

## **Policy Committee Meeting**

Tuesday, October 22, 2024 4:30 PM

Davis Center, 1250 West Broadway Avenue, Minneapolis, Minnesota 55411

1) **Call to Order and Roll Call**

2) **Adoption of Agenda**

3) **Acceptance of Minutes**

3)a. September 24, 2024

4) **Reports and Discussion**

4)a. Regular Policy Reviews

4)a.1. Review Policy 6415 (Internet And  
Educational Network Use)

4)a.2. Review Policy 5210 (Student Personal  
Electronic Devices)

4)b. MSBA Policy Audit and Review Update

5) **New Business**

5)a. Resolution Repealing Policies 3142, 3179, 3200,  
3220, 3294, 3295, 3400, and 3432; Revising  
Policies 3005, 3170, 3280, 3434, and 3700 (2024-  
0049)

6) **Adjournment**

**OFFICIAL MINUTES  
MINNEAPOLIS BOARD OF EDUCATION**

**POLICY COMMITTEE MEETING  
SEPTEMBER 24, 2024**

**CALL TO ORDER**

Chair Lori Norvell called the meeting to order at 4:39 p.m., a quorum being present.

**ROLL CALL**

Present: Directors Adriana Cerrillo, Collin Beachy, Lori Norvell (3)

Absent: Director Sharon El-Amin (1)

**APPROVAL OF AGENDA**

Beachy moved to approve the agenda.

On a voice vote, the motion was adopted unanimously.

**APPROVAL OF MINUTES**

Beachy moved to approve the minutes from the August 27, 2024 meeting.

On a voice vote, the motion was adopted unanimously.

**REPORTS AND DISCUSSION**

**Regular Policy Reviews**

A review was conducted of Policy 5050 (Title IX Non-Discrimination) and Policy 4002 (Harassment And Violence Prohibition Protected Classes), with no immediate recommendations for revision, though staff shared that a further review of both policies is occurring.

**MSBA Policy Audit and Review Update**

Staff provided an overview on the on-going development of the student handbook, which would align with MPS policy on student behavior standards and code of conduct.

**NEW BUSINESS**

**Resolution Repealing Policy 6524 and Adopting Policy 6255 (2024-0048)**

Beachy moved to forward Resolution 2024-0048, Repealing Policy 6524 and Adopting Policy 6255, to the full Board with the committee's recommendation, including for adoption in one meeting.

On a voice vote, the motion was adopted unanimously.

### **ADJOURNMENT**

Without objection, Chair Norvell adjourned the meeting at 5:03 p.m.

Minutes submitted by Ryan Strack, Assistant to the Superintendent and Board.

Meeting materials: <https://meetings.boardbook.org/Public/Agenda/1807?meeting=654970>

DRAFT

# MEMO

To: School Board Policy Committee Members  
 From: Ryan Strack, Assistant to the Superintendent and Board  
 Date: 10/22/2024  
 Re: Policy audit and review process next steps

## Memo Purpose and Background

This memo outlines the recommended next steps following the initial phase of our ongoing policy review and audit, in partnership with the Minnesota School Board Association (MSBA). MSBA reviewed [MPS' 3000 \(Business\) chapter](#) as the first phase in the process and made overall recommendations, which were presented in the [April 23, 2024, policy committee meeting](#).

## Policy Change Recommendations

The chart below indicates the second round of staff-recommended policy changes (hyperlinks below go to the current policy) in alignment with the MSBA recommendations. As discussed with Policy Committee members, the approach will be to bring several batches of policy changes together, as opposed to all recommended changes at once.

Policy Action	MSBA Audit Rationale/Explanation for Change
<a href="#">Revise Policy 3000 (Conflicts of Interest and Fiduciary Duty)</a>	Revise to align with MSBA model policy
Adopt a new policy on administrator code of ethics	Adopt new policy aligned with MBSA model
<a href="#">Revise Policy 3001 (Gifts to</a>	Revise to align with MSBA model policy



<a href="#">Personnel)</a>	
<a href="#">Revise Policy 3002 (Outside Employment, Copyright, and Royalties)</a>	Revise to align with MSBA model policy
<a href="#">Revise Policy 3003 (Nepotism)</a>	Minor clarifying changes
<a href="#">Revise Policy 3004 (Employee Use of District Property)</a>	Minor clarifying changes
<a href="#">Revise Policy 8510 (Conflict Of Interest, School Board Members)</a>	Revise to align with MSBA model policy

**Timeline**

Staff will bring forward the final recommended revisions at the November Policy Committee meeting for review and potential referral to the full board for first reading in December and passage in January. Simultaneously, staff will work to bring forward the next batch of recommendations from the 3000 chapter.

