UNIFORM ADMINISTRATIVE PROCEDURES

FOR IOWA AEA OFFICIALS

Iowa Department of Education
Division of Financial and Information Services
December 2001

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INTRODUCTION

This edition of the *Uniform Administrative Procedures for Iowa AEA Officials* includes laws, rules, and regulations in effect as of December 2001. This manual is a compilation of relevant legal and authoritative citations and references in the area of business management in the state of Iowa. For official and legal citations and references, use the original documents and sources. If you discover errors in citations, please contact su.mccurdy@ed.state.ia.us

Key to Abbreviations:

- OAG means Opinion of the Iowa Attorney General
- IC means Iowa Code
- IAC means Iowa Administrative Code (Rules)

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CHAPTER 1

GOVERNANCE

The purpose of this chapter is to deal briefly with the major duties of those people who are ordinarily considered to be local "officials" in the sense that they are concerned with the administration and business management of the area education agency (AEA). These include the board members, the president of the board of directors, the board secretary, the board treasurer, and the administrator. Specific duties in key areas are included in later chapters of this manual.

The AEA Board

Historically, local school boards evolved from school committees set up by the New England town meetings after school problems became too complex to be handled by the town meeting itself. Since that time state constitutions, legislative acts and court decisions have consistently defined education as a state function; this represents the recognition of the principle that the education of all children is in the best interest of all the people of the state.

Thus, the school board has both local and state functions. The members are elected by the citizens of the local district. The board which they comprise has extensive local authority subject to certain broad state educational policies established by the legislature and the state department of education in the common interest of all the people of the state.

Iowa's three-tiered system of education agencies dates to 1858 when county superintendents were place between those local school districts and the Department of Education (then called the Department of Public Instruction). The county superintendent's job was to oversee all county school districts, which numbered 5,022 in 1910.

During the next 70 years following 1858, the number of districts steadily declined. In 1957 the state legislature allowed counties to jointly employ one superintendent to handle the smaller number of districts.

In 1965 the legislature approved the merger of two or more counties into joint county school systems. In the same year the area community college system was established, creating boundaries for 15 services areas in the state.

In 1974, the legislature passed Senate File 1163 which replaced county and joint county systems with 15 AEAs as of July 1, 1975. The intent of the legislature was to provide an effective, efficient, and economical means of identifying and serving children from under five years of age through grade twelve who require special education and any other children requiring special education as defined in section 256B.2; to provide for media services and other programs and services for pupils in grades kindergarten trough twelve and children requiring special education as defined in section 256B.2; to provide a method of financing the programs and services; and to avoid a duplication of programs and services provided by any other school corporation in the state; and to provide services to school districts under a contract with those school districts (273.1).

Because the law specifically defined services to accredited public and nonpublic school in three general areas—special education services, media services, and educational services—the AEAs evolved to contain three major divisions. Later, AEAs organized around key program and service areas when the accreditation of AEAs began July 1, 1997.

The department of education is established to act in a policymaking and advisory capacity and to exercise general supervision over the state system of education including all of the following:

a. Public elementary and secondary schools.
b. Community colleges.
c. Area education agencies.
d. Vocational rehabilitation.
e. Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.
f. Nonpublic schools to the extent necessary for compliance with Iowa school laws (256.1(1)).

AEAs, like local school districts, are school corporations. Some Code chapters do not define school corporation as used in that chapter, and may or may not include AEAs. Inclusion of the AEAs may depend on the context in which the term "school corporation" is used. When guidance is not given to AEAs on an issue but is given to school districts, generally AEAs would follow the guidance given for school districts.

An AEA is a body politic as a school corporation for the purpose of exercising powers granted under chapter 273; and may sue and be sued (273.2(2)).

Iowa school districts and AEAs operate under Dillon's Rule which states that school corporations possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable (Merriam v. Moody's Executors, 25 Iowa 163, 170 (1868)). School districts and AEAs cannot do by indirect means anything they do not have direct authority to do, and laws granting powers to school districts and AEAs shall be construed narrowly to limit district authority to the precise language of the authorizing statute (Bishop v. Iowa State Board of Pub. Instr., 395 NW2d Iowa 838, 891 (1986)). The mere absence of a prohibition against an action or activity in Code does not give a school district or AEA authority to initiate that action or activity. Interpretation of school law may only be done by the Iowa Attorney General's Office and the Iowa Department of Education (256.9(16)). These Opinions or Rules, once given, have the effect of law on school corporations. When the word "shall" is used, it generally conveys an imperative or mandatory obligation. The word "may" generally conveys permission or discretion, but could convey an obligation depending on the context in which the word appears. The words "will" and "must" convey a directive and generally are considered synonymous to the word "shall."

There are established throughout the state fifteen AEAs each of which is governed by an AEA board of directors (273.2(1)).

The board shall make rules for its own government and that of the directors, officers, employees, teachers and pupils, and for the care of the schoolhouse, grounds, and property of the school corporation, and shall aid in the enforcement of the rules, and require the performance of duties imposed by law and the rules (279.8).

The general rule of law as set forth by the Iowa Supreme Court is that, absent an express statutory provision to the contrary, a local governmental body may not bind its successors in matters that are essentially legislative or governmental, as opposed to business or proprietary, in nature (OAG #83-6-4(L)).

The other duties and possible functions of an Iowa AEA board are far too extensive and varied to be enumerated here. The most important concept of a good board is that it is a policy-making body and that a member has no authority except as a part of that body. The law gives broad authority to the board as a whole, but an individual member, outside of an official meeting, has no legal power to act nor exemption from prosecution.

Compensation

Members of the board, other than the secretary and the treasurer, shall be allowed their actual expenses incurred in the performance of their duties and may be eligible to receive per diem compensation (260C.12, 273.8(3)).

Board members may be reimbursed for actual and necessary expenses including expenses incurred in attending national school board conventions in distant states (OAG #77-12-5).

It shall be unlawful for any school director, officer, area education director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, area education director or teacher who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, shall be deemed guilty of a serious misdemeanor (301.28).

A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of this section is void. This section does not apply to contracts for the purchase of goods or services, which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed two thousand five hundred dollars ($2500) in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened (279.7A).

Contracts in which a board member has any interest are void as contrary to public policy (Kagy v. Independent School District, 117-694; Town of Hartley v. Floete Lumber Company, 185-861).

An official shall not sell, in any one occurrence, any goods or services having a value in excess of two thousand dollars ($2000) to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding (68B.3).

Legal Advice

The county attorney shall give advice or a written opinion, without compensation, to the board and other county officer and to school and township officer, when requested by an officer, upon any matters in which the state, county, school, or township is interested, or relating to the duty of the officer in any matters in which the state, county, school, or township may have an

interest, but the county attorney shall not appear before the board at a hearing in which the state or county is not interested (331.756(7)).

The county attorney shall cooperate with the auditor of state to secure correction of a financial irregularity (331.756(11)).

It shall be the duty of the department of education to interpret the school laws and rules relating to the school laws (256.9(16)).

It shall be the duty of the attorney general to give an opinion in writing, when requested, upon all questions of law submitted by the general assembly or by either house thereof, or by any state officer, elective or appointive. Questions submitted by state officers must be of a public nature and relate to the duties of such officer (13.2(5).

A school corporation may employ an attorney to represent the school corporation as necessary for the proper conduct of the legal affairs of the school corporation (279.37).

Attorneys to defend individual directors for acts in their official capacity may be paid from district funds (1936 Op. Att'y Gen. 273; 1940 Op. Att'y Gen. 26 (#39-1-18)).

Authority of Law, Rules, Opinions and Departmental Regulations

Iowa school districts and AEAs operate under Dillon's Rule, by state constitution, which states that school districts and AEAs possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school law may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions and Rules, once given, have the effect of law on school districts and AEAs.

It is well established that where the language of a statute is plain and unambiguous and its meaning clear and unmistakable, there is no room for construction, and we may not search for its meaning beyond the statute itself (OAG #84-5-1(L)).

An administrative rule, violation of which is a crime, may incorporate federal standards by reference, provided these standards are explicit and readily ascertainable (OAG #87-10-2(L)).

An attorney general's opinion establishes the substantive interpretation of a Code section until it is overruled, revised, withdrawn upon consideration or upset by court decision (OAG #87-1-5).

A footnote in OAG #92-11-3 indicates that an opinion based on a Code section which is repealed but replaced with a section having much the same language would continue to apply.

Joint Exercise of Power

The purpose of Iowa Code chapter 28E [joint exercise of governmental powers] is to permit state and local governments in Iowa to make efficient use of their powers by enabling them to provide joint services and facilities with other agencies and to co-operate in other ways of mutual advantage (28E.1).

Public agency shall mean any political subdivision of this state; any agency of the state government or of the United States; and any political subdivision of another state (28E.2).

Private agency shall mean an individual and any form of business organization authorized under the laws of this or any other state (28E.2).

Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised and enjoyed jointly with any other public agency of this state having such power or powers, privilege or authority, and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States permit such joint exercise or enjoyment. Any agency of the state government when acting jointly with any public agency may exercise and enjoy all of the powers, privileges and authority conferred by chapter 28E upon a public agency (28E.3).

Any public agency of this state may enter into an agreement with one or more public or private agencies for joint or cooperative action pursuant to the provisions of chapter 28E including the creation of a separate entity to carry out the purpose of the agreement (28E.4).

Any contract or agreement authorized by chapter 28E shall not be limited as to period of existence, except as may be limited by the agreement or contract itself (28E.14).

Any such agreements under chapter 28E shall specify the following:

1. Its duration.
2. The precise organization, composition and nature of any separate legal or administrative entity created thereby together with the powers delegated thereto, provided such entity may be legally created.
3. Its purpose or purposes.
4. The manner of financing the joint or cooperative undertaking and of establishing and maintaining a budget therefor.
5. The permissible method or methods to be employed in accomplishing the partial or complete termination of the agreement and for disposing of property upon such partial or complete termination.
6. Any other necessary and proper matters (28E.5).

No agreement made pursuant to chapter 28E shall relieve any public agency of any obligation or responsibility imposed upon it by law except that to the extent of actual and timely performance thereof by a joint board or other legal or administrative entity created by an agreement made hereunder, said performance may be offered in satisfaction of the obligation or responsibility (28E.7).

If an agreement entered into pursuant to chapter 28E is between or among one or more public agencies of this state and one or more public agencies of another state or of the United States said agreement shall have the status of an interstate compact. Such agreements shall, before entry into force, be approved by the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state (28E.9).

The Department of Education, in conjunction with the state board of regents, shall explore the need for coordination between school districts, AEAs, regents institutions, and community colleges for purposes of delivery of courses, use of telecommunications, transportation, and other similar issues. Coordination may include, but is not limited to, coordination of calendars, programs, schedules, or telecommunications emissions (256.9(42)).

Accredited Nonpublic School Sharing

School districts and AEA boards shall make public school services, which shall include special education programs and services and may include health services, services for remedial education programs, guidance services, and school testing services, available to children attending nonpublic schools in the same manner and to the same extent that they are provided to public school students. However, services that are made available shall be provided on neutral sites, or in mobile units located off the nonpublic school premises as determined by the boards of the school districts and AEAs providing the services, and not on nonpublic school property, except for health services, services funded by Title I of the federal Elementary and Secondary Education Act of 1965, diagnostic services for speech, hearing, and psychological purposes, and assistance with physical and communication needs of students with physical disabilities, and services of an educational interpreter, which may be provided on nonpublic school premises, with the permission of the lawful custodian (256.12(2)).

Providing Joint Services and Facilities

The AEA board shall meet at least annually with the members of the boards of directors of the merged areas in which the AEA is located to discuss coordination of programs and services and other matters of mutual interest to the boards (273.3(16)).

An AEA shall contract, whenever practicable, with other school corporations for the use of personnel, building, facilities, supplies, equipment, programs and services (273.2(6)).

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law (279.29).

Public funds may not be spent to support voluntary programs provided by nonprofit private agencies. However, the services provided by such agencies may be obtained under Chapter 28E agreements where joint exercise of governmental power is warranted (OAG #76-9-2).

The AEA board is authorized, subject to rules of the state board of education, to provide directly or by contractual arrangement with public or private agencies for special education programs and services, media services, and educational programs and services requested by the local boards of education as provided in chapter 273, including but not limited to contracts for the AEA to provide programs or services to the local school districts and contracts for local school districts, other educational agencies, and public and private agencies to provide programs and services to the local school districts in the AEA in lieu of the AEA providing the services. Contracts may be made with public or private agencies located outside the state if the programs and

service comply with the rules of the state board. Rules adopted by the state board of education shall be consistent with rules, adopted by the board of educational examiners, relating to licensing of practitioners (273.3(5)).

AEAs may cooperate and contract between themselves and with other public agencies to provide special education programs and services, media services, and educational services to schools and children residing within their respective areas (273.3(6)).

AEA boards are authorized, subject to the approval of the director of the department of education, to enter into agreements for the joint use of personnel, buildings, facilities, supplies, and equipment with school corporations as deemed necessary to provide authorized programs and services (273.3(8)).

Interchange of Federal, State and Local Government Employees

Any department, agency, or instrumentality of the state, county, city, municipality, land-grant college, or college or university operated by the state or any local government is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, another state or locality, or other agencies, municipalities, or instrumentalities of this state as a sending or receiving agency. The period of individual assignment or detail under an interchange program shall not exceed twenty-four months, except that an employee may be assigned for an additional twenty-four month period upon the agreement of the employee and both the sending and receiving agencies. No employee shall be assigned or detailed without the employee's expressed consent or by using undue coercion to obtain said consent (28D.3).

Powers and Responsibilities

Policy Making

State Policy on Education Effectiveness

It is the policy of the state of Iowa to provide an education system that prepares the children of this state to meet and exceed the technological, informational, and communications demands of our society. The general assembly finds that the current education system must be transformed to deliver the enriched educational program that the adults of the future will need to have to compete in tomorrow's world. The general assembly further finds that the education system must strive to reach the following goals:

1. All children in Iowa must start school ready to learn.
2. Iowa's high school graduation rate must increase to at least ninety percent.
3. Students graduating from Iowa's education system must demonstrate competency in challenging subject matter, and must have learned to use their minds well, so they may be prepared for responsible citizenship, further learning, and productive employment in a global economy.
4. Iowa students must be first in the world in science and mathematics achievement.
5. Every adult Iowan must be literate and possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship.
6. Every school in Iowa must be free of drugs and violence and offer a disciplined environment conducive to learning (256.37).

The Iowa Constitution does not contain an education clause.

Strategic Planning and Rule-Making

The AEA board shall determine the policies of the AEA for providing programs and services (273.3(1).

The AEA board shall meet annually with the members of the boards of directors of the school districts located within its boundaries if requested by the school district boards (273.3(22)).

The AEA board shall meet at least annually with the members of the board of directors of the merged areas in which the AEA is located to discuss coordination of programs and services and other matters of mutual interest to the boards (273.3(16)).

The AEA board shall employ personnel to carry out the functions of the AEA which shall include the employment of an administrator who shall possess a license issued under chapter 272. The salary of an AEA administrator shall be established by the board based upon the previous experience and education of the administrator (273.3(11)).

The board shall develop and maintain a policy manual which provides a codification of its policies including the adoption date, the review date, and any revision date for each policy. Policies shall be reviewed at least every five years to ensure relevance to current practices and compliance with the Iowa Code, administrative rules and decisions, and court decisions (IAC 281--12.3(2)).

The board shall have the authority to issue school credit cards allowing AEA employees to pay for the actual and necessary expenses incurred in the performance of work-related duties (273.3(18)).

The board shall have the authority to charge user fees for certain materials and services that are not required by law or by rules of the state board of education and are specifically requested by a school district or accredited nonpublic school, pursuant to rules adopted by the state board of education (273.3(19)).

Upon the receipt by a public employer of a request from an employee organization to bargain on behalf of public employees, the duty to engage in collective bargaining shall arise if the employee organization has been certified by the board as the exclusive bargaining representative for the public employees in that bargaining unit (20.16).

The AEA board shall provide for advisory committees as deemed necessary (273.3(4)).

The director of the Department of Education shall appoint to each of the seven regional boards of library trustees a representative from an AEA to served as a nonvoting member (256.62(1)).

A representative from the AEA board of directors shall served on the regional vocational education planning board (258.16).

A community empowerment board shall designate a public agency of this state, as defined in section 28E.2, a community action agency as defined in section 216A.91, an AEA established under section 273.2, or a nonprofit corporation, to be the fiscal agent for grant moneys and for other moneys administered by the community board (28.7(1)(a)).

The board or regents shall develop a center for early development education at one of the regents' institutions. The center's programs shall be conducted in a laboratory school setting to serve as a model for early childhood education. The programs shall include, but not be limited to, programs designed to accommodate the needs of at-risk children. The teacher education programs at all three state universities shall cooperate in developing the center and its program. The center's programs shall take a holistic approach and the center shall, in developing its programs, consult with representatives from a number of agencies including an early childhood development specialist from an AEA (262.71).

The AEA shall approve written investment policies which incorporate the guidelines specified in section 12B.10, sections 12B.10A through 12B.10C, and any other provisions deemed necessary to adequately safeguard invested public funds (12B.10B(1)). The written investment policy shall be delivered to all of the following:

a. The governing body or officer of the public entity to which the policy applies.
b. All depository institutions or fiduciaries for public funds of the public entity.
c. The auditor of the public entity (12B.10B(2)).

School districts and AEAs shall not charge other school districts or AEAs for plans or information about innovative Educational Excellence Phase III plans that they have developed (294A.19).

Boards of directors of AEAs may pay, out of funds available to them reasonable annual dues to the Iowa association of school boards. Membership in such an Iowa association of school boards shall be limited to those duly elected members of the AEA board (273.3(13)).

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the department of general services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased (297.4).

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities with the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes (28E.18).

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface. A violation of this labeling requirement shall be a serious misdemeanor (721.8, 721.9).

A motor vehicle purchased by or used under the direction of the board of directors to provide services to a school corporation shall not operate on gasoline other than gasoline blended with at least ten percent ethanol. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on gasoline blended with ethanol (279.34).

The AEA board is authorized to perform all other acts necessary to carry out the provisions and intent of chapter 273 (273.3(10)).

Evaluation and Oversight

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions (279.23A).

The board shall audit and allow all just claims against the corporation, and no order shall be drawn upon the treasury until the claim therefor has been audited and allowed. In any district in which the board consists of five or more members, an audit made by one or more members of the board designated by the board or by a certified public accountant employed by the board, and certified to the board by such member or members of the board or by such accountant, shall satisfy the requirements of this section with respect to the audit of a claim (279.29). [Allowance of a claim, however, must be done by the board as a whole.]

The board shall from time to time examine the accounts of the treasurer and make settlements with the treasurer (279.31).

If the local AEA verified that a pupil enrolled in a post secondary enrollment act course was unable to complete the course for reasons including but not limited to the pupil's physical incapacity, death in the family, or the pupil's move to another school district, a verification by the AEA shall constitute a waiver to the requirement that the pupil, pupil's parent, guardian, or legal custodian pay the costs of the course to the school district (261C.8).

If the board of directors of any school district in Iowa enters into contract with the state board of regents for furnishing instruction to pupils of that school district, the contract shall be in writing and a copy shall be filed in the office of the administrator of the AEA (262.32).

Provision of Services to School Districts

Must not Duplicate

The board of directors of an AEA shall not establish programs and services which duplicate programs and services which are or may be provided by the community colleges under the provisions of 260C (273.2(6)).

Inservice training programs for employees of school districts and AEAs shall not duplicate programs and services available in the area from the universities under the state board of regents and from other universities and four-year institutions of higher education in Iowa (273.2(5)(a)).

Educational Services

The AEA board shall furnish educational services and programs as provided in sections 273.1-273.9 and chapter 256B to the pupils enrolled in public or nonpublic schools located within its boundaries which are on the list of accredited schools. The programs and services provided shall be at least commensurate with programs and services existing on July 1, 1974. The programs and services provided to pupils enrolled in nonpublic schools shall be comparable to programs and services provided to pupils enrolled in public schools within constitutional guidelines (273.2(3)).

The AEA shall cooperate with local boards in considering and developing plans for the improvement of the educational programs and services in the AEA (273.4(1)).

The AEA shall provide, when requested, such other assistance as possible to school districts of the AEA for the general improvement of their educational programs and operations (273.4(2)).

The AEA shall arranged for professional teachers' meetings, demonstration teaching, or other field work for the improvement of instruction as best fits the needs of the public schools in each area (256.9(25)).

Each AEA shall periodically offer a staff development program for teachers who provide instruction in human growth and development (279.50(2)).

Each AEA shall provide assistance in establishing a plan to provide alternative education options to students attending a public school in a district served by the agency (280.19A).

Special Education Services

The AEA board shall provide for special education services for the local school districts in the area (273.2(4)).

The AEA shall establish a division of special education for the AEA which shall provide for special education programs and services to the local school districts. The division shall be headed by a director of special education who meets DE certification standards. The director of special education shall have the following powers and duties:

1. Properly identify children requiring special education. This identification shall take place as of the last Friday in October.
2. Insure that each child requiring special education in the area receives an appropriate special education program or service.
3. Assign appropriate weights for each child requiring special education programs or services as provided in section 256B.9.
4. Supervise special education support personnel.
5. Provide each school district within the area served and the department of education with a special education weighted enrollment count, including the additional enrollment because of special education.
6. Submit to the DE special education instructional and support program plans and applications, subject to criteria listed in chapter 256B and 273, for approval by February 15 of each year for the school year commencing the following July 1.
7. Coordinate the special education program within the area served (273.5).

The required program plan shall establish all of the following:

1. That there are sufficient children requiring special education within the area.
2. That the service or program will be provided by the most appropriate educational agency.
3. That the educational agency providing the service or program has employed qualified special educational personnel.
4. That the instruction is a natural and normal progression of a planned course of instruction.
5. That all revenue raised for support of special education instruction and services is expended for actual delivery of special education instruction or services.
6. Other factors as the state board may require (256B.11).

A child of compulsory attendance age who is identified as requiring special education under chapter 256B is eligible for placement under competent private instruction with prior approval of the placement by the director of special education of the AEA of the child's district of residence (299A.9).

When a special education personnel pooling agreement, which as been entered into between an AEA and a public school district pursuant to section 273.5, is terminated, the public school district shall assume the contractual obligations for any teachers assigned to the district under the agreement (280.15(2)).

Specific requirements on AEAs related to special education services can be found in Iowa Administrative Code Chapter 281—41.

Media Services

The AEA board shall provide for media services for the local school districts in the area (273.2(4)). This will include:

a. A materials lending library, consistent of print and nonprint materials.
b. A professional library.
c. A curriculum laboratory, including textbooks and correlated print and audiovisual materials.
d. Capability for production of media-oriented instructional materials.
e. Qualified media personnel.
f. Appropriate physical facilities.
g. Other materials and equipment deemed necessary by the DE (273.6(1)).

The board shall assist in facilitating interlibrary loans of materials between school districts and other libraries. Each AEA shall include as a member of its media center advisory committee a library service area trustee or library service are staff member, who is appointed to the committee by the commission of libraries (273.2(4)).

AEAs may provide print and nonprint materials to public and private colleges and universities that have teacher education programs approved by the state board of education (273.3(6)).

The AEA shall submit program plans each year to the department of education for approval by the director of the department of education, to reflect the needs of the AEA for media services as provided in section 273.6 (273.4(3)). The program plans shall include all of the following:

a. Evidence that the services proposed are based upon an analysis of the needs of the local school districts in the area.
b. Description of the manner in which the services of the AEA media center will be coordinated with other agencies and programs providing educational media.
c. Description of the means for delivery of circulation materials.
d. Evidence that the media center fulfills the requirements of 273.6(1) (273.6(2)).

Gifted and Talented Programs

The AEA board shall encourage and assist school districts in the area to establish programs for gifted and talented children (273.2(4)).

The AEAs in which the school districts having approved gifted and talented children programs are located shall cooperate with the school district in the identification and placement of gifted and talented children and may assist school districts in the establishment of such programs (257.47).

At the written request of one or more boards of school districts in an AEA, the AEA board shall establish one or more gifted and talented children advisory councils and shall appoint members for four-year staggered terms. If an AEA has a weighted enrollment of more than 35,000, the board may appoint additional advisory councils for each 35,000 weighted enrollment or fraction of 35,000 (257.48).

The gifted and talented children advisory council shall:
1. Elect a chairperson and vice chairperson from the membership of the advisory council.
2. Meet as often as deemed necessary by the advisory council.
3. Advise and assist a local board of directors in the establishment of gifted and talented children programs, when requested by the local board.
4. Review program plans and proposed budgets for a gifted and talented children program, in consultant with a gifted and talented children consultant employed by the AEA, when requested by a local board.
5. When requested by a local board, evaluate the results of a gifted and talented children program and file a written report together with recommendations for improvement or change with the board of directors of the applicable school district, the AEA, and the Department of Education. The evaluation shall be conducted by three or more members of the advisory council (257.49).

Student Transportation

Distance to school or to a bus route shall in all cases by measured on the public highway only and over the most passable and safest route as determined by the AEA board, starting in the roadway opposite the private entrance to the residence of the pupil and ending in the roadway opposite the entrance to the school grounds or designated point on bus route (285.1(9)).

When the school designated for attendance of pupils is engaged in the transportation of pupils, the sending or designating school shall use these facilities and pay the pro rata cost of transportation except that a district sending pupils to another school may make other arrangements when it can be shown that such arrangements will be more efficient and economical than to use facilities of the receiving school, providing such arrangements are approved by the board of the AEA (285.1(6)).

If a local board closes either elementary or high school facilities and is approved by the board of the AEA to operate its own transportation equipment, the full cost of transportation shall be paid by the board for all pupils living beyond the statutory walking distance from the school designated for attendance (285.1(7)).

The district of residence of a nonpublic school pupil eligible for transportation services may travel into the boundary of a contiguous public school district or may contract for such transportation, with the approval of the AEA (285.2).

When a local board fails to pay transportation costs due to another school for transportation service rendered, the board of the creditor corporation shall file a sworn statement with the AEA board specifying the amount due. The AEA board shall check such claim and if the claim is valid shall certify to the county auditor. The auditor shall transmit to the county treasurer an order directing the county treasurer to transfer the amount of such claim from the funds of the debtor corporation to the creditor corporation and the treasurer shall pay the same accordingly (285.1(13)).

When pupils are sent to another district due to a board closing its elementary school facilities for lack of pupils or by action of the board, it shall, if there is a school bus service available in the area, designate for attendance the school operating the buses, provided the board of such school is willing to receive them and the facilities and curricular offerings are adequate. The board of the district where the pupils reside may with the approval of the AEA board, subject to legal limitations and established uniform standards, designate another rural school and provide their own transportation if the transportation costs will be less than to use the established bus service (285.4).

The powers and duties of the respective AEA boards shall be to:
1. Enforce all laws and all rules and regulations of the Department of Education relating to transportation.
2. Review and approve all transportation arrangements between districts in the agency and in all districts in the agency not operating high schools. If such transportation arrangements, designations, and contracts are not in conformity to law or established uniform standards for the locating and operating of bus routes, the AEA board shall, after receiving all facts,

make such alterations or changes as necessary to make the arrangements, designations, and contracts conform to the legal and established requirements and shall notify local boards of such action.

3. Approval all bus routes outside the boundary of the district of the school operating buses.
4. When a local board fails to make designations and other necessary arrangements for transportation as required by law, the AEA board shall, after due notice to the local board, make necessary arrangements in conformity with law and established requirements. Notice shall be given to the local board of the arrangements as made. The arrangements shall be binding on the local board which shall pay the costs for service as arranged (285.9).

In the event of a disagreement between a school patron and the board of the school district, the patron if dissatisfied with the decision of the district board, may appeal the same to the AEA board (285.12). In the event of a disagreement between the board of a school district and the board of an AEA, the board of the school district may appeal to the director of the Department of Education (285.13).

Technology Services

Prior to receiving school improvement technology block grant funds under chapter 256D, each AEA shall develop a plan to assist school districts in the development of a technology planning process to meet the purposes of the school improvement technology block grant program. The plan shall describe how the AEA intends to support school districts with instructional technology staff development and training (256D.7(2)).

Funds received by an AEA shall be expended for the costs related to supporting school districts within the area served with technology planning and equipment, including hardware and software, materials and supplies related to instructional technology and the lease or lease-purchase agreements for those items, employment of or contracting with information technology specialists to provide technical consulting and integration of technology in curriculum and instruction, and staff development and training related to instructional technology. A consortium of AEAs may cooperatively engage in any of the activities allowed by this section (256D.8(3)).

Other Services

The AEA board may provide within the limits of funds available the following programs and services to local school districts, and at the request of the local school districts, to providers of children development services who have received grants under chapter 256A from the child development coordinating council:

1. Inservice training programs for employees of school districts and AEA, provided that at the time programs and services are established they do not duplicate programs and services available in that area from the Iowa universities and 4-year institutions of higher education. The inservice training programs shall include but are not limited to regular training concerning mental or emotional disorders which may afflict children and the impact children with such disorders have upon their families.
2. Educational data processing pursuant to subsection 256.9(11).
3. Research, demonstration projects and models, and educational planning for children under five years of age through grade twelve and children requiring special education as defined in section 256B.2 as approved by the state board of education.
4. Auxiliary services for nonpublic school pupils as provided in section 256.12. However, if auxiliary services are provided their funding shall be based on the type of service provided.
5. Other educational programs and services for children under five years through grade twelve and children requiring special education as defined in section 256B.2 and for employees of school districts and AEAs as approved by the state board of education (273.2(5)).

If sixty percent of the number of local school boards located in an AEA, or if local school boards representing sixty percent of the enrollment in the school districts located in the agency, request in writing to the AEA board that an additional service be provided them, for pupils in grades kindergarten through twelve or children requiring special education as defined in section 256B.2 or for employees or board members of school districts or AEAs, the AEA board shall arrange for the service to be provided to all school districts in the area within the financial capabilities of the AEA (273.7).

The board of an AEA may provide services to school districts located in the AEA under contract with the school districts. These services may include, but are not limited to,

- Superintendency services,
- Personnel services,
- Business management services,
- Specialized maintenance services,
- And transportation services (273.7A).

In addition, the board of the AEA may provide for furnishing expensive and specialized equipment for school districts. School districts shall pay to AEAs the cost of providing the services (273.7A).

The board of an AEA may also provide services authorized to be preformed by AEAs to other AEAs in this state and to provide a method of payment for these services (273.7A).

The AEA board shall be vested with the powers of the board of directors of the local school district for purposes of a sale of land to the federal government for an ordinance plant or other project which may be deemed desirable for the development of the national defense or for purpose of flood control whenever a majority of the directors of that school corporation have moved from the district and have ceased to be residents thereof thereby creating vacancies on the school board and reducing it to less than a quorum. The instrument of conveyance shall be executed on behalf of the school district by the president of the AEA board until an election is called pursuant to chapter 277 (274.40).

The AEA board is authorized to perform all other acts necessary to carry out the provisions and intent of chapter 273 (273.3(10)).

Whole Grade Sharing Feasibility Surveys and Studies

The Department of Education shall conduct or shall direct the AEA to conduct feasibility surveys and studies, if requested under section 282.11, of the school districts within the AEA service areas and all adjacent territory, including but not limited to contiguous districts in other states, for the purpose of evaluating and recommending proposed whole grade sharing agreements requested under section 282.7 and section 282.10, subsections 1 and 4. The surveys and studies shall be revised periodically to reflect reorganizations which may have taken place in the AEA, adjacent territory, and contiguous districts in other states. The surveys and studies shall include a cover page containing recommendations and a short explanation of the recommendations. The factors to be used in determining the recommendations include, but are not limited to:

a. The possibility of long-term survival of the proposed alliance.
b. The adequacy of the proposed educational programs versus the educational opportunities offered through a different alliance.
c. The financial strength of the new alliance.
d. Geographical factors.
e. The impact of the alliance on surrounding schools.

Copies of the completed surveys and studies shall be transmitted to the affected districts' boards (256.9(34)).

Reorganization Feasibility Surveys and Studies

The AEA boards shall develop detailed studies and surveys of the school districts within the AEA and all adjacent territory for the purpose of providing for reorganization of school districts in order to effect more economical operation and the attainment of higher standards of education in the schools. The plans shall be revised periodically to reflect reorganizations which may have taken place in the AEA and adjacent territory (275.1).

The scope of the studies and surveys shall include the following matters in the various districts in the AEA and all districts adjacent to the AEA:

- The adequacy of the educational program,
- Pupil enrollment,
- Property valuations,
- Existing buildings and equipment,
- Natural community areas,
- Road conditions,
- Transportation,
- Economic factors,
- Individual attention given to the needs of students,
- The opportunity of students to participate in a wide variety of activities related to the total development of the student,
- And other matters that may bear on educational programs meeting minimum standards required by law.

The plans shall also include suggested alternate plans that incorporate the school districts in the AEA into reorganized districts that meet the enrollment standards specified in section 275.3 and may include alternate plans proposed by school districts for sharing programs under section 28E.9, 256.13, 280.15, 282.7, or 282.10, as an alternative to school reorganization (275.2).

No new school district shall be planned by an AEA board nor shall any proposal for creation or enlargement of any school district be approved by an AEA board or submitted to electors unless there reside within the proposed limits of such district at least thee hundred person of school age who were enrolled in public schools in the preceding school year (275.3).

In developing studies and surveys the AEA board shall consult with the officials of school districts in the area and other citizens, and shall from time to time hold public hearings, and may employ such research and other assistance as it may determine reasonably necessary in order to properly carry on its survey and prepare definite plans for reorganization (275.4).

A proposal for merger, consolidation, or boundary change of local school districts shall first be submitted to the AEA board following the procedures prescribed in chapter 275 (275.5).

It is the intent of chapter 275 that the AEA board shall carry on the program of reorganization progressively and shall, insofar as is possible, authorize submission of proposals to the electors as they are developed and approved (275.6).

Planning of joint districts shall be conducted in the same manner as planning for single districts, except as provided in this section. Studies and surveys relating to the planning of joint districts shall be filed with the AEA in which one of the districts is located which as the greatest taxable property base. "Joint districts" means districts that lie in two or more adjacent AEAs (275.8).

It is the intent of chapter 275 that the AEA board shall carry on the program of reorganization progressively and shall, insofar as is possible, authorize submission of proposals to the electors as they are developed and approved (275.6).

Boundary Changes

In any case where, by reason of natural obstacles, any portion of the inhabitants of any school corporation in the opinion of the AEA administrator cannot with reasonable facility attend school in their own corporation, the AEA administrator shall, by a written order, in duplicate, attach the part thus affected to an adjoining school corporation, the board of the same consenting thereto, one copy of which order shall be at once transmitted to the secretary of each corporation affected thereby, who shall record the same and make the proper designation on the plat of the corporation. Township or county lines shall not be a bar to the operation of this section (274.13).

When the natural obstacles by reason of which territory has been set off by the AEA administrator from one school district and attached to another in the same or an adjoining county have been removed, the territory may, upon the concurrence of the respective boards, be restored to the school district from which set off and shall be so restored by said boards upon the written application of two-thirds of the electors residing upon the territory so set off together with the concurrence of the AEA administrator and the board of the school district from which such territory was originally set off by the administrator (274.14).

The boundary lines of contiguous school corporations may be changed by the concurrent action of the respective boards of directors at their regular meetings in July, or at special meetings called for that purpose. Such concurrent action shall be subject to the approval of the AEA board but such concurrent action shall stand approved if the board does not disapprove such concurrent action within thirty days following receipt of notice thereof. The corporation from which territory is detached shall, after the change, contain not less than four government sections of land (274.37).

A proposal for merger, consolidation, or boundary change of local school districts shall first be submitted to the AEA board (275.5).

The provisions of sections 275.1 to 275.5, relating to studies, surveys, hearings and adoption of plans shall constitute a mandatory prerequisite to the effectuation of any proposal for district boundary change. It shall be the mandatory duty of the AEA board to dismiss the petition if the above provisions are not complied with fully (275.9).

Objections

Any person residing or owning land within the territory described in the petition, or who would be injuriously affected by the change petitioned for, may file an objection with the AEA administrator on forms precribed by the Department of Education (275.14). A brief summary of the objection process and copies of the forms are included in Appendix B.

Public School Officials

The doctrines of incompatibility of office and conflict of interest do not preclude an individual from serving both as a member of the county board of supervisors and as a member of the board of directors of a local school (OAG #92-9-1).

An assistant county attorney is a public employee, not a public officer. Therefore, incompatibility doctrine is inapplicable and assistant county attorneys may serve on school boards (OAG #91-7-2).

The offices of county assessor and secretary of the school board are not incompatible (#89-10-3(L)).

The Board President

The president of the board of directors shall:
(a) preside at all of its meetings,
(b) sign all contracts made by the board,
(c) and appear in behalf of the corporation in all actions brought by or against it, unless individually a party, in which case this duty shall be performed by the secretary (291.1).

The president or the president's designee shall sign, using an original or facsimile signature, all school district warrants drawn as provided by law (291.1).

The board of directors of a school district or an AEA may by resolution authorize the secretary, upon approval of the president of the board, to issue warrants when the board of directors is not in session, but only upon verified bills filed with the secretary, and the secretary shall either deliver in person or mail the warrant to the payee (279.30).

In case of a breach of the bond of the secretary or treasurer, the president shall bring action thereon in the name of the school corporation (291.5).

The Board Secretary

The secretary and treasurer, within ten days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond in an amount sufficient to cover current operations as determined by the board. All such bonds shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds shall be determined and approved by the board and shall be filed with the president. The cost of the surety bond shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond is necessary for that person. The secretary and treasurer may give bond under a single bond covering other employees of the district (291.2). If the bond of an association or corporation as surety is furnished, the reasonable cost of such bond may be paid by the school corporation (291.3). Each shall take the oath required of civil officers, which shall be endorsed upon the bond, and shall complete the qualification within ten days (291.4). The board shall appoint a temporary secretary in the absence of the regular officer (279.5).

A board may cancel an official bond and obtain a new bond from a different carrier prior to expiration of an official's term, provided that the provisions of chapter 64 are followed in procuring the new bond, and provided that no language in the original bond instrument prohibits such cancellation (OAG #96-10-1(L)).

The secretary appointed by the board of directors is an "officer" (OAG #56-9-24).

The board shall determine the salary for the secretary (260C.12, 273.8(3)).

It is not permissible for the school district to employ a person as secretary. The secretary is an appointed officer rather than an employee. The board may assign business management duties in addition to the statutory duties (OAG #76-4-15). However, an employee other than a teacher could be appointed as secretary (279.3). In this case, this person holds two legally separated, though possibly integrated, positions with the district--one an appointed position and one an employed position.

The major duties of the secretary are as follows:

File and preserve copies of all reports made and all papers transmitted pertaining to the business of the corporation. (291.6(l)).

Keep a complete record of all the proceedings of the meetings of the board and of all regular or special elections in the corporation in separate books (291.6(2)).

Keep an accurate, separate account of each fund with the treasurer, charge the treasurer with all warrants and drafts drawn in the treasurer's favor, and credit the treasurer with all orders drawn on each fund (291.6(3)).

Keep an accurate account of all expenses incurred by the corporation, and present the same to the board for audit and payment (291.6(4)).

The secretary of each district shall file monthly with the board of directors, a complete statement of all receipts and disbursements from the various funds during the preceding month, and also the balance remaining on hand in the various funds at the close of the period covered by the statement, which monthly statements shall be open to public inspection (291.7).

The secretary shall draw each order on the treasurer, specify the fund on which it is drawn and the use for which the money is appropriated; countersign using an original or facsimile signature and keep a register of the order, showing the number, date, to whom drawn, the fund upon which it is drawn, the purpose and the amount; and at each regular annual meeting furnish the board with a copy of the register (291.8).

If the board of directors of a school district or an AEA has so authorized by resolution, the secretary may issue warrants when the board of directors is not in session in payment of freight, drayage, express, postage, printing, water, light, and telephone rents, but only upon verified bills filed with the secretary and for the payment of salaries pursuant to the terms of a written contract, and the secretary shall either deliver in person or mail the warrants to the payees. In addition, the board of directors may by resolution authorize the secretary, upon approval of the president, to issue [other] warrants when the board of directors is not in session, but only upon verified bills filed with the secretary, and the secretary shall either deliver in person or mail the warrants to the payees. Each warrant must be made payable only to the person performing the service or presenting the verified bill, and must state the purpose for which the warrant is issued. All bills and salaries for which warrants are issued prior to audit and allowance by the board must be passed upon by the board of directors at the next meeting and be entered in the regular minutes of the secretary (279.30).

Report to the director of the department of education, the county auditor and the county treasurer the name and post office address of the president, treasurer, and secretary of the board as soon as practicable after the qualification of each (291.11).

The secretary shall appear in behalf of the corporation in all action brought by or against it when the president of the board of directors is individually a party in the action (291.1).

The board may delegate its responsibility for handling investment transactions to the secretary (12C.11).

An AEA may be garnisheed upon a judgment against an employee. No debt of the garnishee is subject to garnishment other than the wages of the public employee. Service of the original notice shall be made to the secretary of the school board. The garnishee shall be required to answer within thirty days following receipt of the notice. A judgment in garnishment shall be enforceable against a garnishee only to the extent of the defendant's wages actually in the possession of the garnishee, and shall not be enforceable against any property, claims or other rights of the garnishee (642.2). Worker compensation is exempt except for the purposes of enforcing child, spousal, or medical support obligations (627.13).

Receive the report from the local school districts which they requested from accredited nonpublic schools located within each district of the names and ages of each pupil who is of compulsory attendance age and the grade level of each pupil. In addition, the report shall identify all students of compulsory attendance age who were truant and the number of days of truancy for the period covered by the report, and children who dropped out, withdrew from enrollment, or transferred to another Iowa school and the date their attendance ceased at the accredited nonpublic school (299.3).

Receive reports from local school districts regarding private instruction of pupils of compulsory attendance age. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor (299.4).

All certificates, reports, and proofs related to compulsory education shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of that office, and the secretary shall furnish certified copies thereof to any person requesting the same (299.7).

The secretary shall designate some suitable place for the organization meeting of the board of directors and notify each member and member-elect of the place and hour (279.1).

Upon termination of term of office, the secretary shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor (277.31).

Each school officer shall install and use in the office a system of uniform [financial accounting] blanks and forms as prescribed by law (11.23).

The secretary shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10).

The Board Treasurer

The secretary and treasurer, within ten days after appointment and before entering upon the duties of the office, shall execute to the school corporation a surety bond in an amount sufficient to cover current operations as determined by the board. All such bonds shall be continued to the faithful discharge of the duties of the office. The amount and sufficiency of all surety bonds shall

be determined and approved by the board and shall be filed with the president. The cost of the surety bond shall be paid by the school corporation. If a single person serves as secretary and treasurer, pursuant to section 279.3 or 260C.12, only one bond is necessary for that person. The secretary and treasurer may give bond under a single bond covering other employees of the district (291.2). If the bond of an association or corporation as surety is furnished, the reasonable cost of such bond may be paid by the school corporation (291.3). Each shall take the oath required of civil officers, which shall be endorsed upon the bond, and shall complete the qualification within ten days (291.4).

