Payment Procedures), 4:55 (Use of
Credit and Procurement Cards), 4:90 (Activity Funds)

Adopted: August 2008

²² This section is largely up to the local board's discretion. The annual audit must include a "review and testing of the internal control structure" (23 Ill.Admin.Code §100.110). This review's limited scope means that boards should not rely on it to reveal uncontrolled financial risks. The board's responsibility is to establish policy to safeguard the district's financial condition. Indeed, the oath of office includes this promise: "I shall respect taxpayer interests by serving as a faithful protector of the school district's assets." In this sample policy, the board sets the control objectives and the superintendent is responsible for developing an internal controls system.

Boards that wish to take a larger oversight role regarding internal controls may list the numbered sentences in the IASB sample administrative procedure 4:80-AP, *Checklist for Internal Controls*, as required inclusions in the superintendent's program for internal controls. This alternative, for insertion at the end of this section's first paragraph, follows:

The District's system of internal controls shall include the following:

1. All financial transactions must be properly authorized and documented.
2. Financial records and data must be accurate and complete.
3. Accounts payable must be accurate and punctual.
4. District assets must be protected from loss or misuse.
5. Incompatible duties should be segregated, if possible.
6. Accounting records must be periodically reconciled.
7. Equipment and supplies must be safeguarded.
8. Staff members with financial or business responsibilities must be properly trained and supervised, and must perform their responsibilities with utmost care and competence.
9. Any unnecessary weaknesses or financial risks must be promptly corrected.

4: 90 Activity Funds 23

The School Board, upon the Superintendent or designee's recommendation, establishes student activity funds to be managed by student organizations under the guidance and direction of a staff member for educational, recreational, or cultural purposes. **24**

The Superintendent or designee shall: (1) be responsible for supervising student activity funds in accordance with Board policy, 4:80, *Accounting and Audits*, and State law, and (2) have all of the responsibilities listed in the Illinois State Board of Education rules for student activity funds. The Board will appoint a treasurer for each fund to serve as the fund's sole custodian and be bonded in accordance with The School Code. **25** The treasurer shall have all of the responsibilities listed in the Illinois State Board of Education rules for school activity funds, including the authority to make loans between activity funds. **26**

Unless otherwise instructed by the Board, a student activity fund's balance will carry over to the next fiscal year. An account containing student activity funds that is inactive for 12 consecutive months shall be closed and its funds transferred to another student activity fund with a similar purpose. **27**

LEGAL REF.: 105 ILCS 5/8-2 and 5/10-20.19.
23 Ill.Admin.Code §§100.20 and 100.80.

CROSS REF.: 4:80 (Accounting and Audits), 7:325 (Student Fund-Raising Activities)

Adopted: August 2008

23 State law controls this policy's content. See 105 ILCS 5/10-20.19 and 23 Ill.Admin.Code §100.80. ISBE's rules in Part 125 (Student Activity Funds and Convenience Accounts) were in effect only through 6-30-08 after which they were replaced by Part 100. The rules in Part 100 do not provide for "convenience accounts." Another policy, 7:325, *Student Fund-Raising Activities*, contains the elements required by State law for a policy on student fund-raising activities.

24 Student activity funds are established to account for money used to support the activities of student organizations and clubs, e.g., homeroom, yearbook, class year, choral or band group, class projects, student clubs, student council, and student-sponsored bookstore (23 Ill.Admin.Code §100.20). The funds are under the school board's control giving it a fiduciary responsibility to safeguard them along with district assets.

25 105 ILCS 5/8-2.

26 ISBE's rule permits the activity fund treasurer to make loans between funds "if and as authorized by the board's policy," (23 Ill.Admin.Code §100.80). A board that does not want to allow loans between activity funds should choose one of these alternatives:

Alternative 1: The treasurer shall have all of the authority and responsibilities listed in the Illinois State Board of Education rules for school activity funds, except that the treasurer is not authorized to make loans between activity funds.

Alternative 2: The treasurer shall have all of the authority and responsibilities listed in the Illinois State Board of Education rules for school activity funds, except that the treasurer must have the Board's approval before making a loan between activity funds.

27 The authority for this paragraph's first sentence is 23 Ill.Admin.Code §100.80(c); the second sentence is up to the local board's discretion. The following option may be inserted after the first sentence: "However, money remaining in the any Senior Class fund after graduation will automatically transfer to the next year's class."