**MINNEAPOLIS PUBLIC SCHOOLS  
RESOLUTION 2024-0049**

**RESOLUTION REPEALING POLICIES 3142, 3179, 3200, 3220, 3294, 3295, 3400,  
AND 3432; REVISING POLICIES 3005, 3170, 3280, 3434, AND 3700 (2024-0049)**

**WHEREAS**, Following a comprehensive review, the Policy Committee recommends the following policies be revised and repealed.

**NOW THEREFORE BE IT RESOLVED**, that the Board of Directors, Special School District No. 1 (Minneapolis Public Schools) adopts the changes as follows:

**SECTION 1:**        **REPEAL** “Policy 3142: Internal Service Funds” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

R E P E A L

~~Policy 3142: Internal Service Funds (Repealed)~~

~~Each year the Minneapolis Public Schools will update expenditure projections for its Internal Services Funds for the next three years.~~

~~**Original Adoption:**  
10/30/1990~~

**SECTION 2:**        **REPEAL** “Policy 3179: Equipment Replacement” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

R E P E A L

~~Policy 3179: Equipment Replacement (Repealed)~~

~~The Minneapolis Public Schools will project its equipment replacement and maintenance needs for the next several years and will update this projection each year.~~

~~**Original Adoption:**  
10/30/1990~~

**SECTION 3:**        **REPEAL** “Policy 3200: Local Funds” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3200: Local Funds (Repealed)~~

~~The Board of Education shall annually direct the County Auditor to levy the necessary local property tax monies for the School General Fund, Debt Redemption Fund, Transportation Fund, Capital Expenditure Fund, and Community Education Fund, subject to any local or state limitations.~~

~~Original Adoption:~~

~~04/25/1967~~

~~Revision Dates:~~

~~10/09/1973, 09/09/1975, 02/24/1976, 10/30/1990~~

~~Legal References:~~

- ~~• M.S. 275.125~~

**SECTION 4:**        **REPEAL** “Policy 3220: Federal, State, Local Funds” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3220: Federal, State, Local Funds (Repealed)~~

~~The Superintendent of Schools shall provide the appropriate data to agencies for the purpose of obtaining all aids and reimbursements to which the district is entitled. This responsibility shall be delegated to the Associate Superintendent for Finance and Operations.~~

~~Original Adoption:~~

~~04/25/1967~~

~~Revision Dates:~~

~~11/9/1971, 10/9/1973, 10/30/1990~~

**SECTION 5:**        **REPEAL** “Policy 3294: Bond Ratings” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3294: Bond Ratings (Repealed)~~

~~The Minneapolis Public Schools will maintain good communications with bond rating agencies about its financial condition. The Minneapolis Public Schools will follow a policy of full disclosure on every financial report and bond prospectus.~~

~~**Original Adoption:**  
10/30/1990~~

**SECTION 6:**            **REPEAL** “Policy 3295: Cash Flow” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3295: Cash Flow (Repealed)~~

~~The Minneapolis Public Schools will make cash flow analyses of all funds on a regular basis. Disbursement, collection and deposit of all funds will be scheduled to insure maximum cash availability.~~

~~**Original Adoption:**  
04/25/1967~~

~~**Revision Dates:**  
10/09/1973, 10/30/1990~~

**SECTION 7:**            **REPEAL** “Policy 3400: Banking” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3400: Banking (Repealed)~~

**1. PURPOSE**

~~Minneapolis Public Schools is committed to sound financial management that supports the mission and vision of the district and is compliant with applicable law. Banking depositories must meet high standards to meet the district’s goals. The purpose of this policy is to establish how banking depositories are chosen by the district and how banking relationships are managed and maintained by the administration.~~

**2. GENERAL STATEMENT OF POLICY**

- ~~a. The Board of Directors at its annual meeting will designate and approve one or more national banks, state banks, or savings associations as official depositories for district funds upon the recommendation of the Superintendent.~~

- b. The Superintendent shall present to the Board of Directors those financial institutions that meet district standards and that are recommended for designation by the Board.
- c. No one other than the Deputy Treasurer or Assistant Deputy Treasurer of the District may establish an account in the name of Minneapolis Public Schools or any of its divisions, departments or schools.
- d. Use of the tax identification number of the District shall be at the direction of the Superintendent or the Superintendent's designee alone.
- e. Unauthorized use of the tax identification number of the District, or the name of the District, its divisions, departments, programs or schools to open any financial account in any institution shall subject the user to discipline.
- f. The Superintendent and the Board Standing Committee on Finance shall establish the standards for district banking depositories.
- g. The Superintendent shall issue a request for proposals to be considered as a depository for the district's funds no less than once every five (5) years.