A board may cancel an official bond and obtain a new bond from a different carrier prior to expiration of an official's term, provided that the provisions of chapter 64 are followed in procuring the new bond, and provided that no language in the original bond instrument prohibits such cancellation (OAG #96-10-1(L)).

Upon termination of the term of office, the treasurer shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor (277.31).

The board shall determine the salary for the treasurer (260C.12, 273.8(3)).

A treasurer of a school district is an officer of the district, and service of notice on the treasurer binds the district (Kennedy v. Independent School District of Derby Grange, 1978, 48 Iowa 189).

The major duties of the school district treasurer are as follows:

Receive all moneys belonging to the school district (291.12).

Pay only warrants signed by the president and countersigned by the secretary (291.12). No order shall be drawn upon the treasury until the claim therefor has been audited and allowed (279.29) Each warrant must be made payable to the person entitled to receive the money (279.30).

Keep an accurate record of all receipts and expenditures in a book provided for that purpose (291.12).

Register all orders drawn and reported to the treasurer by the secretary, showing the number, date, to whom drawn, fund upon which it is drawn, the purpose and amount (291.12).

The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied (298A.14).

Render a statement on the finances of the corporation whenever required by the board; and the treasurer's books shall always be open for inspection (291.14).

The board shall from time to time examine the accounts of the treasurer and make settlements with the treasurer (279.31). The treasurer at the time of settlement shall furnish the board with a sworn statement from each depository showing the balance then on deposit in the depository (279.33).

All funds held by the treasurer shall be deposited in one or more depositories first approved by the board of school directors. The treasurer shall invest all funds not needed for current operating expenses in time certificate of deposit in approved depositories or in investment permitted by section 12B.10. The list of public depositories and the amounts severally deposited in the depositories are matters of public record (12C.1(1)). The treasurer shall at all times keep funds coming into their possession as public money in a vault or safe to be provided for that purpose or in one or more depositories approved by the board. Any public funds not currently needed shall be invested (12B.10).

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law (279.29).

At the time of any examination or at the time of any settlement with the treasurer, the treasurer shall produce and count in the presence of the officer or officers making such examination or settlement, all moneys or funds then on deposit in the safe or vault in the treasurer's office, and shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, which statement shall be certified by one or more officers of such depository, and shall correctly show the balance remaining on deposit in such depository at the close of business on the day preceding the day of such settlement. The treasurer shall also file a statement setting forth the numbers, dates, and amounts of all outstanding checks, or other items of difference, reconciling the balance as shown by the treasurer's books with those of the depositories (12B.11).

The board of directors may delegate its investment authority to the treasurer for handling investments transactions (12C.11).

If a warrant other than an anticipatory warrant is presented for payment, and is not paid for want of funds, or is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall bear interest at the rate specified in section 74A.2 (74.2).

The treasurer shall keep a record of each interest-bearing obligation which shall show the number and amount, the date interest commences, the rate of interest, and the name and post office address of the holder of the obligation (74.3).

When a nonnegotiable interest-bearing obligation is assigned or transferred, the assignee or transferee shall notify the treasurer in writing of the assignment or transfer and of the post office address of the assignee or transferee. Upon receiving notification, the treasurer accordingly shall correct the record maintained (74.4).

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation (74.5).

When an obligation which legally draws interest is paid, the treasurer shall endorse upon it the date of payment, and the amount of interest paid. The treasurer shall enter into the records maintained the date of payment and the amount of interest paid (74.7).

Receive forfeitures imposed on any school officers for willingly violating any law relative to schools, or willfully failing or refusing to perform any duty imposed by law (277.32).

The Administrator

The AEA board shall employ personnel to carry out the functions of the AEA which shall include the employment of an administrator who shall possess a license issued under chapter 272. The administrator shall be employed pursuant to section 279.20 and sections 279.23, 279.24 and 279.25. The salary for an AEA administrator shall be established by the board based upon the previous experience and education of the administrator. Section 279.13 applies to the AEA board and to all teachers employed by the AEA. Sections 279.23, 279.24, 279.25 apply to the AEA board and to all administrators employed by the AEA (273.3(11)).

The board of directors may employee a superintendent of schools [AEA administrator] for a term of not to exceed three years. However, the board's initial contract with a superintendent [administrator] shall not exceed one year if the board is obligated to pay a former superintendent [administrator] under an unexpired contract. The superintendent [administrator] shall be the executive officer of the board and have such powers and duties as may be prescribed by rules adopted by the board or by law. Boards of directors may jointly exercise the powers conferred by this section (279.20)).

Contracts with administrators shall be in writing and shall contain all of the following:
(1) The term of employment.
(2) The length of time during the school year services are to be performed.
(3) The compensation per week of five consecutive days or month of four consecutive weeks.
(4) A statement that the contract is invalid if the administrator is under contract with another board of directors in this state covering the same period of time, until such contract shall have been released or terminated by its provisions.
(5) Such other matters as may be agreed upon (279.23).

An administrator's contract shall remain in force and effect for the period stated in the contract. The contract shall be automatically continued in force and effect for additional one-year periods beyond the end of its original term, except and until the contract is modified or terminated by mutual agreement of the board of directors and the administrator, or until terminated as provided by this section (279.24).

An administrator may be discharged at any time during the contract year for just cause. The administrator shall be notified in writing that the board has voted to consider termination of the administrator's contract and the applicable procedures of section 279.24 apply (279.25).

The AEA administrators shall jointly appoint a member to serve on the Iowa public broadcasting board (256.82(4)(b)(3).

The AEA administrators shall select an early childhood specialist of an AEA to serve on the child development coordinating council that is established to promote the provision of child development services to at-risk three-year- and four-year-old children (256A.2(5)).

The salary of the AEA administrator shall be approved by the director of the Department of Education (256.9(30)).

In addition to licenses required under rules adopted pursuant to chapter 272, an individual employed as an administrator, supervisor, school service person, or teacher by a school district or AEA, who conducts evaluations of the performance of individuals holding licenses under chapter 272, shall possess an evaluator license or an evaluator endorsement appearing on a teaching or administrative licenses (272.33).

If a vacancy or vacancies occur among the elective offices or members of a school board and the remaining members of the board have not filled the vacancy within thirty days after the vacancy occurs, or when the board is reduced below a quorum, the secretary of the board, or if there is no secretary, the AEA administrator, shall call a special election in the district, subdistrict, or subdistricts, as the case may be, to fill the vacancy or vacancies. The county commissioner of elections shall publish the notices required by law for special elections, and the election shall be held not sooner than thirty days nor later than forty days after the thirtieth day following the occurrence of the vacancy. If the secretary fails for more than three days to call an election, the administrator shall call it (279.7).

When emergency repairs costing more than $25,000 are necessary in order to prevent the closing of any school, the provisions of the law with reference to advertising for bids shall not apply, and in that event the board may contract for such emergency repairs without advertising for bids. However before such emergency repairs can be made to any schoolhouse, it shall be necessary to procure a certificate from the AEA administrator that such emergency repairs are necessary to prevent the closing of the school (297.8).

The AEA administrator in conjunction with the state board for vocational education is empowered to require enforcement of chapter 289, part-time schools, on the part of school boards (289.7).

Official Misconduct--Directors, Officers, Employees

Any public officer or employee, who knowingly does any of the following, commits a class "D" felony:

1. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.
2. Falsifies any public record, or issues any document falsely purporting to be a public document.
3. Falsifies a writing, or knowingly delivers a falsified writing, with the knowledge that the writing is falsified and that the writing will become a public record of a government body (721.1).

Any public officer or employee, or any person acting under color of such office or employment, who knowingly does any of the following, commits a serious misdemeanor:

1. Makes any contract which contemplates an expenditure known by the person to be in excess of that authorized by law.
2. Fails to report to the proper officer the receipt or expenditure of public moneys, together with the proper vouchers therefor, when such is required of the person by law.
3. Requests, demands, or receives from another for performing any service or duty which is required of the person by law, or which is performed as an incident of the person's office or employment, any compensation other than the fee, if any, which the person is authorized by law to receive for such performance.
4. By color of the person's office and in excess of the authority conferred on the person by that office, requires any person to do anything or to refrain from doing any lawful thing.
5. Uses or permits any other person to use the property owned by the school district for any private purpose and for personal gain, to the detriment of the district.
6. Fails to perform any duty required of the person by law.
7. Demands that any public employee contribute or pay anything of value, either directly or indirectly, to any person, organization or fund, or in any way coerces or attempts to coerce any public employee to make any such contributions or payments, except where such contributions or payments are expressly required by law.
8. Permit persons to use the property owned by the district to operate a political phone bank for any of the following purposes:
    a. To poll voters on their preferences for candidates or ballot measures at an election.
    b. To solicit funds for a political candidate or organization.
    c. To urge support for a candidate or ballot measure to voters (721.2).

Any appointive or elective officer holding any public office may be removed from office by the district court for any of the following reasons:

1. For willful or habitual neglect or refusal to perform the duties of the office.
2. For willful misconduct or maladministration in office.
3. For corruption.
4. For extortion.
5. Upon conviction of a felony.
6. For intoxication, or upon conviction of being intoxicated.
7. Upon conviction of violating the campaign finance disclosure provisions of chapter 56 (66.1A).

It shall be a serious misdemeanor for any person or political organization either directly or indirectly to solicit or demand from any employee any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office (721.3, 721.7).

It shall be a serious misdemeanor for any person to use or permit to be used any motor vehicle owned by the school district for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office (721.4, 721.7).

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface. A violation of this labeling requirement shall be a serious misdemeanor (721.8, 721.9).

A public officer or employee who, by reason of the officer's or employee's employment, has access to any public record, or to any file, dossier, or accumulation of information of any kind, and who gives or transfers to any person, in exchange for anything of value other than fees authorized by law, any such record, file, dossier, or accumulation of information, or any part thereof, or who imparts to any person any information contained therein in exchange for anything of value other than fees authorized by law, commits a serious misdemeanor (721.10).

Any officer or employee of the district who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding (721.11).

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, a referee who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state (722.2).

Refusal by any public official to permit public inspection of audit reports when such reports have been filed with the state auditor shall constitute a simple misdemeanor (11.14).

Failure on the part of a public official to perform any of the duties prescribed in chapters 73A and 24, and sections 8.39 and 11.1 to 11.5, constitutes a simple misdemeanor, and is sufficient ground for removal from office (24.24).

A violation of the provisions of section 72.3 shall, in addition to criminal liability, render the violator liable, personally and on the violator's bond, if any, to liquidated damages in the sum of one thousand dollars for each violation, to inure to and be collected by the school corporation of which the violator is an officer (72.4).

An officer or person who is connected with or is a member of a board of a school district who fails to give preference to Iowa products and labor as required by chapter 73 is guilty of a simple misdemeanor. Each separate case of failure to give preference is a separate offense (73.5).

It shall be unlawful for any school director, officer, area education director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, area education director or teacher who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, shall be deemed guilty of a serious misdemeanor (301.28).

The director of the department of education shall prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the executive of contracts, and the submission of reports, and notify the AEA board, district board, or school authorities when a report has not been filed in the manner or on the dates prescribed that the school will not be accredited until the report has been properly filed (256.9(18)).

A prosecution for a simple misdemeanor or violation of a municipal or county rule or ordinance shall be commenced within one year after its commission (802.4).

The county attorney shall prosecute or assist in the prosecution of actions to remove public officers from office (331.756(16)).

CHAPTER 2

DIRECTOR DISTRICT CONVENTIONS

Definitions

"Eligible elector" means a person who possesses all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered (39.3(6)).

"Registered voter" means a person who is registered to vote pursuant to chapter 48A of the Iowa Code (39.3(11)). In previous Code, registered voters were referred to as qualified electors.

Number of Directors

The board of directors of an AEA shall not consist of less than five nor more than nine members, each a resident of and elected in the manner provided in section 273.8 from a director district that is approximately equal in population to the other director districts in the AEA (273.8(1)).

The board of an AEA may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than July 1 of a fiscal year for the direct district conventions to be held the following September (273.8(5)).

Area Education Agency Boundaries

The boundaries of an AEA shall not divide a school district. The director of the department of education shall change boundaries of AEAs to take into account mergers of local school districts and changes in boundaries of local school districts, when necessary to maintain the policy of chapter 273 that a local school district shall not be a part of more than one AEA (273.2(1)).

The board of an AEA may change the number of directors on the board and shall make corresponding changes in the boundaries of director districts. Changes shall be completed not later than July 1 of a fiscal year for the direct district conventions to be held the following September (273.8(5)).

To the extent possible the board shall provide that changes in the boundary lines of director districts of AEAs shall not lengthen or diminish the term of office of a director of an AEA board. Initial terms of office shall be set by the board so that as nearly as possible the terms of one-third of the members expire annually (273.8(6)).

Where feasible, boundary lines of director districts shall coincide with the boundary lines of school districts and the boundary lines of election precincts established pursuant to sections 49.3 to 49.6(273.8(7)).

The board of the AEA shall redraw boundary lines of director districts in the AEA after each census to compensate for changes in population if changes in population have taken place (273.8(7)).

The Code of Iowa does not outline a specific set of actions to follow in order to assure due process in general. However, in 1977, in Barker vs. Van Buren Community School District, a hearing panel for the Department of Public Instruction issued a decision which contained a set of "recommendations" which "**. . .**it feels is a reasonable and prudent procedure to follow in making decisions as important as the closing of an attendance center." The issue at hand does not involve closing a building, but the principles involved are similar. Following is the 1977 list modified to read more appropriately for an AEA board for making decisions regarding director districts:

1. Establish a timeline in advance for the carrying out of procedures involved in making an important decision. All aspects of such timeliness would naturally focus upon the anticipated date that the board of directors would make its final decision in the matter.
2. Inform all segments of the community in that AEA that a particular important decision is under consideration by the board of directors.
3. Involve the local school boards in providing sufficient input into the study and planning involved in important decision making.
4. Conduct sufficient research, study, and planning by the board and by groups and individuals selected by the board.
5. Provide an open and frank public discussion of the facts and issues.
6. Maintain a proper record of all the steps taken in the decision-making.
7. Make the final decision in an open public meeting and ensure an official record is made of the decision.

Term of Office

Each director shall serve a three-year term which commences at the organization meeting (273.8(1)).

The board shall appoint a temporary president or secretary, in the absence of the regular officers (279.5).

Except when otherwise provided, every officer elected or appointed for a fixed term shall hold office until a successor is elected and qualified unless the officer resigns, or is removed or suspended, as provided by law (69.1A).

Board members may take the oath of office orally from some person authorized to give the oath. It is not necessary to sign or subscribe to a written oath (OAG #32-4-28).

The oath may not be taken before a foreign notary (OAG #66-3-31).

Organization

The board of directors of each AEA shall meet and organize at the first regular meeting in October of each year at a suitable place designated by the president. Directors whose terms commence at the organization meeting shall qualify by taking the oath of office required by section 277.28 at or before the organization meeting (273.8(3)).

The provisions of section 260C.12 relating to organization, officers, appointment of secretary and treasurer, and meeting of the merged area board apply to the AEA board (273.8(3)).

Organization of the board shall be effected by the election of a president and other officers from the board membership as board members determine. The board of directors shall appoint a secretary and a treasurer who shall each give bond as prescribed in section 291.2 and who shall each receive the salary determined by the board. The secretary and treasurer shall perform duties under chapter 291 and additional duties the board of directors deems necessary. However, the board may appoint one person to serve as the secretary and treasurer. If one person serves as the secretary and treasurer, only one bond is necessary for that person. The frequency of meetings other than organizational meetings shall be as determined by the board of directors but the president or a majority of the members may call a special meeting at any times. Members of the board, other than the secretary and the treasurer, shall be allowed their actual expenses incurred in the performance of their duties and may be eligible to receive per diem compensation (260C.12).

Vacancies

Any of the following shall constitute a vacancy:
(a) Failure to elect at the proper election or to appoint within the time fixed by law.
(b) Failure of the officer elected or appointed to qualify within the time prescribed by law.
(c) The incumbent ceasing for any reason to be a resident of the district or removing residence from the subdistrict.
(d) Resignation or death of the incumbent or of the officer-elect.
(e) Removal of incumbent from, or forfeiture of, the office.
(f) Decision of a competent tribunal declaring the office vacant.
(g) Conviction of incumbent of a felony or of any public offense involving the violation of the incumbent’s oath of office (277.29).

Vacancies, as defined in section 277.29, in the member of the AEA board shall be filled for the unexpired portion of the term at a special director district convention called and conducted in the manner provided in subsection 273.8(2) for regular director district conventions (273.8(2)).

Each school officer or member of the board upon the termination of the officer or member's term of office shall immediately surrender to the successor all books, papers, and moneys pertaining or belonging to the office, taking a receipt therefor (277.31).

A vacancy is created when a board member moves from one director district to another director district in the same corporation (OAG #69-4-6(L)).

A director who moves from the district and later returns is not entitled to finish the term (1912 Op. Att’y Gen. 739 (#12-7-13)).

Election Process

Conduction

A person who offers, promises, or gives anything of value or any benefit to any elector for the purpose of influencing the elector's vote, in any election authorized by law, or any elector who receives anything of value or any benefit knowing that it was given for such purpose, commits an aggravated misdemeanor (722.4(1)).

A person who offers, promises, or gives anything of value or any benefit to any precinct election official authorized by law, or to any executive officer attending the same, conditioned on some act done or omitted to be done contrary to the person's official duty in relation to such election, commits an aggravated misdemeanor (722.4(2)).

A person who unlawfully and by force, or threats of force, prevents or endeavors to prevent an elector from giving the elector's vote at any public election commits an aggravated misdemeanor. A person who procures, or endeavors to procure, the vote of an elector for or against any candidate or for or against any issue by means of violence, threats of violence, or by any means of duress commits an aggravated misdemeanor (722.8).

Director District Conventions

The board of directors of the AEA shall be elected at director district conventions attended by members of the boards of directors of the local school districts located within the director district. The member of the AEA board to be elected at the director district convention may be a member of a local school district board of directors and shall be an elector and a resident of the director district, other than school district employees (273.8(2)).

Calling Conventions

The director district conventions shall be called and the locations of the conventions shall be determined by the AEA administrator. Annually the director district conventions shall be held within two weeks following the regular school election. Notice of the time, date and place of a director district convention shall be published by the AEA administrator at least forty-five days prior to the day of the district conventions in at least one newspaper of general circulation in the director district. The cost of publication shall be paid by the AEA (273.8(2)).

Candidates

An individual serving on an AEA board:

- shall be an elector of the director district;
- shall be a resident of the director district;
- may be a member of a local school district board of directors; and
- shall not be a school district employee (273.8(1)).

In addition, a member of an AEA board shall not serve on the board of directors of a merged area (260C.11).

A candidate for election to the AEA board shall file a statement of candidacy with the AEA secretary at least ten days prior to the date of the director district convention, on forms prescribed by the department of education (see appendix B). The statement of candidacy shall include the candidate's name, address and school district. The list of candidates shall be sent by the secretary of the AEA by ordinary mail to the presidents of the boards of directors of all school districts within the director district immediately following the last day for filing the statement of candidacy (273.8(2)).

However, if no candidate files with the AEA secretary by the deadline, an eligible elector who is present at the director district convention may be nominated at the convention by a delegate from a board of directors of a school district located within the director district. Delegates to director district conventions shall not be bound by a school board or any school board member to pledge their votes to any candidate prior to the date of the convention (273.8(2)).

It shall be unlawful for any candidate for any office to be voted for at any election, prior to nomination or election, to promise, either directly or indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or to promise directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate or using the person's influence in securing the candidate's nomination, election, or appointment (49.120).

It shall be unlawful for any person to solicit from any candidate for any office to be voted for at any election, or any candidate for appointment to any public office, prior to nomination, election, or appointment, a promise, directly to indirectly, to support or use the candidate's influence in behalf of any person or persons for any position, place, or office, or a promise either directly or indirectly to name or appoint any person or persons to any place, position, or office in consideration of any person or persons supporting the candidate, or using the person's influence in securing the candidate's nomination, election, or appointment (49.121).

It shall be a serious misdemeanor for any person or political organization either directly or indirectly to solicit or demand from any employee any contribution of money or any other thing of value for election purposes or for the purpose of paying expenses of any political organization or any person seeking election to public office (721.3, 721.7).

It shall be a serious misdemeanor for any person to use or permit to be used any motor vehicle owned by the school district for the purpose of transporting any political literature or any person or persons engaging in a political campaign for any political party or any person seeking an elective office (721.4, 721.7).

A person who is serving or has been elected, selected, appointed, employed, or otherwise engaged to serve in a public capacity, including a public officer or employee, a referee who solicits or knowingly accepts or receives a promise or anything of value or a benefit given pursuant to an understanding or arrangement that the promise or thing of value or benefit will influence the act, vote, opinion, judgment, decision, or exercise of discretion of the person with respect to the person's services in that capacity commits a class "C" felony. In addition, a person convicted under this section is disqualified from holding public office under the laws of this state (722.2).

Convention Rules

The Code does not provide complete direction for all situations that might occur at a convention, nor does it specify who is to set convention rules. However, section 279.8 states that the board shall make rules for its own government; therefore it is appropriate for the AEA to promulgate rules within each AEA for conducting its conventions and to disseminate those rules to local board members. Items to consider in those rules may include, but would not be limited to:

- Establishing a standard agenda.
- Establishing a standard set of forms (suggested and required forms are in Appendix B).
- Determining who will serve as the presiding officer over a convention. Historically, the president or the president's designee of the board of directors of the school district in which the director district convention is being held has presided.
- Specifying that only board members shall cast ballots.
- Specifying that all board members of the local districts shall be accepted as delegates unless a board, through proper action as a board meeting, assigns its vote to one or more delegates.
- Specifying that each local school district has one weighted vote, and that vote is cast as a unit and may not be split among more than one candidate.
- Specifying that in the event that delegates from one or more school districts do not attend the convention, the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Specifying that in the event that a school board's delegate/s is present and chooses not to cast a vote, the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Specifying that in the event that a board is deadlocked in its vote, the vote of that board shall be eliminated and the winning candidate shall be the candidate who receives a plurality of the remaining votes.
- Declaring a school board deadlocked if a proper ballot cannot be presented after three calls by the presiding officer for ballots.

Suggested Agenda

Iowa law does not prescribe a fixed order of business which must be followed in a director district convention. The following is suggested as the order of business.

1. Call to order by the presiding officer appointed by the AEA administrator.
2. Appoint a secretary for the convention.
3. Roll call of each board which is a part of the director district (board members only).
4. Appoint a canvassing committee of three board members present.
5. Explanation of voting procedures.
6. Review of eligibility requirements for a candidate.
7. Presentation of the list of the name and address of eligible candidates that have filed certificates of candidacy.
8. If no eligible candidates have filed statements of candidacy, take nominations from the floor.
9. Discussion.
10. Casting of votes by written ballot.
11. Computation and canvass of ballots by the canvassing committee. A record of the number of votes cast for each candidate shall be maintained. The record must contain sufficient information to indicate the vote of each board.
12. Declaration of the successful candidate.
13. Adjournment.

Immediately following the close of the convention, the secretary will complete a certificate of election to be signed by the secretary and the presiding officer. The certificate of election and the canvass report shall be forwarded to the board secretary of the AEA.

Casting Votes

The board of each separate school district which is located entirely or partially inside an AEA director district shall cast a vote for director of the AEA board based upon the ratio that the population of the school district, or portion of the school district, in the director district bears to the total population in the director district. The population of each school district or portion shall be determined by the department of education (273.8(2)).

All qualifications being met, a person elected to a school board is entitled to a certificate of election, even though the person or the person's company has been or is doing business with the school. However, after the person is qualified, the statute should be fully observed by the board in relationship to doing business with that person or that person's company (OAG #27-3-19(L)).

Voluntary Reorganization

Two or more AEAs may voluntarily reorganize under subchapter II or chapter 273 if the AEAs are contiguous, a majority of the members of each of the affected boards approve the reorganization, and the reorganization plan submitted to the state board is approved by the state board (273.21(1)). The petition shall state the number of directors on the initial board which shall be either seven or nine directors. The petition shall specify the number of directors to be retained from each area, and those numbers shall be proportionate to the populations of the agencies (273.23(1)).

As an alternative to AEA reorganization, the board of directors of an AEA may establish an AEA dissolution commission to prepare a proposal of dissolution of the AEA and attachment of all of the AEA to one or more contiguous AEAs and to include in the proposal a division of the assets and liabilities of the dissolving AEA (273.24(1)).

Campaign Finance Disclosure Report

Committees for school elective offices and local ballot issues shall file their first reports five days prior to any election in which the name of the candidate or the local ballot issue which they expressly advocate appears on the printed ballot and shall file their next report on the first day of the month following the final election in a calendar year in which the candidate's name or the ballot issue appears on the ballot. A committee expressly advocating the nomination, election, or defeat of a candidate for a school elective office or the passage or defeat of a local ballot issue shall also file disclosure reports on the nineteenth day of January and October of each year in which the candidate or ballot issues does not appear on the ballot and on the nineteenth day of January, May, and July of each year in which the candidate or ballot issue appears on the ballot, until the committee dissolves. These reports shall be current to five days prior to the filing deadline and are considered timely filed if mailed bearing a United States postal service postmark on or before the due date (56.6(1)(d)).

Every committee as defined in chapter 56 shall file a statement of organization within ten days from the date of its organization (56.6).

All statements and reported required to be filed on campaign finance shall be filed with the commission. Statements and reports on a ballot issue shall be filed with the commission responsible for conducting the election at which the issue is to be voted upon (56.4).

Except as otherwise provided section 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor (68B.22(1)).

A gift means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received (68B.2(9)).

A gift is merely something transferred by one person to another without compensation regardless of the form and would include food and drink (OAG #87-1-13).

A discount on a computer purchase is not a gift prohibited by the gift law, if the purchase price constitutes legal consideration of equal or greater value than the computer products and the discount reflects a list price available to a particular segment of the public. Ultimately, determination of the market value of the computer products is an issue of fact. If the computer retailer is not a restricted donor within the scope of one of the four alternative categories set forth in the statute, the gift law does not apply and a discount could not violate the gift law (OAG #93-7-7(L)).

Employee Election

Upon the filing of a petition for certification of an employee organization, the board shall submit a question to the public employees at an election in an appropriate bargaining unit. The question on the ballot shall permit the public employees to vote for no bargaining representation or for any employee organization which has petitioned for certification or which has presented proof satisfactory to the board of support of ten percent or more of the public employees in the appropriate unit (20.15(1)).

CHAPTER 3

MEETINGS AND MINUTES

An AEA board is a state agency as well as a local agency. Its members are elected by the boards of the local school districts, but it operates within a sphere of legal duties, authorizations and limitations which are prescribed by the state legislature.

The stewardship of funds, the keeping of accurate and complete records and the provision for required publications are all obligations of the board in complying with the law and providing information to the public.

Board Meetings

Definitions

A *"meeting"* means a gathering in person or by electronic means, formal or informal, of a majority of the members of a governmental body where there is deliberation or action upon any matter within the scope of the governmental body's policy-making duties. Meetings shall not include a gathering of members of a governmental body for purely ministerial or social purposes when there is no discussion of policy or no intent to avoid the purposes of chapter 21 (21.2(2)).

"Open session" means a meeting to which all members of the public have access (21.2(3)).

A *"governmental body"* means a board of a political subdivision or tax-supported district in this state, or a multimembered body formally and directly created by the board, or an advisory board, advisory commission, advisory committee, task force, or other body created by executive order of the board to develop and make recommendations on public policy issues (21.2(1)).

A "*quorum*" means a majority of the member of the board of directors of the AEA (273.8(4)).

Meetings

Meetings shall be preceded by public notice and shall be held in open session unless closed sessions are expressly permitted by law. Except as provided in section 21.5, all actions and discussions at meetings, whether formal or informal, shall be conducted and executed in open session (21.3).

Public Notice

A governmental body shall give notice of the time, date, and place of each meeting, and its tentative agenda, in a manner reasonably calculated to apprise the public of that information. Reasonable notice shall include advising the news media who have filed a request for notice with the governmental body and posting the notice on the bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the body holding the meeting, or if no such office exists, at the building in which the meeting is to be held (21.4(1)).

Notice shall be given at least twenty-four hours prior to the commencement of any meeting of a governmental body unless for good cause such notice is impossible or impractical, in which case as much notice as is reasonably possible shall be given. Each meeting shall be held at a place reasonably accessible to the public, and at a time reasonably convenient to the public, unless for good cause such a place or time is impossible or impractical. Special access to the meeting may be granted to persons with disabilities (21.4(2)).

When it is necessary to hold a meeting on less than twenty-four hours' notice, or at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying that departure from the normal requirements shall be stated in the minutes (21.4(2)).

An agenda which has been posted more than twenty-four hours prior to a scheduled meeting may be amended to include additional matters only if good cause exists requiring expeditious discussion or action on such matters. In the absence of factors making twenty-four hours notice impossible or impractical, an existing agenda may not be amended within twenty-four hours of a meeting and such matters must be scheduled for future meetings so that the public may receive the prescribed notification (OAG #79-7-11).

If another section of the Code requires a manner of giving specific notice of a meeting, hearing, or an intent to take action by a governmental body, compliance with that section shall constitute compliance with the notice requirements of section 21.4 (21.4(4)).

A formally constituted subunit of a parent governmental body may conduct a meeting without notice during a lawful meeting of the parent governmental body, a recess in that meeting, or immediately following that meeting, if the meeting of the subunit is publicly announced at the parent meeting and the subject of the meeting reasonably coincides with the subjects discussed or acted upon by the parent governmental body (21.4(3)).

Closed Session

A governmental body may hold a closed session only by affirmative public vote of either two-thirds of the members of the body or all of the members present at the meeting. A governmental body may hold a closed session only to the extent a closed session is necessary for any of the following reasons:

a. To review or discuss records which are required or authorized by state or federal law to be kept confidential or to be kept confidential as a condition for that governmental body's possession or continued receipt of federal funds.
b. To discuss application for letters patent.
c. To discuss strategy with counsel in matters that are presently in litigation or where litigation is imminent where its disclosure would be likely to prejudice or disadvantage the position of the governmental body in that litigation.
d. To discuss the contents of a licensing examination or whether to initiate licensee disciplinary investigations or proceedings if the governmental body is a licensing or examining board.
e. To discuss whether to conduct a hearing or hearings to suspend or expel a student, unless an open session is requested by the student or a parent or guardian of the student if the student is a minor.
f. To discuss the decision to be rendered in a contested case conducted according to the provisions of Chapter 17A.
g. To avoid disclosure of specific law enforcement matters, such as current or proposed investigations, inspection or auditing techniques or schedules, which if disclosed would enable law violators to avoid detection.
h. To avoid disclosure of specified law enforcement matters, such as allowable tolerances or criteria for the selection, prosecution or settlement of cases, which if disclosed would facilitate disregard of requirements imposed by law.
i. To evaluate the professional competency of an individual whose appointment, hiring, performance or discharge is being considered when necessary to prevent needless and irreparable injury to that individual's reputation and that individual requests a closed session.
j. To discuss the purchase of particular real estate only where premature disclosure could be reasonably expected to increase the price the governmental body would have to pay for that property. The minutes and the tape recording of a session closed under this paragraph shall be available for public examination when the transaction discussed is completed (21.5(l)).

The vote of each member on the question of holding the closed session and the reason for holding the closed session by reference to a specific exemption shall be announced publicly at the open session and entered in the minutes. A governmental body shall not discuss any business during a closed session which does not directly relate to the specific reason announced as justification for the closed session (21.5(2)).

Final action by any governmental body on any matter shall be taken in an open session unless some other provision of the Code expressly permits such actions to be taken in closed session (21.5(3)).

A governmental body shall keep detailed minutes of all discussion, persons present, and action occurring at a closed session, and shall also tape record all of the closed session. The detailed minutes and tape recording of a closed session shall be sealed and shall not be public records open to public inspection. However, upon order of the court in an action to enforce Chapter 21, the detailed minutes and tape recording shall be unsealed and examined by the court in camera. The court shall then determine what part, if any, of the minutes should be disclosed to the party seeking enforcement of Chapter 21 for use in that enforcement proceeding (21.5(4)).

A governmental body shall keep the detailed minutes and tape recording of any closed session for a period of at least one year from the date of that meeting (21.5(4)).

Ignorance of the legal requirements of chapter 21 shall be no defense to an enforcement proceeding. A governmental body which is in doubt about the legality of closing a particular meeting is authorized to bring suit at the expense of that governmental body in the district court of the county of the governmental body’s principal place of business to ascertain the propriety of any such action, or seek a formal opinion of the attorney general or an attorney for the governmental body (21.6(4)). The authority which appoints members of governmental bodies shall provide the members with information about open meeting laws and examination of public records (21.10).

Retreats by a governmental body are subject to all requirements of Iowa Code chapter 21 if there is a gathering of a majority of the members where there is deliberation or action upon policy matters within the agency’s jurisdiction If retreats do constitute “meetings” under Iowa Code section 21.2(1), proper notice must be given to the public under section 21.4 and a closed session may only be held to the extent expressly permitted by law (OAG #93-7-5(L)).

Advisory bodies created by school boards and county boards of supervisors to develop and make recommendations on public policy issues are included within the expanded definition of governmental bodies subject to the Open Meetings Law (OAG #93-11-5).

Rules of Conduct

The public may use cameras or recording devices at any open session. Nothing in Chapter 21 shall prevent a governmental body from making and enforcing reasonable rules for the conduct of its meetings to assure those meetings are orderly and free from interference or interruption by spectators (21.7).

Any person who willfully disturbs any deliberative body of the school corporation with the purpose of disrupting the functioning of the body by tumultuous behavior, or coercing by force or the threat of force any official conduct or proceeding, commits a serious misdemeanor (718.3).

An insurrection is three or more persons acting in concert and using physical violence against persons or property, with the purpose of interfering with, disrupting, or destroying the government of the school corporation, or to prevent any officer or body from performing its lawful function. Participation in insurrection is a class "C" felony (718.1).

Any person who willfully prevents or attempts to prevent any public officer or employee from performing the officer's or employee's duty commits a simple misdemeanor (718.4).

Any person who falsely claims to be or assumes to act as an elected or appointed officer, or person authorized to act on behalf of the school corporation, having no authority to do so, commits an aggravated misdemeanor (718.2).

Electronic Meetings

A governmental body may conduct a meeting by electronic means only in circumstances where such a meeting in person is impossible or impractical and only if the governmental body complies with all the following:

a. The governmental body provides public access to the conversation of the meeting to the extent reasonably possible.
b. The governmental body complies with public notice of the meeting. For the purpose of this paragraph, the place of the meeting is the place from which the communication originates or where public access is provided to the conversation.
c. Minutes are kept of the meeting. The minutes shall include a statement explaining why a meeting in person was impossible or impractical (21.8(1)).

A meeting conducted in compliance with the electronic meeting section of the law shall not be considered in violation of the open meeting law (21.8(2)).

A meeting by electronic means may be conducted without complying with public access if conducted in accordance with all the requirements for a closed session (21.8(3)).

Employment Conditions Meetings

A meeting of a governmental body to discuss strategy in matters relating to employment conditions of employees of the governmental body who are not covered by a collective bargaining agreement under chapter 20 is exempt from chapter 21. "Employment conditions" mean areas included in the scope of negotiations listed in section 20.9 (21.9).

Negotiating sessions, strategy meetings of public employers or employee organizations, mediation and the deliberative process of arbitrators shall be exempt from the provisions of chapter 21. However, the employee organization shall present its initial bargaining position to the public employer at the first bargaining session. The public employer shall present its initial bargaining position to the employee organization at the second bargaining session, which shall be held no later than two weeks following the first bargaining session. Both sessions shall be open to the public and subject to the provisions of chapter 21. Hearings conducted by arbitrators shall be open to the public (20.17(3)).

The terms of a proposed collective bargaining agreement shall be made available to the public by the public employer and reasonable notice shall be given to the public employees by the employee organization prior to a ratification election. The collective bargaining agreement shall become effective only if ratified by a majority of those voting by secret ballot (20.17(4)).

Minutes of Meetings

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required

by the Iowa Code or requested by the director of the department of education. Financial records shall be maintained in a manner as to be easily audited according to accepted accounting procedures (IAC, 281-12.3(1)).

Each governmental body shall keep minutes of all its meetings showing the date, time and place, the members present, and the action taken at each meeting. The minutes shall show the results of each vote taken and information sufficient to indicate the vote of each member present. The vote of each member present shall be made public at the open session. The minutes shall be public records open to public inspection (21.3).

In a school corporation, the secretary shall keep a complete record of all proceedings of the meetings of the board and of all regular or special elections in the corporation in separate books (291.6(2)).

Iowa law does not prescribe a fixed order of business which must be followed in a school board meeting. Where a board has not already adopted a regular order of business, the following is suggested:

1. Call to order by president or vice-president.
2. Determine that a quorum is present with roll call by secretary.
3. Reading and approval of minutes of previous meeting.
4. Reading and disposal of bills.
5. Reports of officers and standing committees.
6. Reports of special committees, petitions and communications and disposal of same.
7. Unfinished business.
8. New business.
9. Informational program.
10. Adjournment.

In the minutes for any meeting the following is recommended:

1. Date, time, and place of meeting [required].
2. Kind of meeting-regular, special, adjourned, organizational or annual.
3. By whom called.
4. Who presided.
5. Who served as secretary.
6. Names of members present [required].
7. Record of each motion properly presented, whether adopted or not, with names of persons making and seconding the motion [required]. Motions withdrawn or declared out of order need not be recorded.
8. Record of the number of votes cast for and against each motion. If the vote is unanimous, so stating is sufficient. If the vote is not unanimous or if any member abstained or was recused, the record must contain sufficient information to indicate the vote of each member [required].
9. Summary of important items considered and discussed by the board irrespective of formal action taken.
10. All reports of committees, petitions and communications received and the action taken on each. (Such reports, petitions, etc., should be placed on file and referred to in the minutes for identification.)
11. Identification of all bills audited by the board and a record showing whether such bills were allowed or disallowed.
12. Signature of secretary or acting secretary.
13. Record of approval of minutes by the board and the date of minutes approved.
14. Signature of president and secretary on all approved minutes.
15. File approved minutes in loose-leaf notebook and store in fireproof file or vault.

Motion versus Resolution

Generally a motion proposes that the board take certain action on a matter. It is a statement of direction rather than policy. Motions are made to handle routine business and to conduct meetings.

Resolutions are used for official decisions of the board that take legal effect when they are passed and are more likely to establish policy.

A motion of substance made by a member of the board should be included in the minutes even though it dies for lack of a second (OAG #75-11-25).

Conflict of Interest

City council members should exercise great caution whenever a measure involving their employers come before the council for discussion or vote; disclose on the record the facts and general circumstances of their employment or a spouse's employment before the council discusses or otherwise considers any such measure; and consult with the council's attorney before participating in any matter involving a financial benefit unique to the employer. Council members who wish to exercise caution in resolving

conflict of interest should abstain from participating in the decision-making process or voting on nay resulting award of financial assistance to the employer in order to avoid an appearance of impropriety (OAG #98-5-3).

Section 279.7A applies to directors of a school corporation who may only have an ownership interest in a corporation contracting with the school corporation. It also applies to placement of a newspaper advertisement in return for consideration such as a fee or charge. And it also applies to the placement of such advertisements on an as-needed basis (OAG #97-7-8).

CHAPTER 4

PUPIL ACCOUNTING AND TUITION

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the district board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed (256.9(18)).

Reports

Certified Annual Report (CAR)

The AEA shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10).

Reports from Accredited Nonpublic Schools

Within ten days from receipt of notice from the secretary of the school corporation within which an accredited nonpublic school is conducted, the principal of the accredited nonpublic school shall, once during each school year, and at any time when requested in individual cases, furnish to such secretary of the public school district within which the accredited nonpublic school is located, a certificate and report in duplicate on forms provided by the public school district of the names and ages of each pupil of the accredited nonpublic school who is of compulsory attendance age and the grade level of each pupil during the preceding year and from the time of the last preceding report to the time at which a report is required. In addition, the report shall identify all students of compulsory attendance age who were truant as defined by law or school policy and the number of days of truancy for the period covered by the report, and children who dropped out, withdrew from enrollment, or transferred to another Iowa school and the date their attendance ceased at the accredited nonpublic school. The secretary shall retain one of the reports and file the other with the secretary of the AEA (299.3).

A child who has reached the age of six and is under sixteen years of age by September 15 is of compulsory attendance age. However, if a child enrolled in a school district or accredited nonpublic school reaches the age of sixteen on or after September 15, the child remains of compulsory age until the end of the regular school calendar (299.1A).

Between September 1 and October 1 of each year, the secretary of each public school district board shall secure from each accredited nonpublic school located within its boundaries information about enrolled students as required by Iowa Code section 299.3. Each accredited nonpublic school shall submit the required report in duplicate. The secretary of each public school board shall send one copy to the secretary of the board of the AEA within which the public school district is located (IAC 281--12.3(10).

Reports as to Private Instruction

The parent, guardian, or legal custodian of a child who is of compulsory attendance age who places the child under competent private instruction under either section 299A.2 [competent private instruction by licensed practitioners] or 299A.3 [private instruction by nonlicensed person], not in an accredited or home school assistance program operated by a public or accredited nonpublic school, shall furnish a report in duplicate on forms provided by the public school district, to the district by the earliest starting date specified in subsection 279.10(1). The secretary shall retain and file one copy and forward the other copy to the district's AEA. The report shall state the name and age of the child, the period of time during which the child has been or will be under competent private instruction for the year, an outline of the course of study, texts used, and the name and address of the instructor. The parent, guardian, or legal custodian of the child, who is placing the child under competent private instruction for the first time, shall also provide the district with evidence that the child has had the immunizations required under section 139.8. The term "outline of course of study" shall include subjects covered, lesson plans, and time spent on the areas of study (299.4).

All such certificates, reports, and proofs shall be filed and preserved in the office of the secretary of the school corporation as a part of the records of the office, and the secretary shall furnish certified copies thereof to any person requesting the same (299.7).

Each child of compulsory attendance age who is receiving competent private instruction shall either be evaluated annually by May 1, using a nationally recognized standardized achievement evaluation or other assessment tool developed or recognized by the department of education and chosen by the child’s parent, guardian, or legal custodian from a list of approved evaluations or assessment tools provide by the department of education or be evaluated annually by showing evidence of adequate academic progress as provided in 299A.4(7) (299A.4(1)). The director of the department of education, or the director’s designee, which

may include a school district or an AEA, shall conduct the evaluations required for children under competent private instruction. Evaluation shall occur at a time and a place to be determined by the person responsible for conducting the evaluation. Persons conducting the evaluations shall make every reasonable effort to conduct the evaluations at times and places which are convenient for the parent, guardian, or legal custodian (299A.4(3)). The conducting of evaluations shall include, but is not limited to, purchasing of evaluation materials, giving the evaluations, scoring and interpreting the evaluations, and reporting the evaluation results (299A.4(5)). Except when a child has been enrolled in a public school under section 299A.8, the parent, guardian, or legal custodian of the child being evaluated shall reimburse the entity conducting the evaluation for no more than the actual cost of evaluation required. However, the parent, guardian, or legal custodian is not required to reimburse the evaluating entity for costs incurred as a result of evaluation for children identified as requiring special education under chapter 256B (299A.4(6)).