4.100 Insurance Management

The Superintendent shall annually recommend an insurance program, which provides the broadest and most complete coverage available at the most economical cost, consistent with sound insurance principles.

The insurance program shall include:

1. Liability coverage to insure against any loss or liability of the School District, School Board members, employees, volunteer personnel authorized in 105 ILCS 5/10-22.34, 5/10-22.34a, and 5/10-22.34b [sections 10-22.34, 10-22.34a and 10-22.34b of Chapter 122], and student teachers by reason of civil rights damage claims and suits, constitutional rights damage claims and suits, and death and bodily injury and property damage claims, including defense costs, when damages are sought for negligent or wrongful acts allegedly committed during the scope of employment or under the direction of the School Board.
2. Comprehensive property insurance covering a broad range of causes of loss involving building and personal property. The coverage amount shall normally be for the replacement cost or the insurable value.
3. Worker's Compensation to protect the individual employees against financial loss in case of a work-related injury, certain types of disease, or death incurred in an employee-related situation.

4.110 Transportation

The District shall provide free transportation for all students in the District: (1) residing at a distance of one and one-half miles or more from their assigned school, and (2) residing within one and one-half miles from their assigned school where walking would constitute a serious hazard due to vehicular traffic or rail crossing, and adequate public transportation is not available. A student's parent(s)/guardian(s) may file a petition with the School Board requesting transportation due to the existence of a serious safety hazard. Free transportation services and vehicle adaptation for special education students shall be provided if included in the students' individualized education program. Non-public school students shall be transported in accordance with State law.

Homeless students shall be transported in accordance with the McKinney Homeless Assistance Act.

Bus schedules and routes shall be determined by the Superintendent or a designee and shall be altered only with the Superintendent's or designee's approval and direction. In fixing the routes, the pickup and discharge points should be as safe and convenient for students as possible.

No school employee may transport students in school or private vehicles unless authorized by the administration.

Every vehicle regularly used for the transportation of students must pass safety inspections in accordance with the State law and Illinois Department of Transportation regulations. All contracts for charter bus services must contain the clause prescribed by State law regarding criminal background checks for bus drivers.

To further ensure the safety of students, school bus drivers are required to undergo and pass a physical examination after receiving an offer of employment and once each year during employment.

4.120 Food Services

Good nutrition shall be promoted in the District's meal programs and in other food and beverages that are sold to students during the school day. The Superintendent shall manage a food service program that complies with this policy and is in alignment with Board policy 6:50, *School Wellness*. The type and amounts of food and beverages sold to students before school and during the regular school day in any school that participates in the School Breakfast Program or the National School Lunch Program shall comply with any applicable mandates in the Illinois State Board of Education's School Food Service rule and the federal rules implementing the National School Lunch Act and Child Nutrition Act.

The food service program shall restrict the sale of foods of minimal nutritional value as defined by the U.S. Department of Agriculture in the food service areas during meal periods. All revenue from the sale of any food or beverages sold in competition with the School Breakfast Program or National School Lunch Program to students in food service areas during the meal period shall accrue to the nonprofit school lunch program account.

LEGAL REF.: B. Russell National School Lunch Act, 42 U.S.C. §1751 et seq.
 Child Nutrition Act of 1966, 42 U.S.C. §1771 et seq.
 42 U.S.C. §1779, as implemented by 7 C.F.R. §210.11.
 105 ILCS 125.
 23 Ill.Admin.Code Part 305, School Food Service.

CROSS REF.: 4:130 (Free and Reduced-Price Food Services), 6:50 (School Wellness)

4.130 Free and Reduced-Price Food Services

Notice

The Superintendent shall be responsible for notifying District parents of eligibility criteria for free and reduced-price food services policy.

Eligibility Criteria and Selection of Children

A student's eligibility for free and reduced-price services shall be determined by the income eligibility guidelines, family-size income standards, set annually by the U.S. Secretary of Agriculture and distributed by the Illinois State Board of Education.

Notification

At the beginning of each school year, by letter, the District shall notify students and their parent(s)/guardian(s) of eligibility requirements for free and reduced-price food service and its application process. The Superintendent shall also make a public announcement through the local news media, the local unemployment office and major area employers contemplating layoffs of available food services. Parent(s)/guardian(s) enrolling a child in the District for the first time, any time during the school year shall receive the eligibility information.

Non-discrimination Assurance

The District shall avoid publicly identifying students receiving free or reduced-price meals.