**Original Adoption:**

~~04/25/1967~~

**Revision Dates:**

~~11/09/1971, 10/09/1973, 10/30/1990, 02/26/1991, 09/11/2012~~

**Legal References:**

- Minn. Stat. §123B.02 (School District Powers)
- Minn. Stat. §123B.09 (School Board Powers)
- Minn. Stat. §123B.10 (Publication of Financial Information)
- Minn. Stat. §123B.14 (Board Officers, Duties)
- Minn. Stat. §123B.75 (Revenue)
- Minn. Stat. §123B.76 (Expenditures)
- Minn. Stat. §123B.77 (Accounting, Budgeting and Reporting Requirements)
- Minn. Stat. §123B.78 (Cash Flow, Revenues, Borrowing, Deficits)
- Minn. Stat. §123B.79 (Permanent Fund Transfers)
- Minn. Stat. §123B.80 (Exceptions for Permanent Fund Transfers)

**MPS Policy Cross References:**

- Policy 3005 (Budget)

**SECTION 8:**            **REPEAL** “Policy 3432: Expenditure Reporting” of the Minneapolis Public Schools Policies & Regulations is hereby *repealed* as follows:

REPEAL

~~Policy 3432: Expenditure Reporting (Repealed)~~

~~Where possible, the reporting system will provide monthly information on the total cost of specified services by type of expenditure and, if necessary, by fund.~~

**Original Adoption:**

~~10/30/1990~~

**SECTION 9:** AMENDMENT “Policy 3005: Budget” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 3005: Budget

**1. PURPOSE**

~~The purpose of this policy is to establish parameters to ensure the School District’s revenue and expenditure budgets are in accordance with the applicable provisions of law.~~ The purpose of this policy is to establish lines of authority and procedures for the establishment of the school District’s revenue and expenditure budgets in accordance with applicable law.

**2. GENERAL STATEMENT OF POLICY**

~~The School District’s budget expresses how the School Board’s values, goals, and priorities will be implemented within given financial and legal parameters. The budget also shows how public resources are responsibly and strategically used to advance the District’s mission and vision.~~ The District’s budget expresses how the school board’s values, goals, and priorities will be implemented within given financial and legal parameters. The budget also shows how public resources are responsibly and strategically used to advance the District’s mission and vision.

**3. PREPARATION**

- ~~a. The Superintendent or designee shall each year prepare preliminary revenue and expenditure budgets for review by the School Board’s Finance Committee. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the members of the School Board and the public.~~
- ~~b. Where possible, performance measurement and productivity indicators will be integrated within the budget.~~

**4. ADOPTION**

- ~~a. Prior to July 1 of each year, the School Board shall approve and adopt its initial revenue and expenditure budgets for the next school year. The adopted expenditure budget document shall be considered the School Board’s expenditure authorization for that school year.~~

## **5. PUBLICATION**

- a. Each year, the School District shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Commissioner within one week of the acceptance of the final audit by the School Board, or November 30, whichever is earlier.
- b. A statement shall be included in the publication that the complete budget in detail may be inspected by any resident of the School District upon request to the Superintendent.

## **6. MODIFICATION**

- a. If revisions or modifications in the adopted expenditure budget are determined to be advisable by the administration, the Superintendent shall recommend the proposed changes to the School Board. The proposed changes shall be accompanied by sufficient and appropriate background information on the revenue and policy issues involved to allow the School Board to make an informed decision.
- b. If sufficient funds are not included in the expenditure budget in a particular fund to allow the proposed expenditure, funds for this purpose may not be expended from that fund prior to the adoption of an expenditure budget amendment by the school board to authorize that expenditure for that school year. An amended expenditure shall not exceed the projected revenues available for that purpose in that fund.
- e. The School District's revenue budget shall be amended from time to time during a fiscal year to reflect updated or revised revenue estimates. The Superintendent shall make recommendations to the School Board for appropriate revisions. If necessary, the School Board shall also make necessary revisions in the expenditure budget if it appears that expenditures would otherwise exceed revenues and fund balances in a fund.

## **7. REPORTING**

- a. The Superintendent or designee shall prepare regular monthly reports comparing actual revenues and expenditures to the budgeted amount.
- b. The School District shall make such reports to the Commissioner as required relating to initial allocations of revenue, reallocations of revenue, and expenditures of funds.

## **8. PROJECTIONS**

- a. The School District will estimate its revenues by an objective analytical process and will project revenue for the next three years and update this projection annually. Each existing and potential revenue source will be reexamined annually.
- b. Each year, the district will update expenditure projections for its Internal Services Funds for the next three years.