A child of compulsory attendance age who is identified as requiring special education under chapter 256B is eligible for placement under competent private instruction with prior approval of the placement by the director of special education of the AEA of the child's district of residence (299A.9).

A child who has been placed under competent private instruction, whose performance indicates that the child may require special education, shall be referred for evaluation under chapter 256B and the rules of the state board of education. Evaluation shall occur at a time and a place to be determined by the person responsible for conducting the evaluation. Persons conducting the evaluations shall make every reasonable effort to conduct the evaluations at times and places which are convenient for the parent, guardian, or legal custodian (299A.9).

Definitions

Resident

"Resident" means a child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions:

1. Is in the district for the purpose of making a home and not solely for school purposes.
2. Meets the definitional requirements of the term "homeless individual" under 42 U.S.C. section 11302 (a) and (c).
3. Lives in a juvenile detention center, foster care facility, or residential facility in the district (282.1).

Residence

The Iowa Supreme Court stated: "Ordinarily, the legal residence of a minor is the same as that of the parents, but a minor may have a residence for school purposes other than that of the parents. The test of residence which will confer school privileges is not the same as the test for taxation or for the exercise of the right of suffrage." The court construed "residence" to mean the place, abode, or dwelling of the person, and this opinion is quite carefully followed in determining pupil residence for school purposes (Mt. Hope School District v. Hendrickson 1971 Iowa 191,193).

"In the acquisition of a school domicile two factors concur - actual resident and intention." If a pupil leaves home with the intention of living independently and making a home where the pupil works, the pupil is entitled to all the privileges of a resident, including free schooling, but all surrounding facts must be considered to determine whether or not residence was established only for school purposes (OAG #37-2-19(L); 1958 Op. Att'y Gen. 198 (#57-3-6)).

The place where the occupant mainly and substantially performs those acts and offices which characterize a home, such as sleeping, sitting, eating and receiving visitors, is determined as the residence. If it is impossible to determine in which school district the occupant performs these acts and offices, then the occupant must elect one for the purposes of taxation and school attendance, and that election would be binding upon the statutory authorities in those matters (OAG #46-9-5(L)).

When a taxpayer lives in a home in one district and other buildings are in another district, the taxpayer's children would attend the district in which the home is located (OAG #26-2-25, OAG #46-9-5).

Residence for school purposes is not the same as legal domicile. A temporary residence, if not taken for the primary purpose of obtaining free schooling, may be sufficient for school privileges. For instance, children residing in mobile home parks, by reason of employment of parents, are entitled to tuition-free schooling in the school district where the mobile home park is located (OAG #55-9-7(L)).

Residence for school purposes is determined by intention of the parties and is broader than resident for taxation or suffrage (OAG #27-10-20).

A child cannot be expelled because of non-residence until a court has determined actual residence (OAG #28-11-20).

Tuition

Special Education Tuition

Any special education instructional program not provided directly by a school district or any special education support service not provided by an AEA can only be provided through a contractual agreement. The board must approve contractual agreements for AEA-operated special education instructional programs and contractual agreements permitting special education support services to be provided by agencies other than the AEA (IAC 281--41.128).

The program costs charged by a school district or an AEA for an instructional program for a nonresident eligible individual shall be the actual costs incurred in providing that program (IAC 281—41.132(1)).

An AEA or school district may make provisions for a resident eligible individual through contracts with public or private agencies which provide appropriate and approved special education. The program costs charged by or paid to a public or private agency for special education instructional programs shall be the actual costs incurred in providing that program (IAC 281--41.132(2)).

The resident district shall be liable only for instructional costs incurred by an agency for those individuals certified as entitled in accord with these rules unless required by 34 C.F.R. section 300.302, July 1, 1999 (IAC 281--41.132(3)).

For eligible individuals living in a licensed child foster care facility as defined in Iowa Code 237.1 or in a facility as defined in Iowa Code section 125.2, the school district in which the facility is located must provide special education if the facility does not maintain a school. The costs of the special education, however, shall be paid by the school district of residence of the eligible individual. If the school district of residence of the eligible individual cannot be determined, and the eligible individual is not included in the weighted enrollment of any school district in the state, the school district in which the facility is located may certify the costs to the director of education by August 1 of each year for the preceding fiscal year. Payment shall be made from the general fund of the state (IAC 281--41.132(5)).

For eligible individuals placed by the district court, and for whom parental rights have been terminated by the district court, the school district in which the facility or home is located must provide special education. Costs shall be certified to the director of the department education by August 1 of each year for the preceding fiscal year by the director of the AEA in which the eligible individual has been placed. Payment shall be made from the general fund of the state (IAC 281--41.132(6)).

Open Enrollment

If a transfer of a pupil from one district to another results in a transfer from one AEA to another, the sending district shall forward a copy of the request to the sending district's AEA. The receiving district shall forward a copy of the request to the receiving district's AEA. Any moneys received by the AEA of the sending district for the pupil who is the subject of the request shall be forwarded to the receiving district's AEA (282.18(9)).

Additional Weightings for Special Education

"Special education" means classroom, home, hospital, institutional, or other instruction designed to meet the needs of children requiring special education; transportation and corrective and supporting services required to assist children requiring special education in taking advantage of, or responding to, educational programs and opportunities, as defined by rules of the state board of education (256B.2(2)).

"Children requiring special education" means persons under twenty-one years of age, including children under five years of age who have a disability in obtaining an education because of a head injury, autism, behavioral disorder, or physical, mental, communication or learning disability, as defined by the rules of the department of education (256B.2(1)).

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9. Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the AEA board as provided in subsection 273.3(5), but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled (273.9(2)).

In order to provide funds for the excess costs of instruction of children requiring special education, above the costs of instruction of pupils in a regular curriculum, a special education weighting plan for determining enrollment in each school district is adopted in Iowa Code section 256B.9.

Shared-time and part-time pupils of school age who require special education shall be placed in the proper category and counted in the proportion that the time for which they are enrolled or receive instruction for the school year bears to the time that full-time pupils, carrying a normal course schedule, in the same school district, for the same school year are enrolled and receive instruction (256B.9(1)(e)).

The weighting for each category of child multiplied by the number of children in each category in the enrollment of a school district, as identified and certified by the director of special education for the area, determines the weighted enrollment to be used in that district for purposes of computations required under the state school foundation plan in chapter 257 (256B.9(2)).

Support service funds may not be utilized to supplement any special education programs authorized to use weighted instructional funds generated through the weighting plan (IAC 281—41.132(4)).

Special education instructional funds generated through the weighting plan may be utilized to provide special education instructional programs both in-state and out-of-state with the exceptions of itinerant hospital services or home services, itinerant instructional services and special education consultant services which shall utilize special education support service funds for both in-state and out-of-state placements (IAC 281--41.132(7)).

Any financial aid provided to an agency in support of special education may be suspended in whole or in part if the agency is found to be in noncompliance with any of the provisions of applicable statutes or rules (IAC 281—41.132(1)).

Tuition and Program Assistance

Children at Eldora and Toledo

The AEA in which the state training school and the Iowa juvenile home are located and the department of human services on behalf of the training school and juvenile home shall submit an annual joint application by January 1 for the next succeeding school year to the department of education describing the proposed special education instructional and support programs and service improvements for the training school and juvenile home. The department of education shall review and approve or modify the program and proposed budget by February 1 and shall notify the department of revenue and finance, the AEA, and the department of human services of the approved budget amount. The moneys for the approved budget shall supplement and not supplant moneys equal to the moneys expended for education for the fiscal year beginning July 1, 1986, by the department of human services. The moneys for the approved budget shall be used to ensure that the training school and juvenile home comply with appropriate administrative rules relating to special education adopted by the department of education. The AEA shall submit an accounting to the department of education by August 1 following the school year for the actual costs of the special education programs and services provided at the training school and juvenile home. Any amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 257.16 during that fiscal year to all school districts in the state. The portion of the total amount of the approved accounting amount that shall be deducted from the state aid of a school district shall be the same as the ratio that the budget enrollment for the budget year of the school district bears to the total budget enrollment in the state for that budget year.(282.28). The costs of these programs shall not otherwise be billed to school districts.

An AEA or local school district may appeal a decision made pursuant to section 282.28 or 282.31 to the state board of education. The decision of the state board is final (282.32).

Children Placed by District Court

Notwithstanding subsection 282.31(1), a child who has been identified as requiring special education, who has been placed in a facility or home by the district court, and for whom parental rights have been terminated by the district court, shall be provided special education programs and services on the same basis as the programs and services are provided for children requiring special education who are residents of the school district in which the child has been placed (282.29).

The actual special education instructional costs incurred for a child that lives in a facility, or who have been placed in a facility or home by the district court, who requires special education and who is not enrolled in the educational program of the district of residence of the child but who receives an educational program from the district in which the facility or home is located, shall be paid by the district of residence of the child to the district in which the facility or home is located, and the costs shall include the cost of transportation (282.31(2)(a)).

A child shall not be denied special education programs and services because of a dispute over the determination of district of residence of the child. The director of the department of education shall determine the district of residence when a dispute arises regarding the determination of the district of residence for a child who requires special education pursuant to this subsection (282.31(2)(b)).

The actual special education instructional costs, including transportation, for a child who requires special education shall be paid by the department of revenue and finance to the school district in which the facility or home is located, only when a district of residence cannot be determined, and the child was not included in the weighted enrollment of any district pursuant to section 256B.9, and the payment pursuant to subsection 2, paragraph "a" was not made by any district. The district shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of education shall review and approve or modify the program and proposed budget and shall notify the district by February 1. The district shall submit a claim by August 1 following the school year for the actual cost of the program. The department shall review and approve or modify the claim and shall notify the department of revenue and finance of the approved claim amount by September 1. The total amount of the approved claim shall be paid by the department of revenue and finance to the school district by October 1. The total amount paid by the department of revenue shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year (282.31(3)).

For purposes of funding juvenile home and foster care programs, district of residence means the school district in which the parent or legal guardian of the child resides or the district in which the district court is located if the district court is the guardian of the child (282.31(4)).

For eligible individuals placed by the district court, and for whom parental rights have been terminated by the district court, the school district in which the facility or home is located must provide special education. Costs shall be certified to the director of education by August 1 of each year for the preceding fiscal year by the director of the AEA in which the pupil has been placed. Payment will be made from the general fund of the state (IAC 281--41.132(6)).

Interstate Compact--Children Placed by District Court Out of State

Sending agency means a party state, officer or employee thereof; a subdivision of a party state, or officer or employee thereof; a court of a party state; a person, corporation, association, charitable agency or other entity which sends, brings, or causes to be sent or brought any child to another party state (232.158).

Receiving state means the state to which a child is sent, brought, or caused to be sent or brought, whether by public authorities or private persons or agencies, and whether for placement with state or local public authorities or for placement with private agencies or persons (232.158).

The sending agency shall retain jurisdiction over the child sufficient to determine all matters in relation to the custody, supervision, care, treatment and disposition of the child which it would have had if the child had remained in the sending agency's state, until the child is adopted, reaches majority, becomes self-supporting or is discharged with the concurrence of the appropriate authority in the receiving state. The sending agency shall continue to have financial responsibility for support and maintenance of the child during the period of the placement (232.158).

The appropriate public authorities as used herein means the state department of human services (232.160).

Financial responsibility for any child placed pursuant to the provisions of the interstate compact for the placement of children shall be determined in accordance with the provisions in article V of 232.158 (232.159). The fee negotiated by the resident state and the out-of-state agency includes all services provided to that child except the additional costs of special education services.

Child Living in a Shelter Care Home or Juvenile Detention Home

An AEA shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries:

1. An approved or licensed shelter care home. A juvenile shelter care home means a physically unrestricting facility used only for the shelter care of children (232.2(34)).
2. An approved juvenile detention home. A juvenile detention home means a physically restricting facility used only for the detention of children (232.2(32)).

The AEA shall provide the educational program by any one of, but not limited to, the following:

1. Providing for the enrollment of the child in the district of residence of the child, subject to the approval of the district in which the child is living.
2. Cooperating with the district of residence of the child and obtaining the course of study and textbooks of the child for use in the special facility into which the child has been placed.
3. Providing for the enrollment of the child in the district in which the child is living, subject to the approval of the district in which the child is living.

An AEA shall not provide educational services to a facility unless the facility makes a request for educational services to the AEA (282.30(1)).

A child who lives in a facility and who is not enrolled in the educational program of the district of residence of the child, shall receive appropriate educational services. The AEA shall submit a proposed program and budget to the department of education by January 1 for the next succeeding school year. The department of revenue and finance shall pay the approved budget amount for an AEA in monthly installments beginning September 15 and ending June 15 of the next succeeding school year. Any amount paid by the department of revenue and finance shall be deducted monthly from the state foundation aid paid under section 257.16 to all school districts in the state during the subsequent fiscal year (282.31).

If juvenile home students not requiring special education attend a local school district, other than the district of residence, tuition shall be calculated in the manner prescribed in Iowa Code section 282.24 for determining tuition costs for any nonresident student attending a local school district. In lieu of paying tuition to the local school district for these students, the AEA may request the local school district to account for these students through the foster care facility claim process (IAC 281—63.16(2)(a)).

Tuition for students provided a special education program pursuant to an IEP shall be paid by the district of residence, in accordance with the rules of special education and pursuant to Iowa Code chapter 282, to the district in which the juvenile home is located or to the AEA, whichever is providing the special education. The district in which the juvenile home is located or the AEA, whichever is providing the special education, shall notify the district of residence if the child was being served on the third Friday in September by the district in which the home is located or by the AEA. The district in which the juvenile home is located or the AEA, whichever is providing the special education, shall also notify the district of residence if the child was being served on December 1 by the district in which the home is located or by the AEA (IAC 281—63.16(2)(b)).

The days of enrollment shall only include the regular school session, and shall not include days of summer session (OAG 93-1-21(L)).

Programs may be provided during the summer and funded under section 282.31 if the school district or AEA determines a valid educational reason to do so (282.31(5)).

The Department of Human Services, as custodians for a child, has the authority to sign the consent forms necessary for the child to take part in school activities, get a drivers license and obtain certain types of medical care (OAG #84-12-9(L)).

AEAs in which any licensed juvenile home is located are responsible for providing the educational program (282.31). The AEA in which the facility is located may contract with the facility to provide the educational program. This is the decision of the AEA. A facility does not have the authority to provide an educational program unless contracted by the AEA to do so.

The Department of Education shall initiate the establishment of classes for children requiring special education or home study services in hospitals, nursing, convalescent, juvenile and private homes, in cooperation with the management thereof and local school districts or AEA boards (256B.3(7)).

The Department of Education shall cooperate with existing agencies such as the Department of Human Services, the Iowa Department of Public health, the State School for the Deaf, the Iowa Braille and Sight Saving School, the state tuberculosis sanatorium, the children's hospitals, or other agencies concerned with the welfare and health of children requiring special education in the coordination of their educational activities for such children (256B.3(9)).

An AEA or local school district may appeal a decision made pursuant to section 282.28 or 282.31 to the state board of education. The decision of the state board is final (282.32).

CHAPTER 5

FUNDING OF AREA EDUCATION AGENCIES

AEAs have no taxing authority. Instead, the law provides for a legislatively-controlled amount of property tax and state aid to "flow through" local school district budgets to the AEA. Revenue comes directly to the AEA from the Department of Management, but the amount appears in the budget of each district.

School districts shall pay for the programs and services provided through the AEA and shall include expenditures for the programs and services in their budgets in accordance with section 273.9 (273.9(1)). The department of management shall deduct the amounts calculated for special education support services, media services, and educational services for each school district from the state aid due to the district pursuant to chapter 257 and shall pay the amounts to the respective AEAs on a monthly basis from September 15 through June 15 during each school year. The department of management shall notify each school district of the amount of state aid deducted for these purposes and the balance of state aid shall be paid to the district. If a district does not qualify for state aid under chapter 257 in an amount sufficient to cover its amount due to the AEA as calculated by the department of management, the school district shall pay the deficiency to the AEA from other moneys received by the district, on a quarterly basis during each school year (257.35).

School districts shall pay the costs of special education instructional programs with the moneys available to the districts for each child requiring special education, by application of the special education weighting plan in section 256B.9. Special education instructional programs shall be provided at the local level if practicable, or otherwise by contractual arrangements with the AEA board as provided in subsection 273.3(5), but in each case the total money available through section 256B.9 and chapter 257 because of weighted enrollment for each child requiring special education instruction shall be made available to the district or agency which provides the special education instructional program to the child, subject to adjustments for transportation or other costs which may be paid by the school district in which the child is enrolled. Each district shall cooperate with its AEA to provide an appropriate special education instructional program for each child who requires special education instruction, as identified and counted within the certification by the are director of special education or as identified by the area director of special education subsequent to the certification, and shall not provide a special education instructional program to a child who has not been so identified and counted within the certification or identified subsequent to the certification 273.9(2)).

The costs of special education support services provided through the AEA shall be funded as provided in chapter 257 (273.9(3)).

AEA boards are authorized to receive and expend money for providing programs and services as provided in sections 273.1-273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1-273.9 and chapters 256B and 257 (273.3(2)).

The AEA board is authorized to make application for, accept, and expend state and federal funds that are available for programs of educational benefit approved by the director of the department of education, and cooperate with the department in the manner provided in federal-state plans or department rules in the effectuation and administration of programs approved by the director, or approved by other educational agencies, which agencies have been approved as state educational authorities (273.3(9)).

Restriction on Use of Funds

Funds generated for educational services shall not be expended by an AEA for the purpose of assisting either a public employer or employee organization in collective bargaining negotiations under chapter 20 if the public employer is a school district, or the employee organization consists of employees of a school district, located within the boundaries of the AEA (273.12).

Reversion of Special Education Support Services Balances

The Department of Education may direct the Department of Management to deduct amounts from the portions of school district budgets that fund special education support services in an AEA. The total amount deducted in an area shall be based upon excess special education support services unreserved and undesignated fund balances in that AEA for a school year as determined by the Department of Education (257.36).

Reduction of Media and Educational Services Funds

If an AEA does not serve nonpublic school pupils in a manner comparable to services provided public school pupils for media and educational services, as determined by the state board of education, the state board shall instruction the Department of management to reduce the funds for media services and educational services one time by an amount to compensate for such reduced services (257.37(5)).

Required to Utilize Federally Funded Health Care Programs

The state board of education in conjunction with the Department of Education shall develop a program to utilize federally funded health care programs, except the federal medically needy program for individuals who have a spend-down, to share in the costs of services which are provided to children requiring special education (256B.15(1)).

The Department of Education shall designate an AEA to develop a system for collecting the information necessary to implement procedures for billing and collecting the costs of the services. The AEA shall begin to develop the system immediately. The AEA shall consult with and work jointly with state agencies and federal agencies to determine procedures and standards which shall be initiated by all AEAs to qualify for receipt of benefits under federal program (256B.15(2)). The Department of Education shall prepare procedures as necessary to be used by AEA boards, officials, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting (256.9(18)).

The Department of Education, in conjunction with the AEA, shall determine those specific services which are covered by federally funded health care programs, which shall include, but not be limited to, physical therapy, audiology, speech language therapy, and psychological evaluations. The department shall also determine which other special services may be subject to reimbursement and the qualifications necessary for personnel providing those services. If it is determined that services are required from other service providers, these providers shall be reimbursed for those services (256B.15(3)).

All services referred to in subsection 1 shall be initially funded by the AEA and shall be provided regardless of subsequent subrogation collections. The AEA shall make a claim for reimbursement to federally funded health care programs (256B.15(4)).

Not later than July 1, 1988, the AEA designated by the Department of Education shall have developed the program for collecting for the services provided. The program shall be distributed to all of the AEAs in the state. All AEAs shall begin collecting the information on July 1, 1988 (256B.15(5)).

Effective November 1, 1988, all AEAs in the state shall participate in the program and begin billing for and collecting for the covered services and shall bill for services provided retroactive to July 1, 1988. Retroactive Title XIX billing is contingent upon state plan approval. Nothing contained in section 256B.15 shall be construed to allow nonlicensed individuals to perform services which otherwise require licenses under the laws of this state or to allow licensed providers to perform services outside their scope of practice (256B.15(6)).

The treasurer of the state shall credit receipts received under section 256B.15 to the Department of Human Services to pay contractual fees incurred by the department to maximize federal funding for special education services. All remaining receipts in excess of the amount necessary to pay contractual fees shall be credited to the Department of Human Services medical assistance account (256B.15(7)(a)). The AEAs shall, after determining the administrative costs associated with the implementation of medical assistance reimbursement for the eligible services, be permitted to retain up to twenty-five percent of the federal portion of the total amount reimbursed to pay for the administrative costs. [The reimbursement consisted of both a federal portion and a state match portion. The retention of twenty-five percent does not apply to the state match portion.] This limitation does not apply to medical assistance reimbursement for services provided by an AEA under part C of the federal Individuals with Disabilities Education Act (IDEA). Funds received under this section shall not be considered or included as part of the AEAs' budgets when calculating funds that are to be received by AEAs during a fiscal year (256B.15(7)(b)).

Students or their parents or guardians covered by a federal health care program shall provide health care information to an AEA or local school district (256B.15(8)).

The Department of Human Services shall offer assistance to the AEAs in the identification of children eligible for reimbursement for services under this section (256B.15(10)).

Early ACCESS

Early ACCESS is a partnership between families with young children, birth to age three, and providers from the Departments of Public Health and Human Services, the Child Health Specialty Clinics, and Iowa's AEAs. The purpose of this program is for families and staff to work together in identifying, coordinating and providing needed services and resources that will help the family assist their infant or toddler to grow and to develop.

CHAPTER 6

BUDGETING

Fiscal Year

The fiscal year of cities, counties, and other political subdivisions of the state shall begin July 1 and end the following June 30. For the purposes of this section, the term political subdivision includes school districts (8.51).

Budget Estimates

AEA boards shall prepare an annual budget estimating income and expenditures for programs and services as provided in sections 273.1-273.9 and chapter 256B within the limits of funds provided under section 256B9 and chapter 257 (273.3(12)).

The budget documents and supporting material shall reflect the account code structure of the *Uniform Financial Accounting* manual which can be obtained at http://www.state.ia.us/educate/publications/manuals.html.

AEAs are required to budget, account for, and report each and every expenditure. Interagency transactions including personnel sharing and other sales of services are shown gross and shall not be shown net. If the agencies bartered for services rather than issuing payments, the barter is reported as if payment had been made.

Thirty percent of the budget of an area for media services shall be expended for media resource material which shall only be used for the purchase or replacement of materials required in subsection 273.6(1) (257.36(2)). This will include:

a. A materials lending library, consistent of print and nonprint materials.
b. A professional library.
c. A curriculum laboratory, including textbooks and correlated print and audiovisual materials.
d. Capability for production of media-oriented instructional materials.
e. Qualified media personnel.
f. Appropriate physical facilities.
g. Other materials and equipment deemed necessary by the DE (273.6(1)).

The administrative expenditures shall not exceed five percent of the general fund. Annually the board of directors shall certify to the Department of Education the amounts of the AEA's expenditures and its general fund. Administrative expenditures means expenditures for executive administration (273.13). The director of the Department of Education shall approve the salaries of AEA administrators (256.9(30)).

The AEA board shall include in the budget submitted each year such sums as it deems necessary to carry on its reorganization work under chapter 275 (275.7).

IPERS contributions must come from the same fund as the employee's salary and must be budgeted (OAG #76-9-27).

Public Hearing and Notice

The board shall give notice of a public hearing on the proposed budget by publication in an official county newspaper in each county in the territory of the AEA in which the principal place of business of a school district that is a part for the AEA is located. The notice shall specify the date, which shall be not late than March 1 of each year, the time and the location of the public hearing (273.3(12)).

Certification to and Review by the State Board

The proposed budget as approved by the board shall then be submitted to the state board of education, on forms provided by the department, no later than March 15 preceding the next fiscal year for approval. The state board shall review the proposed budget of each AEA and shall before April 1, either grant approval or return the budget without approval with comments of the state board included. An unapproved budget shall be resubmitted to the state board for final approval not later than April 15. For the fiscal year beginning July 1, 1999, and each succeeding fiscal year the state board shall give final approval only to budgets submitted by AEAs accredited by the state board or that have been given conditional accreditation by the state board (273.3(12)).

Amendments

Budget estimates adopted, certified, and approved may be amended as the need arises:

1. to permit appropriation and expenditure of unexpended cash balances on hand at the close of the preceding fiscal year and which cash balances had not been estimated and appropriated for expenditure during the fiscal year of the budget sought to be amended,
2. to permit appropriation and expenditure of amounts of cash anticipated to be available during the year from sources other than controlled funding that had not been estimated and appropriated for expenditures during the fiscal year of the budget sought to be amended,
3. if state or federal action substantially alters the financial structure of a fiscal year to the extent an amendment is requested by the Department of Education, or
4. if any program is modified to the extent the approved budget does not adequately reflect the program budget for the fiscal year. Contact the appropriate Department of Education personnel for assistance in determining this criteria.

Amendments to budget estimates may be considered and adopted at any time during the fiscal year covered by the budget sought to be amended by filing the amendments using the same budget procedures as used for the original budget. A budget may be amended at any time on or after July 1 of the fiscal year to which the budget applies, but not later than May 31 of the fiscal year.

School Budget Review Committee

An AEA budget review procedures is established for the school budget review committee (SBRC). The SBRC shall meet and hold hearings each year to review unusual circumstances of AEAs, either upon the committee's motion or upon the request of an AEA. The committee may grant supplemental aid to the AEA from funds appropriated to the Department of Education for AEA budget review purposes, or an amount may be added to the AEA special education support services allowable growth for districts in an area or an additional amount may be added to district cost for media services or educational services for all districts in an area for the budget year either on a temporary or permanent basis, or both (257.31(1)).

Unusual circumstances shall include but are not limited to the following:

a. An unusual increase or decrease in enrollment of children requiring special education or unusual need for additional moneys for special education support services.
b. Unusual need for additional moneys for media services.
c. Unusual need for additional moneys for educational services.
d. Unusual costs for building repair, building maintenance, or removal of environmental hazards.
e. Participation by the AEA in telecommunications, electronic, and technological development with school districts, and related staff development programs (257.31(1)).

Failure by an AEA to provide information or appear before the SBRC as requested for the accomplishment of review or hearing constitutes justification for the committee to instruct the Department of Revenue and Finance to withhold payments for the AEA until the committee's inquiries are satisfied completely (257.32(4)).

Fund Summaries

General Fund is used to account for all transactions except those that are required by law to be accounted for in any other fund.

Special Revenue Trust Funds are special revenue funds used to account for all financial transactions from trusts received when the principal and interest from the trust may be used for purposes that support the agency's programs.

Capital Projects Funds are established when an AEA initiates a capital project, or receives grants or other funds for capital projects. These capital projects are those related to the acquisition of construction of major capital facilities other than those financed by proprietary funds or trust funds. When a capital project for facilities is lawfully initiated in any existing fund, the moneys for that project are transferred to a capital project fund by an operating transfer from the fund authorized to initiate the acquisition or construction, and the payment of the project's expenditures should be made from the capital project fund established to account for the project. If a capital project is to be initiated with borrowed funds, the loan proceeds must first be deposited into the fund authorized to issue that debt and then be transferred to the capital projects fund through an operating transfer.

Debt Service Fund is established when an AEA issues authorized general long-term indebtedness except those financed by proprietary or trust funds. The purpose of the fund is to pay interest as it becomes due and the amount necessary to pay the principal when due on bonds or other authorized indebtedness issued by the district, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by Code. Money available to service this debt shall be transferred to the debt service fund through an operating transfer from the fund which issued the original indebtedness and the payment of the debt shall be made from the debt service fund.

Permanent Funds are established to account for all financial transactions of funds received when only the interest earned may be used for purposes that support the agency's programs. Permanent funds are not budgeted.

Other Enterprise Funds are proprietary funds used to account for all financial transactions related to operations that are financed and operated in a manner similar to private business where the intent is that the costs of providing goods or services on a continuing basis are financed or recovered primarily through user charges. Examples would be public swimming pools, preschools, automotive repair shops, farms, home construction projects, and purchasing cooperatives.

Internal Service Funds are proprietary funds used to account for all financial transactions related to operations of agency activities that provide goods or services to the AEA, other AEAs or districts, or other governments, on a cost-reimbursement basis and where the AEA is the largest user of the goods or services. If the AEA is not the largest user of the good or services, the activity is accounted for in an Enterprise fund. Internal Service Funds are not budgeted.

Private Purpose Trust Funds are established to account for all financial transactions of trusts received when the principal and income benefit individuals, private organizations, or other governments instead of supporting the agency's programs. Examples would be scholarship funds. Private Purpose Trust Funds are not budgeted.

Pension Trust Funds are established to account for all financial transactions when money is held by the AEA as trustee or custodian for an employee pension plan. Only one district has established a local pension plan. Pension Trust Funds are not budgeted.

Agency Funds are established to account for all financial transactions when money and property are received and administered by the AEA in the capacity of an agent. Agency funds consist of assets and liabilities, but do not have revenues, expenditures, or fund equity. Agency funds are not owned by the AEA and are not budgeted.

Basis of Budgeting

School districts and AEAs are required to conform to generally accepted accounting principles (GAAP) for accounting and reporting commencing with the school year beginning July 1 1996 (257.31(4)). AEAs are also required to operate and budget on the GAAP basis.

Legal provisions may conflict with GAAP. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis, but should include sufficient additional records to permit GAAP-based reporting."

When GAAP provides more than one method for accounting for a financial transaction, the department of education may determine which method will be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code (256.9(18)).

The "basis of budgeting" refers to the point in time when revenues, expenditures or expenses (as appropriate), and the related assets and liabilities are recognized in the accounts and reported in the financial statements. In other words, the "basis of budgeting" determines the timing with which the budgeting system recognizes transactions.

Some of the advantages of GAAP basis include:

- providing a comprehensive measurement of financial position and results of operations;
- providing accountability for individual assets within the accounting system at the earliest appropriate date;
- providing the potential for cost accounting analyses and comparisons;
- promoting comparability from period to period;
- reducing management's ability to control cash flows in such a way as to produce financial statements that will seem to present financial position and results of operations in either a more optimistic or more pessimistic context, depending upon management's particular preference at the end of any given fiscal year.

Building an Operating Budget

The primary purpose of a budget is to translate the educational priorities of the AEA into financial terms. It should be a well-conceived plan for financing the educational support activities of the area for a given period of time.

The first step in building a budget is to assess the educational needs of the school community. The provisions in the Code of Iowa regarding budget limitations automatically signify the necessity to arrange the needs in the order of priority. Within the

limitations, the priorities can be scheduled to the extent funds are available. These limitations may restrict the desires of those fitting the plan to the financing available.

Building a new budget is a continuous process, and should involve long term strategic planning, analysis and evaluation by the board, administrator, staff, local districts and students, and the community.

The preparation of the budget involves three distinct plans: the educational plan, the expenditure plan and the financing plan.

The Educational Plan

The AEAs exist to support school districts. The education of children is the primary public purpose of a school district, therefore, the first consideration should be to provide support for a sound educational plan. This plan should give a picture of the entire school program and will indicate the involvement of personnel and materials which will be needed to carry out such a program. The educational philosophy, mission, goals, and policies of the board should be expressed in sufficient detail to justify the expenditure plan which, when limited to the financial plan, will fulfill the priorities as established.

The Expenditure Plan

This plan should contain an analysis of the cost of the proposed educational plan with both long-range and immediate goals outlined in such a way as to show continuity. Different groupings of expenditures should be available for various information needs of management. This can be accomplished through *Uniform Financial Accounting* (UFA), which is a Management Information System (MIS).

The Financial Plan

This plan should contain an analysis of the anticipated revenues and other financing resources which will be available to finance the expenditure plan.

Budgeting Philosophies

Program-Based Budgeting

Program-Based Budgeting is a technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. A line-item approach is used for object or source detail, organized by function or program and by organizational units such as high school or elementary school.

Program, Planning, and Budgeting Systems (PPBS) is a type of program-based budgeting. It emphasizes a systematic analysis of the goals and objectives of the school district, identification of viable alternative methods of achieving these objectives, estimation of the costs of each alternative, estimation of the effectiveness of each alternative, decision making based on the greatest effectiveness for the resources applied in achieving the stated objectives, and a follow-up evaluation of the alternatives selected for future year decisions.

Zero-Based Budgeting

Zero-Based Budgeting is a technique which prepares several service level alternatives based on funding levels for both existing and new program initiatives. Resources are appropriated to the various programs based on the priority of these alternatives. It involves justification of each item in the entire budget during each budgeting cycle as well as consideration of the consequences of not funding a specified program.

Activity-Based Budgeting

Activity-Based Budgeting is a technique originally developed to assist for-profit entities remain competitive in global markets. It is designed to give management information to continuously improve performance and reduce costs. It is a continuous process involving strategic planning and value analysis. It identifies support costs and their relationship to products or outcomes, and determines the best index to count or measure the activity rather than using a single cost accounting measure. This gives a more accurate costing of school district services and is particularly appropriate in a time when finances are tight and choices of activities must be made.

The first step to implement activity-based management is to define the mission, establish a strategic plan, determine activities of the district and assign responsibility. The next step is to have all personnel chart their daily work activities according to the key (major) activities defined in the first step. Activities which fit the listed district activities are all considered value-added activities, and accordingly, non-value added activities are those which don't fit any of the activities listed. This should continue

for at least three months to identify cyclic work. In the next step, accounting personnel cost out each activity based on the mission of the entity to determine the actual cost of conducting that activity. They will consider direct costs as well as indirect costs, and costs in terms of number of personnel and use of personnel time. Management then evaluates non-value-added activities to choose which if any to abandon. Management also evaluates the value-added activities to determine if the benefits derived from the activity justify the cost. The goal of personnel is to focus all work toward the strategic plan and the mission and to identify methods to reduce the cost of conducting each activity and to continuously improve service.

Businesses which have implemented activity based management find it very useful in evaluating the real costs of activities and in focusing the entire organization on the mission.

Curriculum-Based Budgeting

Curriculum-Based Budgeting is a technique which has been developed to effectively communicate the needs and purposes of the school district to its internal and external publics. It incorporates many of the techniques from earlier budgeting systems. It involves developing an overall mission and strategic plan individual to the school district and based on the needs identified through input from all of the publics. The plan includes specific goals and objectives. Frequently these objectives are organized around the curriculum of the school district. Each objective is costed, and then all of the objectives are prioritized. Potential resources are determined. The objectives, costs, and resources are analyzed and adjusted until a satisfactory balance is achieved. Each year the results of each objective and its cost are analyzed to determine effectiveness, to reevaluate priorities, and to provide management information.

Iowa Administrative Code requires that the AEA budget support its Comprehensive School Improvement Plan, therefore activity-based or curriculum-based budgeting may be the most appropriate budgeting concept for AEAs.

Summary of the School Foundation Formula Program

The authorized budget refers to the financing of school programs in the general fund.

Foundation State Aid

For a budget year, each school district in the state is entitled to receive foundation aid, in an amount per pupil equal to the difference between the amount per pupil of foundation property tax in the district, and the combined foundation base per pupil or the combined district cost per pupil, whichever is less. However, if the amount of foundation aid received by a school district under chapter 257 is less than three hundred dollars per pupil, the district is entitled to receive three hundred dollars per pupil unless the receipt of three hundred dollars per pupil plus the per pupil amount raised by the foundation property tax exceeds the combined district cost per pupil of the district for the budget year. In that case, the district is entitled to receive an amount per pupil equal to the difference between the per pupil amount raised by the foundation property tax for the budget year an the combined district cost per pupil for the budget year (257.1(2)).

Foundation Property Tax

Except as provided in subsections 257.3(2) and (3), a school district shall cause to be levied each year, for the school general fund, a foundation property tax equal to five dollars and forty cents per thousand dollars of assessed valuation on all taxable property in the district (257.3(1)).

Notwithstanding subsection 1, a reorganized school district shall cause a foundation property tax of four dollars and forty cents per thousand dollars of assessed valuation to b e levied on all taxable property which, in the year preceding a reorganization, was within a school district affected by the reorganization or dissolution. In years preceding the reorganization or dissolution, the school district affected must have had a certified enrollment of fewer than 600 in order for the four dollar and forty cent levy to apply. In succeeding years, the foundation property tax levy on that portion shall be increased to the rate of four dollars and ninety cents per thousand dollars of assessed valuation the first succeeding year, five dollars and fifteen cents per thousand dollars of assessed valuation the second succeeding year, and five dollars and forty cents per thousand dollars of assessed valuation the third succeeding year and each year thereafter (257.3(2)).

Additional Property Tax

A school district shall cause an additional property tax to be levied each year. The rate of the additional property tax levy in a school district shall be determined by the department of management and shall be calculated to raise the difference between the combined district cost for the budget year and the sum of the products of the regular program foundation base per pupil times the weighted enrollment in the district and the special education support services foundation base per pupil times the special education support services weighted enrollment in the district (257.4(1)).

Budget Enrollment

Budget enrollment for a budget year is a district's actual enrollment taken in the base year (fiscal year prior to the budget year). Actual enrollment is determined on the third Friday in September each year (257.6(1), (2), (4)).

The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under section 11.6, and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year (257.6).

Weighted Enrollment

Weighted enrollment is the budget enrollment plus the district's additional enrollment because of special education calculated on November 1 of the base year plus additional pupils added due to the application of the supplementary weighting. Weighted enrollment for special education support services costs is equal to the weighted enrollment minus the additional pupils added due to the application of the supplementary weighting (257.6(5)).

Regular Program District Cost Per Pupil

The regular program district cost per pupil for each school district for a budget year is the regular program district cost per pupil for the base year plus the regular program allowable growth for the budget year except in the following situation: If the regular program district cost per pupil of a school district for the budget year exceeds one hundred five percent of the regular program state cost per pupil for the budget year and the state percent of growth for the budget year is greater than two percent, the regular program district cost per pupil for the budget year for that district shall be reduced to one hundred five percent of the regular program state cost per pupil for the budget year. However, if the difference between the regular program district cost per pupil for the budget year and the regular program state cost per pupil for the budget year is greater than an amount equal to two percent multiplied by the regular program state cost per pupil for the base year, the regular program district cost per pupil for the budget year shall be reduced by the amount equal to two percent multiplied by the regular program state cost per pupil for the base year (257.10(2)(b)).

Combined District Cost

Combined district cost is the sum of the regular program district cost per pupil multiplied by the weighted enrollment and the special education support services district cost, plus the additional district cost allocated to the district to fund media services and educational services provided through the AEA. A school district may increase its district cost for the budget year to the extent that an excess tax levy is authorized by the school budget review committee (SBRC) (257.10(8)).

Authorized Expenditures

School districts are subject to chapter 24. The authorized expenditures of a school district during a base year shall not exceed the lesser of the budget for that year certified under section 24.17 [for the general fund] plus any allowable amendments permitted, or the authorized budget, which is the sum of the combined district cost for that year, the actual miscellaneous income received for that year, and the actual unspent balance from the preceding year (257.7(1)).

Miscellaneous Income

Miscellaneous income means the receipts deposited to the general fund of the school district but not including any of the following:

a. Foundation aid.
b. Revenue obtained from the foundation property tax.
c. Revenue obtained from the additional property tax (257.2(9)).

Miscellaneous income also does not include cash reserve levy receipts.

Unspent Balance

Unspent balance means the authorized expenditures of the preceding year less actual expenditures of the preceding year. Expenditure means the total amounts paid from the general fund of a school district (257.2(8)).

Additional Funding Sources

SBRC Grants

If a district has unusual circumstances, creating an unusual need for additional funds, the SBRC may grant supplemental aid to the district from any funds appropriated to the department of education for the use of the SBRC for the purposes in subsection 257.31(5), and such aid shall be miscellaneous income and shall not be included in district cost (257.31(5)).

Modified Allowable Growth

If a district has unusual circumstances, creating an unusual need for additional funds, including but not limited to the following circumstances, the SBRC may establish a modified allowable growth for the district by increasing its allowable growth:

a. Any unusual increase or decrease in enrollment.
b. Unusual natural disasters.
c. Unusual initial staffing problems.
d. The closing of a nonpublic school, wholly or in part.
e. Substantial reduction in miscellaneous income due to circumstances beyond the control of the district.
f. Unusual necessity for additional funds to permit continuance of a course or program which provides substantial benefit to pupils.
g. Unusual need for a new course or program which will provide substantial benefit to pupils, if the district establishes the need and the amount of necessary increased cost.
h. Unusual need for additional funds for special education or compensatory education programs.
i. Year-round or substantially year-round attendance programs which apply toward graduation requirements, including but not limited to trimester or four-quarter programs. Enrollment in such programs shall be adjusted to reflect equivalency to normal school year attendance.
j. Unusual need to continue providing a program or other special assistance to non-English speaking pupils after the expiration of the three-year period specified in section 280.4.
k. Circumstances caused by unusual demographic characteristics.
l. Any unique problems of school districts (257.31(5)).

The SBRC shall establish a modified allowable growth for a district by increasing its allowable growth and certify the same to the department of management:

1. When the district submits evidence that it requires additional funding for removal, management, or abatement of environmental hazards due to a state or federal requirement. Environmental hazards shall include but are not limited to the presence of asbestos, radon, or the presence of any other hazardous material dangerous to health and safety. The district shall include a budget for the actual cost of the project that may include the costs of inspection, reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans, recordkeeping requirements, and encapsulation or removal of the hazardous material (257.31(6)).
2. When the district requests it to fund the special education deficit (257.31(14)(b)).

Budget Review

The school budget review committee may recommend the revision of any rules, regulations, directives, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district (257.31(1)).

The school budget review committee shall review the proposed budget and certified budget of each school district, and may make recommendations. The committee may make decisions affecting budgets to the extent provided in chapter 257 (257.31(3)).

The committee shall review the recommendations of the director of the department of education relating to the special education weighting plan, and shall establish a weighting plan for each school year pursuant to section 256B.9, and report the plan to the director of the department of education (257.31(12)).

As soon as possible following June 30 of the base year, the school budge review committee shall determine for each school district the balance of funds, whether positive or negative, raised for special education instruction programs under the special education weighting plan established in section 256B.9. The committee shall certify the balance of funds for each school district to the director of the department of management (257.31(14)).

Annually the school budget review committee shall review the amount of property tax levied by each school district for the cash reserve authorized in section 298.10. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruct the director of the department of management to reduce that district's tax levy computed under section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive. A reduction in a district's property tax levy for a budget year under this subsection does not affect the district's authorized budget (257.31(15)).

The school budget review committee shall review the proposed budget and certified budget of each school district and shall handled exceeding authorized budgets (negative unspent balances) as follows:

a. A listing of the unspent balance as well as the unexpended cash balance of each school district for each fiscal year shall be reviewed by the committee.
b. The amount of any negative unspent balance shall be automatically subtracted from the authorized budget of a given school district during the subsequent fiscal year.
c. The state board of education shall be notified of the school districts with negative unspent balances each year. The notification shall include the amount the school district exceeded its authorized budget.
d. The board members of districts with negative unspent balances shall be notified of the amount the school district exceeded its authorized budget. The school districts shall inform the SBRC at its next official hearing of the plans that are being implemented to avoid future negative unspent balances (IAC 289—6.5(2)).