Appeal From a Decision

A family may appeal the District's decision to deny an application for free and reduced-price food services or to terminate such services as outlined by the U.S. Department of Agriculture in 7 C.F.R. Part 245.7, Determining Eligibility For Free and Reduced-Price Meals and Free Milk In Schools. The Superintendent shall establish a hearing procedure for adverse eligibility decisions and provide by mail a copy of them to the family.

During an appeal, students previously receiving food service benefits shall not have their benefits terminated. Students, who were denied benefits, shall not receive benefits during the appeal.

The Superintendent shall keep on file for a period of 3 years a record of any appeals made and the hearing record. The District shall also maintain accurate and complete records showing the data and method used to determine the number of eligible students served free and reduced-price food services. These records shall be maintained for 3 years.

4.140 Waiver of Student Fees

The Superintendent will recommend to the Board for adoption what fees, if any, will be charged for the use of textbooks, consumable materials, extracurricular activities, and other school fees. Students will pay for loss or damage of schoolbooks or other school-owned materials.

Fees for textbooks, other instructional materials, and driver education are waived for students who meet the eligibility criteria for fee waiver contained in this policy. In order that no student be denied educational services or academic credit due to the inability of parent(s)/guardian(s) to pay fees and charges, the Superintendent will recommend to the Board adoption what additional fees, if any, the District will waive for students who meet the eligibility criteria for fee waiver. Students receiving a fee waiver are not exempt from charges for lost and damaged books, locks, materials, supplies, and equipment

The Superintendent shall ensure that applications for fee waivers are widely available and distributed to State law and ISBE rule and that provisions for assisting parents/guardians complete the application are available.

A student shall be eligible for a fee waiver when:

1. The student is currently eligible for free lunches or breakfasts pursuant to 105 ILCS 5/125/1 et. seq. [Ill. Rev.Stat., ch. 122, 712.1 et. seq.]
2. The student or student's family is currently receiving aid under Article IV of The Illinois Public Aid Code (Aid to Families with Dependent Children).

The Building Principal will give additional consideration where one or more of the following factors are present:

- . Illness in the family;
- . Unusual expenses such as fire, flood, storm damage, etc.;
- . Seasonal unemployment;
- . Emergency situations;
- . When one or more of the parent(s)/guardian(s) are involved in a work stoppage.

The parent(s)/guardian(s) shall submit written evidence of eligibility for waiver of the student's fee.

The Building Principal will notify the parent(s)/guardian(s) promptly as to whether the fee waiver request has been granted or denied. A Building

Principal's denial of a fee waiver request may be appealed to the Superintendent by submitting the appeal in writing to the Superintendent within 14 days of the denial. The Superintendent or designee shall respond within 14 days of the receipt of the appeal. The Superintendent's decision may be appealed to the School Board. The decision of the Board is final and binding.

Questions regarding the fee waiver request process should be addressed to the Building Principal's office.

4.150 Facility Management and Expansion Programs

Facility Development and Expansion Programs

When making decisions pertaining to design and construction of school facilities, the School Board will confer with members of the staff and community, the Illinois State Board of Education, and educational and architectural consultants as it deems appropriate. The School Board established these goals for the District's development and expansion program:

1. Integrate facilities planning with other aspects of planning and goal-setting.
2. Base educational specifications for school buildings on identifiable learner needs.
3. Design for sufficient flexibility to permit new or modified programs.
4. Design buildings for maximum potential for community use.

Managing Buildings and Grounds

The Superintendent shall develop procedures for managing buildings and grounds.

Naming Building and Facilities

Recognizing that the name for a school building, facility, ground or field reflect on its public image, the Board's primary consideration will be to select a name that enhances the credibility that stature of the school or facility. Any request to name or rename an existing facility should be mailed to the Board of Education, 444 South Locust, Flora, IL 62839. The letter should state supporting rationale for such a prestigious honor. For proper consideration, the Board President will appoint a special committee to consider nominations and make a recommendation, along with supporting rationale to the Board. The Board of Education will make the final decision.

Revised: June 16, 2006

4.160 Hazardous and Infectious Materials

The Superintendent or designee(s) shall take reasonable measures to protect the safety of District Personnel, students, and visitors on District premises from risks associated with hazardous materials, including pesticides, and infectious materials.

The Superintendent or designee(s) will prepare an inventory of toxic substances used by District Employees and develop procedures for their proper and safe containment and use. The list of toxic substances must include those contained in the definition of "toxic substance" in the Toxic Substances Disclosure to Employees Act as well as those listed in Illinois Department of Labor regulations.