## **9. RESPONSIBILITY AND AUTHORIZATION**

- a. The School Board places the responsibility for administering the adopted

~~budget with the Superintendent. The Superintendent may delegate duties related thereto to other officials, but maintains the ultimate responsibility for this function.~~

- ~~b. The Superintendent shall have power to approve and direct expenditures in accordance with the budget.~~

## 10. REQUIREMENTS

- a. The Superintendent or such other school official as designated by the Superintendent or the school board shall each year prepare preliminary revenue and expenditure budgets for review by the school board or its designated committee or committees. The preliminary budgets shall be accompanied by such written commentary as may be necessary for them to be clearly understood by the school board and the public. The school board shall review the projected revenues and expenditures for the District for the next fiscal year and make such adjustments in the expenditure budget as necessary to carry out the education program within the revenues projected. The Superintendent or the Superintendent's designee shall present regular monthly reports comparing actual revenues and expenditures to the budgeted amount.
- b. The District must maintain separate accounts to identify revenues and expenditures for each building. Expenditures shall be reported in compliance with Minnesota Statutes, section 123B.76.
- c. Each year, the District shall publish its adopted revenue and expenditure budgets for the current year, the actual revenues, expenditures, and fund balances for the prior year, and the projected fund balances for the current year in the form prescribed by the Commissioner of the Minnesota Department of Education (MDE) within one week of the acceptance of the final audit by the school board, or November 30, whichever is earlier. A statement shall be included in the publication that the complete budget in detail may be inspected by any District resident upon request to the Superintendent. A summary of this information and the address of the District's official website where the information can be found must be published in a newspaper of general circulation in the District. At the same time as this publication, the District shall publish the other information required by Minnesota Statutes, section 123B.10.
- d. At the public hearing on the adoption of the District's proposed property tax levy, the school board shall review its current budget and the proposed property taxes payable in the following calendar year.
- e. The school board shall, as soon as practicable after the close of each fiscal year, cause to be printed, published, and distributed a report of the condition of the public school program under its charge, and of all the property under its control, with full and accurate account of all receipts and of all expenditures of the school district during the preceding year including operating and maintenance expenses as well as all expenses for capital outlay and building site improvement. The report shall also include a full listing of the salary schedules for all school personnel, certificated and noncertificated in effect during the preceding year. Not later than the 15th day of the last month of

each fiscal year the board shall adopt and cause to be published two separate budgets, an operating budget and a capital budget for the subsequent fiscal year.

The board shall adopt and publish standards governing the content of its budgets and of its annual report.

- f. The District must also post the materials specified in Paragraph 3.c. above on the District's official website, including a link to the District's school report card on the MDE website, and publish a summary of information and the address of the District's website where the information can be found in a qualified newspaper of general circulation in the District.
- g. The District will estimate its revenues by an objective analytical process and will project revenue for the next three years and update this projection annually. Each existing and potential revenue source will be reexamined annually. Each year, the District will update expenditure projections for its Internal Services Funds for the next three years. The District will project its equipment replacement and maintenance needs and will update the projections each year.

#### **11. IMPLEMENTATION**

- a. The school board places the responsibility for administering the adopted budget with the Superintendent. The Superintendent may delegate duties related thereto to other school officials, but the Superintendent maintains the ultimate responsibility for this function.
- b. The program-oriented budgeting system will be supported by a program-oriented accounting structure organized and operated on a fund basis as provided for in Minnesota statutes through the Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS).
- c. The Superintendent or the Superintendent's designee is authorized to make payments of claims or salaries authorized by the adopted or amended budget prior to school board approval.
- d. Supplies and capital equipment can be ordered prior to budget adoption only by authority of the school board. If additional personnel are provided in the proposed budget, actual hiring may not occur until the budget is adopted unless otherwise approved by the school board. Other funds to be expended in a subsequent school year may not be encumbered prior to budget adoption unless specifically approved by the school board.
- e. The District shall make such reports to the Minnesota Commissioner as required relating to initial allocations of revenue, reallocations of revenue, and expenditures of funds.

**Original Adoption:**

04/25/1967 (as Policy 3000)

**Revised Dates:**

10/09/1973, 02/26/1991, 12/08/2020

**Legal References:**

[Minn. Stat. § 123B.10 \(Publication of Financial Information\)](#)

[Minn. Stat. § 123B.76 \(Expenditures; Reporting\)](#)

[Minn. Stat. § 123B.77 \(Accounting, Budgeting, and Reporting Requirements\)](#)

[Minn. Stat. § 128D.06 \(Board's Annual Report and Budgets\)](#)

**SECTION 10:**            **AMENDMENT** “Policy 3170: Capital Planning And Budgeting” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 3170: Capital Planning And Budgeting

**1. PURPOSE**

The Board of Education supports capital improvement to district facilities through the use of bonds and other appropriate revenue sources. Improvements to schools are made to support District priorities and educational and safety needs of the students, staff and visitors.

**2. GENERAL STATEMENT OF POLICY**

- a. Superintendent or Superintendent’s designee shall prepare the following plans annually:
  - i. A rolling, multi-year capital plan covering a minimum of three (3) years; and
  - ii. A rolling, long-term maintenance and repair plan covering ten (10) years.
- b. These plans will be completed by March 1st of each year and presented to the Board of Education at the April Board business meeting for adoption.
- c. The Superintendent or Superintendent’s designee will use the annual plans to prepare an annual capital improvement budget which will be presented for adoption to the Board of Education at the same time as the General Budget.
- d. The Superintendent or Superintendent’s designee shall coordinate development of the capital improvement budget with the development of the operating budget. Future operating costs associated with new capital improvements shall be projected and provided for operating budget forecasts and preparations.

