Book	Policy Manual
Section	600 Finances
Title	600 Finances
Code	Cross Reference
Status	First Reading
Last Reviewed	January 14, 2021

Erie County Technical School

KEY:

Numbers - existing school policy	AoA - Articles of Agreement	Ft Hbk - Faculty Handbook
Web - school entity website	CMC - Classified Employee Master Contract	TMC - Federation of Teachers Master Contract
CQ - Checklist and Questionnaire	Bgt - 2016-2017 Budget Proposal	

600 FINANCES

POLICY	RESOURCES	NEW LANGUAGE	DELETIONS/NOTES
601 Fiscal Objectives	601, CQ	-Minor changes have been made to the draft policy to enhance clarity. -The second paragraph regarding the annual financial reports has been added to the 'Authority' section in accordance with 24 PS 218.	
602 Budget Planning	602, Bgt	-Minor changes have been made to the draft policy to enhance clarity. -Item number six regarding technology needs has been added to the list in the 'Delegation of Responsibility' section as a recommendation from the PSBA policy guide. -Language regarding the replacement of equipment has been separated into a unique item in the list under the 'Delegation of Responsibility' section, and language regarding an inventory has been added to the item as a recommendation from the PSBA policy guide.	
603 Budget Preparation	603, Bgt	-Minor changes have been made to the draft policy to enhance clarity. -The last paragraph regarding the contents of the proposed budget has been expanded upon. These additional contents are recommended by PSBA.	-The language "The budget should be studied by each member of the Operating Committee during its preparation, but once adopted, it deserves the support of all members of the Operating Committee regardless of their position when adoption was voted." has not been included in the 'Authority' section as this language is not recommended. This should be true for all Committee decisions. -The language "The budget should evolve primarily from the needs of the individual centers and programs as expressed by Director and administration and should be compatible with the school's goals and strategic plans." has not been included in the 'Delegation of Responsibility' section as this sentiment is better addressed in the 'Authority' section, and language regarding planning is more appropriately covered in draft policy 602, Budget Planning. -The paragraphs "The Director shall determine the manner in which the general operating budget is to be compiled and issue instructions to the staff." and "The Director shall also establish a time schedule for preparation of the budget. Sub-budgets shall be prepared, as required, based on services provided and in such manner as determined by the Director." has not been included in the 'Delegation of Responsibility' section as this language is procedural, not recommended for policy, and might be better suited for administrative regulations.
604 Budget Adoption	604, AoA, Bgt	-Minor changes have been made to the 'Purpose' section to enhance clarity.	-Except for the original 'Purpose' section, the school's original policy language has been replaced with the 'Authority' section from PSBA's policy guide as a recommendation. This section has been written in accordance with 24 PS 687. The original policy language is very procedural, not recommended for policy, and might be better suited for administrative regulations. The original school policy was last revised in 1996, and may not be in accordance with the applicable laws and regulations.
607 Tuition Income	607, Web	-Minor changes have been made to the draft policy to enhance clarity. -The second paragraph regarding tuition billings has been added to the 'Guidelines' section as a recommendation from the PSBA policy guide. **IMPORTANT NOTE:** There is	-In the 'Delegation of Responsibility' section, the administrator responsible for the invoices has been changed from the Director to the Business Manager as a recommendation from the PSBA policy guide. **Please review and revise as necessary**.