The Superintendent is directed to provide District personnel with procedures and training on the purchase, storage, use, transportation, and disposal of hazardous materials. Emergency response and evacuation plans will be a part of the procedures.

District staff shall substitute non-hazardous material for hazardous substances whenever possible and minimize the quantity of hazardous substances stored on school facilities. No art or craft material which is a toxic substance shall be ordered or purchased for use in kindergarten through grade 6, and for use in grades 7 through 12, unless properly labeled according to State law.

The Superintendent or a designee shall ensure that before any staff member begins a position requiring work with hazardous materials on a regular basis, he or she attends an approved training course.

Infectious Materials

The Superintendent or a designee shall prepare and distribute to all employees an Occupational Exposure Control Plan to eliminate or minimize occupational exposure to potentially infectious materials. The Plan shall be reviewed and updated by the Superintendent at least annually. The Plan shall address the following issues:

- . exposure determination
- . implementation schedule
- . procedures for evaluating an exposure incident

Pesticide Applications

The Buildings and Grounds Supervisor provides an annual schedule of pesticide application to the Supervisor of each District Building. The supervisor of each District building notifies students and employees in their building and parents according to the requirements set forth in the Structural Pest Control Act (225 ILCS 235/2).

4.170 Safety

Safety Program

All District operations, including the education program, shall be conducted in a manner that will promote the safety of everyone on District property or at a District event.

The Superintendent or designee shall develop and implement a comprehensive safety and crisis plan incorporating both avoidance and management guidelines. The comprehensive safety and crisis plan shall specifically include provisions for: injury prevention; bomb threats, weapons, and explosives on campus; school safety drill program, tornado protection; instruction in safe bus riding practices, emergency aid; post-crisis management; and responding to medical emergencies at an indoor physical fitness facility. During each academic year, each school building must conduct a minimum of:

1. Three school evacuation drills,
2. One bus evacuation drill, and
3. One severe weather and shelter-in-place drill.

A law enforcement drill is optional.

In the event of an emergency that threatens the safety of any person or property, students and staff are encouraged to use any available cellular telephone. A school bus driver is prohibited from operating a school bus while using a cellular telephone, except: (1) during an emergency situation, (2) to call for assistance if there is a mechanical problem, (3) where a cellular telephone is owned by the School District and used as a digital two-way radio, and (4) when the school bus is parked.

Convicted Child Sex Offender and Notification Laws

State law prohibits a child sex offender from being present on school property or loitering within 500 feet of school property when persons under the age of 18 are present, unless the offender is:

1. A parent/guardian of a student attending the school and the parent/guardian is: (i) attending a conference at the school with school personnel to discuss the progress of his or her child academically or socially, (ii) participating in child review conferences in which evaluation and placement decisions may be made with respect to his or her child regarding special education services, or (iii) attending conferences to discuss other student issues concerning his or her child such as retention and promotion and notifies the Building Principal of his or her presence at the school, or
2. Has permission to be present from the School Board, Superintendent, or Superintendent's designee. If permission is granted, the Superintendent or Board President shall provide the details of the offender's upcoming visit to the Building Principal.

In all cases, the Superintendent, or designee who is a certified employee, shall supervise a child sex offender whenever the offender is in a child's vicinity.

If a student is a sex offender, the Superintendent or designee shall develop guidelines for managing his or her presence in school.

The Superintendent shall develop procedures for the distribution and use of information from law enforcement officials under the Sex Offender Community Notification Law and the Child Murderer and Violent Offender Against Youth Community Notification Law. The Superintendent or designee shall serve as the District contact person for purposes of these laws. The Superintendent and Building Principal shall manage a process for schools to notify the parents/guardians during school registration that information about sex offenders is available to

the public as provided in the Sex Offender Community Notification Law. This notification must occur during school registration and at other times as the Superintendent or Building Principal determines advisable.

All contracts with the School District that may involve an employee or agent of the contractor having any contact, direct or indirect, with a student, shall contain the following:

The contractor shall not send to any school building or school property any employee or agent who would be prohibited from being employed by the District due to a conviction of a crime listed in 105 ILCS 5/10-21.9, or who is listed in the Statewide Sex Offender Registry or the Statewide Violent Offender Against Youth Database. The contractor shall obtain a fingerprint-based criminal history records check before sending any employee or agent to any school building or school property. Additionally, at least quarterly, the contractor shall check if an employee or agent is listed on the Statewide Sex Offender Registry or the Statewide Violent Offender Against Youth Database.

