

EL-5

ACTUAL FINANCIAL CONDITION AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities of the District, the Superintendent shall not cause or allow the development of fiscal jeopardy or material deviation of actual expenditures from Board priorities established in Ends policies.

Further, without limiting the scope of the foregoing by this enumeration, he or she shall not:

1. Fail to settle payroll and debts in a timely manner.
2. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
3. Fail to follow aggressive bidding procedures which maximize value to the District.
4. Fail to aggressively pursue receivables after a reasonable grace period.
5. Fail to maintain an unrestricted reserve fund within the range of **3-7%** of the general fund budget.
6. Fail to maintain sufficient reserves for start-up operating costs associated with new schools.
7. Use the Board-designated \$1,000,000 emergency reserve fund for any purpose other than emergency capital equipment or facility repair/replacement needs, nor fail to maintain the fund at an adequate level.
8. Undertake capital building projects without assurance of available funding.
9. Expend more funds than have been received in the fiscal year unless revenues are made available through other legal means, including the use of fund balances and the Board authorized transfer of funds from reserve funds.
10. Indebt the organization or create obligations over a longer term than revenues can be safely projected or fail to establish provisions for modifying obligations in the event of revenue loss.
11. Permanently transfer unencumbered monies from one fund to another.

12. Fail to assure that any purchase is based upon prudent judgment and sound financial practice, including:
 - a. Precaution against conflict of interest;
 - b. Comparative prices based on items of similar quality;
 - c. Balance between long-term quality and cost.
13. Receive, process or disburse funds under controls that are insufficient under generally accepted accounting principles.
14. Fail to keep complete and accurate financial records by funds and accounts in accordance with generally accepted accounting principles.
15. Fail to publish a financial condition statement annually.

December 14, 2005 – Adoption
August 31, 2011 – Monitored, revised
August 27, 2014 – Monitored, revised

<i>Monitoring Method:</i>	<i>Internal and External reports</i>
<i>Monitoring Frequency:</i>	<i>Semi-annually</i>
	<i>Internal – Annually in August</i>
	<i>External – Annually in June (upon receipt of state audit report)</i>