		language preceded by brackets in this paragraph -- the Committee should determine which option is in accordance with Committee practice -- **please select which option the Committee would like to include in the policy by placing an X in the bracket**.	-The month in which tuition rates are established has not been included in the 'Guidelines' section as tuition rate documents on the school website did not appear to reflect this date. **Please review and revise as necessary**.
608 Bank Accounts	608	-Minor changes have been made to the draft policy to enhance clarity.	
609 Investment of Funds	609		-The school's original policy, 609, Investment, has been replaced with PSBA's policy guide language as a strong recommendation, which has been written in accordance with Act 10 of 2016 (which expands the types of permissible investments beyond investments currently allowable under SC 440.1) and other applicable laws and regulations. **School entities should carefully review this draft policy with their solicitor and financial advisors**.
610 Purchase Subject to Bid/Quotation	610, CQ	-The draft policy has been heavily revised to enhance clarity. -Language regarding advertising guidelines, purchasing and contracting, splitting purchases, and accepting or rejecting bids has been added to the 'Competitive Bids' subsection in accordance with 24 PS 751 and 807.1. -Language regarding work preformed by school employees has been expanded upon in accordance with 24 PS 751.	-Note: The Department of Labor and Industry shall publish notice, in the Pennsylvania Bulletin prior to January 1 of each calendar year, of the annual percentage change and the unadjusted or final adjusted base amounts at which competitive bidding is required and written or telephonic price quotations are required, respectively, for the calendar year beginning the first day of January after publication of the notice. This policy will be adjusted annually based on the notice published in the Pennsylvania Bulletin. -The draft policy has been heavily revised. Amounts contained in the draft policy have been revised in accordance with the Consumer Price Index. Language has been added to the 'Guidelines' section which explains that the policy is subject to these changes. -The school's original 'Delegation of Responsibility' section has been replaced with general language regarding authority to purchase from the PSBA policy guide. The original policy language is very procedural, not recommended for policy, and might be better suited for administrative regulations. -The paragraphs "Bids shall be opened publicly before one or more witness at a previously designated time and place. Contracts shall be awarded to the lowest responsible bidder upon resolution of the Operating Committee, unless the Operating Committee chooses to reject all bids." and "Whenever a contractor shall submit a bid for the performance of work and the contractor later claims a mistake, error or omission in preparing said bid, the contractor shall, before the bids are open, make known the fact and in such case the bid shall be returned unopened." have not been included in the 'Guidelines' section as this language is very procedural, not recommended for policy, and might be better suited for administrative regulations. -The 'Electronic Bidding' and 'Competitive Electronic Bidding' subsections have not been included in the draft policy, as this language only applies to schools which use competitive electronic auction bidding, which the Checklist and Questionnaire indicates the school does not/no longer utilizes.
611 Purchases Budgeted	611, Ft Hbk	-Language regarding purchases of more than $20,100 has been added to the first paragraph of the 'Delegation of Responsibility' section in accordance with the applicable laws and regulations. More administrators have been indicated to authorize purchases as a recommendation from the PSBA policy guide.	-The paragraphs "It is the policy of the Operating Committee that not only the letter, but the spirit of all laws and regulations related to purchases by the school and the control of its finances and property be abided by strictly and without exception." and "Within the framework of applicable laws and regulations, purchases and use of materials and manpower shall be accomplished in accordance with good business practices with the primary purpose of economical and efficient service to the program." have not been included in the 'Authority' section as this language is unnecessary and does not add informational value to the draft policy. -Language regarding written or telephonic price quotations has not been included in the 'Authority' section as this language is only applicable to purchases over a certain amount as determined by the Consumer Price Index, the topic of which has been more comprehensively and appropriately addressed in the draft policy 610, Purchase Subject to Bid/Quotation. -The 'Guidelines' section has not been included in the draft policy. This language is procedural, not recommended for policy, and might be better suited for administrative regulations.
612 Purchases Not Budgeted	612	-Minor changes have been made to the draft policy to enhance clarity. -Language regarding fund transfers due to expenditures which exceed budgeted funds has been added to the 'Guidelines' section as a recommendation from the PSBA policy guide.	
613 Cooperative Purchasing	613	-Minor changes have been made to the draft policy to enhance clarity.	-The language "All such agreements must conform to regulations provided in the School Code." has not been included in the 'Delegation of Responsibility' section as this