**3. MULTI-YEAR CAPITAL PLAN**

- a. The multi-year capital plan shall provide specific facility improvements being recommended for funding through bonding.
  - b. The plan will include the facility name, the general nature of the capital improvement, the estimated cost for the improvement and the year the improvement will be funded.
4. **COMPREHENSIVE LONG-RANGE BUILDING PLAN**
- a. The District shall develop a comprehensive long-range building plan to project forward school needs at any given time for at least the next five years, such plan to include the needs of the district in connection with school sites, new schools and additions to existing buildings, retiring of obsolete facilities, and rehabilitating, remodeling, and equipping existing school buildings.
  - b. The plan shall be reviewed and updated by the school staff and the board yearly.
  - c. The plan shall be submitted by the board to the city planning commission for its review and recommendations.
5. **LONG-TERM FACILITIES MAINTENANCE PLAN**
- a. The long term facilities maintenance plan will be prepared using the Minnesota Department of Education (MDE) approved forms.
  - b. The plan will be submitted to the MDE as required.

**Original Adoption:**

10/30/1990

**Revision Dates:**

04/14/2020 (Replaces former policies 3170, 3172, 3174, 3176, 3178)

**Legal References:**

- Minn. Stat. §123B (School District Powers and Duties)
- [Minn. Stat. § 128D.07 \(Comprehensive Long-Range Building Plan\)](#)
- Minn. Stat. §575.52 (Bond Issues-: Purposes)

**MPS Policy Cross References:**

- Policy 3005 (Budget)

**SECTION 11:**        **AMENDMENT** “Policy 3280: Gifts, Bequests And Grants” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 3280: Gifts, Bequests And Grants

**1. PURPOSE**

~~The District has benefited from the generosity of our community. Persons and organizations may wish to make gifts, bequests or unsolicited grants to the District or any of its schools, programs or departments. These gifts may be in the form of money or property. The purpose of this policy is to establish the circumstances under which the District may accept these offers.~~ The purpose of this policy is to provide guidelines for the acceptance of gifts by the school board. It is the policy of this school district to accept gifts only in compliance with state law.

**2. GENERAL STATEMENT OF POLICY**

The District has benefited from the generosity of our community. Persons and organizations may wish to make gifts, bequests or unsolicited grants to the District or any of its schools, programs or departments. These gifts may be in the form of money or property.

**3. ACCEPTANCE OF GIFTS GENERALLY**

The school board may receive, for the benefit of the District, bequests, donations or gifts for any proper purpose. The school board shall have the sole authority to determine whether any gift or any precondition, condition, or limitation on use included in a proposed gift furthers the interests of or benefits the District and whether it should be accepted or rejected. Any District employee or other personnel offered a gift, bequest or unsolicited grant shall follow the established procedures and criteria for evaluation and acceptance of offers. Failure by employees to do so shall subject them to discipline.

**4. RESPONSIBILITY**

- ~~a. The Superintendent shall establish criteria to be met in the acceptance of gifts, bequests and unsolicited grants and the procedure for examination and evaluation such offers.~~
- ~~b. The Superintendent shall establish the procedure for designating the recipient school, program or department of any offered gift, bequest or unsolicited grant and the use thereof.~~
- ~~e. The Superintendent shall determine which gifts, bequests or grants shall be reported to the board and publicly acknowledged.~~
- ~~d. Any employee or other district personnel offered a gift, bequest or unsolicited grant shall follow the established procedures and criteria for evaluation and acceptance of offers. Failure by employees to do so shall subject them to discipline.~~

**5. GIFTS OF REAL OR PERSONAL PROPERTY**

The school board may accept a gift, grant or devise of real or personal property only by the adoption of a resolution approved by two-thirds of its members. The resolution must fully describe any conditions placed on the gift. The real or personal property so accepted may not be used for religious or sectarian purposes.

**6. ADMINISTRATION IN ACCORDANCE WITH TERMS**

If the school board agrees to accept a bequest, donation, gift, grant or devise which contains preconditions, conditions or limitations on use, the school board shall administer it in accordance with those terms. Once accepted, a gift shall be the property of the District unless otherwise provided in the agreed upon terms.