The school budget review committee shall review the proposed budget and certified budget of each school district and shall handled excessive cash reserve levies as follows:

a. Annually the school budget review committee shall review the amount of property tax levied by each school district for the cash reserve authorized in Iowa Code section 298.10.
b. If in the committee's judgment, the amount of a district's cash reserve levy is unreasonably high, the committee shall instruction the director of the department of management to reduce that school district's tax levy computed under Iowa Code section 257.4 for the following budget year by the amount the cash reserve levy is deemed excessive.
c. Notwithstanding any other action approved by the committee, cash reserve levies for the budget year shall not exceed 25 percent (25%) of the general fund expenditures for the year previous to the base year minus the general fund balance for the year previous to the base year. But expenditures and fund balance are calculated on the same basis, cash or GAAP, that the district uses for budgeting.
d. A reduction in a district's property tax levy for a budget year for cash reserve shall not affect the school district's authorized budget (IAC 289—6.5(3)).

CHAPTER 7

FINANCIAL ACCOUNTING AND REPORTING

The AEA board shall provide data and prepare reports as directed by the director of the department of education (273.3(3)).

The AEA shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10).

Uniform Financial Accounting (UFA)

One of the duties of the department of education is to prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the district board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that it will not be accredited until the report has been properly filed (256.9(18)). The procedure prescribed by the department of education and required of LEAs and AEAs is use of the most current edition of *Uniform Financial Accounting for Iowa LEAs and AEAs*. This manual covers the details of this financial management information system and is available on the department of education's web site at http://www.state.ia.us/educate/publications/manuals.html.

The department of education is authorized to prescribe a uniform system of accounting. That system is Uniform Financial Accounting (OAG #83-12-1(L)).

The basic philosophy of Uniform Financial Accounting (UFA) includes:

1. The chart of accounts encourages full disclosure of the financial position of the LEA/AEA. Emphasis is placed on the accurate classification of financial transactions. Expenditures are recorded in the accounting categories applicable, regardless of the implications of some of those decisions;
2. Comprehensiveness of financial reporting is encouraged. The LEA/AEA should incorporate all financial activities into a single accounting and reporting system for full disclosure. The account classifications encourage this procedure. Accounts for such activities as food services, student activities, community services and commercial-like enterprises all should be included in the financial reports of the LEA/AEA.
3. Simplified reporting is encouraged. GAAFR encourages using the minimum number of funds necessary for legal and operational use. Only the minimum number of funds consistent with legal and operating requirements should be established, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.
4. Financial reporting emphasizes the results of LEA/AEA operations more than the resources applied. The account code structure emphasizes program accounting and the application of supporting services costs to the "products" of the educational entity;
5. The account classification system is flexible: it meets the needs of both small and large LEA/AEA's while retaining comparability of reported data. The guideline of UFA include a minimum list of accounts essential for federal and state reporting. They also provide a variety of optional classifications for LEA/AEA's interested in a more comprehensive approach to financial accounting and reporting;
6. The classification of accounts and the recommended reporting structure remain in accordance with generally accepted accounting principles (GAAP).

Generally Accepted Accounting Principles (GAAP)

School districts and AEAs are required to conform to GAAP commencing with the school year beginning July 1, 1996 (257.31(4)).

Legal provisions may conflict with GAAP. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis, but should include sufficient additional records to permit GAAP-based reporting."

When GAAP provides more than one method for accounting for a financial transaction, the department of education may determine which method will be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code (256.9(18)).

A primary emphasis of UFA is to define account classifications that provide meaningful financial management information to its users. As part of this emphasis, Uniform Financial Accounting is written to conform to GAAP, a uniform minimum standard of

and guidelines for financial accounting and reporting. For LEA/AEA's, adherence to GAAP implies that their financial reports contain the same types of financial statements for the same categories and types of funds and account groups. Such conformity will enhance the comparability of LEA/AEA financial reporting. The twelve principles applicable to LEA/AEA's are summarized below:

1 Accounting reporting capabilities. An LEA/AEA's accounting system must be capable of producing financial reports in conformity both with GAAP and with legal requirements if the two are different;

2 Fund accounting system. The LEA/AEA accounting system must be organized and operated on a fund basis;

3. Types of funds. Only fund types accepted by GAAP should be used by LEA/AEA's. These funds are:
   - a. Governmental Funds:
     - (1) General Funds
     - (2) Special Revenue Funds
     - (3) Capital Projects Funds
     - (4) Debt Service Funds
     - (5) Permanent Funds
   - b. Proprietary Funds:
     - (6) Enterprise Funds
     - (7) Internal Service Funds
   - c. Fiduciary Funds
     - (8) Private Purpose Trust Funds
     - (9) Pension Trust Funds
     - (10) Agency Funds

4. Number of funds. An LEA/AEA should establish and maintain the least number of funds possible;

5. Accounting for fixed assets and long-term liabilities. Fixed assets and long-term liabilities not related to specific proprietary funds or trust funds should be accounted for in the general fixed assets and general long-term debt account groups, respectively. These account groups are eliminated by GASB 34, but the information still will be reported in the entity-wide financial statements in audits;

6. Valuation of fixed assets. LEA/AEA fixed assets should be recorded at cost or estimated cost. Donated fixed assets are recorded at fair market value;

7. Depreciation of fixed assets. Depreciation should not be recorded in the accounts of the governmental funds. If depreciation in governmental funds is required for cost accounting purposes it may be recorded in the general fixed assets account group. Depreciation of proprietary fund fixed assets should be recorded in the accounts of that fund. Under GASB 34, depreciation for fixed assets in governmental funds will be reported on the entity-wide financial statements in audits;

8. Accrual basis in governmental accounting. The accrual basis of accounting should be used for proprietary funds. non-expendable trust funds and pension trust funds. The modified accrual basis of accounting should be used for governmental funds and expendable trust funds. Under GASB 34, expendable and non-expendable trust funds are eliminated and are replaced with special revenue trust funds, permanent funds, and private-purpose trust funds.

9. Budgeting, budgetary control, and budgetary reporting. Every LEA/AEA should adopt annual operating budgets and certain of those budgets should be reported in the financial statements;

10. Revenue, expenditure, transfer, and expense account classifications. An LEA/AEA should provide for the classification of revenues, expenditures, and expenses into certain specific categories. Interfund transfers and the proceeds from general long-term debt should be classified separately from revenues and expenditures or expenses;

11. Common terminology and classifications. An LEA/AEA should consistently utilize terminology and classifications common to the funds maintained;

12. Interim and annual financial reports. A comprehensive annual financial report should be issued by every LEA/AEA. Interim financial statements should be prepared to facilitate management control of financial operations. These may be made available externally.

Some of the above information will change with the implementation of GASB Statement 34.

Types of Education Agencies

To keep the references to the different levels of education agencies simple and concise, Uniform Financial Accounting uses the following terminology:

- Local Education Agency, or LEA, refers to an education agency at the local level which exists primarily to operate schools or to contract for educational services. Normally, such publicly operated agencies may levy taxes for school purposes. This term is used synonymously with the terms “school district,” “school system,” “school corporation,” and “local basic administrative unit”;
- Area Education Agencies, or AEAs, are intermediate units of government in between local and state levels having some independent fund-raising and dependent taxing capability;
- State Education Agency. or SEA, refers to State departments of education;

- Federal Education Agency, or FEA, as used here refers to any Federal agency or subdivision having responsibilities for supporting or delivering education services. It particularly refers to the U.S. Department of Education and its various subdivisions.

Comparability

Using the classifications and definitions in UFA will enhance comparability of recorded and reported financial information among LEA/AEAs, the States and the Federal Government. This comparability should provide assistance to LEA/AEA, State and Federal administrators, legislators, LEA/AEA boards of education and the general public in understanding where funds come from and how they are used.

When GAAP provides a choice between one or more accounting methods, it is the responsibility of the Department of Education to determine which method will be used to insure consistent uniformity, accuracy, and efficiency as required by section 256.9(18)). Those determinations are discussed as follows.

Encumbrances

An LEA/AEA may establish an encumbrance system for any obligation not liquidated at the close of the fiscal year in which the obligation has been encumbered. The encumbered obligations may be retained upon the books of the school district or AEA until liquidated, all in accordance with general accepted governmental accounting practices (24.34). However, because of the impact on comparability, maintaining encumbrance balances at the close of the fiscal year is discouraged in LEAs or AEAs.

Crediting an Expenditure Account

In nearly all situations, including whole grade sharing and other shared contracts, receipts to a school district or AEA are shown on the books as revenues and are not used to reduce an expenditure account. There are a few exceptions to this if the transaction occurs within the same fiscal year as the expenditure:

1. To correct an error in an expenditure line item.
2. To show a true refund from the original vendor such as for a return of merchandise.
3. To show a true refund that would have come from the original vendor except that Iowa law requires school districts or AEAs to obtain refunds from the state such as gas tax and construction sales tax refunds.
4. To show a transaction involving the resale of an inventory-type item on a nonroutine basis, where the inventory item was never placed in service by the school district or AEA. An example would be one school district purchasing 500 computers bulk to take advantage of lower prices, then "reselling" 300 at cost to neighboring districts.
5. To show a transaction involving a relatively straightforward agency relationship in which the district/AEA (or fund) provides no service other than acting as a fiscal intermediary. An example would be when a district pays cooks with regular payroll from the General Fund, then moves money from the School Nutrition Fund to cover those expenditures. In that case, the expenditure accounts in the General Fund are credited and General Fund cash debited to reflect the reimbursement from the School Nutrition Fund. The expenditure accounts in the School Nutrition Fund would be debited to reflect the correct entries by object. This would not be reported as a fund transfer.

Shared contracts and tuition-related sharing do not fall into the above categories. In these cases, for example, the school district or AEA has hired a curriculum coordinator and is "selling" the service of that coordinator to another school district or AEA or the school district or AEA is "selling" a commodity it produced called "education" to another school district or AEA. The first district is not acting as a fiscal intermediary nor is it receiving a true refund from the original vendor, and, therefore, all such receipts are revenues.

Interagency Transactions

School districts and AEAs are required to budget, account for, and report each and every expenditure. Interagency transactions including whole and partial grade sharing, personnel sharing, and other sales of services are shown gross and shall not be shown net. If the agencies bartered for services rather than issuing payments, the barter is reported as if payment had been made.

Consortium Accounting

In a consortium, multiple LEAs pool grant moneys and one LEA or AEA administers the funds and coordinates and executes the projects.

As a general rule, cash pass-through grants should be recognized as revenues and expenditures in a governmental fund (almost always, the general fund). In those cases where a recipient government serves only as a cash conduit (fiscal agent), the grant should be reported in an agency fund with only the fiscal agent’s own portion of the grant reported in the governmental fund. A

recipient government serves only as a cash conduit if it merely transmit grantor-supplied money without having administrative or direct financial involvement in the program.

It is recommended that any district or AEA discuss with its auditor whether or not it's role is that of a fiscal agent as defined by GASB statement 24, paragraph 5 for purposes of each pass-through grant or consortium arrangement.

Accounting by the fiscal agent:

- The entire grant is receipted into the agency fund.
- That school district's own portion is disbursed to the general fund. The fiscal agent will use the source and project code as defined in Uniform Financial Accounting for that grant.
- The fiscal agent's own district's share of expenditures is recorded in the general fund. The fiscal agent will use the project code as defined in Uniform Financial Accounting for that grant.
- As expenditures are made, the expenditures on behalf of the other districts are accounted for in the agency fund, These should be recorded using some coding to indicate each district's share so that each district can record their share in their accounting records.

Accounting by the other members of the consortium:

- The district will record as revenue in the general fund its share of the grant when received by the fiscal agent. The district will use source code 47XX since the grant was received through an agency other than the state or federal government. The district will use the project code as defined in Uniform Financial Accounting for that grant.
- The cash account used will be "Cash Held by Fiscal Agent" since the district did not receive the cash for this account.
- If the district pays its own grant expenditures and then is reimbursed from the fiscal agent, the district will record its grant expenditures in the general fund as they occur using the project code as defined in Uniform Financial Accounting for that grant.
- If the fiscal agent handles all of the grant expenditures to vendors, employees, etc. directly and then prepares an accounting to each member district, then the member district will record its share of these expenditures periodically, but at least quarterly (September, December, March, and June).
- If at the end of the fiscal year, the entire grant has not been expended, the balance remaining with the fiscal agent will be reported in the cash account "Cash Held by Fiscal Agent." and as Deferred Revenue. The amount reported as expenditures is the amount of grant revenues expended by the fiscal agent on behalf of the district, and not the amount actually paid to the member district (reimbursement method) or actually paid out by the fiscal agent (fiscal agent paying all expenditures on behalf of member districts method). The revenue amount reported is the amount of grant revenues reported as expended.

Inventories

In governmental funds, GAAP allow either consumption method or purchases method for accounting for inventories. For consistency, if inventories are significant, the consumption method will be used. Inventories will be reported as assets when purchased and reported as expenditures when consumed. There would be no reserve for inventories. If inventories are not significant, the purchases method may be used. It is not necessary to report insignificant inventories on the balance sheet, however if inventories are reported as an asset on the balance sheet when using the purchases method, an equal amount will be reported as a reserve for inventories.

Prepaid Expenditures

In governmental funds, GAAP allow either consumption method or purchases method for accounting for prepaid expenditures such as insurance or rent. However, different than inventories, GAAP do not require that significant balances of prepaid expenditures be reported on the balance sheet as an asset and as a reserve for prepaid expenditures. For consistency, prepaids will use the purchases method and will not be reported on the balance sheet.

Reserving and Designating Fund Balance

The board may set aside funds for a particular purpose to the extent allowed by the accounting system designated by the department of education and local budget law (OAG #83-12-1(L)).

In order for fund balance to be classified in this manner, it must meet the following criteria:

1. Unemployment. AEAs and school districts that do not contribute on a regular basis to the unemployment program may designate for this purpose.
    a. The maximum amount is no more in one year than the amount that would have been "contributed".
    b. The maximum amount that may be accumulated is five times the current annual calculation as provide in (1) above.
    c. Payments to be made in a fiscal year shall reduce the designated balance so that "b" continues to apply.

d. The designation shall report the special education support services division separate from other general fund balance.
e. The use of the designated balance shall account for the special education support services division separate from other general fund balance.

3. Replacement of Equipment:
   a. A Replacement of equipment designation shall be for specific items, and not for general contingency.
   b. The designation shall be the result of a written purchase plan which includes:
      (1) Description of specific item.
      (2) Estimated cost less estimated trade-in.
      (3) Approval by the AEA or school district board (and the DE if an AEA).
      (4) Number of years needed to accumulate sufficient funds—maximum of five years.
      (5) Assignment to the proper division if it is the special education support services division.
   c. No minimum amount is set, except that the planned purchase dollar amount must represent an extraordinary expenditure if it were to be made in a single year.
   d. No maximum amount is set, except it must be reasonably expected that the amount accumulated will be sufficient to make the purchase.
   e. Upon purchase of the item, the designation is to be depleted.
4. Initial Purchase of Equipment. The same criteria apply for this category as for the replacement of equipment category, except trade-in value is not a consideration for an initial purchase.
5. Building Remodeling, Construction, or Purchase (school districts only). The same general criteria apply for building remodeling, construction, and purchase as do for equipment purchase, with these additional considerations:
   a. The remodeling, construction, or purchase must satisfy legal requirements of the Code that apply to remodeling, construction, and purchase.
   b. If the building is leased and the owner is to pay for the remodeling or construction, the designated category may not be used in that the owner has the ability to spread the cost over several years.
   c. If the building is leased and the school district is to pay for the remodeling or construction, the designation plan must include a written agreement between the school district and the owner.
   d. If the building is owned by the school district, the designated category may be used in a manner similar to equipment purchase.
6. Building Lease-Purchase. The same general criteria apply as for 3 and 5 above, except that only the actual amount of principal and interest payment on the lease-purchase that is due in the first subsequent period may be designated, and no amounts may be accumulated. This designation category may only be used by an AEA after state board approval has been given to enter into the lease-purchase agreement.

Capitalized Leases and Installment Purchase Contracts

a. At the inception of the agreement, the asset acquired and the related liability are simultaneously recorded in the General Fixed Assets and General Long-Term Debt Account Groups respectively, in amounts equal to the present value of the total future payments.
b. An entry is also simultaneously made in the fund from which the payments will be made, debiting a capital outlay expenditure account and crediting an “other financing source” in an amount equal to the present value of the total future payments. Payments during the life of the agreement are then treated as interfund transfers from the general fund to the debt service fund and as debt service fund expenditures.

Petty Cash

Petty cash shall be handled on an imprest basis:

1. The existence and amount of petty cash funds is authorized by board action.
2. Cash on hand plus the total of all "expenditure" receipts/vouchers is always equal the original amount of the petty cash fund.
3. Cash received is receipted and deposited at the bank into the appropriate fund, not placed in petty cash. Petty cash funds is not used to cash checks and other receipts to the district are not used to replenish petty cash.
4. Petty cash is balanced at least once a month.
5. Cash "over" is deposited at the bank and accounted for as a revenue.
6. Cash "under" is accounted for as an expenditure.
7. The "expenditure" receipts/vouchers is attached to a requisition requesting reimbursement. Code the reimbursement according to the type of expenditures on the receipt/vouchers using the usual procedures used for any other expenditure request.
8. A check is issued for the exact amount of those expenditures on the receipt/vouchers so that petty cash will again be the original amount of cash.
9. Petty cash funds shall not be used to circumvent the audit and allowance provisions in the Iowa Code.

Per Pupil Expenditures

The pupil head counted used for per pupil expenditures in AEAs is the enrollment served (public plus approved nonpublic) in the base year. Media and educational services are funded according to enrollment served. Special education support is funded according to weighted enrollment. However, enrollment served is a more appropriate count since the weighted enrollment does not represent an actual count, but includes formula variations.

Proof of Cash

A proof of cash helps identify error types for differences between the books and the bank statements:

	Balance 6/30/Yr 1	Deposits	Withdrawals	Balance 6/30/Yr 2
Per bank	4523.82	10000.00	14000.00	523.82
Deposits in transit:				
6/30/Yr 1	3295.66	-3295.66		
6/30/Yr 2		1860.75		1860.75
Outstanding checks:				
6/30/Yr 1	-1620.00		-1620.00	
6/30/Yr 2			983.00	-983.00
True adjusted Cash balance	6199.48	8565.09	13363.00	1401.57
Per books:	6199.48	7000.00	13263.00	-63.52
Unrecorded deposit:		1565.09		1565.09
Math error on check:			100.00	100.00
True adjusted Cash balance:	6199.48	8565.09	13363.00	1401.57

A regular bank reconciliation would only indicate that the bank shows 1465.09 more than the books. A proof of cash pinpoints specifically that there was a 100.00 error in disbursements and a 1565.09 error in receipts.

Internal Control of Vending Machines

1. Observe the vendor filling the machine or count/verify that all merchandise was received. Generally, it is better internal control to keep no inventory on hand other than in the machine.
2. Designate a staff member weekly (more or less often as necessary) to remove the money from the machine, inventory the merchandise in the machine, and record the number on the machine counter.
3. Do a vending machine recap similar to a ticket recap for gate receipts:
   a. Subtract the beginning machine count from the ending machine count. Multiply this by the selling price to determine how much cash should have been collected.
   b. Add beginning inventory plus inventory added during the period less ending inventory. Again, multiply this by the selling price to determine how much cash should have been collected.
   c. Count the cash collected from the machine (excluding the standard amount of change left in the machine),
   d. All three counts should match.
4. Better internal control will be maintained if the individual designated to remove money from the machines is switched with no warning and no pattern.

If the vending machines the district has do not have counters, request counters be added or machines be replaced. Counters are very important to internal control.

Indirect and Direct Costs

A true allocation of indirect costs from supporting programs to operating programs is generally not done in educational accounting. The expenditures related to supporting programs are maintained separately in the accounting system. This allows program managers to be accountable for maintaining their own expenditures. They would have little control over indirect costs.

Therefore, calculation of indirect costs necessary for federal awards is largely a paper calculation generally not reported in the accounting system. If the district or AEA desires to report the indirect costs in the accounting records, the expenditure is reported as a credit to the 950 expenditure objects under the 2500 function and an equal amount is reported in other functions as debits to the 950 expenditure objects. The total of all 950 objects related to indirect costs will be zero.

Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments regulates how indirect costs and restricted indirect cost rates are calculated and applied for federal award purposes. The purpose of applying indirect cost rates is to provide that federally-assisted award programs bear their fair share of costs without profit or other increment above cost.

Allowable Costs

To be allowable under a federal award program, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of federal award.
b. Be allocable to federal awards under these provisions of Circular A-87.
c. Be authorized or not prohibited under state or local laws or regulations.
d. Conform to any limitations or exclusions set forth in these principles, federal laws, terms and conditions of the federal award, or other governing regulations as to types or amounts of cost items.
e. Be consistent with policies, regulations, and procedures that apply uniformly to both federal awards and other activities of the governmental unit.
f. Be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as in indirect cost.
g. Except as otherwise provided for in Circular A-87, be determined in accordance with generally accepted accounting principles.
h. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal award in either the current or a prior period, except as specifically provided by federal law or regulation.
i. Be the net of all applicable credits.
j. Be adequately documented.

Direct Costs

Direct costs are those that can be identified specifically with a particular cost objective. Typical direct costs chargeable to federal awards are:

a. Compensation of employees for the time devoted and identified specifically to the performance of those awards.
b. Cost of materials acquired, consumed, or expended specifically for the purpose of those awards.
c. Equipment and other approved capital expenditures.
d. Travel expenses incurred specifically to carry out the award.

Any direct cost of a minor amount may be treated as an indirect cost for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all cost objectives.

Indirect Costs

Indirect costs are those (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.

An indirect cost rate is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs pool to a direct cost base. A restricted indirect cost rate is required for grant awards which are subject to the "supplement but not supplant" restrictions.

The indirect cost pool is the accumulated costs that jointly benefit two or more programs or other cost objectives.

The direct cost base is the accumulated direct costs, exclusive of any extraordinary or distorting expenditures, used to distribute indirect costs to individual federal awards. The direct cost base should result in each award bearing a fair share of the indirect costs in reasonable relation to the benefits received from the costs.

The federal government and the Iowa department of education have negotiated a five-year plan for determination of indirect costs and restricted indirect costs for subrecipient school districts and AEAs. These rates will serve as the sole basis for budgeting and allocating direct cost reimbursement under federal programs. The application of these rates is binding on all federal agencies and subject to periodic review pursuant to single audit requirements for state and local governments.

The plan follows the simplified method of calculating indirect cost rates. The allocation of indirect costs will be accomplished by classifying each agency's costs as direct, indirect, or excluded and dividing the allowable indirect costs by the modified total direct costs. Total costs will be reduced to reflect expenditures that benefited other LEAs or AEAs and that have been offset by reimbursements from other LEAs or AEAs. This approach will apply to both restricted and unrestricted indirect cost rates. The information necessary to complete the calculation of indirect cost rates will be taken from each agency's completed CAR.

Direct costs are allowable costs of the LEA or AEA that benefit particular functions or programs. Direct costs can be identified specifically with a particular final cost objective. Excluded costs are those which by the nature of the expense, or because the nature of the costs require minimal administrative support, must be excluded from both the direct and indirect classification. Excluded costs include food purchases, property-related expenditures, taxes, interest, and refunds of prior year revenues. Indirect costs are central service costs that benefit more than one function or program of the agency. Indirect costs are further identified as either "restricted" or "unrestricted." Restricted indirect costs may only be claimed for certain federal programs. Unrestricted indirect costs may be claimed for federal programs that are not specifically declared as restricted.

Direct costs are accumulated into a direct cost base. The direct cost base is modified to reflect reimbursable expenditures for services provided to other LEAs or AEAs (such as shared personnel contracts, tuition, transportation, data processing, purchasing, maintenance, cleaning, and consulting). Indirect costs are accumulated into an indirect cost pool. An indirect cost rate is calculated by dividing the indirect cost pool by the modified direct cost base.

The Iowa department of education will calculate annually indirect cost rates, restricted and unrestricted, for each LEA and AEA from expenses delineated within the CAR. Expenditures from the second preceding year will be used to complete the indirect cost rates for the current fiscal year. By means of a computer application, the matrix will be applied and data for each LEA or AEA will be brought into the appropriate calculation. Total indirect costs will be divided by the total direct costs after exclusions and adjustments, and the indirect cost rate will be determined.

After the indirect cost rate is determined, the Iowa department of education will notify each LEA or AEA of the maximum restricted rate it may use. Applying the maximum restricted rate against the direct costs of the award will generate the maximum indirect costs that may be recovered from the award. If the grant award contains costs that are excluded from the direct or indirect cost base, the direct costs of the awards will be modified to reflect the elimination of these costs from inclusion in the indirect cost reimbursement calculation. State managers of federal programs may assign to LEAs or AEAs more restricted levels of direct costs for application of the rate, thereby reducing total indirect cost recovery. Additionally, the LEA or AEA may elect to apply a rate that is less than the approved rate, including a rate of zero.

State managers of state programs, if Iowa Code authorizes recovery of indirect costs as an allowable expenditure from a state program, may also assign to LEAs or AEAs the indirect cost rates calculated above and may assign to LEAs or AEAs more restricted levels of direct costs for application of the rate, thereby reducing total indirect cost recovery from state programs. As with the federal programs, when recovering of indirect costs is allowable, the LEA or AEA may elect to apply a rate that is less than the approved rate to state programs, including a rate of zero.

Maintenance of Effort

Each federal program that contains a "supplement, not supplant" clause has a maintenance of effort calculation. The calculation for the federal program is published in the federal register. Although most calculations compare total current expenditures in excess of all federal revenues in one year to the same calculation in the previous year, some calculations use revenue numbers or budget numbers.

CHAPTER 8

AUDITING

Annual Audit

The financial condition and transactions of all school offices in school districts and AEAs shall be examined at least once each year. The examination shall cover the fiscal year next preceding the year in which the audit is conducted. The examination of school offices shall include an audit of all school funds, the certified annual financial report (CAR), and the certified enrollment as provided in Iowa Code section 257.6. Differences in certified enrollment shall be reported to the department of management. Examinations shall be made as determined by the governmental subdivision either by the auditor of state or by certified public accountants, certified in the state of Iowa, and they shall be paid from the proper public funds of the governmental subdivision (11.6(1)(a)).

The department of management shall adjust the enrollment of the school district for the audit year based upon reports filed under section 11.6, and shall further adjust the budget of the second year succeeding the audit year for the property tax and state aid portions of the reported differences in enrollments for the year succeeding the audit year (257.6).

A school district or AEA desiring to contract with or employ certified public accountants (CPA) shall utilize procedures which include a request for proposals (RFP) (11.6(2)(a)).

In conjunction with the audit of the governmental subdivision required under section 11.6, the person performing the audit shall also perform tests for compliance with the investment policy of a reasonable number of investment transactions in relation to the total investments and quantity of transactions in the period audited. The results of the compliance testing shall be reported in accordance with generally accepted auditing standards (GAAS). The person performing the audit may also make recommendations for changes to investment policy or practices. The governmental subdivision is responsible for the remedy of reported noncompliance with its policy or practices (11.6(1)(b)(1)).

As part of its audit, the governmental subdivision is responsible for obtaining and providing to the person performing the audit the audited financial statements and related report on internal control structure of outside persons, performing any of the following during the period under audit for the governmental subdivision:

a. Investing public funds.
b. Advising on the investment of public funds.
c. Directing the deposit or investment of public funds.
d. Acting in a fiduciary capacity for the governmental subdivision.

The audit under section 11.6 shall not be certified until all material information required by 11.6(1)(b)(2) is reviewed by the person performing the audit (11.6(1)(b)(2)).

The auditor of state may at any time cause to be made a complete or partial reaudit of the financial condition and transactions of any school corporation or an office of any school corporation if one of the following conditions exists:

a. The auditor of state has probable cause to believe such action is necessary in the public interest because of a material deficiency in an audit of the governmental subdivision filed with the auditor of state or because of a substantial failure of the audit to comply with the standards and procedures established and published by the auditor of state.
b. The auditor of state receives from an elected official or employee of the governmental subdivision a written request for a complete or partial reaudit of the governmental subdivision.
c. The auditor of state receives a petition signed by at least fifty eligible electors of the governmental subdivision requesting a complete or partial reaudit of the governmental subdivision (11.6(4)).

The director of the department of education shall request a state audit of the accounts of a school district, AEA, school official, or school employee handling school funds when it is apparent that an audit should be made (256.9(19).

The primary responsibility for identifying misuse of funds rest with the audit function. When a misuse is disclosed in an audit or reaudit report, appropriate remedial action may be taken by affected taxpayers, the county attorney or the Attorney General. The Citizens' Aide may also pursue investigation as to whether a misuse of school district funds has occurred, making appropriate referrals if a misuse is found (OAG #93-8-3).

The auditor of state may, within three years of filing, during normal business hours upon reasonable notice of at least twenty-four hours, review the audit work papers prepared by a certified public accountant in the performance of an audit or examination (11.6(5)).

The state auditor possesses discretion to conduct a complete or partial reaudit once statutory prerequisites are met. The auditor determines the extent of the audit and means or methods to use (OAG #92-1-2(L)).

An audit required by 11.6 shall be completed within nine months following the end of the fiscal year that is subject to the audit (11.6(6)).

CPAs shall immediately notify the auditor of state regarding any suspected embezzlement or theft (11.6(7)).

Auditors shall have the right while making the examinations, to examine all papers, books, records, and documents of any of the officers and shall have the right, in the presence of the custodian or the custodian's deputy, to have access to the cash drawers and cash in the official custody of such officer, and a like right, during business hours, to examine the public accounts of the school in any depository which has public funds in its custody pursuant to the law (11.10).

All examinations shall be made without notice to the office examined. On every examination inquiry shall be made as to the financial condition and resources of the school; whether the cost price for improvements and material in the school is in excess of the cost price for like things in other schools of the state; whether the school authorities are complying with the law; and whether the accounts and reports are being accurately kept (11.11).

All reports shall be open to public inspection, including copies on file in the office of the state auditor, and refusal on the part of any public official to permit such inspection when such reports have been filed with the state auditor, shall constitute a simple misdemeanor. Notice that the report has been filed shall be forwarded immediately to each newspaper, radio station or television station located in the school district which is under investigation or audit; except that if there is no newspaper, radio station or television station located therein, the notice shall be sent to the official newspapers of the county. Failure to file the report with the auditor of state within thirty days after receiving notification of not receiving the audit report shall bar the accountant from making any governmental subdivision audits under section 11.6 for the following fiscal year (11.19).

The results of the annual audit of all district funds shall be made part of the official records of the board (IAC 281--12.3(10)).

The school district or AEA, or the CPA or state auditor who performs the annual audit of the school district or AEA, shall provide the following copies:

1. Two complete copies to the Office of the Auditor of State.
2. One complete copy to A-133 Compliance Review, School Finance Team, Division of Financial and Information Services, Department of Education, Des Moines, Iowa 50319-0146.

These audit reports shall be filed as soon as possible following completion of the audit, but no later than March 31 following the close of the fiscal year unless an extension has been granted by the auditor of state.

Filing Fees

The auditor of state shall adopt rules to establish and collect a filing fee for the filing of each report of examination conducted pursuant to subsections 1 through 3. The funds collected shall be maintained for use by the office of the auditor of state in performing audits conducted pursuant to subsection 4 and for work paper reviews conducted pursuant to subsection 5 (11.6(10)).

Performance or Operational Audits

A performance or operational audit is a systematic identification of ways to improve efficiency and effectiveness.

Claims Audits

The state appeal board may investigate and collect claims which the state has against municipal or political corporations in the state including school corporations (25.6).

Compliance Audits

A compliance audit is a determination of whether transactions and activities of the entity conform with local, state, and federal laws and regulations. The auditor must evaluate whether a transaction or activity was unallowable, undocumented, unapproved, or unreasonable. Iowa school districts and AEAs are required to have an annual compliance audit. Regardless of federal funding level, these audits must be conducted in accordance with generally accepted auditing standards; Standards for Audits of Governmental Organizations, Programs, Activities, and Functions (Yellow Book); Single Audit Act Amendments of 1996; OMB Circular A-133; and Chapter 11 of the Iowa Code.

A-133 Compliance

In addition to the review of work of independent CPAs conducted by the Office of the Auditor of State, the work of independent and state auditors and the accounting procedures used by school districts, AEAs, and community colleges are also reviewed by the department of education as the cognizant agency for federal funding. This is a requirement on the State of Iowa by the federal government in order for school districts, AEAs, and community colleges to receive federal assistance. In order to avoid a duplication of efforts, the department of education utilizes the existing review process of independent auditors' workpapers conducted by the Office of the Auditor of State for the review required by Circular A-133 of the work of independent CPAs. In the event that it is an audit prepared by a state auditor that is to be reviewed as required by Circular A-133, that review would be conducted by the department of education.

The Single Audit Act of 1984 was amended in 1996 by the U.S. Congress. The Office of Management and Budget (OMB) has withdrawn Circular A-128 and revised Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations," to include governmental entities previously covered by A-128. The revised circular, which regulates the implementation of the Single Audit Act Amendments of 1996, was released on June 24, 1997.

Department of Education Audit Policy for LEAs and AEAs

All Iowa school districts, AEAs, and community colleges that expend a total of $300,000 or more in federal awards in any fiscal year will have an annual audit conducted in accordance with OMB Circular A-133 as is required by the Single Audit Act Amendments of 1996.

Agencies expending less than $300,000 in federal awards in any fiscal year will not be required to have their annual audits conducted in accordance with OMB Circular A-133. Instead, those agencies will have an audit which follows the requirements of Chapter 11 of the Code of Iowa.

The Single Audit Act Amendments of 1996 included language which limited the use of federal money to pay audit costs. The Act stated that agencies expending less than $300,000 in federal awards in any fiscal year could not charge any of the costs of a Single Audit to federal programs. Agencies expending at least $300,000 in federal awards in any fiscal year could charge to the federal award a reasonable, proportionate share of the cost of the audit, if the audit was conducted in accordance with the Single Audit Act Amendments of 1996.

Districts, AEAs, and community colleges may be selected for limited scope audits. These audits will be individualized for each agency. Auditors and agencies will be notified by the department of education of which agencies have been selected and what items are to be audited. The format for comments by the auditors is finding, recommendation, response, and conclusion. These comments will be placed at the end of the annual audit report.

The audit report, including all management letters from the auditor, is to be submitted by March 31 or within 30 days after issuance of the auditor's report to the auditee, whichever occurs first. A form may not be submitted in lieu of the audit report.

The exemption from conducting the annual audit in accordance with OMB Circular A-133 will not exempt an agency from compliance with any provision of a federal statute or regulation that requires the agency to maintain records concerning federal awards provided to it or that permits a federal agency, pass-through entity, or the Comptroller General access to such records.

The Director of OMB will review the threshold level of $300,000 every two years to determine if an upward adjustment is appropriate. When this occurs, the Iowa department of education will also reconsider its threshold level.

Comprehensive Annual Financial Report (CAFR)

A CAFR is a general purpose report intended to meet the needs of a broad range of audiences. It contains financial statements for each of the government funds and account groups and five combined statements prepared in conformity with GAAP and organized into a financial reporting pyramid. It also includes supporting schedules to demonstrate compliance with legal and contractual provisions, an extensive statistical section, and a letter of transmittal from the CFO. The CAFR has three sections: introductory material, financial, and statistical. The statistical section contains tables showing 3-10 years of comparable data in areas such as, but not limited to:

1. General expenditures by function,
2. General revenues by source,
3. Property tax levies and collections,
4. Assessed and estimated actual value of taxable property,
5. Property tax rates including all overlapping governments,
6. Principal taxpayers,
7. Special assessment billings and collections,
8. Legal debt limit computation,
9. Ratio of net general bonded indebtedness to assessed value and per capita,

10. Ratio of annual debt service for general bonded indebted to total general expenditures,
11. Overlapping debt computation,
12. Revenue bond coverage,
13. Demographics,
14. Property value, construction, and bank deposits,
15. Miscellaneous statistics of interest to district audiences.

Accreditation/Program Audit

The Department of Education shall develop, in consultation with the AEAs, and establish an accreditation process for AEAs by July 1, 1997. At a minimum, the accreditation process shall consist of the following:

a. The timely submission by an AEA of information required by the department on forms provided by the department.
b. The use of an accreditation team appointed by the director of the Department of Education to conduct an evaluation, including an on-site visit of each AEA (273.10(1)).

Prior to a visit to an AEA, the accreditation team shall have access to that AEA's program audit report filed with the department. After a visit to an AEA, the accreditation team shall determine whether the accreditation standards for a program have been met and shall make a report to the director and the state board, together with a recommendation as to whether the programs of the AEA should receive initial accreditation or remain accredited. The accreditation team shall report strengths and weaknesses, if any, for each accreditation standard and shall advise the AEA of available resources and technical assistance to further enhance the strengths and improve areas of weakness. An AEA may respond to the accreditation team's report (273.10(2)).

CHAPTER 9

ACCOUNTING

Chapter 298A establishes the fund structure which shall be used by school districts and AEAs commencing with the school budget year which begins on July 1, 1995 (298A.1). A school corporation may establish other funds in accordance with generally accepted accounting principles (298A.14).

Funds and Account Groups

FUND CODE	FUND TITLE
Governmental Funds	
10	General Fund
Special Revenue Funds	
21	Student Activity Fund
22	Management Levy Fund
23	Physical Plant & Equipment (PPEL) Fund
24	Public Education & Recreation (PERL) Fund
25	AEA Special Education Instruction Fund
26	AEA Juvenile Home Instruction Fund
27	Special Revenue Trust Funds
28	67.5 Cent Schoolhouse Levy Fund
29	Library Levy Fund
Capital Projects Funds	
31-32	Capital Project Funds from Bonds
33	Local Option Sales and Services Tax Capital Projects Fund
34-39	Capital Project Funds from Sources Other than Bonds
40	Debt Service Fund
45-49	Permanent Funds (GASB Statement 34)
Proprietary Funds	
Enterprise Funds	
51	School Nutrition Fund
52	Child Care Fund
58 `	AEA Cooperative Purchasing Fund
Internal Service Funds	
61	Self-Insurance Fund
62	Flex-Benefits (cafeteria) Plan Fund
63-69	Other Internal Service Funds
Fiduciary Funds	
Trust and Agency Funds	
71-72	Expendable Trust Funds/Private-Purpose Trust Funds (GASB Statement 34)
73-74	Non-expendable Trust Funds
75	Pension Trust Funds
76-79	Agency Funds
Account Groups	
80	General Fixed Assets Account Group (GFAAG)
90	General Long-term Debt Account Group (GLTDAG)

Some funds will change and the account groups will be eliminated with the implementation of GASB Statement 34.

Separation of Funds

A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated in order to carry on specific activities [NCGA Statement 1].

Each fund is mutually exclusive and completely independent of any other fund. Therefore, no fund shall be used as a clearing account for another fund.

The status of each fund must be included in the annual report. The treasurer shall keep a separate account for each fund, and shall not pay an order that fails to state the fund upon which it is drawn and the specific use to which it is to be applied (298A.14).

The district or AEA is not required by law to keep separate bank accounts because of the requirement for separateness of the funds (OAG #65-10-14). The law does not specify separate bank accounts, but there may be practical reasons for doing so (1 D.P.I. Dec. Rul. 65). However, if moneys are combined for investment purposes, the interest earned shall be credited to each appropriate fund.

1. School districts and AEAs operate under Dillon's Rule. Each fund authorized to be established in the school district and AEA is listed in Code along with the allowed revenues and expenditures for each fund. Each fund is allowed to be used for the purposes authorized in Code and no other. Each fund is mutually exclusive and independent of any other fund. If a revenue or expenditure is specifically authorized for one fund, it is not appropriate to any other fund, unless the Code also specifically authorizes it to that other fund.

Interfund Transactions

Generally, moneys may not be transferred between funds, other than authorized by 298A.9 and 298A.10, unless the purpose of the fund is ended or the transfer is authorized by the state appeal board. All allowable transfers or loans require board action, and some require a vote of the electorate.

However, bona fide loans authorized by the board, executed by a note at the going rate of interest, and repaid by fiscal year end would not be an audit exception (Letter, Office of the Auditor of State, September 9, 1980). Before any board decides to loan money between the separate accounts under its jurisdiction, it would be well advised to review the current rates of interest it receives on its invested funds and the amount of interest it would pay on warrants (1 D.P.I. Dec. Rul. 65).

Authorized by Board

Money inadvertently placed in the general fund may be withdrawn and put to the special purposes for which raised (1936 Op. Att'y Gen. 38 (#35-1-26)).

Subject to the provisions of any law relating to municipalities [municipalities include school corporations], when the necessity for maintaining any fund has ceased to exist and a balance remains in the fund, the board of directors shall so declare, by resolution, and upon such declaration, such balance shall be transferred to the fund or funds designated by the board, unless other provisions have been made in creating such fund in which the balance remains (24.21).

"Provisions of law" referred to in section 24.21 does not permit the board, acting alone, to transfer between funds. There are two exceptions to the rules in the above paragraph with the implementation of GAAP:

1. *Capital Projects*. Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Surplus remaining after the completion of the capital project may be returned to the fund from which the money originated (298A.9).
2. *Debt Service*. Any governmental fund having authorized indebtedness must transfer those funds to the debt service fund when interest and principal payments are due. Retirement of bonded indebtedness or other authorized indebtedness shall be accounted for in the debt service fund (298A.10). Other than bonded indebtedness, payments for debt retirement may only come from the fund in which the original loan proceeds were deposited.

General Fund (10)

Purpose and Use

This fund must be established by all school districts and AEAs. All moneys received by a school corporation from taxes and other sources must be accounted for in the general fund, except moneys required by law to be accounted for in another fund

(298A.2). If another fund specifically lists an expenditure to that fund, it is assumed not to be appropriate to the general fund unless the Code also specifically states that it is an appropriate general fund expenditure.

Types of Expenditures

Expenditures include all general operating expenses of the AEA such as salaries, employee benefits, purchased services, supplies, and expenditures for equipment (285.10(7)).

The AEA board is authorized to receive and expend money for providing programs and services as provided in sections 273.1 to 273.9, and chapters 256B and 257. All costs incurred in providing the programs and services, including administrative costs, shall be paid from funds received pursuant to sections 273.1 to 273.9 and chapters 256B and 257 (273.3(2)).

The AEA board is authorized to pay, out of funds available to the board reasonable annual dues to an Iowa association of school boards. Membership shall be limited to those duly elected members of the AEA board (273.3(13)).

At the request of an employee through contractual agreement with the AEA board, the board may purchase group or individual annuity contracts for employees, which annuity contracts are issued by a nonprofit corporation issuing retirement annuities exclusively for educational institutions and their employees or are purchased from any company the employee chooses that is authorized to do business in this state or through an Iowa-licensed salesperson that the employee selects, on a group or individual basis, for retirement or other purposes (273.3(14)).

The AEA board or school board of any school district may employ public health nurses at periods each year and in numbers as deemed advisable. The council of any city, or the school board of any school district, or any of them acting in cooperation, may contract with any nonprofit nurses' association for public health nursing service. The compensation and expenses shall be paid out of the general fund of the political subdivision employing nurses (143.1).

