

School Finance Update Series # 44

Local and Legal Policies

A Brief Overview of Key Fiscal Legal
Policies for the Finance Committee
/Board of Trustees

1-20-04

Outline of key legal requirements

- Fiscal
 - Procurement
 - Budget
-

Sect. 44.002 Preparation of Budget

(a)(a) On or before a date set by the State Board of Education, the Superintendent shall prepare or cause to be prepared , a proposed budget covering all estimated revenue and proposed expenditures of the district for the following fiscal year.

44.006 Effect of budget

(a) Public Funds of the school district may not be spend in any manner other than as provided for in the budget adopted by the board of trustees, but the board may amend a budget or adopt a supplementary emergency budget to cover necessary unforeseen expenses.

Sec. 44.052 Failure to comply with Budget Requirements , Penalty

- © A trustee of a school district who votes to approve any expenditure of school funds in excess of the item or items appropriated in the adopted budget or a supplementary or amended budget commits an offense. An offense under this subsection is a Class C Misdemeanor.
-

Sec. 45.0105 Authorized expenditures.

- (a) The public school funds may not be spent except as provided in this subsection:
 - (b) The state and county available funds may be used only for the payment of teachers, superintendent's salaries and interest on money borrowed on short time to pay those salaries that become due before the school funds for the current year become available. Loans for the purpose of payment of teachers may not be paid out of funds other than those for the current year.
 - The local funds from a school district may only be spent on appliances and supplies, insurance premiums, paying janitors, and other employees, buying school sites, buying building repairing and renting school buildings, including acquiring school buildings and sited by leasing through annual payments with an ultimate option to purchase and for other purposes necessary in the conduct of public schools determined by the board of trustees.
-

Sec. 44.031 Purchasing Contracts

- (a) Except as provided by this subchapter, all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$25,000 or more in the aggregate for each 12 month period shall be made by the method, of the following methods, that provides the best value for the district.
-

Methods of Sec 44.031

- ❑ (1) competitive bidding
 - ❑ (2) competitive sealed proposals
 - ❑ (3) a request for proposal, for services, other than construction services
 - ❑ (4) a catalogue purchase
 - ❑ (5) an internal local agreement
 - ❑ (6) a design –build contract
 - ❑ (7) a contract to construct, rehabilitate, alter or repair facilities that involves using a construction manager
 - ❑ (8) a job order contract for the minor construction repair, rehabilitation or alteration of a facility, or
 - ❑ (9) reverse auction procedure as defines by sec. 21.55.062(d) government code
-

Sec. 44.032 Separate purchases

- (b) An officer , employee or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential or component purchases to avoid the requirements of section 44.031 (a) or (b)
-

Sec 44.032 Enforcement of Purchase Procedures

- (d) An officer or employee or agent of a school district commits an offense if the officer's or employee knowingly violates sec. 44.031 other than conduct described by (b) or © . An offense under this subsection is a Class C misdemeanor
-

45.205 Term of a bank depository.

- (a) Except as provided by subsection (b) the depository bank when selected shall serve for a term of two years and until its successor is selected and has qualified.
 - (b) A school district and depository may agree to extend a depository contract for one additional two year term. An extension is subject to the requirements of section 45.206. Bid Notices, Forms.
-

Section 44.008 Annual Audit

- (a) A copy of the annual audit report, approved by the board of trustees shall be filed by the district not later than 150th day after the end of the fiscal year for which the audit was made.
-

Summary

(a) Legal Policies reflected in the Texas Law Bulletin



School Finance Series # 45
Status on the
PFC
and Revenue Bonds
for Christen, Martin and Shirley
Field

1-20-04

Jesus J. Amezcua CPA