- ~~a. Definitions: The following terms shall have these meanings for the purposes~~

- ~~of this policy and any regulations implementing the policy:~~
- ~~i. “donation”—money, equipment, supplies or materials offered to the district or any of its schools, programs or departments as a gift.~~
  - ~~ii. “gift”—money, equipment, supplies or materials offered to the district or any of its schools, programs, or departments without expectation of compensation.~~
  - ~~iii. “bequest”—money, equipment, supplies or materials, or interests in the same offered to the district or any of its schools, programs or departments through the donor’s testamentary documents or through a decedent’s estate.~~
  - ~~iv. “unsolicited grant”—money, equipment, supplies or materials offered to the district or any of its schools, programs or departments without solicitation by or on behalf of the district which may or may not have a specified intended use or recipient.~~
- ~~b. The Board of Directors may accept on behalf of the District any bequest or gift of money or property.~~
- ~~e. All gifts, bequests or unsolicited grants shall be accepted as a gift to the District as a whole.~~
- ~~d. Gifts, bequests or unsolicited grants with a designated purpose may be accepted by the Board of Directors if the purpose stated is suitable. The use of such gifts, bequests or unsolicited grants for the stated purpose shall be honored if the use is in the best interests of the proper administration of the district for the benefit of its students and staff.~~

**Original Adoption:**

04/25/1967

**Revision Dates:**

10/09/1973, 09/09/1975, 11/27/2012

**Legal References:**

- Minn. Stat. 123B.02, subd. 6 (General Powers of Independent School Districts; Bequests, Donations, Gifts.)
- [Minn. Stat. § 465.03 \(Gifts to Municipalities\)](#)

**MPS Policy Cross References:**

- Policy 1100 (Advertising in the Schools)
- Policy 1560 (Gifts to School Personnel)
- Policy 1720 (External Funds)
- Policy 3440 (Inventories)
- Policy 3445 (Property and Equipment)
- Policy 3517 (Operation, Maintenance and Security of Buildings and Grounds)
- Policy 5550 (Gifts to Schools from Students or Classes)

- Policy 7000 (Gardens on School Property)

**SECTION 12:**            **AMENDMENT** “Policy 3434: Periodic Audit” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

## AMENDMENT

Policy 3434: ~~Periodic~~Annual Audit

~~An independent public accounting firm will perform an annual audit and will publicly issue an opinion concerning the Minneapolis Public Schools' finances as mandated by State statutes.~~

### **1. PURPOSE**

The purpose of this policy is to provide for an annual audit of the District's books and records in order to comply with law, to provide a permanent record of the District's financial position, and to provide guidance to the District to correct any errors and discrepancies in its practices.

### **2. GENERAL STATEMENT OF POLICY**

The District's policy is to comply with all laws relating to the annual audit of the District's books and records.

### **3. REQUIREMENT**

- a. The school board shall appoint independent certified public accountants to audit, examine, and report upon the books and records of the school district. The school board may enter into a contract with a person or firm to provide the agreed upon services.
- b. After the close of each fiscal year, the District's books, records, and accounts shall be audited by said independent certified public accountants in accordance with applicable standards and legal requirements. The superintendent and members of the administration shall cooperate with the auditors.
- c. The District shall, prior to September 15 of each year, submit unaudited financial data for the preceding year to the Commissioner of the Minnesota Department of Education (Commissioner) on forms prescribed by the Commissioner. The report shall also include those items required by Minnesota Statutes, section 123B.14, subdivision 7.
- d. The District shall, prior to November 30 of each year, provide to the Commissioner audited financial data for the preceding fiscal year. The District shall, prior to December 31 of each year, provide to the Commissioner and the State Auditor an audited financial statement in a form that will allow comparison with and correction of material differences in the unaudited data. The audited financial statement must also provide a statement of assurance

- pertaining to compliance with uniform financial accounting and reporting standards and a copy of the management letter submitted to the District by its auditor.
- e. The audit must be conducted in compliance with generally accepted governmental auditing standards, the Federal Single Audit Act, and the Minnesota Legal Compliance Audit Guide for School Districts issued by the Office of the State Auditor.
- f. The school board must approve the audit report by resolution or require a further or amended report.
- g. The administration shall report to the school board regarding any actions necessary to correct any deficiencies or exceptions noted in the audit.
- h. The District's accounts and records shall also be subject to audit and inspection by the State Auditor to the extent provided in Minnesota Statutes, chapter 6.

**Original Adoption:**

04/25/1967

**Revision Dates:**

10/30/1990

**Legal References:**

- Minn. Stat. Ch. 6 (State Auditor)
- Minn. Stat. § 123B.02 (General Powers of Independent School Districts)
- Minn. Stat. § 123B.09 (Boards of Independent School Districts)
- Minn. Stat. § 123B.14, Subd. 7 (Officers of Independent School Districts)
- Minn. Stat. § 123B.77, Subds. 2 and 3 (Accounting, Budgeting, and Reporting Requirement)

**SECTION 13:            AMENDMENT** “Policy 3700: Fund Balance” of the Minneapolis Public Schools Policies & Regulations is hereby *amended* as follows:

AMENDMENT

Policy 3700: Fund ~~Balance~~Balances

**1. PURPOSE**

~~Sound financial record keeping and reporting is an essential element in maintaining the fiduciary duty of the Board of Education to the public. To that purpose compliance with requirements of the Governmental Accounting Standards Board Statements shall be the standard of this district. The purpose of this policy is to establish fund balance classifications and management in compliance with guidance received from the Governmental Accounting Standards Board (GASB).~~The purpose of this policy is to

create new fund balance classifications to allow for more useful fund balance reporting and for compliance with the reporting guidelines specified in Statement No. 54 of the Governmental Accounting Standards Board (GASB).