The AEA board is authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the AEA, from funds available to the board (273.3(15)).

A school corporation may not use proceeds from the general fund to repay long-term indebtedness unless specifically allowed by law. Specific authorization is given for school bus purchases (285.10(7), asbestos (279.52), energy conservation (473.20), and equipment purchases (279.48).

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment from the general fund pursuant to the requirements of Code (279.48).

The school district/AEA may pay the costs of an energy conservation project and repayment of loans entered into with the department of natural resources or its duly authorized agents or representatives for energy conservation projects from the general fund (473.20).

The cost of publishing the notices and estimates required by chapter 24 [budgets], and the actual and necessary expenses of preparing the budget shall be paid out of the general fund (24.16).

The cost of insurance shall be paid from the general fund (670.7).

The board may, when necessary, rent a room and employ a teacher, where there are ten children for whose accommodation there is no schoolhouse (297.12).

All the books and other necessary school supplies purchased by the board to be loaned, rented, or sold at cost to students shall be paid for out of the general fund (301.4).

Bonds and premiums for bonds for school corporation employees who have custody of funds belonging to the corporation or funds derived from extracurricular activities and other sources in the conduct of their duties shall be paid from the general fund (279.8).

All expenses related to changes in boundaries, reorganization, or dissolution shall be assessed to the affected districts and the respective boards to which such expenses are certified shall audit and order the same paid from the general fund (275.26).

The costs of special education instructional programs in the general fund include the costs of purchase of transportation equipment to meet the special needs of children requiring special education with the approval of the directors of the Department of Education (256B.9(7)).

Funds generated for special education instructional programs in the general fund under chapter 256B and chapter 257 shall not be expended for modifications of school buildings to make them accessible to children requiring special education (256B.9(9)).

Funds received by an AEA from the school improvement technology block grant shall be expended for the costs related to supporting school districts within the area served with technology planning and equipment, including hardware and software, materials and supplies related to instructional technology and the lease or lease-purchase agreements for those items, employment of or contracting with information technology specialists to provide technical consulting and integration of technology in curriculum and instruction, and staff development and training related to instructional technology. A consortium of AEAs may cooperatively engage in any of the activities allowed by this section (256D.8(3)).

Money inadvertently placed in the general fund may be withdrawn and put to the special purposes for which raised (1936 Op. Att'y Gen 38 (#35-1-26)).

Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Surplus remaining after the completion of the capital project may be returned to the fund from which the money originated (298A.9).

Any governmental fund having authorized indebtedness must transfer those funds to the debt service fund when interest and principal payments are due. Retirement of bonded indebtedness or other authorized indebtedness shall be accounted for in the debt service fund (298A.10). Payments for debt retirement may only come from the fund in which the original loan proceeds were deposited.

Sources of Revenue

Sources of revenue include all moneys not required by law to be accounted for in another fund (298A.2). Proceeds from the sale or disposition of property other than real property shall be placed in the general fund. Proceeds from the lease of real or other property shall be placed in the general fund (297.22(1)). Rents received for incidental community use listed in section 297.9 are recorded in this fund. Sales of school supplies (commonly called resale) and sales or rentals of textbooks shall be accounted for in the general fund (301.1). Compensation or rent received for the use of school property (297.10). Any revenue or receipt described in law as a "miscellaneous income to the general fund" or coming from SBRC modified allowable growth is restricted to this fund.

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Juvenile home program fund is a special revenue fund. It is used to account for activities concerned with Juvenile Home instruction as established pursuant to sections 273.3(10) and 273.11 of the Iowa Code.

Special Education Instruction Fund is a special revenue fund. It is used to account for activities for special education instruction programs operated by the AEA through contractual agreements authorized pursuant to Chapter 28E of the Iowa Code.

Capital Projects Funds (30-39)

Purpose and Use

A capital project fund must be established in any school corporation which issues bonds or other authorized indebtedness for capital projects or which initiates a capital project, or which receives grants or other funds for capital projects. Boards are authorized to establish more than one capital project fund as necessary. Any balance remaining in a capital project fund after the capital project is transferred, by board resolution, to the fund from which the surplus originated (298A.9).

Types of Expenditures

Expenditures relating to the acquisition, construction, remodeling, reconstructing, repairing, improving or expanding of school facilities as authorized by Code or approved by the director of the department of education (273.2(2), 273.3(7)).

Types of Transfers

Any governmental fund authorized to be used to construct or acquire capital facilities, must transfer those funds to a capital projects fund to be accounted for there. Any balance remaining in a capital project fund after the capital project is completed is transferred, by board resolution, to the fund from which the surplus originated (298A.9).

Sources of Revenue

The primary source of revenue is lease-purchase proceeds (273.2(2), 273.3(7)).

Debt Service Fund (40)

Purpose and Use

A debt service fund must be established in any school corporation which issues authorized indebtedness. The debt service fund shall be used to pay interest as it becomes due and the amount necessary to pay the principal when due on authorized indebtedness issued by the AEA, and to make payments required under a loan, lease-purchase agreement, or other evidence of indebtedness authorized by Code. Moneys available to service this debt and received from other sources shall be transferred to the debt service fund and the payment of the debt shall be made from this fund. Funds remaining in the debt service fund after payment of all outstanding debt in accordance with the original purpose of the indebtedness may be transferred by board resolution to the general fund (298A.10).

The debt service fund contains only the current portion of the bonding program. Current assets include cash and temporary investments. Current liabilities include debt oblications due but unpaid and other unpaid debt service obligations. Amounts representing future debt maturities are shown in the general long-term debt accounts.

Types of Expenditures

Expenditures from the debt service fund include the payment of principal and interest of the lawful bonded indebtedness maturing in the current year. The board may pay in addition such amount as it may deem necessary to apply on the principal (298.18). Expenditures also include the principal and interest payment on other indebtedness from resources transferred for that purpose from other funds.

Types of Transfers

Any governmental fund authorized to incur long-term indebtedness and to make payments required under that loan, lease-purchase agreement, or other evidence of indebtedness authorized by Code, must transfer the amount of money necessary to pay principal and interest when due to the debt service fund to be accounted for there. The governmental fund into which the original debt proceeds were deposited is the fund that must transfer money to retire that debt. Any balance remaining in the debt service fund after all outstanding debt is retired may be transferred, by board resolution, to the general fund (298A.10).

Sources of Revenue

Revenues include transfers from the general fund for principal and interest due on authorized indebtedness authorized by Code (298A.10).

Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the stated intent is that the costs of providing goods or services to the students or general public on a continuing basis are financed or recovered primarily through user charges. Enterprise funds are also used to account for operations where the school board or state regulatory agency has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. Enterprise funds include the child care fund and the school nutrition fund. Some other enterprise funds might include the bookstore operation, cooperative purchasing operation, the athletic stadium, the community swimming pool, the preschool, and major vocational education projects such as a farm, home construction, or automotive repair shop.

COOP fund is an enterprise fund. It is used to account for activities concerned with purchasing supplies,, furniture, and equipment for resale to local school districts.

Other enterprise funds would include any sales of services to others and could include, but are not limited to, data processing services, and printing services.

Internal Service Funds (60-69)

Internal service funds are used to account for the financing of services provided by one department/fund to another department/fund of the organization or to another agency on a cost-reimbursement basis. If the district/AEA is not the primary user of the goods or services provided by the internal service fund, then the activity is accounted for in an enterprise fund rather than an internal service fund. Internal service funds would include self-insurance funds and flex-benefit (cafeteria) plan funds.

Fiduciary Funds

Trust or agency funds shall be established by any school corporation to account for gifts it receives to be used for a particular purpose or to account for money and property received and administered by the district as trustee or custodian or in the capacity of an agent. Boards may establish trust and agency funds as necessary (298A.13).

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation. Conditions attached to the gifts or bequests become binding upon the corporation upon acceptance (565.6).

The board of directors of a school district which receives funds through gifts, devises, and bequests shall deposit these funds in a trust or an agency fund and use them in accordance with the terms of the gift, devise, or bequest (279.42).

Fiduciary funds must be established by any school corporation that has received assets or donations to be held as trustee or agent for individuals, private organizations or other governmental units, or other funds. The right to receive funds through gifts, devises and bequests is covered in sections 279.42 and 565.6. Fiduciary funds include expendable trust funds, nonexpendable trust funds, pension trust funds, and agency funds. *These fund designations will change with the implementation of GASB statement 34. Expendable trust funds will become special revenue trust funds or private-purpose trust funds. Nonexpendable trust funds will become permanent funds or private-purpose trust funds.*

The board of directors must take action to accept or establish trust or agency funds. It is the board's responsibility to insure that the funds will be used for purposes which are compatible with the mission of and restrictions on the district/AEA. Once accepted, it is the responsibility of the board to insure that the fiduciary relationship is carried out according to the terms of the agreement. If the purpose for which the money is to be spent is not in keeping with the overall objectives of the school district or AEA, the board shall not assume responsibility as an agent or trustee for the fund. Gifts of cash or other assets shall not be accepted if the board cannot legally meet, justify, or agree to the prescribed conditions.

Upon their acceptance, gifts and bequests of money become public funding under the stewardship of the recipient. A court would likely void any transfer of public funds to a nonprofit organization (OAG #00-8-2(L)).

Trust Funds (Expendable 71-72) (Nonexpendable 73-75)

Purpose and Use

Trust funds are used to account for assets held in a trustee capacity. These include expendable trust funds, nonexpendable trust funds, and pension trust funds. *Nonexpendable trust funds* are used to account for trusts where the principal may not be spent. *Expendable trust funds* are used to account for trusts where both principal and earnings on principal may be spent for the trust's intended purpose. Expendable trust funds are also used to account for the spendable resources of nonexpendable trust funds. *These fund designations will change with the implementation of GASB statement 34.* Examples of trust funds would be scholarships or moneys received from a private foundation to finance a particular expenditure.

A school district or AEA which acts as the fiscal agent for a grant will generally use an agency fund to account for the grant received on behalf of the other members of the consortium.

Types of Expenditure

The characteristics of the expenditures from an expendable trust fund depend on the nature of the donor's conditions or the responsibilities of the trustee.

Expenditures from a non-expendable trust fund are limited to transfers to an expendable trust fund of the interest or portion of the principal which has become expendable.

Sources of Revenue

Sources of revenue include donations of cash, investment instruments, property, and interest on investments held.

Agency Funds (76-79)

Purpose and Use

Agency funds are used to account for assets received and held as an agent for individuals, private organizations, or other governments. Agency funds are expendable but differ from trust funds. For example, the school district/AEA acts merely as a custodian of the assets and is not an owner. Agency funds may be created when an organization, which is related to the operation of the school district, places certain assets into the custody of the school corporation. The school corporation renders a service, as the custodian, for the organization providing the assets. Agency funds typically involve only the receipt, temporary investment and remittance of assets to their rightful owners. Moneys owned by the school district/AEA would not be accounted for in agency funds.

Types of Expenditure

The characteristics of the disbursements from an agency fund depend on the nature of the rightful owners' conditions or the responsibilities of the custodian. Typically, expenditures will involve remittance of assets to their rightful owners.

Sources of Revenue

Sources of assets include temporary receipts of cash, investment instruments, property, and interests on investments held.

Other Account Groups

The account groups described in this section differ from the funds in that they provide no source of resources for current and future outlays. The purpose of these groups is to disclose additional financial accounting information not provided by the fund records of all funds except proprietary funds and trust funds. *Account groups will be eliminated with the implementation of GASB Statement 34.*

General Fixed Asset Account Group (GFAAG) (80)

The General Fixed Asset Account Group is used to account for fixed assets other than those accounted for in proprietary funds or trust funds. Assets are recorded at cost or, if the cost is not practicably determinable, at estimated cost. Donated fixed assets should be record at their estimated fair value at the time received.

The amounts recorded for accounting and reporting general fixed assets are the initial or historical cost and are not to be confused with "appraised" values or any other reductions computed under any amortization or depreciation schedule.

General Long-Term Debt Account Group (GLTDAG) (90)

The General Long-Term Debt Account is used to account for unmatured long-term indebtedness except that which is directly related to and expected to be paid from proprietary funds and similar trust funds.

CHAPTER 10

CASH AND DEBT MANAGEMENT

Bankruptcy

A city, county, or other political subdivision of this state shall not be a debtor under chapter 9 of the federal Bankruptcy Code, 11 USC section 901 et seq., except as otherwise specifically provided in chapter 76 of the Iowa Code (76.16).

A city, county, or other political subdivision may become a debtor under chapter 9 of the federal Bankruptcy Code, 11 USC section 901 et seq., if it is rendered insolvent, as defined in 11 USC section 101(32)(c), as a result of a debt involuntarily incurred. As used herein, debt means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following:

1. That all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy.
2. That such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development.
3. That as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due.
4. That the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E, or other political subdivision (76.16A).

Cash Management

Investments

A depository means a bank, a savings and loan, or a credit union in which public funds are deposited under Iowa Code chapter 12C (12C.1(2)(a)).

Public funds mean the moneys of a school corporation that are placed in a depository (12C.1(2)(b)).

A school corporation governing body may delegate its investment authority, under the provisions of Iowa Code chapter 12C, to the treasurer or other financial officer of the governmental unit, who shall thereafter be responsible for handling investment transactions until such delegation of authority is revoked (12C.11). A school district has two financial officers; one is the secretary and the other is the treasurer.

A depository may make reasonable service charges with respect to the handling of public funds, but the service charges shall not be greater than the depository customarily requires from other depositors for similar services (12C.12).

The board of directors and the designated financial officers are not liable for loss of funds by reason of the insolvency of the depository institution when the funds have been deposited or invested as provided in chapter 12C (12C.8).

Pending audit and allowance of claims under section 279.29, the board shall invest moneys of the corporation to the extent practicable, and the board may provide for the joint investment of moneys with one or more school corporations pursuant to a joint investment agreement. All investments of funds shall be subject to sections 12B.10 and 12B.10A and other applicable law (279.29).

The treasurers shall at all times keep funds coming into their possession as public money in the vault or safe to be provided for that purpose or in one or more depositories approved by the board. However, the treasurer shall invest, unless otherwise provided by Code, any public funds not currently needed in investment authorized by section 12B (12B.10(1)).

The treasurer shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use to attain the goals of Iowa Code 12B.10(2). This standard requires that when making investment decisions, a public entity shall consider the role that the investment or deposit plays within the portfolio of assets of the public entity and the goals of 12B.10(2). The primary goals of investment prudence shall be based on the following order of priority:

a. Safety of principal is the first priority.
b. Maintaining the necessary liquidity to match expected liabilities is the second priority.
c. Obtaining a reasonable return is the third priority (12B.10(2)).

Investments of public funds shall be made in accordance with written policies. A written investment policy shall address the goals set out above and shall also address, but is not limited to, compliance with state law, diversification, maturity, quality, and capability of investment management. Investments by a political subdivision must have maturities that are consistent with the needs and use of that political subdivision or agency (12B.10(3)).

The investment of public funds which are operating funds by a political subdivision shall be subject to the following:

a. Operating funds means those funds which are reasonably expected to be expended during a current budget year or within fifteen months of receipt.
b. Operating funds must be identified and distinguished from all other funds available for investment.
c. Operating funds may only be invested in investments which mature within three hundred ninety-seven days or less and which are authorized by law for the investing public entity (12B.10A(a)).

A treasurer of a political subdivision may invest funds of the political subdivision or agency that are not operating funds in investments having maturities longer than three hundred and ninety-seven days (12B.10A(3)).

At the time of any examination of or settlement with the treasurer in charge of any public funds, the treasurer shall produce and count in the presence of the officer or officers making such examination or settlement, all moneys or funds then on deposit in the safe or vault in the treasurer's office, and shall produce a statement of all money or funds on deposit with any depository wherein the treasurer is authorized to deposit such funds, which settlement shall be certified by one or more officers of such depository, and shall correctly show the balance remaining on deposit in such depository at the close of business on the day preceding the day of such settlement. The treasurer shall also file a statement setting forth the numbers, dates, and amounts of all outstanding checks, or other items of difference, reconciling the balance as shown by the treasurer's books with those of the depositories (12B.11).

It shall be the duty of the officer or officers making such settlement to see that the amount of securities and money produced and counted, together with the amounts so certified by the legally designated depositories, agrees with the balance with which such treasurer should be charged, and the officer shall make a report in writing of any such settlement or examination, and attach thereto the certified statement of all such depositories (12B.12).

Any officer or other person making a false statement or report or in any manner violating any of the provisions of sections 12B.10 to 12B.13 shall be guilty of a fraudulent practice (12B.14).

If any auditor or treasurer or other officer shall neglect or refuse to perform any act or duty specifically required of the officer, such officer shall be guilty of a simple misdemeanor, and the officer and the officer's surety shall be liable on the official bond for any fine imposed, and for the damages sustained by any person through such neglect or refusal (12B.15).

Deposits by a school treasurer or school secretary shall be in depositories located in this state which shall be selected by the board of directors. However, deposits may be made in depositories outside of Iowa for the purpose of paying principal and interest on bonded indebtedness when the deposit is made not more than ten days before the date the principal or interest becomes due (12C.4).

The approval of a financial institution as a depository shall be by written resolution or order which shall be entered of record in the minutes of the approving board, and which shall distinctly name each depository approved, and specify the maximum amount which may be kept on deposit in each depository (12C.2).

Public deposits shall be deposited with reasonable promptness in a depository legally designated as depository for the funds (12C.6).

A depository shall not directly or indirectly pay interest to a public officer on a demand deposit of public funds, and a public officer shall not take or receive interest on demand deposits of public funds. This provision does not apply to interest on time certificates of deposit or savings accounts for public funds (12C.7(1)).

Interest or earnings on investments and time deposits shall be credited to the general fund with the exception of specific funds for which investments are otherwise provided by law. Funds so excepted shall receive credit for interest or earnings derived from such investments or time deposits made from such funds (12C.7(2)).

The board, who by law have control of any fund created by direct vote of the people, may invest any portion of the fund not currently needed, in investments authorized in Iowa Code section 12B.10 (12C.10).

The treasurer or other designated financial officer of each school corporation shall invest the proceeds of notes, bonds, refunding bonds, and other evidences of indebtedness, and funds being accumulated for the payment of principal and interest or reserves in

investments permitted by Code (12C.9(1)). Earnings and interest from these investments shall be used to pay the principal or interest as the principal or interest comes due on the indebtedness or to fund the construction of the project for which the indebtedness was issued, or shall be credited to the capital project fund for which the indebtedness was issued (12C.9(2)).

Public funds of the state shall not be deposited in a financial institution which does not demonstrate a commitment to serve the needs of the local community in which it is chartered to do business, including the needs of neighborhoods, rural areas, and small businesses in communities served by the financial institution. These needs included credit services as well as deposit services (12C.6A(1)).

Debt Management

Advanced Funding Authority

The Iowa advance funding authority is a public instrumentality and agency of the state exercising public and essential governmental functions, established for the purposes of reducing the cash flow difficulties faced by Iowa schools, improving the financial procedures of Iowa schools, and reducing the short-term borrowing costs of Iowa schools (257C.4).

“School” includes each public school district, AEA, and community college (257C.3(5)).

The general assembly finds:

1. The establishment of the authority is in all respects for the benefit of the people of the state of Iowa and the improvement of the financing procedures for Iowa's schools.
2. The authority will be performing an essential governmental function in the exercise of the powers and duties conferred upon it by chapter 257C.
3. Iowa schools face a serious and increasing problem with cash flow difficulties caused, among other factors, by increasing reliance on state school foundation aid, delays in the payment of state school foundation aid, and the periodic payment of property taxes for school purposes.
4. As a result of their increasing cash flow difficulties, Iowa schools have had to borrow on a short-term basis larger amounts of funds more often, thus increasing their borrowing costs significantly.
5. The short-term borrowing costs of Iowa schools are a direct burden on the taxpayers of the state.
6. It is necessary to create the authority to provide a means for Iowa schools to reduce substantially or eliminate their short-term borrowing costs and thus reduce costs to the taxpayers.
7. All of the purposes stated in this section are public purposes and uses for which public moneys may be borrowed, expended, advanced, loaned or granted (257C.2).

Members of the authority board and persons acting in the authority's behalf, while acting within the scope of their employment or agency, are not subject to personal liability resulting from carrying out the powers and duties given in this chapter (257C.11).

A school may issue and sell or pledge its notes to the authority or the authority's designated agent or trustee. Schools may enter into contracts and agreements with the authority to effectuate the purposes of this chapter. In acting pursuant to this section, schools are exempt from all laws of the state which provide for competitive bids and hearings in connection with such sales, pledges, contracts and agreements (257C.16).

Stamping Warrants

If a warrant other than an anticipatory warrant is presented for payment, and is not paid for want of funds, or is only partially paid, the treasurer shall endorse the fact thereon, with the date of presentation, and sign the endorsement, and thereafter the warrant or the balance due thereon, shall bear interest at the rate specified in section 74A.2 (74.2).

When a fund contains sufficient money to pay one or more interest-bearing obligations which are outstanding against the fund, the treasurer shall call those obligations for payment. Obligations may be paid in the order of presentation. This section does not authorize a fixed-term obligation to be called at a date earlier than is provided by the conditions and terms upon which it was issued (74.5).

A warrant not paid upon presentation for want of funds bears interest on unpaid balances at the rate in effect at the time the warrant is first presented for payment, as established by rule pursuant to subsection 74A.6(2). This section does not apply to an obligation which by law bears interest from the time it is issued (74A.2).

The committee shall establish the maximum interest rate to be applicable to obligations referred to in section 74A.2, and this rate shall apply unless the parties agree to a lesser interest rate (74A.6(2)).

Warrants may be stamped or anticipatory warrants issued while funds are invested if the investments were made in good faith and without negligence (OAG #81-12-4).

A school corporation can stamp warrants when money is tied up in closed banks (AG Report 1932, p. 265).

The treasurer should make pro rata payments on warrants not paid for want of funds (AG Report 1934, pp. 224, 248).

Stamped warrants should be paid in the order of their date of stamping when sufficient money is on hand (1934 Op. Att'y Gen. 435 (#34-1-9)).

When stamped warrants are partially paid and a new warrant is issued for the balance, the new warrant should take precedence over other stamped warrants issued subsequent to the date of the original (1912 Op. Att'y Gen. 732 (#12-7-9)).

When a school corporation knows that it does not have sufficient funds to pay warrants, for example, payroll, it must still issue the individual warrants and have each one stamped. It cannot issue one warrant from the general fund to a payroll account and stamp just that one warrant (OAG #64-2-28).

Stamped warrants may be issued against the schoolhouse fund when an issue has been voted (OAG #39-5-19).

Anticipatory Warrants

When a municipality determines that there are not or will not be sufficient funds on hand to pay the legal obligations of a fund, it may provide for the payment of such an obligation by drawing an anticipatory warrant payable to a bank or other business entity authorized by law to loan money in an amount legally available and believed to be sufficient to cover the anticipated deficiency (74.1(2)).

The treasurer shall sell anticipatory warrants authorized by subsection 74.1(2) at a rate of interest to be determined by the board. The treasurer may offer the warrants for public sale at par, by publishing notice of the sale for two consecutive weeks in a newspaper of general circulation in the jurisdiction of the school district issuing the warrants, giving not less than ten days' notice of the time and place of the sale The notice shall include a statement of the amount of the warrants offered for sale. Sealed bids may be received at any time up to the time all bids are opened. The treasurer shall sell the warrants to the bidder offering the lowest interest rate, provided that the treasurer may reject all bids and readvertise the sale of the warrants pursuant to the provisions of this section. This section applies only to school districts whose anticipated receipts allocable to the current budget are at least equal to their legally approved budget for the current year (74A.7).

The AEA board is authorized to issue warrants and anticipatory warrants pursuant to chapter 74. This subsection shall not be construed to authorize a board to levy a tax (273.3(17)).

A school corporation may not give promissory notes nor may it issue warrants to borrow money for current operating expenses in excess of the budget estimate (1948 Op. Att'y Gen. 5 (#47-1-6)).

Leases

The Code does not give authority to school districts to lease equipment or to enter into a lease-purchase agreement for equipment (OAG #62-3-7).

An AEA shall expend school improvement technology block grant funds received pursuant to subsection 256D.5(2) for the costs related to supporting school districts within the area served with technology planning and equipment, including hardware and software, materials and supplies related to instructional technology and the lease or lease-purchase agreements for those items, employment of or contracting with information technology specialists to provide technical consulting and integration of technology in curriculum and instruction, and staff development and training related to instructional technology. A consortium of AEAs may cooperatively engage in any of these activities (246D.8(3)). This chapter is repealed effective July 1, 2003 (256D.9).

Lease-Purchase

Lease-purchase arrangement includes, but is not limited to, an arrangement in which title of ownership passes when the final installment payment is made (8.46(1)(b)).

An AEA shall expend school improvement technology block grant funds received pursuant to subsection 256D.5(2) for the costs related to supporting school districts within the area served with technology planning and equipment, including hardware and software, materials and supplies related to instructional technology and the lease or lease-purchase agreements for those items,

employment of or contracting with information technology specialists to provide technical consulting and integration of technology in curriculum and instruction, and staff development and training related to instructional technology. A consortium of AEAs may cooperatively engage in any of these activities (246D.8(3)). This chapter is repealed effective July 1, 2003 (256D.9).

An AEA may hold property and execute lease-purchase agreements pursuant to subsection 273.3(7), and if the lease exceeds ten years or the purchase price of the property to be acquired pursuant to a lease-purchase agreement exceeds $25,000, the AEA shall conduct a public hearing on the proposed lease-purchase agreement and receive approval from the AEA board of directors and the director of the department of education before entering into the agreement (273.2).

The AEA board is authorized to lease, subject to the approval of the director of the department of education and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than 10 years and with an annual cost of less than $25,000 does not require the approval of the director If a lease requires approval the director shall not approve the lease until the director is satisfied by investigation that public school corporations within the area do not have suitable facilities available (273.3(7)).

Installment Acquisitions

Installment acquisition includes, but is not limited to, an arrangement in which title of ownership passes when the first installment payment is made (8.46(1)(a)).

Loans

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment from the general fund. The note must mature within five years, or the useful life of the equipment, whichever is less. Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purpose of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten days before the meeting at which the loan agreement is to be approved (279.48).

The board of directors of an AEA is authorized to purchase equipment as provided in section 279.48 (273.3(20)).

The board of directors may pay the actual cost of an asbestos project from any funds in the general fund of the district [AEA] or moneys obtained through a federal asbestos loan program, to be repaid from any of the funds specified in this section over a three-year period (279.52).

The department of natural resources may make loans to the school districts and AEAs for implementation of energy conservation measures identified in a comprehensive engineering analysis. Loans shall be made for all cost effective management improvements. School districts may enter into financing arrangement with the department or its duly authorized agents or representatives obligating the school district to make payments on the loans beyond the current budget year of the school district. Chapter 75 shall not be applicable. AEAs shall repay the loans from any moneys available to them (473.20).

CHAPTER 11

OTHER FINANCIAL MANAGEMENT TOPICS

Purchasing

It does not follow that the money which will be expended pursuant to the certified budget is the same identical money that was raised by the tax levied on the basis of that budget. In other words it is legal to issue purchase orders during one fiscal year and pay for the same during the following fiscal year (OAG #65-12-3).

The credit of the state shall not, in any manner, be given or loaned to, or in aid of, any individual, association, or corporation; and the state shall never assume, or become responsible for, the debts or liabilities of any individual, association, or corporation, unless incurred in time of war for the benefit of the state (Constitution of the State of Iowa, Article VII, Section 1).

All books and other school supplies shall be paid for out of the general fund (301.4).

The board of directors of a public school corporation may enter into exclusive contract with vendors for the purchase of products sold on school premises or at school functions. Vendor contracts for non-educational goods are proprietary in nature and may extend beyond the term of current board members. A marketing firm may be employed to assist with the negotiation and oversight of vendor contracts. While statutory public bidding requirements are not applicable to school district contracts for the purchase of goods and services, public policy supports use of competitive bidding procedures for such contracts (OAG #00-2-4(L)).

Public notice in regard to competitive bidding assumes three elements: first, there should be an offering, or notice, extended to the public; second, an opportunity for competition; and third, a basis for an exact comparison of bids (OAG #80-9-4).

The school district shall adopt a policy for purchasing goods or services from private enterprises which requires consideration of purchasing these goods or services from a locally owned business located within the school district which offers these goods and services if the cost and other considerations are relatively equal. Nothing in this section shall be construed to prevent or prohibit the giving of a preference to businesses owned or operated by minorities or females as may be provided in any other provision of law (23A.3).

Every school district and every person acting as contracting or purchasing agent for any such governing body shall use only those products and provisions grown and coal produced within the state of Iowa, when they are found in marketable quantities in the state and are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states. This section shall apply to horticultural products grown in this state even if the products are not in the stage of processing that the agency usually purchases the product. However, this section does not apply to a school district purchasing food while the school district is participating in the federal school lunch program (73.1).

An officer or person who is connected with, or is a member or officer of, the board of a school district who fails to give preference as required in chapter 73 is guilty of a simple misdemeanor. Each separate case of failure to give preference is a separate offense (73.5).

It shall be unlawful for any school district to purchase or use any coal, except that mined or produced within the state by producers who are, at the time such coal is purchased and produced, complying with all the workers' compensation and mining laws of the state. The provisions of this section shall not be applicable if coal produced within the state cannot be procured of a quantity or quality reasonably suited to the needs of such purchaser, nor if the equipment now installed is not reasonably adapted to the use of coal produced within the state, nor if the use of coal produced within the state would materially lessen the efficiency or increase the cost of operating such purchaser's heating or power plant, not to mines employing miners not now under the provisions of the workers' compensation Act or who permit the minors to work in individual units in their own rooms (73.6).

If it is determined by the attorney general that any provision of chapter 73 on preferences would cause denial of funds or services from the United States government which would otherwise be available, or would otherwise be inconsistent with requirements of federal law, such provision shall be suspended, but only to the extent necessary to prevent denial of such funds or services or to eliminate the inconsistency with federal requirements (73.11).

All requests hereafter made for bids and proposals for materials, products, supplies, provisions and other needed articles to be purchased at public expense, shall be made in general terms and by general specifications and not by brand name, trade name or other individual mark. All such requests and bids shall contain therein a paragraph in easily legible print, reading as follows: "By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa" (73.2).

Notwithstanding any provision of law or rule relating to competitive bidding procedures, every agency, department, commission, board, committee, officer or other governing body of the state shall purchase goods and services supplied by small businesses and targeted small businesses in Iowa. In addition to the other provisions of this section relating to procurement contracts for targeted small businesses, all purchasing authorities shall assure that a proportionate share of small businesses and targeted small businesses identified under the uniform small business vendor application program of the department of economic development are given the opportunity to bid on all solicitations issued by agencies and departments of state government (73.16(1)).

A school district shall establish a procurement goal from certified targeted small businesses of at least ten percent of the value of anticipated procurements of goods and services including construction, but not including utility services, each fiscal year. Of the total value of anticipated procurements of goods and services , an additional goal shall be established to procure at least forty percent from minority-owned businesses, and forty percent from female-owned businesses (73.16(2)).

A school district shall, on an annual basis, review the school district's anticipated purchasing requirements. A school district shall notify the department of education which shall report to the department of economic development, of their anticipated purchases and recommended procurements with unit quantities and total costs for procurement contracts designated to satisfy the targeted small business procurement goal not later than August 15 annually (73.17).

The superintendent of each school district releasing a solicitation for bids or request for proposal under the targeted small business procurement goal program shall consult a directory of certified targeted small businesses produced by the department of economic development that lists all certified targeted small business by category of goods or services provided prior to or upon release of the solicitation and shall send a copy of the request for proposal or solicitation to any appropriate targeted small business listed in the directory. The department of economic development may charge the school district a reasonable fee to cover the cost of producing, distributing, and updating the directory (73.18).

In awarding a contract under the targeted small business procurement goal program, a school district having purchasing authority may use either a negotiated price or bid contract procedure. A school district using a negotiated contract shall consider any targeted small business engaged in that business (73.19).

Before announcing a contract award pursuant to the targeted small business procurement goal program, the purchasing authority shall evaluate whether the targeted small business scheduled to receive the award is able to perform the contract. This determination shall include consideration of production and financial capacity and technical competence. If the purchasing authority determines that the targeted small business may be unable to perform, the director of the department of economic development shall be notified and shall assist the targeted small business (73.20).

All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply to procurement contracts for targeted small businesses to the extent there is no conflict. If there is a conflict with other laws or rules, then targeted small business procurement program laws govern (73.21).

The Department of Management may impose appropriate sanctions on an AEA or school district in order to ensure compliance with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and requirements for procurement goals for targeted small businesses (19B.8).

School districts shall not, unless specifically authorized by statute, rule, ordinance, or regulation:

a. Engage in the manufacturing, processing, sale, offering for sale, rental, leasing, delivery, dispensing, distributing, or advertising of goods or services to the public which are also offered by private enterprise unless such goods or services are for use or consumption exclusively by the school district.
b. Offer or provide goods or services to the public for or through another political subdivision, by intergovernmental agreement or otherwise, in violation of chapter 23A on noncompetition by government (23A.2(1)).

A school corporation may, by rule, provide for exemption from the application of chapter 23A for the following activities:

a. Goods and services that are directly and reasonably related to the educational mission of a school.
b. Goods and services offered only to students, employees, or guests of the school and which cannot be provided by private enterprise at the same or lower cost.
c. Use of vehicles owned by the school for charter trips offered to the public, full or part-time, or temporary students.
d. Durable medical equipment or devices sold or leased for use off premises of the school.
e. Goods or services which are not otherwise available in the quantity or quality required by the school.
f. Telecommunications other than radio or television stations.
g. Sponsoring or providing facilities for fitness and recreation.
h. Food service and sales.
i. Sale of books, records, tapes, software, educational equipment, and supplies (23A.2(2)).

Chapter 23A does not apply to any of the following on-campus activities of a school corporation:

1. Residence halls.
2. Student transportation except as specifically listed in subsection 2(c).
3. Overnight accommodations for participants in programs of the school, visitors to the school, parents, and alumni.
4. Sponsoring or providing facilities for cultural and athletic events.
5. Items displaying the emblem, mascot, or logo of the school, or that otherwise promote the identity of the school and its programs.
6. Souvenirs and programs relating to events sponsored by the school.
7. Radio and television stations.
9. Goods, products, or professional services which are produced, created, or sold incidental to the schools' teaching, research, and extension missions (23A.2(10)(k)).

The state director of the department of corrections shall cause to be prepared from time to time classified and itemized price lists of the products manufactured by Iowa state industries. Such lists shall be furnished to all boards of directors of school corporations and officials empowered to purchase supplies and equipment for public purposes (904.807).

The board shall take advantage of all tax exemptions on fuel, equipment, and of such other economies as are available (285.11(5)).

The board may permit commercial photographers to photograph students on school property (OAG 79-4-32).

Conflict of Interest

Any officer or employee of the state or of any subdivision thereof who is directly or indirectly interested in any contract to furnish anything of value to the state or any subdivision thereof where such interest is prohibited by statute commits a serious misdemeanor. This section shall not apply to any contract awarded as a result of open, public and competitive bidding (721.11).

It shall be unlawful for any school director, officer, AEA director or teacher to act as agent for any school textbooks or school supplies during such term of office or employment, and any school director, officer, AEA director or teacher, who shall act as agent or dealer in school textbooks or school supplies, during the term of such office or employment, shall be deemed guilty of a serious misdemeanor (301.28).

While Iowa Code section 279.7A does not preclude an agent for school textbooks or supplies from serving as a member of a school board of directors, Code section 301.28 does create such a prohibition. Pursuant to Code section 301.28, a school textbook or school supply salesperson is prohibited from serving as a school board member regardless of whether the salesperson sells books or supplies to the district upon whose board he or she serves (OAG #92-2-4(L)).

A member of the board of directors of a school corporation shall not have an interest, direct or indirect, in a contract for the purchase of goods, including materials and profits, and the performance of services for the director's school corporation. A contract entered into in violation of this section is void. This section does not apply to contracts for the purchase of goods or services which benefit a director, or to compensation for part-time or temporary employment which benefits a director, if the benefit to the director does not exceed two thousand five hundred dollars ($2,500) in a fiscal year, and contracts made by a school board, upon competitive bid in writing, publicly invited and opened (279.7A).

Section 279.7A applies to situations where the director may only have an ownership interest in a corporation contracting with the board and to placement of a newspaper advertisement in return for consideration such as a fee or charge even if advertisements are only done on an as-needed basis (OAG #97-7-2(L)).

It is not prohibited or a conflict of interest for a school board member to vote on a contract, let after public notice and competitive bidding, on which the member has submitted a subcontract bid. However, the member would be well advised to abstain from voting in such circumstances in order to avoid the appearance of impropriety (OAG #85-2-6(L)).

Advertising specialty and novelty items which are not used for instructional purposes are not school supplies to which section 301.28 is applicable (OAG #90-7-2(L)).

Commercial salespersons of musical instruments may, in the discretion of the local school board, be permitted access to school facilities for the purpose of displaying and disseminating information regarding sale or rental of musical instruments. The local school board may not, however, select a certain store or salesperson and deny access to others. A public school music instructor may recommend a particular instrument to a student, so long as the recommendation is based on a personal or professional preference and the instructor is not acting as an agent for the seller of the instrument (OAG #80-2-2).

Use of Credit Cards

The board of directors of the AEA is authorized to issue school credit cards allowing AEA employees to pay for the actual and necessary expenses incurred in the performance of work-related duties (273.3(18)).

While payment for some travel expenses including transportation tickets and hotel accommodations could be arranged by direct billing to the school corporation by the vendor, payment for other travel expenses including gasoline is not commonly and may not feasibly be arranged by direct billing. Although travel advances are not allowable because of the audit and allowance provisions of law, the use of credit cards differs from the use of advance payments in that payment is not actually made until after the expenses are incurred. Thus verification of the expense can be made prior to payment by the governmental employer of a credit card billing. If the employer does not allow the expenses, the employer could recover expenses charged to the employer by the official or employee who made the trip (OAG # 83-7-3(L)).

Advances

Expenditures must be actually incurred rather than merely reasonably anticipated. In other words, an employer may only reimburse its employee the authorized expenses for which the employee has become liable and is thereby precluded (prohibited) from making advance payments to such employees for obligations which have not yet occurred. This does not prohibit purchase of airline tickets or chartering buses or the payment of advance registration fees for conferences paid on behalf of employees authorized to travel on school business (OAG #78-12-11).

Public Purpose

It is unlawful to use public funds to pay for social functions, parties, or other forms of entertainment for employees. This constitutes a use of property owned by the State or a governmental subdivision thereof for a private purpose. This does not apply to conferences in which employees participate in activities related to their duties and are authorized by the superiors and in which entertainment may be an incidental part of the registration fee or other expense of attending. Nor does it apply to the legitimate entertainment or meal expenses of outside consultants which may include the expenses of one or more employees participating therein (OAG #75-3-12).

A retirement dinner, however, under appropriate circumstances and with proper motives could be considered to have public purpose. It is the motive for the expenditure that may insulate an officer from criminal liability for misuse of public funds. Any retirement dinner will certainly be subject to a deserved close scrutiny and one is well advised to consider carefully the expenditure of public moneys for such a purpose (OAG #79-4-26). This opinion was based on court cases including Kingman v. Brockton, 153 Mass. 255, 26 N.E. 98 (1981) which recognized that a public purpose is served and public funds may be spent in commemorating those important historical, military and civil events in which all citizens should take an interest. Also considered was John R. Grubb v. Iowa Housing Finance Authority, 255 N.W. 2d 89, 93 (1977), which said that an examination of Dickinson [Dickinson v. Porter, 240 Iowa 393, 35 N.W. 2d 66 (1948)] and decisions from other jurisdictions discloses a judicial intent to permit the concept of public purpose to have the flexibility and expansive scope required to meet the challenges of increasingly complex social, economic, and technological conditions.

Public employees may use vehicles and computers owned by their governmental subdivision of which they are employees for private purposes if facts and circumstances indicate that the use also serves some public purpose (OAG #95-5-1).

Fund Raisers

Internal Revenue Service holds organizations responsible for informing the public what portion of purchases, admissions, etc. are tax deductible as charitable donations (or that they are not). The ruling states the importance of determining, in advance of solicitation, the portion of payments attributable to the purchase of admission or other privilege and the portion solicited as a gift. The ruling says that in those cases in which a fund-raising activity is designed to solicit payments intended to be in part a gift and in part the purchase price of admission or other participation in an event, separate amounts should be stated in the solicitation and clearly indicated on any ticket or other evidence of payment furnished to the contributor. For more information, request Publication 1391 from the IRS and/or consult with a CPA, public accountant, or enrolled agent who actively practices in the area of individual income tax preparation.

Use of Rubber Stamps

A signature on certification of claims may be affixed by stamp or other mechanical means as long as the instrument used is in the general possession and control of the one whose signature it bears, is applied by that person or designee, and is intended by that person to constitute a signature (OAG #46-1-21).

Where an administrative officer is required by law to affix a signature to various documents, the method of signing is left entirely to that officer. It may be by stamp, copperplate or otherwise. It is still the administrative officer's act. The responsible official might require of a designee using a mechanical signature device to add the designee's own signature, initials, or even an

identifying number for administrative identification purposes if the official so chooses. The signature of the administrative officer is merely directory to the officers who are to act afterwards--the secretary who is to countersign, the register who is to record, and the treasurer who is to pay (OAG #53-9-16).

Statutory Authority Assigned to State Agencies

Certified Budgeting	Department of Education, SBRC
Accounting	Department of Education
Auditing	Office of the State Auditor
Interpretation of Law	Department of Education, Attorney General

Duties of the Director of the Department of Education

The department of education is established to act in a policymaking and advisory capacity and to exercise general supervision over the state system of education including all of the following:

- Public elementary and secondary schools.
- Community colleges.
- Area education agencies.
- Vocational rehabilitation.
- Educational supervision over the elementary and secondary schools under the control of an administrator of a division of the department of human services.
- Nonpublic schools to the extent necessary for compliance with Iowa school laws (256.1(1)).

Approve, coordinate, and supervise the use of electronic data processing by school districts, AEAs, and merged areas (256.9(11)).

Interpret the school laws and rules relating to the school laws (256.9(16)).

Prepare forms and procedures as necessary to be used by AEA boards, district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the AEA board, district board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed (256.9(18)).

The DE is authorized to prescribe a uniform system of accounting. This system is the Uniform Financial Accounting manual (OAG #83-12-1(L)).

Determine by inspection, supervision, or otherwise, the condition, needs, and progress of the schools under the supervision of the department, make recommendations to the proper authorities for the correction of deficiencies and the educational and physical improvement of the schools, and request a state audit of the accounts of a school district, school official, or school employee handling school funds when it is apparent that an audit should be made (256.9(19)).

Accept and administer federal funds apportioned to the state for educational and rehabilitation purposes and accept surplus commodities for distribution when made available by a governmental agency. The director may also accept grants and gifts on behalf of the department (256.9(7)).

Cooperate with other governmental agencies and political subdivisions in the development of rules and enforcement of laws relating to education (256.9(8)).