Unsafe School Choice Option

The unsafe school choice option allows students to transfer to another District school or to a public charter school within the District. The unsafe school choice option is available to:

1. All students attending a persistently dangerous school, as defined by State law and identified by the Illinois State Board of Education.
2. Any student who is a victim of a violent criminal offense, as defined by 725 ILCS 120/3, that occurred on school grounds during regular school hours or during a school-sponsored event.

The Superintendent or designee shall develop procedures to implement the unsafe school choice option.

Student Insurance

The School Board shall annually designate a company to offer student accident insurance coverage. The Board does not endorse the plan nor recommend that parents/guardians secure the coverage and any contract is between the parents/guardians and the company. Students participating in athletics, cheerleading, or pompons must have school accident insurance unless the parents/guardians state in writing that the student is covered under a family health insurance plan.

Emergency Closing

The Superintendent is authorized to close the schools in the event of hazardous weather or other emergencies that threaten the safety of students, staff members, or school property.

LEGAL REF.: 105 ILCS 5/10-20.28, 5/10-21.3a, 5/10-21.9, and 128/
210 ILCS 74.
625 ILCS 5/12-813.1.
730 ILCS 152/101 et seq.

CROSS REF.: 5:30 (Hiring Process and Criteria), 6:190 (Extracurricular and Co-Curricular Activities), 6:250 (Community Resource Persons and Volunteers), 7:220 (Bus Conduct), 7:300 (Extracurricular Athletics), 8:30 (Visitors to and Conduct on School Property), 8:100 (Relations with Other Organizations and Agencies)

ADMIN. PROC.: 4:170-AP2 (Criminal Offender Notification Laws), 4:170-AP3 (School Bus Safety Rules), 4:170-AP6 (Responding to Medical Emergencies Occurring at Indoor Physical Fitness Facilities), 5:30-AP2 (Investigations)

Adopted: August 2008

Operational Services**4.180 Pandemic Preparedness** 28

The School Board recognizes that the District will play an essential role along with the local health department and emergency management agencies in protecting the public's health and safety if an influenza pandemic occurs. ²⁹ A pandemic influenza is a worldwide outbreak of a virus for which there is little or no natural immunity and no vaccine; it spreads quickly to people who have not been previously exposed to the new virus. ³⁰

To prepare the School District community for a pandemic, the Superintendent or designee shall: ³¹ (1) learn and understand the roles that the federal, State, and local government would play in an epidemic; (2) form a pandemic planning team consisting of appropriate District personnel and community members to identify priorities and oversee the development and implementation of a comprehensive pandemic influenza school action plan; and (3) build awareness of the final plan among staff, students, and community.

Emergency School Closing

In the case of a pandemic, any decision for an emergency school closing will be made by the Superintendent in consultation with and, if necessary, at the direction of the District's local health department, emergency management agencies, and Regional Office of Education. ³²

²⁸ This policy is optional. A pandemic is a worldwide outbreak of a disease for which there is little or no natural immunity. During an influenza pandemic, a new influenza virus will cause thousands or even millions of people to contract the disease and, in turn, spread the illness to others because people have not been previously exposed to the new virus. Seasonal influenza viruses are similar to those already circulating among people. See, *School Guidance During an Influenza Pandemic, December 2006*; Illinois State Board of Education opening letter to School Officials dated November 2006 from Dr. Randy J. Dunn and Dr. Eric Whitaker. This letter may be found online at:

www.isbe.net/regionaloffices/pdf/sppg_letter.pdf or www.idph.state.il.us/pandemic_flu/school_guide/sppg_letter.pdf.

According to the Centers for Disease Control guidance, schools serve as an "amplification point" of flu epidemics. *School Superintendent's Insider, April 2007*. School officials should be preparing for a flu pandemic as a U.S. Health and Human Services Pandemic Influenza Plan estimates that about 30 percent of the general population would become ill in a pandemic. The agency estimates among school aged children the figure would be higher, about 40 percent. Sources: *NSBA and School Board News 3/14/ 2006*.

Boards are authorized to adopt a policy on pandemic preparedness even though State and federal law provide little guidance. State law grants boards broad authority to formulate, adopt, and modify school board policies, at the board's sole discretion, subject only to mandatory collective bargaining agreements and State and federal law. 105 ILCS 5/10-20.5 and 115 ILCS 5/1 et seq. See 2:20, *Powers and Duties of the School Board* and also 2:240, *Board Policy Development*.