## **2. GENERAL STATEMENT OF POLICY**

Sound financial record keeping and reporting is an essential element in maintaining the fiduciary duty of the school board to the public. The policy of this school District is to comply with GASB Statement No. 54. To the extent a specific conflict occurs between this policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.

## **3. DEFINITIONS**

- a. “Assigned” fund balance amounts are comprised of unrestricted funds constrained by the school District’s intent that they be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. In funds other than the general fund, the assigned fund balance represents the remaining amount that is not restricted or committed. The assigned fund balance category will cover the portion of a fund balance that reflects the school District’s intended use of those resources. The action to assign a fund balance may be taken after the end of the fiscal year. An assigned fund balance cannot be a negative number.
- b. “Committed” fund balance amounts are comprised of unrestricted funds used for specific purposes pursuant to constraints imposed by formal action of the school board and that remain binding unless removed by the school board by subsequent formal action. The formal action to commit a fund balance must occur prior to fiscal year end; however, the specific amounts actually committed can be determined in the subsequent fiscal year. A committed fund balance cannot be a negative number.
- c. “Enabling legislation” means legislation that authorizes a school District to assess, levy, charge, or otherwise mandate payment of resources from external providers and includes a legally enforceable requirement that those resources be used only for the specific purposes listed in the legislation.
- d. “Fund balance” means the arithmetic difference between the assets and liabilities reported in a school District fund.
- e. “Nonspendable” fund balance amounts are comprised of funds that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. They include items that are inherently unspendable, such as, but not limited to, inventories, prepaid items, long-term receivables, non-financial assets held for resale, or the permanent principal of endowment funds.
- f. “Restricted” fund balance amounts are comprised of funds that have legally enforceable constraints placed on their use that either are externally imposed by resource providers or creditors (such as through debt covenants), grantors, contributors, voters, or laws or regulations of other governments, or are imposed by law through constitutional provisions or enabling legislation.
- g. “Unassigned” fund balance amounts are the residual amounts in the general

fund not reported in any other classification. Unassigned amounts in the general fund are technically available for expenditure for any purpose. The general fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

h. “Unrestricted” fund balance is the amount of fund balance left after determining both nonspendable and restricted net resources. This amount can be determined by adding the committed, assigned, and unassigned fund balances.

**4. CLASSIFICATION OF FUND BALANCES**

The school District shall classify its fund balances in its various funds in one or more of the following five classifications: nonspendable, restricted, committed, assigned, and unassigned.

**5. MINIMUM FUND BALANCE**

The District will strive to maintain a minimum unassigned general fund balance of eight percent (8%) of the annual General Fund budget.

**6. ORDER OF RESOURCE USE**

If resources from more than one fund balance classification could be spent, the school District will strive to spend resources from fund balance classifications in the following order (first to last): restricted, committed, assigned, and unassigned.

**7. COMMITTING FUND BALANCE**

A majority vote of the school board is required to commit a fund balance to a specific purpose and subsequently to remove or change any constraint so adopted by the board.

**8. ASSIGNING FUND BALANCE**

The school board, by majority vote, may assign fund balances to be used for specific purposes when appropriate. The board also delegates the power to assign fund balances to the following: Superintendent and Senior Finance Officer. Assignments so made shall be reported to the school board on a monthly basis, either separately or as part of ongoing reporting by the assigning party if other than the school board. An appropriation of an existing fund balance to eliminate a projected budgetary deficit in the subsequent year’s budget in an amount no greater than the projected excess of expected expenditures over expected revenues satisfies the criteria to be classified as an assignment of fund balance.

**9. REVIEW**

The school board will conduct an annual review of the sufficiency of the minimum unassigned general fund balance level.