Conduct research on education matters (256.9(9)).

Duties of the School Budget Review Committee

The school budget review committee may recommend the revision of any rules, regulations, directive, or forms relating to school district budgeting and accounting, confer with local school boards or their representatives and make recommendations relating to any budgeting or accounting matters, and direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district (257.31(1)).

The committee shall adopt recommendations relating to the implementation by school districts and AEAs of procedures pertaining to the preparation of financial reports in conformity with generally accepted accounting principles (GAAP) and submit those recommendations to the state board of education (257.31(4)).

The committee shall meet and hold hearings each year to review unusual circumstances of AEAs, either upon the committee's motion or upon the request of an AEA (257.32).

Duties of the State Board of Education

Adopt rules under chapter 17A for carrying out the responsibilities of the department (256.7(5)).

The state board shall consider the recommendations of the SBRC and adopt rules specifying procedures and requiring the school districts and AEAs to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 (257.31(4)).

The state board shall review the proposed budget of each AEA and either grant approval or return the budget with0out approval with comments. An unapproved but shall be resubmitted to the state board for final approval (273.3(12)).

Duties of the Office of the Auditor of State

Each school officer shall install and use in the office a system of uniform blanks and forms as prescribed by law (see duties of the director of the department of education and the department of management above). State auditors shall assist the school officers in installing the system (11.23).

The auditor of state shall provide advice and counsel to pubic entities and certified pubic accountants concerning audit and examination matters (11.6(8)).

The auditor of state may audit school districts:

- If contracted by the school district for the annual audit.
- If requested by the director of the department of education (256.9(19)).
- If the auditor of state has probable cause to believe such action is necessary in the public interest because of a material deficiency in a previous audit (11.6(4)(a)).
- If the auditor of state receives from an elected official or employee of the school district a written request (11.6(4)(b)).
- If the auditor of state receives a petition signed by at least fifty eligible electors of school district (11.6(4)(c)).

Authority of Law, Rules, Opinions and Departmental Regulations

Law

Iowa school districts and AEAs operate under Dillon's Rule, by state constitution, which states that school districts and AEAs possess and can exercise the following powers and no others: Those granted in express words, those necessarily implied or necessarily incident to the powers expressly granted, and those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school law may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions and Rules, once given, have the effect of law on school districts and AEAs.

It is well established that where the language of a statute is plain and unambiguous and its meaning clear and unmistakable, there is no room for construction, and we may not search for its meaning beyond the statute itself (OAG #84-5-1(L)).

Rules

An administrative rule, violation of which is a crime, may incorporate federal standards by reference, provided these standards are explicit and readily ascertainable (OAG #87-10-2(L)).

Opinions of the Attorney General

An attorney general's opinion establishes the substantive interpretation of a Code section until it is overruled, revised, withdrawn upon consideration or upset by court decision (OAG #87-1-5).

A footnote in OAG #92-11-3 indicates that an opinion based on a Code section which is repealed but replaced with a section having much the same language would continue to apply.

Various Finance Related Compliance Issues

Iowa Gaming

The Division of Racing and Gaming is charged with licensing and the auditing of the gambling reports. All licenses must be prominently display at the playing area of the game or at the drawing area of a raffle. No person or group can use another's gambling license to conduct gambling activities. However, if a public school district holds a valid gambling license, any school group or parent support group from that district may use the gambling license of the public school district to conduct games. No organization can use the district's license more than twice in a calendar year. Groups such as PTA and booster clubs, made up of parents and students may obtain their own gambling license to conduct gambling events if they do not wish to use the district's license. Only one qualified organization can hold a two year license to conduct bingo at the same location.

Gross receipts from gambling are subject to Iowa sales tax. The word "donation" printed on a gambling ticket does not exempt it from sales tax. All licensees must make arrangements with the department of revenue to obtain a sales tax permit. The sales tax permit must be displayed at the gambling location.

When applying for the gambling license, public school districts need not obtain the written credit reference, IRS documentation nor law enforcement notifications. No public [tax] funds can be used to purchase the license.

All gambling activities conducted must be fair, honest, and the object of the game must be attainable. Federal postal regulations prohibit using the mails to distribute printed matter that advertises most forms of gambling.

Iowa Sales and Use Taxes

Collection of tax on sales

Sales from educational activities are exempt from sales and use taxes if the entire proceeds are expended for educational purpose. The gross receipts from games of skill, games of chance, raffles, and bingo do not qualify for the exemption. There is no exemption number or exemption permit for sales tax purposes by the State of Iowa.

Sales tax exemption on purchases

There are hereby specifically exempted from the provisions of the retail sales tax the following: The gross receipts from services rendered, furnished, or performed and of all sales of goods, wares, or merchandise used for public purposes to a tax-certifying or tax-levying body of the state or a governmental subdivision of the state (422.45(5)).

CHAPTER 12

PROPERTY MANAGEMENT

An AEA may hold property and execute lease-purchase agreements pursuant to subsection 273.3(7), and if the lease exceeds ten years or the purchase price of the property to be acquired pursuant to a lease-purchase agreement exceeds $25,000, the AEA shall conduct a public hearing on the proposed lease-purchase agreement and receive approval from the AEA board of directors and the director of the department of education before entering into the agreement (273.2).

The AEA board is authorized to lease, subject to the approval of the director of the department of education and to receive by gift and operate and maintain facilities and buildings necessary to provide authorized programs and services. However, a lease for less than 10 years and with an annual cost of less than $25,000 does not require the approval of the director If a lease requires approval the director shall not approve the lease until the director is satisfied by investigation that public school corporations within the area do not have suitable facilities available (273.3(7)).

The AEA board is authorized to purchase equipment as provided in section 279.48 (273.3(20)).

The board of directors of a school corporation may purchase equipment, and may negotiate and enter into a loan agreement and issue a note to pay for the equipment (279.48(1)). Before entering into a loan agreement for an equipment purchase, the school corporation must publish a notice, including a statement of the amount and purchase of the agreement, at least once in a newspaper of general circulation within the school corporation at least ten days before the meeting at which the loan agreement is to be approved (279.48(3)).

Public buildings owned by the state, or any county, city, school district, or other municipal corporation, or any other public property which is necessary and proper for carrying out the general purpose for which such corporation is organized, are exempt from execution (627.18).

Inventory

A school corporation which owns facilities used as attendance centers for students shall maintain an itemized statement of the appraised value of all buildings owned by the school corporation. Beginning July l, 1976, the appraisal shall be updated at least one time every five years (282.24).

Use of School Property

The board of directors of any school district may authorize the use of any schoolhouse and its grounds within such district for the purpose of meetings of granges, lodges, agricultural societies, and similar societies, for parent-teacher associations, for community recreational activities, community education programs, election purposes, other meetings of public interest, public forums and similar community purposes; provided that such use shall in no way interfere with school activities; such use to be for such compensation and upon such terms and conditions as may be fixed by said board for the proper protection of the schoolhouse and the property belonging therein, including that of pupils, except that in the case of community education programs, any compensation necessary for programs provided specifically by community education and not those provided through community education by other agencies or organizations shall be compensated from the funding provided for community education programs (297.9).

Any compensation for such use shall be paid into the general fund and be expended in the upkeep and repair of such school property, and in purchasing supplies therefor (297.10).

In carrying out the provisions of chapter 29C regarding emergency management services, the governor and the director of the department of public defense, and the executive officers or governing boards of political subdivisions of the state shall utilize, to the maximum extent practicable, the services, equipment, supplies and facilities of existing departments, officers, and agencies of the state and of political subdivisions at their respective levels of responsibility (29C.12).

No one has the right to demand the free use of a gymnasium or auditorium or other school facility, but a board may authorize its use at any time that such use does not interfere with regular school activities (OAG #35-6-19(L)).

A leasehold interest in vehicles or other property is "public property" if the lease is acquired in the name of a public agency or is acquired with public funds. Private use of public property is permissible only if the private use is incidental to a public purpose. Heads of agencies should promulgate rules establishing guidelines for mixed public and private usage of public owned property. A contract may not authorize purely private use of public property, nor may public property be used for purely private purposes on a reimbursement basis (OAG #83-5-13).

The property of a school corporation when devoted to public use and not held for pecuniary profit shall not be taxed (427.1(2)).

Public buildings or any other public property owned by the school district which is necessary and proper for carrying out the general purpose for which such corporation is organized, are exempt from execution of judgments (627.18).

The board of directors shall notify the cities located within the school district, the counties in which the school district is located, and the department of general services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased (297.4).

Before proceeding to construct or purchase a facility as otherwise provided by law, a public agency shall inquire of other public agencies having facilities within the same general geographic area concerning the availability of all or part of those facilities for rent or sharing by agreement with the inquiring public agency. If there are no suitable facilities available for rent or sharing, the governing body of the public agency shall record its findings in its meeting minutes (28E.18).

The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the state agency at least thirty days before the termination of the lease (7.20).

Religious Use

If school districts permit community groups to use schoolhouse or grounds for meetings, religious groups are entitled to use school property on an equal basis. School boards may promulgate 'time, place and manner' regulations for use of school property (OAG #82-4-29).

School districts and AEA boards, shall make public school services which shall include special education programs and services and may include health services, services for remedial education programs, guidance services, and school testing services, available to children attending nonpublic schools in the same manner and to the same extent that they are provided to public school students. However, services that are made available shall be provided on neutral sites, or in mobile units located off the nonpublic school premises as determined by the boards of the school districts and AEAs providing the services, and not on nonpublic school property, except health services, services funded by Title I of the federal Elementary and Secondary Education Act of 1965, diagnostic services for speech, hearing, and psychological purposes, and assistance with physical and communication needs of students with physical disabilities, and services of an educational interpreter, which may be provided on nonpublic school premises, with the permission of the lawful custodian (256.12(2)).

A public school board may lease a vacant school building to a parochial school board for one year if adequate consideration is paid for the leasehold interest (OAG #65-6-14).

Maintenance of School Property

The board shall make rules for the care of the schoolhouse, grounds, and property of the school corporation (279.8).

The control and management of a school building is placed exclusively with the board of directors of the school district and cannot be voted or delegated to any other agency (1938 Op. Att'y Gen. 234 (#37-5-17)).

Electric companies have no right to trespass upon school property and they may be compelled to remove wires from crossing over a section of the school property. The enforcement would give the electric companies no right to cut off the service to the buildings (1928 Op. Att'y Gen. 136 (#37-3-31)).

A municipality cannot directly or indirectly prohibit a fire department from answering a fire call or making an inspection of school buildings within the corporate limits of the municipality (OAG #60-7-13).

It shall be the duty of any board of public officers charged with providing supplies for a public building to provide a suitable state flag, and it shall be the duty of the custodian of any public building to raise the flags of the United States of America and the state of Iowa, upon each secular day when weather conditions are favorable (1B.3).

School districts and AEAs shall identify and implement, through energy audits and engineering analyses, all energy conservation measures identified for which financing is made available by the department of natural resources to the entity. The energy conservation measure financings shall be supported through payment from energy savings. The department shall not require a

school district or AEA to perform an engineering analysis if the school district or AEA demonstrates to the department that the facility which is the subject of the proposed engineering analysis at issue is unlikely to be in use or operation in six years by the governmental entity currently using or occupying the facility (473.13A).

Between July 1, 1986, and June 30, 1991, and on a staggered annual basis each five years thereafter, the board of directors of each school district shall file with the department of natural resources, on forms prescribed by the department of natural resources, the results of an energy audit of the buildings owned and leased by the school district. The department of natural resources may waive the requirement for the initial and subsequent energy audits for school districts that submit evidence that energy audits were conducted prior to January 1, 1987, and energy consumption of the district is at an adjusted statewide average or below. This section takes effect only if funds have been made available to a school district to pay the costs of the energy audit (279.44).

Officials and teachers of all schools are required to keep all doors and exits of their respective rooms and buildings unlocked when occupied during school hours or when such areas are being used by the public at other times (100.31).

If a building or structure has a floor space of five thousand square feet or less, an employer shall post signs on the outside of the building or structure identifying the type of each hazardous chemical contained in the building or structure. If the building has more than five thousand square feet, the employer shall post a sign at the place within the building where each hazardous chemical is permanently stored to identify the type of hazardous chemical. If the hazardous chemical or a portion of the hazardous chemical is moved within the building, the employer shall also move the sign or post an additional sign at the location where the hazardous chemical is moved. All letters and figures on signs required shall be at least three inches in height (89B.14).

A school district cannot contribute (voluntarily as opposed to paying a special assessment) its funds for the aid of a city or town sewage extension (OAG #62-5-19).

Any damage, defacing, alteration, or destruction of tangible property is criminal mischief when done intentionally by one who has no right to so act (716.1).

Acquisition of Buildings and Sites

Financing Sources

Gifts and Bequests

School corporations are authorized to take and hold property, real and personal, by gift and bequest and to administer the property through the proper officer in pursuance of the terms of the gift or bequest. Title shall not pass unless accepted by the governing board of the corporation. Conditions attached to the gifts or bequests become binding upon the corporation upon acceptance (565.6).

The board of directors of any school district which receives funds through gifts, devises and bequests shall deposit these funds in a trust or agency fund and use them in accordance with the terms of the gift, devise, or bequest (279.42).

Bequests to a school district must be turned over to the school treasurer and treated like all other school district moneys (OAG #27-6-7(L)).

Lease-Purchase and Other Contracts

It is legally possible for one school district to lease a facility from another provided the agreement between them meets the requirements of chapter 28E dealing with joint exercise of governmental powers (OAG #69-5-1).

A school board of a community school district may enter into a contract for the rental of a school building from a church or church corporation, provided that the building is not a place of worship and that under the terms of the lease the building would not be under ecclesiastical or sectarian control. Such school board could enter into a contract for the rental of a building to be used as school rooms with a non-profit corporation which non-profit corporation would in advance lease the said school building from a church. Such school board could enter into a contract for rental of a building to be used as school rooms with a non-profit corporation, where the non-profit corporation owned and held title to the school building and the land underneath the building. The local school board could purchase land or a building from such a non-profit corporation (1970 Op. Att'y Gen. 110 (#69-4-9)).

Asbestos Project Grant Awards

The board of directors may pay the actual cost of an asbestos project from any funds in the general fund of the district [AEA] or moneys obtained through a federal asbestos loan program, to be repaid from any of the funds specified in this subsection over a three-year period. For the purpose of this section, "cost of an asbestos project" includes the costs of inspection and reinspection, sampling, analysis, assessment, response actions, operations and maintenance, training, periodic surveillance, developing of management plans and recordkeeping requirements relating to the presence of asbestos in school buildings of the district and its removal or encapsulation (279.52).

A state agency or political subdivision shall not accept a bid in connection with any asbestos project from a business entity which does not hold a permit from the division of labor services of the department of workforce development at the time the bid is submitted (88B.11).

Acquisition

Sites

School sites may be purchased from a school board member. This is an unusual procedure and such a transaction should be so "above-board" that no accusation of collusion as to sale and price could be justified (1929 Op. Att'y Gen. 104).

A school district is immune from the restrictions of zoning ordinances (Bloomfield v. Davis County Community School District, 254 Iowa 900, 119 N.W. 2d, 909).

Accessibility for Persons with Disabilities

Buildings

It is the intent of Iowa Code chapter 104A that standards and specifications are followed in the construction of public and private buildings and facilities which are intended for use by the general public to ensure that these buildings and facilities are accessible to and functional for persons with disabilities (104A.1). The standards and specifications adopted by the state building code commissioner and set forth in chapter 104A shall apply to all public and private buildings and facilities, temporary and permanent, used by the general public (104A.2).

Parking

1. Persons with disabilities parking spaces and access loading zones for persons with disabilities that serve a particular building shall be located on the shortest accessible route to the nearest accessible entrance to the building.
2. A person with disabilities parking space designated after July 1, 1990, shall comply with the dimension requirements in rules and in effect when the spaces are designated. Adopted rules shall be accepted national standards for dimensions of persons with disabilities spaces, consistent with the requirements of federal law. However, these dimension requirements do not apply to parallel on-street parking spaces.
3. a. The state or a political subdivision of the state which provides off-street public parking facilities or an entity providing nonresidential parking on off-street public parking facilities shall provide not less than two percent of the total parking spaces in each parking facility as persons with disabilities parking spaces, rounded to the nearest whole number of persons with disabilities parking spaces. However, such parking facilities having ten or more parking spaces shall set aside at least one persons with disabilities parking space.
   b An entity providing off-street nonresidential public parking facilities shall review the utilization of existing persons with disabilities parking spaces for a one-month period not less than once every twelve months. If upon review, the average occupancy rate for persons with disabilities parking spaces in a facility exceeds sixty percent during normal business hours, the entity shall provide additional persons with disabilities parking spaces as needed.
   c. An entity providing off-street nonresidential parking as a lessor shall provide a persons with disabilities parking space to an individual requesting to lease a parking space, if that individual possesses a persons with disabilities parking permit.
   d. A new nonresidential facility in which construction has been completed on or after July 1, 1991, providing parking to the general public shall provide persons with disabilities parking spaces as stipulated below:

Total Parking Spaces in Lot	Required Minimum Number of Persons with Disabilities Parking Spaces
10 to 25	1
26 to 50	2
51 to 75	3
76 to 100	4
101 to 150	5

151 to 200	6
201 to 300	7
301 to 400	8
401 to 500	9
501 to 1000	2 percent of total
1001 and over	20 spaces plus 1 for each 100 over 1000

e. Any other person may also set aside persons with disabilities parking spaces on the person's property provided each persons with disabilities parking space is clearly and prominently designated as a person with disabilities parking space.

5. A persons with disabilities parking space located on a paved surface may be painted with a blue background upon which the international symbol of accessibility is painted in white or yellow paint. However, the blue background paint may be omitted. As used in this subsection, "paved surface" includes surfaces which are asphalt surfaced.
6. A persons with disabilities parking review committee may be established by the state and each political subdivision of the state which is required to provide persons with disabilities parking spaces in off-street public parking facilities according to subsection 3. The persons with disabilities parking review committee shall consist of five members who are persons with disabilities as defined in section 321L.1 and five members who are officials of the state or political subdivision. The persons with disabilities parking review committee shall have the discretion to increase or decrease the numbers of persons with disabilities parking spaces required by this section. A decision to change the numbers or location of persons with disabilities parking spaces shall be based upon the needs of the community, the percentage of use of the present persons with disabilities parking spaces, and the past experience of the state or political subdivision regarding persons with disabilities parking. An individual may request the persons with disabilities parking committee to review the amounts and locations of persons with disabilities parking spaces. The persons with disabilities parking review committee shall investigate each individual's request and shall act upon such request if the investigation substantiates the individual's complaint (321L.5).

A persons with disabilities parking sign shall be displayed designating the persons with disabilities parking space.

1. The persons with disabilities parking sign shall have a blue background and bear the international symbol of accessibility in white. If an entity who owns or leases real property in a city is required to provide persons with disabilities parking spaces, the city shall provide, upon request, the signs for the entity at cost. If an entity who owns or leases real property outside the corporate limits of a city is required to provide persons with disabilities parking spaces, the county in which the property is located shall provide the signs for the entity at cost upon request.
2. The persons with disabilities parking sign shall be affixed vertically on another object so that it is readily visible to a driver of a motor vehicle approaching the persons with disabilities parking space. A persons with disabilities parking space designated only by the international symbol of accessibility being painted or otherwise placed horizontally on the parking space does not meet the requirements of this subsection (321L.6).

Failure to provide proper persons with disabilities parking spaces as provided in section 321L.5 or to properly display persons with disabilities parking signs as provided in section 321L.6 is a simple misdemeanor punishable as a scheduled violation under section 805.8A(1)(c) (321L.7).

State Building Codes

The authority responsible for the construction of any building or facility covered by section 104A.2 shall conform with rules adopted by the state building code commissioner as provided in Iowa Code section 103A.7 (104A.6).

Nothing in chapter 103A shall be construed as prohibiting any governmental subdivision from adopting or enacting any building regulations relating to any building or structure within its limits, but a governmental subdivision in which the state building code has been accepted and is applicable shall not have the power to supersede, void, or repeal or make more restrictive any of the provisions of chapter 103A or of the rules adopted by the commissioner (103A.22(1)).

Notwithstanding the provisions of subsection 103A.22(1):

a. Provisions of the state building code establishing thermal efficiency energy conservation standards shall be applicable to all new construction owned by a political subdivision of the state, to all new construction located in a governmental subdivision which has adopted either the state building code or a local building code or compilation of requirements for building construction and to all other new construction in the state which will contain more than one hundred thousand cubic feet of enclosed space that is heated or cooled.
b. Provisions of the state building code establishing lighting efficiency standards shall be applicable to all new construction owned by a political subdivision of the state and to all new construction, in the state, of buildings which are open to the general public during normal business hours (103A.10(4)).

Places of assembly for public use including but not limited to theaters, auditoriums, and convention halls, constructed on or after January 1, 1991, shall conform to the standards for minimum plumbing facilities as provided in the uniform plumbing code. All toilets installed pursuant to section 104B.1 shall be water efficient toilets which use three gallons or less of water per flush (104B.1).

Energy Conservation and Life Cycle Analysis

Life cycle cost analysis means an analytical technique that considers certain costs of owning, using and operating a facility over its economic life including but not limited to the following:

a. Initial costs.
b. System repair and replacement costs.
c. Maintenance costs.
d. Operating costs, including energy costs.
e. Salvage value (470.1(8)).

A contract for a public improvement or construction of a public building, including new construction or renovation of an existing public building shall not be let without satisfying the following requirements:

a. A design professional submitting a design development proposal for consideration of the public body shall at minimum prepare one proposal meeting the design program's space and use requirements which reflects the lowest life cycle cost possible in light of existing commercially available technology.
b. Submission of a cost benefit analysis of any deviations from the lowest life cycle cost proposal contained in other design proposals requested by or prepared for submission to the public body (72.5(1)).

The public body may request additional design proposals in light of funds available for construction, aesthetic considerations, or any other reason (72.5(1)).

In connection with development of a statewide building energy efficiency rating system, pursuant to section 473.40, the director of the department of natural resources in consultation with the department of management, state building code director, and state fire marshal, shall develop standards and methods to evaluate design development documents and construction documents based upon the energy efficiency rating system for public buildings, and other life cycle cost factors, to facilitate fair and uniform comparisons between design proposals and informed decision making by public bodies (72.5(2)).

It is the intent of the general assembly to discourage construction of public buildings based upon lowest acquisition cost, and instead to require that such decisions be based upon life cycle costs to reduce energy consumption, maintenance requirements, and continuing burdens upon taxpayers (72.5(4)).

The general assembly declares that energy management is of primary importance in the design of publicly owned facilities. Commencing January 1, 1980, a public agency responsible for the construction or renovation of a facility shall, in a design begun after that date, include as a design criterion the requirement that a life cycle cost analysis be conducted for the facility. The objectives of the life cycle cost analysis are to optimize energy efficiency at an acceptable life cycle cost. The life cycle cost analysis shall meet the requirements of section 470.3 (470.2).

A life cycle cost analysis shall include but is not limited to the following elements:

a. Specification of energy management objectives and health, safety and functional constraints. The facility design shall comply with applicable state or local building code requirements.
b. Identification of energy needs of the facility and energy system alternatives to meet those needs.
c. Cost of the energy system alternatives identified in paragraph “b” of this subsection.
d. Determination of amounts and timing of cash flow.
e. Calculation of life cycle cost using an economic model such as, but not limited to, rate of return, annual equivalent cost or present equivalent cost.
f. Evaluation of design and system alternatives using a method such as, but limited to, design matrixes, ranking tables or network analysis (470.3(1)).

A public agency or a person preparing a life cycle cost analysis for a public agency shall consider the methods and analytical models provided by the department and available through the commissioner, which are suited to the purpose for which the project is intended (470.3(2)).

The life cycle cost analysis shall be approved by the public agency before contracts for the construction or renovation are let. A public agency may accept a facility design and shall meet the requirements of chapter 470 if the design meets the operational requirements of the agency and provides the optimum life cycle cost. The public agency shall retain a copy of the life cycle cost analysis and a statement justifying a design decision both of which shall be available for public inspection at reasonable hours (470.4).

The public agency responsible for the new construction or renovation of a public facility shall implement the recommendations of the life cycle cost analysis (470.8).

Public funds shall not be used for the construction or renovation of a facility unless the design for the work is prepared in accordance with chapter 470 and the actual construction or renovation meets the requirements of the design (470.6).

Various statutes require counties, cities, and school corporations participating in the energy bank program to administer and use competitive-bidding procedures for capital improvements, which would include the implementation of energy conservation measures when the estimated cost exceed statutory limitations; in any event, public policy suggests all pubic entities administer and use competitive-bidding procedures in such circumstances. Public entities may consult with the private sector, such as an energy savings company, in preparing their proposals for energy conservation measures (OAG #94-9-3(L)).

Public Improvements

"Public Improvement" includes the principal structures, works, component parts and accessories of any of the following:
1. Sanitary, storm, and combined sewers.
2. Drainage conduits, channels and levees.
3. Street grading, paving, graveling, macadamizing, curbing, guttering, and surfacing with oil, oil and gravel or chloride.
4. Street lighting fixtures, connections and facilities.
5. Sewage pumping stations, and disposal and treatment plants.
6. Underground gas, water, heating, sewer and electrical connections located in streets for private property.
7. Sidewalks and pedestrian underpasses or overpasses.
8. Drives and driveway approaches located within the public right of way.
9. Waterworks, water mains and extensions.
10. Plazas, arcades and malls.
11. Parking facilities.
12. Removal of diseased or dead trees from any public place, publicly owned right of way or private property.
13. Traffic-control devices, fixtures, connections, and facilities (384.37(19)).

Refunds of Sales Tax on Construction Projects

A governmental subdivision may make application to the department of revenue and finance for the refund of the sales, services, or use tax upon the gross receipts of all sales of goods, wares, or merchandise, or from services rendered, furnished, or performed, to a contractor, used in the fulfillment of a written contract with any political subdivision if the property becomes an integral part of the project under contract and at the completion of the project becomes public property and is devoted to educational uses (422.45(7)).

Such contractor shall state under oath, on forms provided by the department of revenue and finance, the amount of such sales of goods, wares or merchandise or services rendered, furnished, or performed and used in the performance of such contract, and upon which sales or use tax has been paid, and shall file such forms with the governmental unit which has made any written contract for performance by the contractor. The forms shall be filed by the contractor with the governmental unit before final settlement is made (422.45(7)(a)).

Such governmental unit shall, not more than one year after the final settlement has been made, make application to the department of revenue and finance for any refund of the amount of such sales or use tax which shall have been paid upon any goods, wares or merchandise, or services rendered, furnished, or performed, the application to be made in the manner and upon forms to be provided by the department, and the department shall forthwith audit such claim and, if approved, issue a warrant to the governmental unit in the amount of such sales or use tax which has been paid to the state of Iowa under the contract (422.45(7)(b)).

Any contractor who shall willfully make false report of tax paid under the provisions of this subsection shall be guilty of a simple misdemeanor and in addition thereto shall be liable for the payment of the tax and any applicable penalty and interest (422.45(7)(c)).

Contractors, subcontractors, and builders who enter into written construction contracts with governmental units are still required to remit sales tax on building materials, supplies and equipment to their suppliers or to pay a corresponding use tax. If the construction contract is a contract which includes machinery or equipment or a mixed contract, the machinery and equipment must be purchased tax free because these items will be resold. There would be no sales tax charged on the sale of machinery or equipment to a governmental unit since these sales are exempt under Iowa Code subsections 422.45 (5) and (8). In addition, the contractor is required to provide the governmental unit with a statement before final settlement of the contract, showing the amount of sales of goods, wares or merchandise or services rendered, furnished or performed and used in the performance of the

contract, and the amount of sales and use taxes paid on said items. The department of revenue and finance provides Form 35-002 for this purpose. The governmental unit has one year after final settlement to file a claim for refund on Form 35-003 for sales and use taxes paid by the contractor. The failure of a contractor to remit taxes on materials, supplies and equipment used in the performance of a construction contract does not relieve the contractor of liability even through the refund was not or cannot be claimed (IAC 701--19.12).

Sales tax refunds may be spent by the school board for the original project which was the source of the refund but not for construction of a new building or for an addition to an existing building; funds received from sale of real estate may be used for the purposes listed in Code; and contributions from the public may be used for the purposes designated by the donors but the voters [or board in some instances], not donors, must approve new construction (OAG #86-12-13).

Disposition of School Property

Vacating School Facilities

The board of directors shall notify the cities located within the school district, the counties in which the school district may be located, and the department of general services annually of the facilities and buildings owned by the public school corporation which are vacant and available to be leased or purchased (297.4).

Disposition by Sales and Leases

The AEA board is authorized to sell, lease, or dispose of, in whole or in part, property belonging to the AEA. Before the AEA may sell property belonging to the agency, the board of directors shall comply with the requirements set forth in section 297.22. Before the board of directors of an AEA may lease property belonging to the agency, the board shall obtain the approval of the director of the Department of Education (273.3(21)).

The board of directors of a school district may sell, lease, or dispose of, in whole or in part, a schoolhouse, site, or other property belonging to the district. Before the board may sell, lease for a period in excess of one year, or dispose of any property belonging to the school, the board shall hold a public hearing on the proposal. After the public hearing, the board may make a final determination on the proposal contained in the resolution. However, property having a value of not more than five thousand dollars, other than real property, may be disposed of by any procedure which is adopted by the board and each sale shall be published by at least one insertion each week for two consecutive weeks in a newspaper having general circulation in the district (297.22(1)).

If the real property contains less than two acres, is located outside of a city, is not adjacent to a city and was previously used as a schoolhouse site, the procedure contained in sections 297.15 through 297.20 shall be followed in lieu of section 297.22 for sale, lease, or disposition of real property belonging to the district (297.22(1)).

The board of directors of a school district may sell, lease, exchange, give, or grant and accept any interest in real property to, with, or from a county, municipal corporation, school district, township, or AEA if the real property is within the jurisdiction of both the grantor and grantee (297.22(2)).

The governor shall issue an executive order requiring all state agencies to consider the leasing of a vacant facility or building which is appropriately located and which is owned by a public school corporation before a state agency leases, purchases, or constructs a facility or building. The state agency may lease a facility or building owned by a public school corporation with an option to purchase the facility or building in compliance with section 297.22. The lease shall provide that the public school corporation may terminate the lease if the corporation needs to use the facility or building for school purposes. The public school corporation shall notify the state agency at least thirty days before the termination of the lease (7.20).

A school board has six months during which it can seek the best bid for property advertised for sale (OAG #64-8-7(L)).

Where a school district board conveys real estate to another governmental unit by gift, it does not hold power to spend school funds to demolish school buildings to satisfy the wishes of the donee of the gift because such expenditure would not be for a school purpose (OAG #82-1-1(L)).

Payment for school property must be made in cash. No mortgage on real estate may be accepted. The authority to sell does not give authority to accept anything but cash in settlement for property (OAG #32-8-6(L)).

AEAs may not buy property from sources other than school districts (OAG #94-12-3(L)).

Disposition of Land to the Federal Government

Whenever the federal government, or any agency or department thereof shall have heretofore located or shall hereafter locate in any county an ordnance plant or other project which may be deemed desirable for the development of the national defense or for the purpose of flood control, and for the purpose of so locating such plant or project shall have heretofore determined, or shall hereafter determine, that real property and improvements thereon owned by school districts is required, the board of directors of such school districts by resolution is hereby authorized to sell and convey such property at a price and upon terms as may be agreed upon, any such instruments of conveyance to be executed on behalf of such school districts by the president of such district (274.39).

The proceeds of the sale of the property of the school district shall be deposited with the treasurer of the county and applied so far as necessary to the payment of the outstanding indebtedness of such school district (274.41).

If the federal government, or any agency or department of the federal government, determines that certain real property making up a portion of a school district is required, the director of the department of education may by resolution adjust the boundaries of school districts in which the federally owned property is located and the boundaries of adjoining school districts so as to effectively provide for the schooling of children residing within all of the districts (274.42).

The officers of the altered district shall relinquish to the proper officers of such adjoining district or districts all funds, claims for taxes, credits, and such other personal property in such a manner as the director of the department of education shall direct, which said funds, credits, and personal property shall become the property of such adjoining district or districts as enlarged, to be used as the boards of directors of such districts may direct (274.43).

Davis-Bacon and Related Acts (41 CFR 1-18.7; 19 CFR 1, 3, and 5)

This law is applicable to most federally-financed or assisted contracts of $2,000 or greater for the construction, alteration, or repair, including painting and decorating, of public buildings or public works. It provides that all laborers and mechanics employed under such contracts be paid the wage rates and fringe benefits found by the department of labor to be prevailing on similar projects for corresponding classifications of laborers and mechanics in the locality in which the work is to be performed and included in a wage decision in the contract. A contract which is subject to the Davis-Bacon Act or most of the related acts is also subject to the Copeland (Anti-Kickback) Act which prohibits illegal deductions or kickbacks of wages. Such contracts also require the submission of certified payroll records on a weekly basis to the contracting agency.

CHAPTER 13

MANAGEMENT OF ANCILLARY SERVICES -- TRANSPORTATION

Transportation Services

The board of directors in every school district shall provide transportation, either directly or by reimbursement for transportation, for all resident pupils attending public school, kindergarten through twelfth grade, except that:

a. Elementary pupils shall be entitled to transportation only if they live more than two miles from the school designated for attendance.
b. High school pupils shall be entitled to transportation only if they live more than three miles from the school designated for attendance.
c. Children attending prekindergarten programs offered or sponsored by the district may be provided transportation services
d. Districts are not required to maintain seating space on school buses for students who are otherwise to be provided transportation under 285.1 if the students do not or will not regularly utilize the district's transportation service for extended periods during the school year (285.1(1)).

Districts may but are not required to provide transportation for summer school students (OAG #79-7-20).

The board shall included in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow, or other weather conditions (279.8).

Distance to school or to a bus route shall in all cases be measured on the public highway only and over the most passable and safest route as determined by the AEA board, starting in the roadway opposite the private entrance to the resident of the pupil and ending in the roadway opposite the entrance to the school grounds or designated point on bus route (285.1(9)).

If special education services are provided by the AEA, the board of directors of the AEA with the cooperation of the local school districts within its jurisdiction may provide transportation for children requiring special education services that are in need of transportation in connection with any programs, classes, or services (256B.4(5)).

In the case of Bruggeman v. Independent District No. 4 Union Township School, the Supreme court has held that the school district is a quasi-corporation of the state and the statute has imposed the duty of transportation upon the board.

Bus Drivers

When school buses are used to transport pupils, the bus shall be driven by a regularly approved driver holding a chauffeur's license and a school bus driver's permit. In addition, the buses must be accompanied by a member of the faculty or other employee of the school or a parent or other adult volunteer as authorized by a school administrator who will be responsible for the conduct and the general supervision of the pupils on the bus and at the place of the activity. If the faculty member is an approved driver, that person can act both as a driver and faculty sponsor (IAC 281--43.10(4)).

The driver of a school bus shall hold a driver's license issued by the department of transportation valid for the operation of the school bus and shall hold a school bus driver's permit issued by the department of education when transporting student or adult passengers to or from school activities (321.376(1)). A person applying for employment or employed as a school bus driver shall successfully complete a department of education approved course of instruction for school bus drivers before or within the first six months of employment and at least every twenty-four months thereafter (321.376(2)). All bus drivers for school-owned equipment shall be under contract with the board (285.5(9)). All contracts for transportation service and for drivers of school-owned and operated buses shall be made with someone outside the board except where no other transportation service is available, a board member may transport the member's own children (285.5(7)).

A driver of a school bus must meet all of the following requirements:

a. Be at least eighteen years of age.
b. Be physically and mentally competent.
c. Not possess personal or moral habits which would be detrimental to the best interests of the safety and welfare of the children transported.
d. Have an annual physical examination and meet all established requirements for physical fitness (321.375(1).

Bus drivers for school buses must present a certificate of physical fitness each year before being permitted to operate any vehicles transporting children to and from school (285.11(9)).

Any of the following shall constitute grounds for a school bus driver's immediate suspension from duties, pending a termination hearing by the board of directors of a public school district or the authorities in charge in a nonpublic school:

a. Use of nonprescription controlled substances or alcoholic beverages during working hours.
b. Operating a school bus while under the influence of nonprescription controlled substances or alcoholic beverages.
c. Fraud in the procurement or renewal of a school bus driver's permit.
d. The commission of or conviction for a public offences as defined by the Iowa criminal code, if the offense is relevant to and affects driving ability, or if the offence includes sexual involvement with a minor student with the intent to commit acts and practices proscribed by law, or is a violation of the rules of the department of education (321.375(2)).

Reimbursement to Parents

Any pupil may be required to meet a school bus on the approved route a distance of not to exceed three-fourths of a mile without reimbursement (285.1(2)).

Where transportation by school bus is impracticable, where necessary to implement a whole grade sharing agreement under section 282.10, or where school bus service is not available, the board may require parents or guardians to furnish transportation for their children to the schools designated for attendance. Except as provided in section 285.3, the parent or guardian shall be reimbursed for such transportation service for public and nonpublic school pupils by the board of the resident district in an amount equal to eighty dollars plus seventy-five percent of the difference between eighty dollars and the previous school year's statewide average per pupil transportation cost. A parent or guardian shall not receive reimbursement for furnishing transportation for more than three family members who attend elementary school and one family member who attends high school (285.1(3)).

Where unsatisfactory roads or other conditions make it advisable, the board at its discretion may require the parents or guardians of public and nonpublic school pupils to furnish transportation for their children up to two miles to connect with vehicles of transportation. The parent or guardian shall be reimbursed for such transportation by the boards of the resident districts at the rate of twenty-eight cents per mile per day, one way, per family for the distance from the pupil's residence to the bus route (285.1(4)).

Other Transportation Services and Charges

Boards in their discretion may provide transportation for some or all resident pupils attending public school or pupils who attend nonpublic schools who are not entitled to transportation. Boards in their discretion may collect from the parent or guardian of the pupil not more than the pro rata cost for such optional transportation (285.1).

Boards in districts operating buses may in their discretion transport senior citizens, children, persons with disabilities, and other persons and groups, who are not otherwise entitled to free transportation, and shall collect the pro rata cost of transportation (285.1(21)).

The board, in its discretion, may furnish a school bus and services of a qualified driver to an organization of, or sponsoring activities for, senior citizens, children, persons with disabilities, or other persons and groups in this state. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver except when the bus is used for transporting pupils to and from extracurricular activities sponsored by the school (285.10(9)).

The board, in its discretion, may furnish a school bus and services of a qualified driver for transportation of persons other than pupils to activities in which pupils from the school are participants or are attending the activity or for which the school is a sponsor. The board shall charge and collect an amount sufficient to reimburse all costs of furnishing the bus and driver (285.10(10)).

School buses may be used by an organization of, or sponsoring activities for, senior citizens, children, persons with disabilities, and other persons and groups, and for transportation of persons other than pupils to activities in which pupils from the school are participants or are attending the activity or for which the school is a sponsor under the following conditions:

a. The "school bus" signs shall be covered and the flashing warning lamps and stop arm made inoperable when the bus is being used in a nonschool-sponsored activity.
b. Transportation outside the state of Iowa shall not be provided without the approval of the Interstate Commerce Commission.
c. For adult groups, no more than two persons shall occupy a 39-inch seat. Standees shall not be permitted.
d. A chaperone shall accompany each bus to assist the passengers in boarding and disembarking from the bus and to aid them in case of illness or injury.
e. The driver of the bus shall be approved by the local board of education and must possess a chauffeur's license and a school bus driver's permit.
f. The driver of the bus shall observe the maximum speed limits for school buses at all times (IAC 281--43.10(5)).

School employees of districts operating buses may be transported to and from school and approved activities which they are required to attend as a result of their responsibilities. Nothing in 285.11 shall prohibit the use of school buses in transporting a school teacher going to and from the teacher's school when such school is on an established school bus route and such teacher makes arrangements with the district operating such school bus (285.11(6)).

Public school teachers who are transported should be included in the average number transported and should be charged the pro rata cost by the transporting district (IAC 281--43.11).

Specifically exempted from the provisions of sales tax are the gross receipts from the sales, furnishing or service of transportation service (422.45(2)).

Inclement Weather and Safety

Transportation service may be suspended upon any day or days due to the inclemency of the weather, conditions of roads, or the existence of other conditions, by the board of the school district operating the buses, when in their judgment it is deemed advisable and when the school or schools are closed to all children (285.1(8)).

Suspension does not mean that if one bus cannot run because of bad roads the school shall be closed. It does mean that if all buses do not run there shall be no school (OAG #57-9-30(L)).

A school board is allowed to suspend student transportation services only if the board determines that weather, road, or other conditions make running the buses unadvisable and the district schools are closed (OAG #93-1-8(L)).

The board shall include in its rules provisions regulating the loading and unloading of pupils from a school bus stopped on the highway during a period of reduced highway visibility caused by fog, snow or other weather conditions (279.8).

Restricted loading and unloading areas shall be established for school buses at, or near, schools (IAC 281--43.42).

At least twice during each year, each pupil who is transported in a school vehicle shall be instructed in safe riding practices and participate in emergency evacuation drills (IAC 281--43.40).

Cities and counties shall have the power to establish school zones and provide for the stopping of all motor vehicles approaching the school zones, when movable stop signs have been placed in the streets in such cities and highways in counties at the limits of the zones, notwithstanding the provisions of any statute to the contrary. All traffic-control devices provided for school zones shall conform to specifications included in the manual of traffic-control devises adopted by the department of transportation, except the provision prohibiting the use of portable or part-time stop signs (321.249).

A city council may close a street during any portion of a school day as a safety measure for the protection of children, and the city is not liable for any damages, providing it erects a sufficient barrier to warn the public that the street is closed (OAG #30-12-5(L)).

Transportation Vehicles

A vehicle which carries liquefied petroleum gas fuel or natural gas, as a fuel source for the vehicle, in a concealed area, including but not limited to trunks or compartments located in or under the vehicle, shall display on the left rear and right front bumpers of the vehicle a standard abbreviation or symbol, approved by the department of public safety, which indicates liquefied petroleum gas fuel or natural gas is a fuel source for the vehicle (101.11(1)).

Tax on motor fuel or undyed special fuel sold directly to and used for the following is subject to refund: a school district which is used for a public purpose, including fuel sold for the transportation of school pupils of approved public and nonpublic schools by a carrier who contracts with the public school under section 285.5 (452A.17(1)(a)(3)).

All publicly owned motor vehicles shall bear at least two labels in a conspicuous place, one on each side of the vehicle. This label shall be designed to cover not less than one square foot of surface (721.8).

A motor vehicle purchased or used under the direction of the board of directors to provide services to a school corporation shall not, on or after January 1, 1993, operate on gasoline other than gasoline blended with at least ten percent ethanol. The motor vehicle shall also be affixed with a brightly visible sticker which notifies the traveling public that the motor vehicle is being operated on gasoline blended with ethanol (279.34).

All diesel fuel sold for or used in vehicles designed for transporting persons or property on a street or highway must contain not more than 0.05 percent by weight of sulfur content. This mandate includes diesel fuels sold and used in school transportation vehicles (40 CFR 80, 86).