²⁹ Multiple stakeholders have important roles in pandemic influenza preparedness and response. Stakeholders include federal departments and agencies, public health organizations, State and local health departments and laboratories, private health care organizations, influenza vaccine and antiviral manufacturers, and vaccine distributors and vaccinators. Effective response to an influenza pandemic requires planning, infrastructure, and action at many levels and by many groups. *Illinois Pandemic Influenza Preparedness and Response Plan, Version 2.05, October 10, 2006, page 38*, which is located at: http://www.idph.state.il.us/pandemic_flu/planning.htm.

³⁰ See <http://pandemicflu.gov/plan/individual/familyguide.html>.

³¹ 105 ILCS 5/10-16.7. The school board directs, through policy, the superintendent in his or her charge of the district's administration.

³² Local health departments, emergency medical agencies and the Regional Office of Education may direct a school to close during a pandemic. See, *School Guidance During an Influenza Pandemic, December 2006*; Illinois State Board of Education opening letter to school officials dated November 2006 from Dr. Randy J. Dunn and Dr. Eric Whitaker. This letter is online at:

www.isbe.net/regionaloffices/pdf/sppg_letter.pdf or www.idph.state.il.us/pandemic_flu/school_guide/sppg_letter.pdf.

LEGAL REF.: 105 ILCS 5/10-16.7 and 5/10-20.5.
115 ILCS 5/1 et seq.

CROSS REF.: 1:20 (District Organization, Operations, and Cooperative Agreements), 2:20 (Powers and Duties of the School Board), 4:170 (Safety), 7:90 (Release During School Hours), 8:100 (Relations with Other Organizations and Agencies)

Operational Services

4.180-API Administrative Procedure - School Action Steps for Pandemic Influenza

Building a strong relationship with the local health department and emergency medical agencies is critical for developing a meaningful school action plan to address pandemic influenza. The key planning activities in this checklist should build upon the District’s existing contingency plans.

The following is a list of important step-by-step actions school officials should take before a pandemic influenza outbreak. This list needs to be repeated when an outbreak has several cycles or waves.

Prior to Outbreak/Preparedness and Planning Phase

Actor	Action
Superintendent or designee	Identify Pandemic Planning Team to operate as a Superintendent Committee and includes one or two School Board members, administrators, and staff members.
Superintendent and School Board	Identify, modify, and monitor relevant policies which a pandemic may possibly affect, including but not limited to: 1:20, <i>District Organization, Operations, and Cooperative Agreements</i> 2:20, <i>Powers and Duties of the School Board</i> 2:200, <i>Types of School Board Meetings</i> 3:70, <i>Succession Plan</i> 4:130, <i>Free and Reduced-Price Food Services</i> 5:35, <i>Compliance with the Fair Labor Standards Act</i> 5:40, <i>Communicable and Chronic Infectious Disease</i> 5:180, <i>Temporary Illness or Incapacity</i> 5:185, <i>Family and Medical Leave</i> 5:200, <i>Terms and Conditions of Employment and Dismissal</i> 5:270, <i>Employment At-will, Compensation, and Assignment</i> 5:300, <i>Schedule and Employment Year</i> 5:330, <i>Sick Days, Vacation, Holidays and Leaves</i> 6:20, <i>School Year Calendar and Day</i> 6:120, <i>Education of Children with Disabilities</i> 6:150, <i>Home and Hospital Instruction</i> 7:70, <i>Truancy</i> 7:280, <i>Communicable and Chronic Infectious Disease</i> 8:100, <i>Relations with Other Organizations and Agencies.</i>
Superintendent or designee and Pandemic Planning Team	Begin use of the <i>School District (K-12) Pandemic Influenza Planning Checklist, 33</i> online at: .isbe.net/regionaloffices/pdf/sppg_checklist.pdf , or .pandemicflu.gov/plan/schoolchecklist.html . Ensure a succession plan exists in case Board members, administrators, and/or others are unable to fulfill duties during the pandemic. Work with local health and emergency preparedness officials. They

³³ This comprehensive checklist was prepared by the U. S. Department of Health and Human Services (HHS) and the Centers for Disease Control and Prevention (CDC), a major operating component of HHS. School districts play an integral role in protecting the health and safety of their staff, students and families. The HHS and CDC developed this checklist to assist school districts in developing and/or improving plans to prepare for and respond to an influenza pandemic.