			language is unnecessary and does not add informational value to the draft policy.
614 Payroll Authorization	614	-Minor changes have been made to the draft policy to enhance clarity. -Actions of the Committee have been expanded upon in the first two paragraphs of the 'Authority' section in consideration of other school policy. -The fourth paragraph regarding payroll certification has been added to the 'Guidelines' section as a recommendation from the PSBA policy guide.	
615 Payroll Deductions	615, CMC, TMC	-Minor changes have been made to the draft policy to enhance clarity.	-The list of voluntary payroll deductions has not been included in the 'Authority' section. Voluntary payroll deductions are subject to change each time an employee contract/bargaining agreement is renewed, necessitating the revision of policy. These changes happen so often that it is recommended the list of deductions is kept in an administrative regulation for fast revisions.
616 Payment of Bills	616, Web	-Minor changes have been made to the draft policy to enhance clarity. -The Director has been added to those administrators in the first paragraph of the 'Delegation of Responsibility' section as a recommendation from the PSBA policy guide. -The Vice-Chairperson has been added to those administrators in the first paragraph of the 'Guidelines' section as a recommendation from the PSBA policy guide.	-The list of items that should be recorded for bills has been revised. The item "Check date" has been added as a recommendation from the PSBA policy guide. The items "(Batch) BAT-S", "PO-F/P/C number", and "ASN/Account number" have not been included in the list as these are not recognizable items and the terms were not found within the school website or recent Committee minutes. **Please review and revise as necessary**. -In the seventh paragraph of the 'Delegation of Responsibility' section, the person responsible for preparing checks and canceling commitments has been changed from the Business Manager to the Treasurer in accordance with 24 PS 439. -The 'Purchasing Procedures' and 'Periodic Financial Reports' subsections have not been included in the 'Guidelines' section as this language is very procedural, not recommended for policy, and might be better suited for administrative regulations.
617 Petty Cash	617		-While the original school policy was used in the creation of the draft policy, the original policy did not contain a lot of information, and language from the PSBA guide has been added to the draft policy as a recommendation and in accordance with the applicable laws and regulations. -The language "A petty cash fund not to exceed $250.00 may be established for the office of the Director and such other offices as the Director may recommend for approval." has not been included in the 'Authority' section as this cash amount can be subject to frequent change, necessitating the revision of policy. It is not recommended for policy, and might be better suited for administrative regulations. The draft policy was also last reviewed in 1996, and may no longer reflect current school practice.
618 Student Activity Funds	618		-While the original school policy was used in the creation of the draft policy, the original policy did not contain a lot of information, and language from the PSBA guide has been added to the draft policy as a recommendation and in accordance with the applicable laws and regulations. -Note: Student activity funds should NOT be intermingled with special purpose funds – they are a separate issue. Auditors want to see student activity funds as its own issue. Language regarding special purpose funds has not been included in the draft policy for these reasons. The draft policy has been heavily revised to enhance clarity. -The time-frame for financial reports has been changed from "monthly" to "at least quarterly" as a recommendation from the PSBA policy guide.
619 Audit	619	-Minor changes have been made to the draft policy to enhance clarity. -Language has been added to the first paragraph in the 'Authority' section regarding presenting the audit to the Board in accordance with 24 PS 2408. -The 'Delegation of Responsibility' section has been added to the draft policy in accordance with the reporting requirements of 24 PS 218.	
620 Fund Balance - New	CQ, Bgt	-New Policy: This policy is optional and has been added to the manual for the consideration of the school. This draft policy is meant to clarify the school's general operations surrounding the maintenance of a fund balance. This draft policy has been written in accordance with recommendations from PASBO, based on GASB 54, and School Code.	**IMPORTANT NOTE:** There are blank spaces in the 'Guidelines' section indicating percentages regulating the fund balances -- **the Business Manager should determine these percentages in accordance with school practice**. There are financial industry recommendations for a fund balance range between certain percentages; however, this is only a recommendation, not law. Due to the volatile economic environment that school entities are faced with, PSBA does not make recommendations for percentages for the ranges in Policy 620.

622 GASB Statement 34 - New		-New policy: This policy is recommended by PSBA for the protection of the school from potential legal challenges and/or a loss of funding. This policy represents issues that may be driven by law or regulation. This draft policy is meant to clarify the school's accounting and financial reporting requirements. This draft policy has been written in accordance with requirements of the Governmental Accounting Standards Board and other applicable laws and regulations.	
624 Taxable Fringe Benefits - New		-New Policy: This policy is optional and has been added to the manual for the consideration of the school. This draft policy is meant to clarify the school's general operations regarding taxability of employee fringe benefits. This draft policy has been written in accordance with the requirements of the Internal Revenue Code.	
625 Procurement Cards	625	-Minor changes have been made to the draft policy to enhance clarity.	-The list of items "authorized for purchase, without obtaining bids or quotes" has not been included in the 'Guidelines' section as this language is procedural, not recommended for policy, and might be better suited for administrative regulations. -Language regarding purchases over 4000 dollars has not been included in the 'Guidelines' section as this language is not recommended. This language is not consistent with policy 610, Purchase Subject to Bid/Quotation. -The language "Procurement cards shall not be used for purchases that could be anticipated at the beginning of the school year and would circumvent the required bidding process." has not been included in the 'Guidelines' section as this language is repetitive and not necessary.
626 Federal Fiscal Compliance - New		-New policy: This policy is recommended by PSBA for the protection of the school from potential legal challenges and/or a loss of funding. The draft policy has recently been significantly updated to incorporate requirements of the UGG (2 CFR Part 200). It is important to note, however, that this policy is not limited in scope solely to the UGG requirements but is meant to set a standard for the school entity to ensure that ALL federal funds received by the school entity are administered in accordance with federal requirements. **IMPORTANT NOTE:** Policy 626 contains procedures, which are provided as attachments to the policy for ease of use - **please save the attachments to your local computer or server, modify as necessary and save them. Then, delete the generic attachments to the 626 policy in the system and re-attach your school's customized procedures to the policy.**	
626.1 Travel Reimbursement - Federal Programs - New		-New Policy: The school is mandated by state or federal law or regulation to maintain a policy regarding this topic. This draft policy has been written in accordance with requirements of the School Code and other applicable laws and regulations. The purpose of this policy is to provide the school with guidance for the reimbursement of work-related travel costs.	