Every motor vehicle, trailer, and semitrailer when driven or moved upon a highway shall be subject to the vehicle registration provisions of chapter 321 except any school bus in this state used exclusively for the transportation of pupils to and from school or a school function or for the purposes provided in subsection 285.1(1) and subsection 285.10(9), or used exclusively for the transportation of children enrolled in a federal head start program. Upon application the department of transportation shall, without charge, issue a registration certificate and shall also issue registration plates which shall have imprinted thereon the words "Private School Bus" and a distinguishing number assigned to the applicant. Such plates shall be attached to the front and rear of each bus exempt from registration (321.18(7)).

Every school bus except private passenger vehicles used as school buses shall be constructed and equipped to meet safety standards prescribed in rules adopted by the state board of education. Such rules shall conform to safety standards set forth in federal laws and regulations and shall conform, insofar as practicable, to the minimum standards for school buses recommended by the national conference on school transportation administered by the national commission on safety education and published by the national education association (321.373(1)). Rules shall provide standards for structural strength, materials, and insulation of the school bus body; color; seat and aisle arrangement; dimension and construction of service door; control of the front door or doors; emergency door and its location and construction; windows; roof ventilators; heaters; location, filling, and draining of the fuel tank; bumpers and how they shall be attached to the bus; lettering and identification of the bus; stop signal arm; warning lights and flashing lights (231.373(2). The rules shall include special rules for passenger automobiles, and other vehicles designed to carry eight or fewer pupils, when used as school buses (321.373(3). These rules are found in IAC 281--44.

Every school bus shall be equipped with a comfortable seat for each child (321.373(4)).

A school bus may be equipped with a white flashing strobe light mounted on the roof of the bus to afford optimum visibility during periods of inclement weather. The light shall be installed and operated in accordance with rules. Each new school bus put into initial service after January 1, 1977, shall be equipped with such a light (321.373(7)).

No vehicle shall be put into service as a school bus until it is given an original inspection to determine if it meets all legal and established uniform standards of construction for the protection of the health and safety of children to be transported. Vehicles which are approved shall be issued a seal of approval by the director of the department of education. All vehicles used as school buses shall be given a safety inspection at least once a year. Buses passing the inspection shall be issued an inspection seal of approval by the director of the department of education. The seal of original inspection and the annual seal of inspection shall be affixed to the lower right hand corner of the windshield (321.374).

To facilitate the semiannual inspection program, school district officials shall send their buses to inspection centers as scheduled. A sufficient number of drivers or other school personnel shall be available at the inspection to operate the equipment for the inspectors (IAC 281--43.30). As a part of the semiannual inspection program school officials shall cause the chassis of all buses, whether publicly or privately owned, to be inspected and all necessary repairs made before the opening of the school term each fall (IAC 281--43.31).

A daily pretrip inspection of each school bus shall be performed and recorded. A written report shall be submitted promptly to the superintendent of schools, transportation supervisor, school bus mechanic, or other person charged with the responsibility for the school transportation program, if any defects or deficiencies are discovered that may affect the safety of the vehicle's operation or result in its mechanical breakdown (IAC 281--43.41).

No school board, individual, or organization shall purchase, construct, or contract for use, to transport pupils to or from school, any school use which does not comply with the minimum requirements of section 321.373 and any individual, or any member or officer of such board or organization who authorizes, the purchase, construction, or contract for any such bus not complying with these minimum requirements shall be guilty of a misdemeanor (321.379).

Contracts and Common Carriers

All private individuals wishing to transport public school pupils to and from public school in privately owned vehicles must be under contract with the board of education. This will not apply to parents who transport their own children only. The contract form used shall be that provided by the department of education (IAC 281--43.3). The contract must provide for a uniform charge for all pupils transported. No differentiations may be made between pupils of different districts except as provided in Iowa Code section 285.1(12) (IAC 281--43.4). The contractor may not arrange with individual families for transportation. The contractor undertakes to transport only those families indicated by the board of education (IAC 281--43.5). Parents undertaking to transport other children in addition to their own are private contractors. These parents must be under contract, and must obtain a chauffeur's license and a school bus driver's permit (IAC 281--43.6). Any vehicle used, other than that used by parents to

transport their own children only, is considered to be a school bus and must meet all requirements set up for the type of vehicle used (IAC 281.43.7).

Private buses other than common carriers not used exclusively in transportation of pupils while under contract to a school district shall met all requirements for school-owned buses, as to construction and operation (285.5(8)).

The board of education shall carry insurance on all school-owned buses and see that insurance is carried by all contractors engaged in transporting pupils for the district in the coverages and limits as determined by the board of education (IAC 281--43.33).

The board of education and a contractor who undertakes to transport public and nonpublic pupils for the board, in privately owned vehicles, shall sign the official contract prescribed by the department of education (IAC 281--43.34).

The board of education and a private individual undertaking to transport public and nonpublic school pupils for the board in school district-owned vehicles shall sign the official contract prescribed by the state department of education (IAC 281--43.35).

Bus standards listed in IAC 281--43.43 are intended to apply to any vehicle operated by a common carrier when used exclusively for student transportation to and from school.

CHAPTER 14

INFORMATION MANAGEMENT

A Management Information System (MIS) is much more than a data processing system. Data are facts and figures, the raw material of information. Data processing collects in various groupings. A MIS goes beyond data collection. Information is data which are organized and interpreted. A MIS organizes and interprets data into information which can be used by management personnel for planning and decision-making. At a minimum, a MIS should include analysis and simulation or modeling components.

For purposes of research, study, and public information, public or private agencies may receive from the interagency information service on persons with mental disabilities, comprehensive statistical information which may be disseminated to the public. Such information shall not use names of individual persons nor be so specific as to make possible the identification of individual persons (220A.8).

The director of the department of education shall conduct research on education matters (256.9(9)).

The director shall approve, coordinate, and supervise the use of electronic data processing by school districts and AEAs (256.9(11)).

The school budget review committee may direct the director of the department of education or the director of the department of management to make studies and investigations of school costs in any school district (257.31(1)).

Reporting

It is a duty of the director of the department of education to prepare forms and procedures necessary to be used by district boards, school officials, principals, teachers, and other employees, and to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports, and notify the district board or school authorities when a report has not been filed in the manner or on the dates prescribed by law or by rule that the school will not be accredited until the report has been properly filed (256.9(18)).

The AEA board shall provide data and prepare reports as directed by the director of the Department of Education (273.3(3)).

The secretary shall report to the director of the department of education, the county auditor, and county treasurer the name and post office address of the president, treasurer and secretary of the board as soon as practicable after the qualification of each (291.11).

The school district shall file an annual report with the director of the department of education on forms prepared for that purpose (291.10). This annual report is called the Certified Annual Financial Report (CAR).

The secretary of each district shall file monthly with the board of directors, a complete statement of all receipts and disbursements from the various funds during the preceding month, and also the balance remaining on hand in the various funds at the close of the period covered by the statement, which monthly statements shall be open to public inspection (291.7).

The treasurer shall render a statement of the finances of the corporation whenever required by the board, and the treasurer's books shall always be open for inspection (291.14).

Each teacher shall keep a daily register which shall correctly exhibit the name or number of the school, the district and county in which it is located, the day of the week, month, year, and the name, age, and attendance of each scholar, and the branches taught, and when scholars reside in different districts, separate registers shall be kept for each district, and a certified copy of the register shall, immediately at the close of the school, be filed by the teacher in the office of the secretary of the board (294.4).

The teacher shall file with the school superintendent and the director of the department of education such reports and in such manner as may be required (294.5).

Each school district and AEA receiving moneys for Educational Excellence Phase III during a school year shall file a report with the department of education. School district reports shall be filed by July 1 of the next following school year, and AEA reports shall be filed by September 1 of the next following school year. The report shall describe the plan, its objectives, its implementation, the expenditures made under the plan including the salary increases paid to each eligible employee, and the extent to which its objectives were attained. The report may include any proposed amendments to the plan for the next following school year (294A.19).

Affidavit

Many documents filed with the department include affidavits. An affidavit is a written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oath or affirmation. A person is guilty of perjury if in any official proceeding or on any official report, this person knowingly and willfully makes a false statement under oath or equivalent affirmation, including in an affidavit.

A notary public commissioned in the State of Iowa is authorized to administer this oath or affirmation. The notary should be independent of the individual to be placed under oath and should be aware that an affidavit is a jurat and, therefore, the individuals must be placed under oath. A typical oath would be "Do you swear or affirm that the data in this document are true, correct, complete, and done in full compliance with the pertinent statutes of the State of Iowa and rules of the State Department of Education, to the best of your knowledge and belief?" An attorney general opinion has opined that the notary may charge a reasonable fee for such services. Reasonable discretion is allowed in the exercise of powers and duties of notaries public. A notary public may decline the exercise of notarial services (OAG #81-11-4(L)). Employees may retain the fees for notarizing if notarizing papers is not one of their assigned duties (OAG #65-12-25).

Evidence of Timely Filing

Any report, claim, tax return, statement, or any payment required or authorized to be filed or made to the state, or any political subdivision which is transmitted through the United States mail or mailed but not received by the state or political subdivision or received and the cancellation mark is illegible, erroneous or omitted, shall be deemed filed or made and received on the date it was mailed if the sender establishes by competent evidence that the report, claim, tax return, statement, or payment was deposited in the United States mail on or before the date for filing or paying. In the event of nonreceipt of any such report, tax return, statement, or payment, the sender shall file a duplicate within thirty days of receiving written notification of nonreceipt of such report, tax return, statement, or payment. Filing of a duplicate within thirty days of receiving written notification shall be considered to be a filing made on the date of the original filing. For the purposes of this section "competent evidence" means evidence, in addition to the testimony of the sender, sufficient or adequate to prove that the document was mailed on a specified date which evidence is credible and of such a nature to reasonably support the determination that the letter was mailed on a specified date (622.105).

If any report, claim, tax return, statement, or payment is sent by United States mail and either registered or certified, a record authenticated by the United States post office shall be considered competent evidence that the report, claim, tax return, statement, or payment was delivered to the state or political subdivision to which addressed, and the date of registration or certification shall be deemed the postmarked date (622.106).

Copyright Law (U.S. Code, Title 17)

This law regulates the reproduction of copyrighted materials. One of the conditions relating to the reproduction of copyrighted material is that the copies may not be used for any other purpose than private study, scholarship, or research.

Electronic Transactions

It is the intent of the general assembly in enacting chapter 554D to effectuate all of the following purposes:

1. Facilitate electronic communication by means of reliable electronic records.
2. Facilitate and promote electronic commerce, by eliminating barriers resulting from uncertainties over writing and signature requirements, and promote the development of the legal and business infrastructure necessary to implement secure electronic commerce.
3. Facilitate electronic filing of documents with state and local government agencies and promote efficient delivery of government services by means of reliable electronic records.
4. Minimize the incidence of forged electronic records, intentional and unintentional alterations of records, and fraud in electronic commerce.
5. Promote public confidence in the integrity, reliability, and legality of electronic records and electronic commerce (554D.102).

Chapter 554D applies to an electronic record or electronic signature created, generated, sent, communicated, received, or stored on or after July 1 2000 (554D.105).

Chapter 554D does not apply to an application which would involve construction of a rule of law that is clearly inconsistent with the manifest intent of the body imposing the requirement or repugnant to the context of the same rule of law. However, the mere requirement that information be in writing, written, or printed shall not by itself be sufficient to establish an intent which is inconsistent with the requirement of section 554D.104 on scope (554D.104).

Chapter 554D does not require a record or signature to be created, generated, sent, communicated, received, stored, or otherwise processed or used by electronic means or in electronic form (544D.106(1)).

Chapter 554D shall be construed and applied as follows:
1. To facilitate electronic transactions consistent with other applicable law.
2. To be consistent with reasonable practices concerning electronic transactions and with the continued expansion of those practices.
3. To effectuate its general purposes to make uniform the law with respect to the subject of chapter 554D among states enacting the uniform law (554D.107).

1. A record or signature shall not be denied legal effect or enforceability solely because it is in electronic form.
2. A contract shall not be denied legal effect or enforceability solely because an electronic record was used in its formation.
3. If a law requires a record to be in writing, an electronic record satisfies the law.
4. If a law requires a signature, an electronic signature satisfies the law (554D.108).

If a law requires a signature or record to be notarized, acknowledged, verified, or made under oath, the requirement is satisfied if the electronic signature of the person authorized to perform those acts, together with all other information required to be included by other applicable law, is attached to or logically associated with the signature or record (554D.113).

If parties have agreed to conduct a transaction by electronic means and a law requires a person to provide, send, or deliver information in writing to another person, the requirement is satisfied if the information is provided, sent, or delivered in an electronic record capable of retention by the recipient at the time of receipt. An electronic record is not capable of retention by the recipient if the sender or its information processing system inhibits the ability of the recipient to print or store the electronic record (554D.110(1)).

If a law other than chapter 554D requires a record to be posted or displayed in a certain manner, to be sent, communicated, or transmitted by a specified method; or to contain information that is formatted in a certain manner, all of the following apply:
a. The record must be posted or displayed in the manner specified in the other law.
b. Except as otherwise provided in subsection 554D.110(4)(b), the record must be sent, communicated, or transmitted by the method specified in the other law.
c. The record must contain the information formatted in the manner specified in the other law (554D.110(2)).

If a sender inhibits the ability of a recipient to store or print an electronic record, the electronic record is not enforceable against the recipient (554D.110(3)).

The requirements of section 554D.110 shall not be varied by agreement, except as follows:
a. To the extent a law other than chapter 554 requires information to be provided, sent, or delivered in writing but permits that requirement to be varied by agreement, the requirement under subsection 554D.110(1) that the information be in the form of an electronic record capable of retention may also be varied by agreement.
b. A requirement under a law other than chapter 554D.110 to send, communicate, or transmit a record by delivery in person, by mail postage prepaid, or by courier may be varied by agreement to the extent permitted by the other law (554D.110(4)).

Electronic record retention requirements:
1. If a law requires that a record be retained, the requirement is satisfied by retaining an electronic record of the information in the record which does both of the following:
   a. Accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise.
   b. Remains accessible for later reference.
2. A requirement to retain a record in accordance with subsection 1 does not apply to any information the sole purpose of which is to enable the record to be sent, communicated, or received.
3. A person may satisfy subsection 1 by using the services of another person if the requirements of that subsection are satisfied.
4. If a law requires a record to be presented or retained in its original form, or provides consequences if the record is not presented or retained in its original form, that law is satisfied by an electronic record retained in accordance with subsection 1.
5. If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection 1.
6. A record retained as an electronic record in accordance with subsection 1 satisfies a law requiring a person to retain a record for evidentiary, audit, or like purposes, unless a law enacted after July 1, 2000, specifically prohibits the use of an electronic record for the specified purpose.

7. This section does not precluded a governmental agency from specifying additional requirements for the retention of a record subject to the agency's jurisdiction (554D.114).

Time and Place for receipt and sent:

1. Unless otherwise agreed between the sender and the recipient, an electronic record is sent when all of the following occur:
   a. The electronic record is addressed properly or otherwise directed properly to an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.
   b. The electronic record is in a form capable of being processed by that information processing system.
   c. The electronic record enters an information processing system outside the control of the sender or of a person who sent the electronic record on behalf of the sender or enters a region of the information processing system designated or used by the recipient which is under the control of the recipient.
2. Unless otherwise agreed between a sender and the recipient, an electronic record is received when both of the follow occur:
   a. The electronic record enters an information processing system that the recipient has designated or uses for the purpose of receiving electronic records or information of the type sent and from which the recipient is able to retrieve the electronic record.
   b. The electronic record is in a form capable of being processed by that information processing system.
3. Subsection 2 applies even if the place the information processing system is located is different from the place the electronic record is deemed to be received under subsection 4.
4. Unless otherwise expressly provided in the electronic record or agreed between the sender and the recipient an electronic record is deemed to be sent from the sender's place of business and to be received at the recipient's place of business For purposes of this subsection, both of the following apply:
   a. If the sender or recipient has more than one place of business, the place of business of such person is the place having the closest relationship to the underlying transaction.
   b. If the sender or the recipient does not have a place of business, the place of business is the sender's or recipient's residence, as the case may be.
5. An electronic record is received under subsection 2 even if no individual is aware of its receipt.
6. Receipt of an electronic acknowledgment from an information processing system described in subsection 2 establishes that a record was received but, by itself, does not establish that the content sent corresponds to the content received.
7. If a person is aware that an electronic record purportedly sent under subsection 1, or purportedly received under subsection 2, was not actually sent or received, the legal effect of the sending or receipt is determined by other applicable law. Except to the extent permitted or required by the other law, the requirements of this subsection shall not be varied by agreement (554D.117).

Board Records

Each board shall adopt by written policy a system for maintaining accurate records. The system shall provide for recording and maintaining the minutes of all board meetings, coding all receipts and expenditures, and recording and filing all reports required by the Iowa Code or requested by the director of the department of education. Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures (IAC, 281-12.3(1)).

Public records include all records, documents, tape, or other information stored or preserved in any medium, of or belonging to the school corporation. Public records also include all records relating to the investment of public funds including but not limited to investment policies, instructions, trading orders, or contracts, whether in the custody of the public body responsible for the public funds or a fiduciary or other third party (22.1(3)).

Lawful custodian means the government body currently in physical possession of the public record. The custodian of a public record in the physical possession of persons outside a government body is the government body owning that record. The records relating to the investment of public funds are the property of the public body responsible for the public funds. Each government body shall delegate to particular officials or employees of that government body the responsibility for implementing the requirements of chapter 22 and shall publicly announce the particular officials or employees to whom responsibility for implementing the requirements has been delegated. Lawful custodian does not mean an automated data processing unit of a public body if the data processing unit holds the records solely as the agent of another public body, nor does it mean a unit which holds the records of other public bodies solely for storage (22.1(2)).

In school corporations, the secretary shall file and preserve copies of all reports made and all papers transmitted pertaining to the business of the corporation (291.6(1)).

A person who, having no right or authority to do so, makes or alters any public document, or any instrument which purports to be a public document, or who possesses a seal or any counterfeit seal of the school corporation, or of any officer or employee of the school district, commits a class "D" felony (718.5).

Any public officer or employee, who knowingly does any of the following, commits a class "D" felony:

4. Makes or gives any false entry, false return, false certificate, or false receipt, where such entries, returns, certificates, or receipts are authorized by law.
5. Falsifies any public record, or issues any document falsely purporting to be a public document.
6. Falsifies a writing, or knowingly delivers a falsified writing, with the knowledge that the writing is falsified and that the writing will become a public record of a government body (721.1).

Public Access

Every person shall have the right to examine and copy a public record and to publish or otherwise disseminate a public record or the information contained in a public record. Unless otherwise provided for by law, the right to examine a public record shall include the right to examine a public record without charge while the public record is in the physical possession of the custodian of the public record. The right to copy a public record shall include the right to make photographs or photographic copies while the records are in the possession of the custodian of the records. A government body shall not prevent the examination or copying of a public record by contracting with a nongovernment body to perform any of its duties and functions. However, a government body is not required to permit access to or use of a geographic computer database by any person except upon terms and conditions acceptable to the governing body. The governing body shall establish reasonable rates and procedures for the retrieval of specified records, which are not confidential records, stored in the database upon the request of any person. A governmental body is not required to permit access to or use of data processing software developed by the governmental body (22.2).

Such examination and copying shall be done under the supervision of the lawful custodian of the records or the custodian's authorized designee. The lawful custodian may adopt and enforce reasonable rules regarding the work and the protection of the records against damage or disorganization. The lawful custodian shall provide a suitable place for the work, but if it is impracticable to do the work in the office of the lawful custodian, the person desiring to examine or copy shall pay all necessary expense of providing a place for the work. All expenses of the work shall be paid by the person desiring to examine or copy. The lawful custodian may charge a reasonable fee for the services of the lawful custodian or the custodian's authorized designee in supervising the records during the work. If copy equipment is available at the office of the lawful custodian of any public records, the lawful custodian shall provide any person a reasonable number of copies of any public record in the custody of the office upon the payment of a fee. The fee for copying service as determined by the lawful custodian shall not exceed the cost of providing the service (22.3).

The rights of persons to examine or copy may be exercised at any time during the customary office hours of the lawful custodian of the records. However, if the lawful custodian does not have customary office hours of at least thirty hours per week, such right may be exercised at any time from nine o'clock a.m. to noon and from one o'clock p.m. to four o'clock p.m. Monday through Friday, excluding legal holidays, unless the person exercising such right and the lawful custodian agree on a different time (22.4).

It shall be unlawful for any person to deny or refuse any citizen of Iowa any right under chapter 22. Any person knowingly violating or attempting to violate any provision of chapter 22 where no other penalty is provided shall be guilty of a simple misdemeanor (22.6).

A government body may provide, restrict, or prohibit access to data processing software developed by the government body, regardless of whether the data processing software is separated or combined with a public record. A government body shall establish policies and procedures to provide access to public records which are combined with its data processing software. A public record shall not be withheld from the public because it is combined with data processing software. A government body shall not acquire any electronic data processing system for the storage, manipulation, or retrieval or public records that would impair the government body's ability to permit the examination of a public record and the copying of a public record in either written or electronic form. The electronic public record shall be available in a format useable with commonly available data processing or database management software (22.3A(2)).

A governmental body is granted and may apply for and receive any legal protection necessary to secure a right to or an interest in data processing software developed by the governmental body (22.3A(3)).

Charges by the custodian of public records for copies made are not subject to Iowa sales tax (OAG #86-12-17).

An agency may not charge a fee simply as a precondition to allowing examination of a public record (OAG #81-8-18).

Records should be copied in the agency offices unless it is impractical to do so. If it is necessary to perform the copying at a separate location, the copying is still to be performed under the supervision of the custodian or the custodian's deputy. The custodian is not to relinquish control of the records to the requestor. Any charges assessed for such copying service should be uniformly applied to all requestors (OAG #81-4-4).

A governmental body has no authority to impose a charge for a computer system's depreciation, maintenance, electricity, and insurance associated with retrieving the computerized public record and either printing it out or producing it onto a disk (OAG #96-2-1).

Confidential Records

The following public records shall be kept confidential, unless otherwise ordered by a court, by the lawful custodian of the records, or by another person duly authorized to release such information:

- Personal information in records regarding a student, prospective student, or former student maintained, created, collected or assembled by or for a school corporation or educational institution maintaining such records.
- Records which represent and constitute the work product of an attorney, which are related to litigation or claim made by or against a public body.
- Reports to governmental agencies which, if released, would give advantage to competitors and serve no public purpose.
- Appraisals or appraisal information concerning the purchase of real or personal property for public purposes, prior to public announcement of a project.
- Personal information in confidential personnel records.
- The records of a library which, by themselves or when examined with other public records, would reveal the identity of the library patron checking out or requesting an item or information from the library.
- Records of identity of owners of public bonds or obligations maintained as provided in section 76.10 or by the issuer of the public bonds or obligations. However, the issuer of the public bonds or obligations and a state or federal agency shall have the right of access to the records.
- Communications not required by law, rule, or procedure that are made to a government body or to any of its employees by identified persons outside of government, to the extent that the government body receiving those communications from such persons outside of government could reasonably believe that those persons would be discouraged from making them to that government body if they were available for general public examination. Notwithstanding this provision:
- The communication is a public record to the extent that the person outside of government making that communication consents to its treatment as a public record.
- Information contained in the communication is a public record to the extent that it can be disclosed without directly or indirectly indicating the identity of the person outside of government making it or enabling others to ascertain the identity of that person.
- Information contained in the communication is a public record to the extent that it indicates the date, time, specific location, and immediate facts and circumstances surrounding the occurrence of a crime or other illegal act, except to the extent that its disclosure would plainly and seriously jeopardize a continuing investigation or pose a clear and present danger to the safety of any person.
- Data processing software which is developed by a governmental body.
- Mediation documents as defined in Iowa Code section 679C.1, except written mediation agreements that resulted from a mediation which are signed on behalf of a governing body.
- Records containing information that would disclose, or might lead to the disclosure of, private keys used in a digital signature or other similar technologies or records which if disclosed might jeopardize the security of an electronic transaction pursuant to chapter 554C (22.7).

The board of directors of each public school shall adopt a policy and the superintendent of each public school shall adopt rules which provide that the school district may share information contained within a student's permanent record pursuant to an interagency agreement with state and local agencies that are part of the juvenile justice system. The interagency agreement shall provide, and each signatory agency to the agreement shall certify in the agreement, that confidential information shared among the parties to the agreement shall remain confidential and shall not be shared with any other person, school, school district, or agency, unless otherwise provided by law. A school district entering into an interagency agreement under this section shall adopt a policy implementing the provision of the interagency agreement. The policy shall include, but not be limited to, the provisions of the interagency agreement and the procedures to be used by the school district to share information from the student's permanent record with participating agencies. The policy shall be published in the student handbook (280.25).

The board shall adopt a policy concerning the accessibility and confidentiality of student records that complies with the provisions of the federal Family Educational Rights and Privacy Act of 1974 (FERPA) and Iowa Code chapter 22 (IAC 281--12.3(4)). The Family Educational Rights and Privacy Act of 1974 (FERPA, 20 U.S.C. section 1232g) requires school districts to keep educational records confidential or lose all federal education funding.

However, Omnibus Reconciliation Act of 1989, P. L. 101-239, 42 U.S.C. 675(1) authorizes release of limited information regarding foster children's education and health records to the Department of Human Services. This information includes:

- Name and address of child's school,
- Identification of the instructor,
- The child's grade level,
- The child's performance level:
    a. for regular education students, a copy of the most recent report card, or
    b. for special education students, the label and weighting of the student, the report card and most recent I.E.P, and
- The student's immunization record.

The information should be released only when officially requested. Parental consent is not necessary as DHS has custody of the children for whom information will be sought.

Names and addresses of students contained in public records in the custody of public schools are not confidential and are open to public inspection. However, schools are required to provide parents of students or adult students with an opportunity to inform the school that they do not want this information to be released without their prior consent (OAG #80-6-8).

Evaluations of bid proposals are public records which are confidential until the bids are opened and an award made. The possibility of misuse of nonconfidential public records does not justify placing restrictions on access to those records (OAG #79-3-3).

Notes of the secretary of the board become public records when transcribed for submission to the board as the minutes of the preceding meeting (OAG #74-2-9).

Worksheets and notes prepared by the bureau of labor inspectors are not public records and may be kept confidential (OAG #72-9-26).

Formal, official documents by which a school superintendent conveys official information to school board members containing information about the school district are public records. If the information contained in these letters falls within a statutory exemption such as student records, personnel information, or attorney work product, it is a confidential public record and unavailable for public inspection. Chapter 22 does not require the school district to retain copies of these letters (OAG #92-6-2(L)).

Fair Information Practices

State agencies are required to adopt a Fair Information Practices policy. School districts are not required to adopt this policy. However, if a public body chooses to adopt policies to implement section 22.11 the policies must be adopted by the board of directors of the school district. The elected school board must give reasonable notice, make the proposed policy available for public inspection and allow full opportunity for the public to comment before adopting the policy. If the public body is established pursuant to an agreement under chapter 28E, the policy must be adopted by a majority of the public agencies party to the agreement. These policies shall be kept in the office of the chief administrative officer of the board (22.12).

Financial and Pupil Accounting Records

Financial forms and procedures shall be prescribed by the department of education as necessary to be used by AEA boards, school boards, school officials, principals, teachers, and other employees to insure uniformity, accuracy, and efficiency in keeping records in both pupil and cost accounting, the execution of contracts, and the submission of reports. The department has the authority to notify the AEA board, school board or school authorities when a report has not been filed in the manner or on the dates prescribed that the school will not be accredited until the report has been properly filed (256.9(18)). The financial procedure prescribed by the department of education is the current edition of *Uniform Financial Accounting Manual for Iowa LEAs and AEAs*. The UFA manual is available on the department of education web site at http://www.state.ia.us/educate/publications/manuals.html

The department of education is authorized to prescribe a uniform system of accounting. This is the Uniform Financial Accounting Manual (OAG #83-12-1(L)).

Financial records of school districts shall be maintained in a manner as to be easily audited according to accepted accounting procedures (IAC, 281-12.3(1)).

School districts and AEAs are required to conform to generally accepted accounting principles (GAAP) commencing with the school year beginning July 1, 1996 (257.31(4)).

Legal provisions may conflict with GAAP. Statement 1 of GAAFR says, "Where financial statements prepared in conformity with GAAP do not demonstrate finance-related legal and contractual compliance, the governmental unit should present such additional schedules and narrative explanations in the comprehensive annual financial report as may be necessary to report its legal compliance responsibilities and accountabilities. In extreme cases, preparation of a separate legal-basis special report may be necessary....Conflicts between legal provisions and GAAP do not require maintaining two accounting systems. Rather, the accounting system may be maintained on a legal compliance basis, but should include sufficient additional records to permit GAAP-based reporting."

When GAAP provides more than one method for accounting for a financial transaction, the department of education may determine which method will be used for school districts and AEAs to ensure consistency in reporting as required by Iowa Code (256.9(18)).

Records Retention

Iowa law makes no particular reference to the retention of school district records except that the school board is authorized to make rules and regulations for the care of school property (279.8). The Statute of Limitations (Chapter 614) and the *Iowa Municipal Record Manual*, 1982, are the basis for the following suggested procedures. It is suggested that school districts explore the economics of electronic storage of all permanent district records.

Board Records

- The official minutes of the school board, including resolutions, should be retained permanently.
- Board meeting agendas should be retained 2 years.
- Detailed minutes and audio tapes of closed sessions should be retained at least 1 year beyond the date of the meeting (21.5(4)).
- A copy of the board policies should be retained until superseded.
- Oaths of Office should be retained permanently with the minutes.
- Fidelity bonds of officials should be retained 5 years after expiration.
- Bids accepted should be retained for 5 years.
- Bids rejected should be retained for 1 year beyond audit.
- Citizen petitions should be retained 3 years after close of issue.
- Ballots should be retained 6 months after the election if not contested.
- Articles of Incorporation should be retained permanently.
- Records of patents, copyrights, trademarks, etc. should be retained permanently.

Correspondence

- Financial correspondence should be retained 5 years.
- Personnel correspondence should be retained 7 years after termination.
- Credit and collection correspondence should be retained 7 years.
- General correspondence should be retained 3 years or as long as administratively useful or of historical value.

Financial Reports and Records

- The secretary's and treasurer's financial accounting records should be retained permanently (general ledger, annual financial report, CAR).
- Disbursement journals/register, receipt journals/register, check register, general journals, and bank statements should be retained 10 years.
- Canceled warrants, check stubs, bills, invoices, receipts, purchase orders, requisitions, petty cash vouchers, cost accounting computations, investment records, and bank reconciliations should be retained 5 years.
- Records and reports regarding uncollectible accounts should be retained 10 years.
- Interim financial reports should be retained 5 years.
- Claims for sales tax or fuel tax refunds should be retained 5 years. Also licensed distributors, dealers and users must retain for 3 years copies of bills of lading or manifests, purchase invoices, copies of sales invoices, exemption certificates, purchase records, sales records, copies of reports filed with the Department of Revenue, Iowa export schedules, copies of credit memos, and cancelled checks and cash register.
- Audits should be retained permanently.

Budget

- Budget estimate worksheets should be retained 5 years.
- Final budget and certification summary should be retained permanently.
- Budget amendments should be retained permanently.

- Certified enrollment official summaries should be retained permanently.

Fixed Asset Records
- Documents relating to fixed asset should be retained 5 years beyond disposal of fixed asset.
- Fixed asset repair records should be retained 3 years.
- Inventories should be retained 5 years.
- Documents relating to real property transactions should be retained permanently. (Includes such things as deeds, title opinions, abstracts, appraisals, certificate of title, title insurance, condemnation proceedings, easement and right of way agreements, plats and alterations of plats, blueprints and other structural plans or specifications, and annexation files.)

Legal Documents
- Written contracts should be retained for 10 years beyond the end of the contract.
- Purchase or service agreements for equipment or supplies should be retained 5 years after expiration.
- Record of payment of judgments against the district should be retained for 20 years.
- Accidents on school property, settled out of court, should be retained 10 years after settlement.
- Accidents on school property, court decisions, should be retained permanently.
- Fire damage reports should be retained 5 years.
- Insurance policies should be retained 3 years after expiration.
- Special events permits and licenses should be retained 3 years.

Bond Issues
- Bond certificates should be retained 11 years after final recall (or possibly permanently).
- Redeemed coupons should be stamped "paid" and retained for 11 years.
- Bond register should be retained permanently.
- Records and documents pertaining to cancellation, transfer, redemption, or replacement of public bonds or obligations shall be preserved by the issuer or its agent for a period of not less than eleven years (76.10(7)(a)).

Student Records
- The individual permanent record of each pupil should be permanently retained either in its original form or electronic media.

Federal Programs
- Child nutrition records pertaining to participation, financial information, and free and reduced-price meal applications must be retained for 3 years in addition to the current fiscal year. This is the federal fiscal year, so it really is 4 years. Records of an unresolved audit must be retained until that audit is resolved.
- JTPA contracts and claims should be retained 5 years.
- Asbestos medical records or records of licensure should be retained for a minimum of 30 years.
- Generally records related to federal aid should be retained 5 years if audited. If there is a non-compliance problem/questioned cost, the records should be retained 3 years after settlement.

Affidavits of Publication
- Regarding budget should be retained until audited or 5 years.
- Regarding bond issue should be retained 5 years after final recall.
- Regarding other issues should be retained 5 years.

Union/Association Records
- Negotiation records should be retained as long as administratively useful.
- Master contracts should be retained permanently.
- Case files should be retained 10 years.

Employee Accidents
- Employer reports should be retained 5 years.
- OSHA reports should be retained 5 years.
- Worker compensation reports should be retained 5 years after final payment, however if the case may result in future claims, the reports should be retained 60 years.

Payroll
- Payroll journals should be retained 60 years.
- Supporting payroll documentation should be retained 5 years.
- W-2s, W-3s, W-4s, 941s, deposits, 1099s, 1096s should be retained 5 years.
- Iowa withholding reports, job service reports should be retained 5 years.

Personnel Records

- Job descriptions should be retained permanently.
- Applications and resumes of those hired should be retained 60 years.
- Applications and resumes of those not hired should be retained 3 years.
- Results of tests/placements of those hired should be retained 60 years.
- Employment contracts should be retained for 10 years after termination.
- Evaluations, continuing education records, employee medical exams should be retained 60 years.
- Resignations and reasons for termination should be retained 60 years.
- IPERS claims should be retained 60 years.
- Unemployment claims should be retained 5 years.
- Garnishment records should be retained 3 years beyond closure.
- Enrollments for direct deposit, insurance, etc., should be retained as long as current.
- Health insurance payments and claims should be retained 3 years.
- EEO-4 reports should be retained 4 years.
- EEO Plans should be retained as long as current.

Legal Publications

The proceedings of each regular, adjourned, or special meeting of the board, including the schedule of bills allowed, shall be published after the adjournment of the meeting in the manner provided in this section and section 279.36, and the publication of the schedule of the bills allowed shall include a list of claims allowed, including salary claims for services performed. The schedule of bills allowed may be published on a once monthly basis in lieu of publication with the proceedings of each meeting of the board. The list of claims allowed shall include the name of the person or firm making the claim, the purpose of the claim, and the amount of the claim. However, salaries paid to individuals regularly employed by the district shall only be published annually and the publication shall include the total amount of the annual salary of each employee. The secretary shall furnish a copy of the proceedings to be published within two weeks following the adjournment of the meeting (279.35). The requirements of section 279.35 are satisfied by publication in at least one newspaper published in the district or, if there is none, in at least one newspaper having general circulation within the district (279.36).

A school board in its publication of proceedings is required to include as part of the list of claims allowed the purpose of the claim. If the school district fails to identify the purpose of the claim, it is not in compliance with the publication requirement set forth by Code (OAG #96-8-2(L)).

The monthly salaries of each employee need not be published with the minutes if the yearly salaries are otherwise published (OAG #78-4-12).

Gross salaries of employees must be published (OAG #64-4-15).

All notices, proceedings, and other matter whatsoever, required by law or ordinance to be published in a newspaper, shall be published only in the English language and in newspapers published wholly in the English language (618.1). A publication required by law shall be printed in type no smaller than six point (618.17). When a publication required by law is not published within one month of submission to the newspaper, the maximum compensation established by law shall be reduced by twenty-five percent (618.18).

The school board may publish, as straight matter or display, any matter of general public importance by publication in one or more newspapers published in and having general circulation in the school district at the legal or appropriate commercial rate, according to the character of the matter published (618.14).

Publishers are entitled to charge extra prices for complicated and difficult work, above the rate designated by the law for the production of straight matter (Brown and Company v. Lucas County, Iowa Report, Vol. 94, p. 70).

A newspaper that has been published within the area for more than two years, but has changed its post office of entry to a different post office of entry within its subscription area during that same time period, remains eligible for publishing official matters (OAG #97-4-24).

Recommended or Required Notices
This may not be a complete listing.

PUBLICATION	REQUIREMENTS	TIMES RUN
Meeting Proceedings (279.35)	One newspaper, in district, Within 2 weeks of meeting adjournment	One

Bills Allowed (279.35)	With publication above or one newspaper, in district, on a monthly basis	One
Salaries (279.35)	One newspaper, in district, annually	One
Official Meetings (21.4)	Posting, at least 24 hours prior to meeting	One
Instructional Support Program Public Hearing (257.18)	One newspaper, in district, not less than 10 nor more than 20 days prior to the public hearing	One
Budget Estimates, and annual levies previously authorized; time and date of public hearing (24.9)	One newspaper, in district, not less than 10 nor more than 20 days before the hearing	One
Bids for School Construction, Erection, Demolition, Alteration, or Repair estimated to cost more than $25,000 (73A.18)	One newspaper, in county, first publication not less than 15 days prior to date set to receive bids	Two
Notice of public hearing on resolution to sell, lease or dispose of school property (297.22)	One newspaper, in district, not less than 10 days but not more than twenty days prior to the date of the hearing	One
Sale of school property, other than real property, having a value of not more than $5000 (297.22)	One newspaper, in district, two consecutive weeks	Two
Bids for Rental or Lease-Purchase Option Contracts up to 20 years (278.1)	One newspaper, in county, two consecutive weeks	Two
Bids and proposals for materials, products, supplies, provisions, and other needed articles to be purchased at public expense (73.2)	The statement "By virtue of statutory authority, a preference will be given to products and provisions grown and coal produced within the state of Iowa" shall be printed on all requests for bids and proposals	As printed
Sale of Anticipatory Warrants (74A.7)	One newspaper, in district, consecutive weeks, not less than 10 days prior to sale	Twice
Interagency information sharing agreement (280.85)	Student handbook	As published
Notice of school audit report being filed (11.14)	Written notice that report has been filed sent to each newspaper, radio and television station in the district	One
Nondiscrimination policy, grievance policy and procedures, educational equity coordinator's name, address, and phone number, and grievance procedures for person who feels discriminated against (Title VI; Title IX; Section 504 of Rehabilitation Act; IC 601A).	All major annual or general publications	As published
Location of asbestos management plan	Notice to parents; any method; beginning of school year, annually	One

Financial and Budget Analysis

Cost-effective analysis is the process used to determine the least cost approach to meeting objectives (outcomes) measured in educational terms.

Ratio analysis examines the relationship of one variable to another. For ratios to be truly useful the variables should be directly related such as cause and effect and should measure only a single relationship.

Variations analysis compares in detail a financial position or operating result against a benchmark. An example would be comparing the financial report against the budget or against a forecast for the same period and identifying and analyzing differences.

Times-series analysis is a mathematic technique to estimate future values or performances for which a series of past values or performances are known. For example, looking at the history of enrollments and projecting what future enrollments will be. This is also called trend analysis.

Modeling is a mathematic technique to estimate the future effect of a series of events. Generally modeling is done on computer using formulas. An example would be determining the impact on future district costs per pupil if the district were to merge or enrollments were to change substantially.

Regression analysis is a statistical technique which estimates the relationship between two or more variables. Once this relationship can be determined, future changes to one variable can be estimated from changes to the other(s).

Cashflow Forecast

Cashflow forecasting is a times-series analysis. The purposes of cashflow forecasting are to schedule payment of bills, to plan major purchases, to detect cash shortages which may arise, to plan for temporary investment of idle cash, to plan for seasonal needs for cash over the yearly cycle, and to plan for program growth by estimating how long cash outflow will exceed cash inflow. This provides management with time to find additional resources or modify plans. Cash forecasts are also necessary to obtain a credit rating on tax-exempt note issues and to ensure compliance with federal laws on arbitrage. Cash managers can estimate future cash position by examining historical cashflow patterns and analyzing the budgeted revenues and expenditures.

CHAPTER 15

HUMAN RESOURCE MANAGEMENT

Employee Status

Employee versus Contracted Service

Anyone who performs services is an employee if the employer can control what will be done and how it will be done. This is so even when the employee has freedom of action. It only matters that the employer has the legal right to control the method and result of the services. The employer will be liable for income tax and employee social security and Medicare taxes if these taxes are not deducted and withheld because the employer considered an employee to be a nonemployee (IRS Publication 15). Athletic Officials are employees (Revenue Ruling 57-119, CB 1957-1,331).

When some services performed by an employee would be employment while other services would not, use the guidance of the following regulation:

a. If a portion of the services performed by an employee for the employer during a pay period constitutes employment, and the remainder does not constitute employment, all the services of the employee during the period shall for purposes of the tax be treated alike, that is, either all as included or all as excluded. The time during which the employee performs services which constitute employment, and the time during which the employee performs services which do not constitute employment, within the pay period, determine whether all the services during the pay period shall be deemed to be included or excluded.

b. If one-half or more of the employee's time in the employ of a particular entity in a pay period is spent in performing services which constitute employment, then all the services of that employee for that entity in that pay period shall be deemed to be employment (IRS Regulation section 31.3306(d)-1). This regulation has been used by the IRS to allow districts to treat athletic officials <u>who are not otherwise school employees</u> as if they were contracted services.

Uncertificated Teachers

It is illegal to employ an uncertificated person for teaching. School officials are liable for misappropriation of funds for such payments (OAG #44-6-2). A teacher without a certificate cannot be paid out of public funds (OAG #50-8-23).

Probationary Teachers

The first three consecutive years of employment of a teacher in the same school district are a probationary period. However, if a teacher has successfully completed a probationary period of employment for another school district located in Iowa, the probationary period in the current district of employment shall not exceed one year. A board of directors may waive the probationary period for any teacher who previously has served a probationary period in another school district and the board may extend the probationary period for an additional year with the consent of the teacher (279.19).

Trainees

Employers participating in on-the-job training programs can receive payments covering training costs during the training period. The payment is based on a percentage of the participant's wages. JTPA program operators, or other certifying agencies, will screen and refer eligible workers and can arrange for participant classroom training, counseling orientation, and other supportive services. These services are provided without cost to the employer. Employers retain the right to make the final selection from among those referred (Job Training Partnership Act of 1982, 20 C.F.R. 626-638).

Immigration and Nationality Act

Employers are required to verify employment eligibility of new employees and prohibits hiring illegal entrants or hiring aliens who legally entered the United States such as tourists but are not authorized to work while they are in the United States.