Actor	Action
	<p>may want to use the schools to disseminate information to families.</p> <p>Train employees about FLSA, overtime, and recordkeeping requirements necessary to work during a pandemic while the School District is closed.</p> <p>Open communications with employee unions regarding “wages, hours and terms and conditions of employment” during a pandemic.</p> <p>Address policies for employee absenteeism, identifying critical job functions, plans for alternate coverage, and return-to-work policies as well as flu symptom recognition. ³⁴</p> <p>Train nurses and staff in flu symptom recognition. See 4:180-AP2, <i>Pandemic Influenza Surveillance and Reporting</i>. Remember that a person who is infected does not show symptoms right away, but children becoming ill may show different behavior than usual, such as eating less or being irritable. Knowing the differences between seasonal and pandemic flu is also critical to pandemic preparedness. A fact sheet is available on line at: .isbe.net/regionaloffices/pdf/sppg_fact_sheet_differ.pdf.</p> <p>Train staff to protect themselves from occupational exposure to influenza through workplace “social distancing” based upon the Occupational Safety and Health Administration’s (OSHA), <i>Guidance on Preparing Workplaces for an Influenza Pandemic</i>, ³⁵ which may be found online at: .osha.gov/Publications/influenza_pandemic.html.</p> <p>Ensure that Standard Surveillance/disease recognition procedures are in place and implemented. See 4:180-AP2, <i>Pandemic Influenza Surveillance and Reporting</i>.</p> <p>Encourage the use of simple non-medical ways to reduce the spread of flu by “cough and sneeze etiquette” and cleansing of hands and work areas.</p> <p>Decide to what extent the District will encourage or require students and staff to stay home when they are mildly ill. Some parents/guardians may need to be more cautious in keeping their students out of school.</p> <p>Identify students who have a greater risk of infection and are most vulnerable to serious illness. Review their health needs and encourage those families to talk with their health care provider.</p> <p>Assess nutritional assistance needs for students who receive free and reduced-price food programs.</p> <p>Through consultation with the Regional Office of Education and local authorities, develop strategies for remote learning through</p>

³⁴ This is an item on which collective bargaining may be required. Any matter that impacts upon wages, hours, and terms and conditions of employment is subject to collective bargaining upon request by the employee representative, even if the matter involves an inherent managerial right.

³⁵ U.S. Department of Labor, Occupational Safety and Health Administration, OSHA 3327-02N, 2007. The handbook provides a general overview of pandemic preparedness related to OSHA standards. It does not alter or determine compliance responsibilities in OSHA standards or the *Occupational Safety and Health Act of 1970*. Because interpretations and enforcement policy may change over time, consult current OSHA administrative interpretations and decisions by the Occupational Safety and Health Review Commission for additional guidance on OSHA compliance requirements.

Actor	Action
	<p>collaborative agreements (television or other local cable stations, teleconferencing, electronic instructional resources, etc.).</p> <p>Educate staff, students, and parents/guardians about the differences between the various types of flu, best hygienic practices to prevent any sort of flu, and what could occur in a pandemic. Consider issuing <i>Sample Parent Letter #1, Preparation and Planning</i>, online at: .isbe.net/regionaloffices/pdf/sppg_ltr_preparation.pdf.</p> <p>Review Sections IV and V of <i>School Guidance During an Influenza Pandemic</i>, online at: ://www.isbe.net/regionaloffices/pandemic_guidance.htm.</p>

Outbreak of Flu Disease

Actor	Action
Superintendent or designee	<p>Consider issuing <i>Sample Parent Letter # 2, First Bird Case</i>, online at: .isbe.net/regionaloffices/pdf/sppg_ltr_bird.pdf.</p> <p>Begin Heightened Surveillance responses. See 4:180-AP2, <i>Pandemic Influenza Surveillance and Reporting</i>.</p> <p>Issue <i>Sample Parent/Guardian Letter #3, Illinois/Regional Cases</i>, informing parents/guardians that some students are sick but schools remain open, include tip sheets and information resource list. A sample is online at: ://www.isbe.net/regionaloffices/pdf/sppg_il_cases.pdf.</p>
Pandemic Planning Team	<p>Work with local health department regarding a press release announcing that schools will remain open and advising parents/guardians of their need to prepare. A sample, titled “Schools Open,” is online at: .isbe.net/regionaloffices/pdf/sppg_media_open.pdf.</p>
Building Principal	<p>Post flu prevention signs on campuses. See Section V of <i>School Guidance During an Influenza Pandemic</i>, online at: .isbe.net/regionaloffices/pandemic_guidance.htm.</p>

Expansion of the Outbreak

Actor	Action
Local Health Department	Issue epidemic statement to general public.
Superintendent or designee	Begin Intensive Surveillance responses. See 4:180-AP2, <i>Pandemic Influenza Surveillance and Reporting</i> .