~~a. Supremacy of GASB Statement. To the extent that a specific conflict occurs between district policy and the provisions of GASB Statement No. 54, the GASB Statement shall prevail.~~

~~b. Applicability. This policy shall apply to all governmental funds including the General, Food Service, Community Service, Capital Projects, and Debt Service Funds.~~

~~c. Classification of Fund Balances. The district shall classify its fund balances in~~

its various funds in one or more of the following classifications and report these on its balance sheet:

- i. Non-spendable funds;
- ii. Restricted funds;
- iii. Committed fund;
- iv. Assigned funds; or
- v. Unassigned funds.

d. Definitions of Classifications:

- i. "Non-spendable" funds are those that cannot be spent because they are:
  - (1) Not in spendable form, such as physical assets; or
  - (2) Subject to legal or contractual requirements requiring that they remain intact.
- ii. "Restricted" funds are those that are externally constrained in their use due to:
  - (1) imposed constraints by creditors, grantors, contributors or laws or regulations of other governmental subdivisions; or
  - (2) constraints imposed by law through constitutional provisions or enabling legislation.
- iii. "Committed" funds are those which are constrained in their use by a formal action of the Board of Directors.
- iv. "Assigned" funds are those which designated to be used for a specific purpose by the Board of Directors, the Superintendent or a Superintendent's designee.
- v. "Unassigned" funds are those funds that are the residual of the General Fund that have not been reported in any other classification.

e. Minimum Fund Balance. The district will take steps to attain a minimum unassigned General fund balance of no less than eight percent (8%) of the estimated General Fund expenditures for the following year.

f. Order of Resource Use. If resources from more than one fund balance classification could be used for an expenditure, the district shall use resources from fund balance classifications in the following order:

- i. 1st—restricted funds
- ii. 2nd—committed funds
- iii. 3rd—assigned funds
- iv. 4th—unassigned funds

g. Actions required to commit a fund balance. In order to commit a fund balance for a specific purpose:

- i. A resolution to commit the fund balance must be made at a regularly scheduled and noticed meeting of the Board of Directors; and
- ii. The resolution must be part of the noticed and published agenda for the meeting; and
- iii. A majority vote of the meeting's quorum must approve the resolution to commit a fund balance; and

- iv. The vote must be taken at a meeting before the end of the fiscal year, although the amount of the commitment may not be yet known.
- h. ~~Actions required to remove a commitment from a fund balance. In order to remove or otherwise change a previously made commitment of a fund balance:~~
  - i. ~~A resolution to change or remove the commitment of the fund balance must be made at a regularly scheduled and noticed meeting of the Board of Directors; and~~
  - ii. ~~The resolution must be part of the noticed and published agenda for the meeting; and~~
  - iii. ~~A majority vote of the meeting's quorum must approve the resolution.~~
- i. ~~Assigning fund balances:~~
  - i. ~~The Board of Directors, by majority vote may assign fund balances to be used for specific purposes when appropriate; and~~
  - ii. ~~The Board of Directors also delegates to the Superintendent and Superintendent's administration the power to assign fund balances:~~
    - (1) ~~Any assignment made under this delegation of authority must be reported to the Board of Directors on a monthly basis.~~
    - (2) ~~The Superintendent is authorized to designate officers within the administration as having this authority, which designations shall be reported to the Board on a monthly basis.~~

**10. ~~MINIMUM FUND BALANCE USE AND REPLENISHMENT PLAN~~**

- a. ~~Prior to use of the minimum fund balance funds the Superintendent shall institute one or more of the following actions:~~
  - i. ~~Reduction of expenditures through cost containment measures including purchasing freezes or hiring freezes, or reductions of force.~~
  - ii. ~~Attempts to increase revenue.~~
- b. ~~After use of the minimum fund balance funds the district shall replenish the fund balance within two fiscal years through use of both regular fund sources and additional sources when available.~~

**11. ~~RESPONSIBILITY~~**

- a. ~~The Superintendent is authorized to promulgate regulations to implement this policy.~~
- b. ~~The Board of Directors shall review the sufficiency of the fund balance level on no more than an annual basis and set an annual target fund balance. The Board of Directors may designate a subcommittee of the Board to review the sufficiency of the fund, its management and reporting on a more frequent basis.~~

**Original Adoption:**

10/30/1990

**Revision Dates:**

06/28/2011

**Legal References:**

- Governmental Accounting Standards Board Statement No. 34
- Governmental Accounting Standards Board Statement No. 54

**Cross References:**

- Policy 2100 (Superintendent Role and Functions)
- Policy 8110 (Purposes and Role of the Board)

PASSED AND ADOPTED BY THE MINNEAPOLIS PUBLIC SCHOOLS BOARD OF DIRECTORS \_\_\_\_\_.

	<b>AYE</b>	<b>NAY</b>	<b>ABSENT</b>	<b>ABSTAIN</b>
Abdi	_____	_____	_____	_____
Beachy	_____	_____	_____	_____
Cerrillo	_____	_____	_____	_____
El-Amin	_____	_____	_____	_____
Ellison	_____	_____	_____	_____
Emerick	_____	_____	_____	_____
Jourdain	_____	_____	_____	_____
Norvell	_____	_____	_____	_____

Presiding Officer

Attest

\_\_\_\_\_  
Collin Beachy, Chair, Minneapolis  
Public Schools

\_\_\_\_\_  
Lori Norvell, Clerk, Minneapolis  
Public Schools