Continued Expansion of the Outbreak

Actor	Action
Local Health Department	Evaluate the need for school closure with local school officials.
Superintendent or designee	<p>In consultation with local health department, emergency management agencies, and Regional Office of Education, close school(s).</p> <p>Issue press release. A sample, titled “Schools Closed,” is at: ://www.isbe.net/regionaloffices/pdf/sppg_media_closed.pdf.</p> <p>Issue <i>Sample Parent Letter #4, School Closure</i>. A sample is online at:</p>

Actor	Action
	.isbe.net/regionaloffices/pdf/sppg_closures.pdf .
School Board and/or Superintendent	Cancel any non-academic events.

Following the Outbreak

Actor	Action
Local Health Department	Evaluate the advisability of opening school(s) with school officials.
Superintendent or designee	Issue press release that schools are open. Issue <i>Sample Parent Letter #5, Schools Reopen</i> . A sample is online at: .isbe.net/regionaloffices/pdf/sppg_reopening.pdf .
Pandemic Planning Team	Continue communicating with local health department.
Superintendent or designee	Return to Heightened Surveillance response. See 4:180-AP2, <i>Pandemic Influenza Surveillance and Reporting</i> . Begin checklist again if an outbreak recurs.

Local Health Department:

Regional Office of Education:

Name

Name

Address

Address

Telephone

Telephone

Emergency Management Agencies:

Name

Name

Address

Address

Telephone

Telephone

Important Resources

The Illinois State Board of Education and Department of Public Health released a publication titled *School Guidance During an Influenza Pandemic, December 2006*, online at:

[.isbe.net/regionaloffices/pandemic_guidance.htm](http://isbe.net/regionaloffices/pandemic_guidance.htm); or

[.idph.state.il.us/pandemic_flu/schoolguide.htm](http://idph.state.il.us/pandemic_flu/schoolguide.htm).

The resource is meant to guide and supplement, not replace school districts' existing plans.

Further information on pandemic influenza can be found by calling 1-800-CDC-INFO or at the following websites:

[.pandemicflu.gov](http://pandemicflu.gov)

[.cdc.gov/flu](http://cdc.gov/flu)

Operational Services

4.180-AP2 Administrative Procedure - Pandemic Influenza Surveillance and Reporting

During all levels of a pandemic flu outbreak, monitoring and documenting the number of students and faculty who are absent and report having influenza is critical. Keeping track of these numbers helps health officials determine whether: (1) the outbreak is increasing in scope, (2) to declare an epidemic and (3) to close schools.

The following information assists officials to monitor illness rates and the potential for an epidemic:

- Basic surveillance level definitions and response actions with instructions as outlined below.
- Website links to reporting form(s) to submit to the local public health department.
- Sample attendance log to document flu-related absences.

Surveillance Levels	Response Actions
Standard Surveillance - Reported illnesses are within expected range.	Monitor attendance for increased reports of absence due to flu-like illness. Do not report absences to the local health department.
Heightened Surveillance - Reported illnesses exceed expected range.	Monitor weekly attendance for flu-like illness/absences on <i>Weekly Influenza Census</i> , online at: .isbe.net/regionaloffices/pdf/sppg_weekly_census.pdf . Begin morning <i>flu check</i> first hour of school; screen those who report positive for symptoms. Log absences due to flu-like illness on <i>Daily Pandemic Influenza Census Log</i> , a sample is available online at: .cccocoe.k12.ca.us/about/flu/school_action_kit/Daily_Pandemic_Flu_Census_Log.pdf . Send weekly absence report to local health department upon request.
Intensive Surveillance - Reported illnesses significantly exceed expected range.	Monitor daily attendance and log absences on <i>Daily Influenza Census</i> or <i>Daily Pandemic Influenza Log</i> , online at: .isbe.net/regionaloffices/pdf/sppg_daily_census.pdf . Continue morning <i>flu check</i> . Send daily absence report to local health department upon request. Begin preparation for potential school closure.

Important Resources

Surveillance and Reporting at: [.isbe.net/regionaloffices/pdf/sppg_surveillance.pdf](http://isbe.net/regionaloffices/pdf/sppg_surveillance.pdf).