For more information, contact the U.S Government Department of Labor, Wage and Hour Division.

Nepotism

It shall be unlawful for any person elected or appointed to any public office or position under the laws of the state to appoint as deputy, clerk, or helper in said office or position to be paid from the pubic funds, any person related by consanguinity or affinity, within the third degree, to the person elected appointed, or making said appointment, unless such appointment shall first be approved by the officer, board, council, or commission whose duty it is to approve the bond of the principal; provided this

provision shall not apply in causes where such person appointed receives compensation at the rate of six hundred dollars per year or less, nor shall it apply to persons teaching in public schools (71.1).

The spouse of a member of the board of directors of a school district may be employed by or contracted with that school district. A board member whose spouse is so employed or contracted with should abstain from voting on issues where actual or potential conflicts of interest exist (OAG #89-9-2(L)).

Conflict of Interest

Any person who serves or is employed by the state or a political subdivision of the state shall not engage in any outside employment or activity which is in conflict with the person's official duties and responsibilities. In determining whether particular outside employment or activity creates an unacceptable conflict of interest, situations in which an unacceptable conflict shall be deemed to exist shall include, but not be limited to, any of the following:

a. The outside employment or activity involves use of the state's or the political subdivision's time, facilities, equipment, and supplies or the use of the state or political subdivision badge, uniform, business car, or other evidences of office or employment to give the person or member of the person's immediate family an advantage or pecuniary benefit that is not available to other similarly situated members or classes of members of the general public.
b. The outside employment or activity involves the receipt of, promise of, or acceptance of money or other consideration by the person, or a member of the person's immediate family, from anyone other than the state or the political subdivision for the performance of any act that the person would be required or expected to perform as a part of the person's regular duties or during the hours during which the person performs service or work for the state or political subdivision of the state.
c. The outside employment or activity is subject to the official control, inspection, review, audit, or enforcement authority of the person, during the performance of the person's duties of office or employment (68B.2A(1)).

If the outside employment or activity is employment or activity described in "a" or "b" above, the person shall immediately cease the employment or activity. If the outside employment or activity is employment or activity described in "c" above, the person shall take one of the following courses of action:

a. Cease the outside employment or activity.
b. Publicly disclose the existence of the conflict and refrain from taking any official action or performing any official duty that would detrimentally affect or create a benefit from the outside employment or activity. For this purpose, official action or duty includes, but is not limited to, participating in any vote, taking affirmative action to influence any vote, granting any license or permit, determining the facts of law in a contested case or rulemaking proceeding, conducting any inspection, or providing any other official service or thing that is not available generally to members of the public in order to further the interests of the outside employment or activity (68B.2A(2)).

Equal Opportunity and Affirmative Action

It is the policy of this state to provide equal opportunity in school district, AEA, and community college employment to all persons. An individual shall not be denied equal access to school district, AEA, or community college employment opportunities because of race, creed, color, religion, national origin, sex, age, or physical or mental disability. It also is the policy of this state to apply affirmative action measures to correct deficiencies in school district, AEA, and community college employment systems where those remedies are appropriate. This policy shall be construed broadly to effectuate its purposes (19B.11(1)).

Each school district, AEA, and community college shall be required to develop affirmative action standards which are based on the population of the community in which it functions, the student population served, or the persons who can be reasonably recruited (19B.11(2)).

Each school district, AEA, and community college in the state shall submit to the director of the department of education an annual report of the accomplishments and programs of the district, agency, or community college carrying out the duties under section 19B.11. The report shall be submitted between December 15 and December 31 of each year. The director shall prescribe the form and content of the report (19B.11(3)).

It is an unfair or discriminatory practice for any educational institution to discriminate on the basis of race, creed, color, sex, national origin, religion, or disability in any program or activity. Such discriminatory practices shall include but not be limited to the following practices:

1. Exclusion of a person or persons from participation in, denial of the benefits of, or subjection to discrimination in any academic, extracurricular, research, occupational training, or other program or activity except athletic programs;
2. Denial of comparable opportunity in intramural and interscholastic athletic programs;
3. Discrimination among person in employment and the conditions of employment;

4. On the basis of sex, the application of any rule concerning the actual or potential parental, family or marital status of a person, or the exclusion of any person from any program or activity or employment because of pregnancy or related conditions dependent upon the physician's diagnosis and certification (216.9).

The federal Age Discrimination in Employment Act (ADEA) likely precludes a school district from establishing an early retirement program for its employees that diminishes benefits with advancing age. The ADEA likely permits a school district to take into account years of service in providing early retirement benefits to its employees. The ADEA does not necessarily preclude a school district from limiting participation in an early retirement program to employees younger than age sixty-five (OAG #96-10-7).

The Department of Management may impose appropriate sanctions on an AEA or school district in order to ensure compliance with state programs emphasizing equal opportunity through affirmative action, contract compliance policies, and requirements for procurement goals for targeted small businesses (19B.8).

Fair Labor Standards Act (FLSA)

The Fair Labor Standards Act establishes minimum wages, overtime pay, equal pay, recordkeeping and child labor standards for employees.

Every employer shall maintain and preserve payroll or other records containing the following information and data with respect to each employee to whom minimum wage and/or overtime provisions apply:

1. Full legal name,
2. Home address including zip code,
3. Date of birth if under 19,
4. Gender and occupation in which employed,
5. Time of day and day of week on which the employee's workweek begins. If the employee is part of a workforce all of whose workers have a workweek beginning at the same time on the say day, a single notation for the whole workforce is sufficient.
6. Regular hourly rate of pay for any workweek in which overtime compensation is due,
7. Hours worked each workday and total hours worked each workweek,
8. Total daily or weekly straight-time earnings exclusive of overtime compensation,
9. Total premium pay for overtime hours,
10. Total additions to or deductions from wages indicating individual nature, amount, date,
11. Total wages paid each pay period, and
12. Date of payment and pay period covered by the payment.

With respect to each exempt employee in a bona fide executive, administrative, or professional capacity (including employees employed in the capacity of academic administrative personnel or teachers in elementary or secondary schools), employers shall maintain and preserve records containing all the information above except 6 through 10, and, in addition, the basis on which wages are paid in sufficient detail to permit calculation for each pay period of the employee's total remuneration for employment including fringe benefits and prerequisites.

The equal pay provisions of FLSA prohibit gender-based wage differentials between men and women employed in the same establishment who perform jobs that require equal skill, effort, and responsibility under similar working conditions. These provisions are enforced by the U.S. Government, Equal Employment Opportunity Commission who also enforces other statutes prohibiting discrimination in employment.

Veterans Preference

In every public department and upon all public works in the state, and of the counties, cities, and school corporations of the state, honorably discharged veterans who are citizens and resident of this state are entitled to preference in appointment and employment over other applicants of no greater qualifications (35C.1).

The provisions of the Iowa Veteran's Preference Law apply to both permanent part-time and temporary or seasonal positions of a public employer (OAG #87-11-6(L)).

Polygraph Examination Prohibited

An employer shall not as a condition of employment, promotion, or change in status of employment, or as an express or implied condition of a benefit or privilege of employment, knowingly do any of the following:

a. Request or require that an employee or applicant for employment take or submit to a polygraph examination.

b. Administer, cause to be administered, threaten to administer, or attempt to administer a polygraph examination to an employee or applicant for employment.
c. Request or require that an employee or applicant for employment give an express or implied waiver of a practice prohibited by section 730.4 (730.4(2)).

Leaves of Absence

Military Leave

Employees are entitled to take either military leave or compensatory time on days when military duty interferes with scheduled work time. The employee should not return to work after earning a full day's pay from federal sources. Employers may attempt to schedule work days so as to avoid conflicts with military duty (OAG #89-2-5(L)).

Elective Office

A person who is elected to a municipal, county, state, or federal office shall, upon written application to the employer of that person, be granted a leave of absence from regular employment to serve in that office except where prohibited by the federal law. The leave of absence may be granted without pay and shall be granted without loss of net credited service and benefits earned. This section shall not be construed to require an employer to pay pension, health or other benefits during the leave of absence to an employee taking a leave of absence under this section. An employee shall not be prohibited from returning to regular employment before the period expires for which the leave of absence was granted. Temporary substitute teachers and teachers hired on a temporary basis to replace teachers who have been granted leaves of absence pursuant to this section are not subject to the provisions of chapter 279 relating to the termination of continuing contracts (55.1).

Any person who is appointed to serve on a state board, upon written application to the person's employer, shall be granted leaves of absence from regular employment to attend the meetings of the state board, except if leaves of absence are prohibited by federal law. The leaves of absence may be granted without pay and shall be granted without loss of net credited service and benefits earned (55.3).

Any public employee who becomes a candidate for any elective public office shall, upon request of the employee and commencing any time within thirty days prior to a contested primary, special, or general election and continuing until after the day following that election, automatically be given a period of leave. An employee who is a candidate for any elective public office shall not campaign while on duty as an employee (55.4).

Any person violating chapter 55 is guilty of a simple misdemeanor. Each day in which the violation continues is a separate offense (55.5).

Educational Leave

The board may approve a policy for educational leave for licensed school employees and for reimbursement for tuition paid by licensed school employees for courses approved by the board. Educational leave means a leave granted to an employee for the purpose of study including study in areas outside of a teacher's area of specialization, travel, or other reasons deemed by the board to be of value to the school system (279.12).

Sick Leave

Public school employees are granted leave of absence for medically related disability with full pay in the following minimum amounts:

1.	The first year of employment	10 days.
2.	The second year of employment	11 days.
3.	The third year of employment	12 days.
4.	The fourth year of employment	13 days.
5.	The fifth year of employment	14 days.
6.	The sixth and subsequent years of employment	15 days.

The above amounts shall apply only to consecutive years of employment in the same school district and unused portions shall be cumulative to at least a total of ninety days. The school board may grant more time than the days herein specified (279.40).

Family and Medical Leave Act

Qualified employees may take up to twelve weeks of unpaid job-protected leave each year, with maintenance of group health insurance, for a serious personal health condition or in order to care for a family member with a serious health condition or for the birth and care for a child, or for the placement of a child for adoption or foster care (29 UCS 2601).

Opportunity to Vote

Any person entitled to vote at an election who does not have three consecutive hours in the period between the time of the opening and the time of the closing of the polls during which the person is not required to be present at work for an employer, is entitled to such time off from work time to vote as will in addition to the person's nonworking time total three consecutive hours during the time the polls are open. Application by any employee for such absence shall be made individually and in writing prior to the date of the election, and the employer shall designate the period of time to be taken. The employee is not liable to any penalty nor shall any deduction be made from the person's regular salary or wages on account of such absence (49.109). Any employer who shall refuse to an employee this privilege or shall subject such employee to a penalty or reduction of wages because of the exercise of such privilege, or shall in any manner attempt to influence or control such employee as to how the employee shall vote, by offering any reward, or threatening discharge from employment, or otherwise intimidating or attempting to intimidate such employee from exercising the employee's right to vote, shall be guilty of a simple misdemeanor (49.110).

Deductions and Withholding from Wages

Garnishment

Federal wage garnishment law, limits the amount of an employee's disposable earnings which may be withheld in any one week by an employer to satisfy creditors. The law also prohibits an employer from discharging an employee whose earnings have been subjected to garnishment for any one indebtedness (Consumer Credit Protection Act, Title III, 29 C.F.R. 870).

The right of any person to any future payment under a pension and annuity retirement system established in chapter 294 shall not be transferable or assignable, at law or in equity, and shall not be subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law, except for the purposes of enforcing child, spousal, or medical support obligation, or marital property orders (294.10B).

Payroll Deductions

An agency may not assess a service charge for processing employee payroll deductions for items such as health insurance and deferred compensation plans (OAG #81-5-7(L)).

Employee Benefits

Annuities

At the request of an employee through contractual agreement the AEA board may purchase group or individual annuity contracts for employees, which annuity contracts are issued by a nonprofit corporation issuing retirement annuities exclusively for educational institutions and their employees or are purchased from any company the employee chooses that is authorized to do business in this state or through an Iowa-licensed salesperson that the employee selects, on a group or individual basis, for retirement or other purposes, and may make payroll deductions in accordance with the arrangements for the purpose of paying the entire premium due and to become due under the contract. The deductions shall be made in the manner which will qualify the annuity premiums for the benefits under section 403(b) of the Internal Revenue Code, as defined in section 422.3. The employee’s rights under the annuity contract are nonforfeitable except for the failure to pay premiums (294.16, 273.3(14)).

An employee of a school district has a statutory right to select the provider of an annuity contract made available by the school district for his/her benefit even if the annuity is funded solely with school district money (OAG #90-1-5).

A school district may not limit the number of authorized annuity and mutual fund providers with which its employees may contract (OAG #89-6-1(L)).

A school district may purchase an annuity for its employees which is invested in mutual funds so long as the annuity is purchased from an authorized insurance company and an Iowa-licensed agent (OAG #87-6-2(L)).

Governing bodies may not limit the number of authorized insurance companies from which its employees may select annuity contracts. The governing body may not encourage or discourage employee participation in annuity programs, but must make such programs available upon employee request. Lists of employees—but not list of employees participating in annuity program—must be made available to the public (OAG #91-6-7(L)).

Medical Insurance Programs

The AEA board is authorized to establish and pay all or any part of the cost of group health insurance plans, nonprofit group medical service plans and group life insurance plans adopted by the board for the benefit of employees of the AEA, from funds available to the board (273.3(15)).

Teachers and administrators are free to contract for provision of a self-funded medical insurance program. The ability of a board to establish group insurance plans does not prohibit contracting for a self-funded plan (OAG #80-10-11).

If a retired employee of a publicly funded governing body had family coverage prior to retirement before age 65, continuation of coverage must be offered on that basis, i.e., for the employee's dependents, after retirement, at the employee's expense (OAG #91-6-5(L)).

Food and Entertainment

The Code does not allow school districts to provide school lunches without charge to staff members, except where staff members are on lunch room supervisory duty or pursuant to contract (OAG #82-2-6(L)).

Travel and Transportation

Meal reimbursements paid are subject to income tax withholding if they are not paid under an accountable plan which requires the meal expenses be substantiated as deductible under I.R.C. section 162(a), either as business expenses incurred while away from home overnight, or as the rare type of meal expenses which qualifies as an ordinary and necessary business expense (OAG #98-5-2(L)).

When a public officer or employee, other than a state officer or employee, is entitled to be paid for expenses in performing a public duty, a charge shall be made, allowed, and paid for the use of an automobile, as determined by the local governing body, in an amount which may be the maximum allowable under federal internal revenue service rules per mile, notwithstanding established mileage requirements or depreciation allowances. A statutory provision stipulating necessary mileage, travel, or actual reimbursement to a local public officer or employee falls within the mileage reimbursement limitation specified in this section unless specifically provided otherwise. A political subdivision may authorize the use of private vehicles for the conduct of official business of the political subdivision at an annual amount in lieu of actual and necessary travel expense reimbursement provided in this section (70A.9).

No law shall be construed to give to a public officer or employee both mileage and expenses for the same transaction (70A.10). No public officer or employee shall be allowed either mileage or transportation expense when gratuitously transported by another, nor when transported by another public officer or employee who is entitled to mileage or transportation expense (70A.11).

Service Club Dues

Public funds may be used to pay for public employees' dues for service clubs only if directly related to an employee's duties. The governing body must determine that a public purpose is met and that the public purpose is not merely incidental to the private benefit to the employee. This test would not likely be met except in an unusual case (OAG #90-7-3(L)).

Worker Compensation

The Iowa worker compensation law in chapter 85 requires most employers to provide benefits to eligible employees who have injuries arising out of and in the course of employment.

Where the school corporation or AEA is the employer, the provisions of chapter 85 on workers' compensation for the payment of compensation and amount thereof for an injury sustained by an employee of such employer shall be exclusive, compulsory, and obligatory upon both employer and employee, except as otherwise provided in section 85.1. For the purposes of chapter 85 elected and appointed officials shall be employees (85.2).

A school employee who, in the course of employment, suffers a personal injury causing temporary total disability, or a permanent partial or total disability, resulting from an episode of violence toward that employee, for which workers' compensation under chapter 85 is payable, shall be entitled to receive workers' compensation, which the district shall supplement in order for the employee to receive full salary and benefits for the shortest of the following periods:

a. One year from the date of the disability.
b. The period during which the employee is disabled and incapable of employment.

During this period, the school employee shall not be required to use accumulated sick leave or vacation (280.21A(1)).

Violence and Altercations

An employee of an accredited public school district or AEA shall not inflict, or cause to be inflicted, corporal punishment upon a student. An employee's physical contact with the body of a student shall not be considered corporal punishment if it is reasonable and necessary under the circumstances and is not designed or intended to cause pain or if the employee uses reasonable force for the protection of the employee, the student, other students, to obtain the possession of a weapon or other dangerous object within a student's control, or for the protection of property (280.21(1)).

An employee of an accredited public school district or AEA may intervene in a fight or physical struggle occurring among students or between students and nonstudents that takes place in the presence of the school employee in a school building, on school premises, or at any school function or school-sponsored activity regardless of its location. The degree and force of the intervention may be as reasonably necessary, in the opinion of the school employee, to restore order and protect the safety of the individuals involved in the altercation and others in the vicinity of the altercation (280.26).

An employee of a school district or an AEA who participates in good faith and acts reasonably in the making of a report to, or investigation by, an appropriate person or agency regarding violence, threats of violence, or other inappropriate activity against a school employee or student in a school building, on school grounds, or at a school-sponsored function shall be immune from civil or criminal liability relating to such action as well as for the participating in any administrative or judicial proceeding resulting from or relating to the report or investigation (280.27).

When a person commits an act that would otherwise be considered assault, where the person doing the act is employed by a school district or is an AEA staff member who provides services to a school or school district, and intervenes in a fight or physical struggle, or other disruptive situation, that takes place in the presence of the employee or staff member performing employment duties in a school building, on school grounds, or at an official school function regardless of the location, the act shall not be an assault, whether the fight or physical struggle or other disruptive situation is between students or other individuals, if the degree and the force of the intervention is reasonably necessary to restore order and to protect the safety of those assembled (708.1).

Performance Evaluations

The board shall establish written evaluation criteria and shall establish and annually implement evaluation procedures. The board shall also establish written job descriptions for all supervisory positions (279.23A). Each board shall adopt evaluation criteria and procedures for all contracted staff. The evaluation processes shall conform to Iowa Code sections 272.33, 279.14, and 279.23A (IAC 281--12.3(3)).

Reductions in Force and Terminations

If any person, agent, company, corporation, after having discharged any employee from service, shall prevent or attempt to prevent, by word or writing of any kind, such discharged employee from obtaining employment with any other person, company or corporation, except by furnishing in writing on request a truthful statement as to the cause of the person's discharge, such person, agent, company, or corporation shall be guilty of a serious misdemeanor and shall be liable for all damages sustained by any such person (730.1).

An employer or an employer's representative who, upon request by or authorization of a current or former employee or upon request made by a person who in good faith is believed to be a representative of a prospective employer of a current or former employee, provides work-related information about a current or former employee, is immune from civil liability unless the employer or the employer's representative acted unreasonably in providing the work-related information 91B.2(1)).

An employer acts unreasonably if any of the following are present:

a. The work-related information violates a civil right of the current or former employee.
b. The work-related information knowingly is provided to a person who has no legitimate and common interest in receiving the work-related information.
c. The work-related information is not relevant to the inquiry being made, is provided with malice, or is provided with no good faith belief that it is true (91B.2(2)).

Safe and Healthy Workplace

It is the policy of this state to assure so far as possible every working person in the state safe and healthful working conditions and to preserve human resources (88.1).

Collective Bargaining

Employee Election

Upon the filing of a petition for certification of an employee organization, the board shall submit a question to the public employees at an election in an appropriate bargaining unit. The question on the ballot shall permit the public employees to vote for no bargaining representation or for any employee organization which has petitioned for certification or which has presented proof satisfactory to the board of support of ten percent or more of the public employees in the appropriate unit (20.15(1)).

Public Employer Rights and Responsibilities

Public employers shall have, in addition to all powers, duties, and rights established by constitutional provision, statute, ordinance, charter, or special act, the exclusive power, duty, and the right to:

1. Direct the work of its public employees.
2. Hire, promote, demote, transfer, assign and retain public employees in positions within the public agency.
3. Suspend or discharge public employees for proper cause.
4. Maintain the efficiency of governmental operations.
5. Relieve public employees from duties because of lack of work or for other legitimate reasons.
6. Determine and implement methods, means, assignments and personnel by which the public employer's operations are to be conducted.
7. Take such actions as may be necessary to carryout the mission of the public employer.
8. Initiate, prepare, certify and administer its budget.
9. Exercise all powers and duties granted to the public employer by law (20.7).

Upon the receipt by a public employer of a request from an employee organization to bargain on behalf of public employees, the duty to engage in collective bargaining shall arise if the employee organization has been certified by the board as the exclusive bargaining representative for the public employees in that bargaining unit (20.16).

It shall be unlawful for any public employer to authorize, consent to, or condone a strike; or to pay or agree to pay any public employee for any day in which the employee participates in a strike; or to pay or agree to pay any increase in compensation or benefits to any public employee in response to or as a result of any strike or any act which violates this section (20.12(2)).

Public Employee Rights and Responsibilities

Public employees shall have the right to:

1. Organize, or form, join, or assist any employee organization.
2. Negotiate collectively through representatives of their own choosing.
3. Engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection insofar as any such activity is not prohibited by chapter 20 or any other law of the state.
4. Refuse to join or participate in the activities of employee organizations, including the payment of any dues, fees or assessments or service fees of any type (20.8).

It shall be unlawful for any public employee or any employee organization, directly or indirectly, to induce, instigate, encourage, authorize, ratify or participate in a strike against any public employer (20.12(1)).

Scope of Negotiations

The public employer and the employee organization shall meet at reasonable times, including meetings reasonably in advance of the public employer’s budget-making process, to negotiate in good faith with respect to wages, hours, vacations, insurance, holidays, leaves of absence, shift differentials, overtime compensation, supplemental pay, seniority, transfer procedures, job classifications, health and safety matters, evaluation procedures, procedures for staff reduction, in-service training and other matters mutually agreed upon. Negotiations shall also include terms authorizing dues checkoff for members of the employee organization and grievance procedures for resolving any questions arising under the agreement, which shall be embodied in a written agreement and signed by the parties. If an agreement provides for dues checkoff a member’s dues may be checked off only upon the member’s written request and the member may terminate the dues checkoff at any time by giving thirty days’ written notice. Such obligation to negotiate in good faith does not compel either party to agree to a proposal or make a concession. All retirement systems shall be excluded from the scope of negotiations (20.9).

Prohibited Practices

It shall be a prohibited practice for any public employer, public employee, or employee organization to willfully refuse to negotiate in good faith with respect to the scope of negotiations (20.10(1)).

It shall be a prohibited practice for a public employer or the employer's designated representative willfully to:

a. Interfere with, restrain or coerce public employees in the exercise of rights granted by chapter 20.
b. Dominate or interfere in the administration of any employee organization.
c. Encourage or discourage membership in any employee organization, committee, or association by discrimination in hiring, tenure, or other terms or conditions of employment.
d. Discharge or discriminate against a public employee because the employee has filed an affidavit, petition or complaint or give any information or testimony under chapter 20, or because the employee has formed, joined or chosen to be represented by any employee organization.
e. Refuse to negotiate collectively with representatives of certified employee organizations as required in chapter 20.
f. Deny the rights accompanying certification or exclusive recognition granted in chapter 20.
g. Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in chapter 20.
h. Engage in a lockout (20.10(2)).

It shall be a prohibited practice for public employees or any employee organization or for any person, union, or organization or their agents willfully to:

a. Interfere with, restrain, coerce or harass any public employee with respect to any of the employee's rights under chapter 20 or in order to prevent or discourage the employee's exercise of any such right, including, without limitation, all rights under section 20.8.
b. Interfere, restrain, or coerce a public employer with respect to rights granted in chapter 20 or with respect to selecting a representative for the purposes of negotiating collectively on the adjustment of grievances.
c. Refuse to bargain collectively with a public employer as required in chapter 20
d. Refuse to participate in good faith in any agreed upon impasse procedures or those set forth in chapter 20.
e. Violate section 20.12 [prohibition of strikes].
f. Violate the provisions of sections 732.1 to 732.3, which are hereby made applicable to public employers, public employees and public employee organizations.
g. Picket in a manner which interferes with ingress or egress to the facilities of the public employer.
h. Engage in, initiate, sponsor or support any picketing that is performed in support of a strike, work stoppage, boycott or slowdown against a public employer.
i. Picket for any unlawful purpose (20.10(3)).

It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents or members thereof, to enter into any contract, agreement, arrangement, combination or conspiracy for the purpose of, by strikes or threats of strikes, by violence or threats of violence, by coercion, or by concerted refusal to make, manufacture, assemble, or use, handle, transport, deliver or other deal with any articles, products, or materials:

1. To force or require any person, firm or corporation to cease using, selling, handling, transporting or dealing in the goods or products of any other person, firm or corporation, or
2. To force or require any person, firm or corporation to cease selling, transporting, delivering good or products to any other person, firm or corporation, or
3. To force or require any employer other than their own employer to recognize, deal with, comply with the demands of, or employ members of any labor union, association, or organization, or
4. To force or require any employer to break an existing collective bargaining agreement which such employer may have with any labor union, association or organization (732.1).

It shall be unlawful for any labor union, association or organization, or the officers, representatives, agents, or a member or members thereof to carry out or attempt to carry out in this state any contract, agreement, arrangement, combination or conspiracy declared unlawful in section 732.1 (732.2).

It shall be unlawful for any labor union, group, association or organization, or the officers, representatives, agents or members thereof, to cause a stoppage or slowdown of the work or a part of the work of an employer because of a dispute between labor unions, groups, associations or organizations, or the officers, representatives, agents or members thereof, with respect to jurisdiction over, or the right to do the work or a part of the work of such employer (732.3).

The expressing of any views, argument or opinion, or the dissemination thereof, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of any unfair labor practice under any of the provisions of chapter 20, if such expression contains no treat of reprisal or force or promise of benefit (20.10(4)).

Access to Mailboxes

The board of directors of a school district shall provide not-for-profit, professional education associations that offer membership to teachers or administrators equal access to teacher or administrator mailboxes for distribution of professional literature (279.59).

Personnel Files and Privacy

Personnel Files

An employee shall have access to and shall be permitted to obtain a copy of the employee's personnel file maintained by the employee's employer including but not limited to performance evaluations, disciplinary records, and other information concerning employer-employee relations. However, an employee's access to a personnel file is subject to all of the following:

1. The employer and employee shall agree on the time the employee may have access to the employee's personnel file, and a representative of the employer may be present.
2. An employee shall not have access to employment references written for the employee.
3. An employer may charge a reasonable fee for each copy made by the employer for an employee of an item in the employee's personnel file. Reasonable fee means an amount equivalent to an amount charged per page for copies made by a commercial copying business (91B.1).

Privacy

In O'Connor v. Ortega (55 U.S.L.W. 4405) the U.S. Supreme Court established that the privacy rights of public employees extend to their offices but that employers can search desks and files without warrants under certain circumstances.

Iowa Gift Law

Iowa Code chapter 68B, Division II, and OAG #92-9-3, gives guidance for public officials and employees on prohibited acceptance of gifts.

It is the goal of the general assembly that public officials and public employees of the state be extremely cautious and circumspect about accepting a gratuity or favor, especially from persons that have a substantial interest in the legislative, administrative, or political actions of the official or employee. Even where there is a genuine personal friendship, the acceptance of personal benefits from those who could gain advantage by influencing official actions raises suspicions that tend to undermine the public trust. It is therefore the intent of the general assembly that the provisions of division II of chapter 68B be construed to discourage all gratuities, but to prohibit only those that create unacceptable conflicts of interest or appearances of impropriety (68B.21).

Except as otherwise provided in section 68B.22, a public official, public employee, or candidate, or that person's immediate family member shall not, directly or indirectly, accept or receive any gift or series of gifts from a restricted donor (68B.22).

A gift means a rendering of anything of value in return for which legal consideration of equal or greater value is not given and received (68B.2(9)).

An honorarium means anything of value that is accepted or given as consideration for an appearance, speech, or article (68B.2(10)).

A public official or public employee shall not seek or accept an honorarium from a restricted donor (68.23).

An official shall not, directly or indirectly, seek or accept a loan or series of loans from a person who is a lobbyist (68B.24(1)).

The term expenditure, not otherwise defined, should be given its ordinary meaning as a disbursement for the purpose of lobbying (OAG #92-9-3).

A gift is merely something transferred by one person to another without compensation regardless of the form and would include food and drink (OAG #87-1-13).

A discount on a computer purchase is not a gift prohibited by the gift law, if the purchase price constitutes legal consideration of equal or greater value than the computer products and the discount reflects a list price available to a particular segment of the public. Ultimately, determination of the market value of the computer products is an issue of fact. If the computer retailer is not a "restricted donor" within the scope of one of the four alternative categories set forth in the statute, the gift law does not apply and a discount could not violate the gift law (OAG #93-7-7(L)).

An AEA probably could not pay the costs for food and beverages of school district employees and school board members attending an AEA business meeting or the costs for lodging, food, and beverages of such persons attending an AEA sponsored educational conference, seminar, or workshop to the extent these costs exceed three dollars per person per day. An AEA could not waive the registration fees of school district employees or school board members attending an AEA sponsored educational conference, seminar, or workshop, absent an exception to the prohibition against gifts from restricted donors. The agenda of the

conference, seminar, or workshop and the existence of contractual relations between the AEA and a school district are factors that may affect these conclusions (OAG #96-4-4).

Employee Exchange Programs

Any department, agency, or instrumentality of the state, county city, municipality, land-grant college, or college or university operated by the state or any local government is authorized to participate in a program of interchange of employees with departments, agencies, or instrumentalities of the federal government, another state or locality, or other agencies, municipalities, or instrumentalities of this state as a sending or receiving agency (28D.3(1)).

If funds are appropriated by the general assembly, an Iowa teacher exchange program is established to permit school districts to exchange licenses instructional personnel with other districts in order to promote the exchange and enhancement of instructional methods and materials and encourage the educational development of Iowa's teachers (279.55).

Educational Excellence Funding

The purpose of chapter 294A is to promote excellence in education. In order to maintain and advance the educational excellence in the state of Iowa, chapter 294A establishes the Iowa educational excellence program. The program shall consist of three major phases addressing the following:

1. Phase I—The recruitment of quality teachers.
2. Phase II—The retention of quality teachers.
3. Phase III—The enhancement of the quality and effectiveness of teachers through the utilization of performance pay (294A.1).

An educational excellence fund is established in the office of treasurer of state to be administered by the department of education. Moneys appropriated by the general assembly for deposit in the fund shall be paid to school districts and AEAs pursuant to the requirements of chapter 294A and shall be expended only to pay for increases in the regular compensation of teachers and other salary increases for teachers, to pay the costs of the employer's share of federal social security and Iowa public employees' retirement system, or a pension and annuity retirement system established under chapter 294, payments on the salary increases, and to pay costs associated with providing specialized or general training. Moneys received by school districts and AEAs shall not be used for pay earned by a teacher for performance of additional noninstructional duties. If moneys are appropriated by the general assembly to the fund for distribution under this chapter the moneys shall be allocated by the department so that allocations of moneys for phase I and II are made prior to the allocation of moneys for phase III (294A.3).

The goal of phase I is to provide for establishment of pay plans incorporating sufficient annual compensation to attract quality teachers to Iowa's public school system (294A.4). As the salary bases increase, the Phase I dollars received by the district do not become excess to be distributed in addition to the increase in the salary schedule but are assumed to be included in the general increase in salaries (D.o.E. App. Dec. #42).

The goal of phase II is to keep Iowa's best educators in the profession and assist in their development by providing general salary increases (294A.8).

The goal of phase III is to enhance the quality, effectiveness, and performance of Iowa's teachers by promoting teacher excellence. This will be accomplished through the development of performance-based pay plans and supplemental pay plans requiring additional instructional work assignments which may include specialized training or differential training, or both. It is the intent of the general assembly that school districts and AEAs incorporate into their planning of performance-based pay plans and supplemental pay plans, implementation of recommendations from recently issued national and state reports relating to the requirements of the educational system for meeting future educational needs, especially as they relate to the preparation, working conditions, and responsibilities of teachers, including but not limited to assistance to new teachers, development of teachers as instructional leaders in their schools and school districts, using teachers for evaluation and diagnosis of other teachers' techniques, and the implementation of sabbatical leaves. It is also the intent of the general assembly that a performance-based pay plan and supplemental pay plan submitted by a district include a parent involvement policy designed to increase student achievement and self-esteem by bringing home and school into closer relationship and that provides methods by which parents and teachers may cooperate intelligently in the education of children. It is further the intent of the general assembly that real and fundamental change in the educational system must emerge from the school site if the education system is to remain relevant and that plans funded in this program must be an integral part of a comprehensive school district effort toward meeting identified district goals or needs (294A.12).

A school district ordinarily will include Phase I salary payments in a teacher's regular paycheck but under the terms of Iowa Code section 91A.3, by agreement between the school district and the teachers as a group or as individuals the schedule for distribution may be different (OAG #88-1-8(L)).

Student Achievement and Teacher Quality Program

A student achievement and teacher quality program is established to promote high student achievement. The program shall consist of the following four major elements:

1. Mentoring and induction programs that provide support for beginning teachers in accordance with section 284.5.
2. Career paths with compensation levels that strengthen Iowa's ability to recruit and retain teachers.
3. Professional development designed to directly support best teaching practices.
4. Team-based variable pay that provides additional compensation when student performance improves (284.1).

Staff Development

Each school district shall incorporate into its comprehensive school improvement plan provisions for the professional development of all staff. To meet the professional needs of all staff, staff development activities shall align with district goals; shall be based on student and staff information; shall prepare all employees to work effectively with diverse learners and to implement multicultural, gender fair approaches to the educational program; and shall emphasize the research-based practices to achieve increased student achievement, learning, and performance as stated in the comprehensive school improvement plan. The board shall annually budget specified funds to implement the staff development plan (IAC 281--12.7).

Required or recommended staff development includes, but is not limited to:

1. Investigator of alleged student abuse by employees training (IAC 281--102.5(4)).
2. Affirmative Action (IAC 281--95.4(5)).
3. Bus Driver's Training (321.376(2)).
4. Child Abuse (232.69(3)).
5. Educational Aides (IAC 281--12.4(8)).
6. Gifted and Talented (IAC 281--59.5(8)).
7. Human Growth and Development (279.50(2)).
8. Career Pathways Grant for Implementation of High-standard Curriculum (256.39).

Committees and Advisory Councils

All appointive boards, commissions, committees and councils of the state established by the Iowa Code if not otherwise provided by law shall be gender balanced (69.16A).

Required or recommended committees and advisory councils include, but are not limited to:

1. Family Support Program Advisory Committee (256A.5).
2. School Improvement Advisory Committee (280.12(2), IAC 281--12.2).
3. Advisory Council for Vocational Education (258.9).
4. Educational Excellence Phase III Committee (294A.15).
5. Family Resource Center Advisory Committee (256C.2).
6. Persons with Disabilities Parking Review Committee (321L.5).

APPENDIX A

IOWA SCHOOL FINANCE TERMINOLOGY

Definitions are taken from the Iowa Code and various publications of the Iowa Department of Education and the U.S. Department of Education. All official and legal citations and references should be taken from the Iowa Code only.

A-133 COMPLIANCE AUDIT. An audit of an agency receiving federal funding. This agency is called a subrecipient. The audit must be conducted by an independent auditor and be done in compliance with the Single Audit Act Amendments of 1996 and OMB Circular A-133. At a minimum, the audit must include an examination of the systems of internal control, systems established to ensure compliance with laws and regulations affecting the expenditure of federal funds, financial transactions and accounts, and financial statements and reports. An A-133 Compliance Audit is required as part of the annual audit of all Iowa school districts and area education agencies that expend at least $300,000 from federal awards.

ABATEMENT. A reduction in amount, usually referring to taxation.

ACCOUNT. A descriptive heading under which are recorded financial transactions that are similar in terms of a given frame of reference, such as function, object, or source.

ACCOUNTING. The procedure of maintaining systematic records of events relating to persons, objects, or money and summarizing, analyzing, and interpreting the results of such records.

ACCOUNTING RECORDS. The records kept of actual revenue and expenditures/expenses. These documents may be able to provide more detailed information on specific items than is published in the district's financial reports.

ACCRUAL BASIS. The basis of accounting under which most financial transactions are recorded when they occur regardless of when the cash is actually received or disbursed. Beginning July 1, 1996 all Iowa school districts and area education agencies are required to use this basis of accounting for all official financial reports pertaining to fiscal year 1997 and beyond.

ACTIVITY BASED BUDGETING. A technique to give management information to continuously improve performance and reduce costs. It is a continuous process involving strategic planning and value analysis. It identifies support costs and their relationship to products or outputs, and determines the best index to measure the activity rather than using a single cost accounting measure.

ACTIVITY FUND. See STUDENT ACTIVITY FUND.

AID AND LEVY WORKSHEET. A form prepared by the Department of Management to assist districts in determining their funding under the Iowa School Foundation Formula.

ADA. See AVERAGE DAILY ATTENDANCE.

ADM. See AVERAGE DAILY MEMBERSHIP.

ADOPTED BUDGET. The budget voted on and adopted by the local school board after publication and public hearing.

ADVANCE REFUNDING. See REFUNDING BONDS.

AEA. See AREA EDUCATION AGENCY.

AEA FLOW THROUGH. An amount determined by the Iowa School Foundation Formula which must be budgeted by the local school districts. This amount is withheld from the local district's state aid and is paid directly to the Area Education Agency.

AFFIDAVIT. A written or printed declaration or statement of facts, made voluntarily, and confirmed by the oath or affirmation of the party making it, taken before a person having authority to administer such oaths or affirmation. A person is guilty of perjury if in any official proceeding or on any official report, this person knowingly and willfully makes a false statement under oath or equivalent affirmation, including in an affidavit.

AGENCY FUNDS. Funds used to account for assets received and held as an agency for individuals, private organizations such as school foundations, and other governments. The school acts merely as a custodian of the assets and is not an owner.

ALLOWABLE GROWTH. The amount by which state cost per pupil and district cost per pupil will increase from one budget year to the next. Each year the amount is increased by a dollar amount which is the product of the allowable growth rate set by the legislature times the state cost per pupil from the prior budget year.

ANCILLARY SERVICES. Services to support the main educational program. Ancillary services include transportation services and food services.

ANTICIPATORY WARRANTS. Warrants issued in anticipation of collection of taxes, usually retireable only from tax collections, and frequently only from the tax collections anticipated with their issuance. The proceeds of tax anticipation notes or warrants are treated as current loans.

APPEALS BOARD. A board established by Iowa Code chapter 24 which includes the Director of the Department of Management, the Auditor of State, and the Treasurer of State. This board holds hearings on protests of municipal budgets such as schools and considers requests by municipalities such as schools to transfer money between funds.

APPORTIONMENT. The division or distribution of funds on the basis of a plan.

APPRAISAL. The act of making an estimate of value, particularly of the value of property, by systematic procedures that include physical examination, pricing, and often engineering estimates. Also, the value established by estimating.

APPROPRIATION. An authorization granted by the legislative body to make expenditures and to incur obligations for specific purposes.

ARBITRAGE. Transactions where securities are bought and sold in different markets at the same time for the purpose of profits arising from different prices in the two markets. Internal Revenue Service regulations govern arbitrage.

AREA EDUCATION AGENCY (AEA). Established by the Sixty-fifth General Assembly to replace county and joint county school systems effective July 1, 1975. The AEA receives funding through the local school district budget process to provide instructional services, media services and special education services to local school districts. An AEA is a school corporation.

ASBESTOS LEVY. A voted levy to provide an amount to fund an asbestos project. The proceeds must be accounted for in the General Fund. The levy may include a property tax and an income surtax.

ASSESSMENT. A compulsory levy made by a local government against certain properties to defray part or all of the cost of a special improvement or service which is presumed to be of general benefit to the public and of special benefit to the owners of such property.

ASSESSED VALUATION. The value of property determined on an annual basis by the county assessor for purposes of taxation.

ASSETS. An amount owned of items of value including all properties and claims against others which may be applied to cover liabilities.

AUDIT. The examination of records and documents and internal accounting systems and procedures for one or more of the following purposes: (a) determining the propriety of proposed or completed transactions, (b) ascertaining whether all transactions have been recorded, (c) determining whether transactions are accurately recorded in the accounts and in the statements drawn therefrom in accordance with Generally Accepted Accounting Principles (GAAP).

AUTHORIZED BUDGET. The maximum amount a district may expend from the General Fund for the budget year. The amount is the sum of the combined district cost plus the unspent balance from the prior budget year plus the actual miscellaneous income received during the budget year plus the instructional support program, educational improvement program, and the asbestos program. The authorized budget is also called the maximum spending authority.

AVERAGE DAILY ATTENDANCE (ADA). The aggregate days attendance of a given school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

AVERAGE DAILY MEMBERSHIP (ADM). The aggregate days membership of a school during a reporting period divided by the number of days school is in session during this period. Only days on which the pupils are under the guidance and direction of teachers should be considered as days in session.

BASE YEAR. The fiscal year prior to the budget year. This is the school year ending during the calendar year in which a budget is certified.

BALANCE SHEET. A formal statement showing the financial position of a fund or government as of a given date showing assets, liabilities, and fund balance or equity.

BASIC EDUCATION DATA SURVEY (BEDS). An annual data collection of staffing, student, curriculum, and accreditation information.

BASIS OF ACCOUNTING. The generally accepted accounting principle (GAAP) regarding the TIMING of recognition of revenues and expenditures/expenses.

BEGINNING BALANCE. The amount of money a district has on hand at the start of a fiscal year, consisting of dollars remaining at the end of the previous fiscal year. Balances are reported for each fund separately.

BID. The process which includes legal advertising and direct contact with appropriate vendors for goods or services based on specifications.

BOARD OF EDUCATION. The elected body which has been created according to state law and vested with the responsibilities for educational activities in a given geographical area.

BOARD SECRETARY. An executive position established by law and appointed annually by the board of education.

BOARD TREASURER. An executive position established by law and appointed annually by the board of education. The board secretary may also serve as the board treasurer.

BOND. A written promise, generally under seal, to pay a specified sum of money, called the face value, at a fixed time in the future, called the date of maturity, and carrying interest at a fixed rate, and payable as specified. The difference between a note and a bond is that the latter usually runs for a longer period of time and requires greater legal formality. See also REFUNDING BONDS, SURETY BONDS.

BONDED INDEBTEDNESS. The portion of the school system debt which is covered by outstanding bonds of the system.

BOOK VALUE. Value as shown by the books of account.

BUDGET. A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the proposed means of financing them.

BUDGET ADJUSTMENT. An adjustment to the regular program district cost of a school district for school districts in which the regular program district cost for a year would be less than the regular program district cost for the previous year.

BUDGET ENROLLMENT. The budget enrollment is the September certified enrollment count of the base year. The base year enrollment is used for the budget because the enrollment for the budget year has not yet been taken (September) at the time that the budget is certified (April).

BUDGET GUARANTEE. A minimum percentage set by the legislature of how much a district's regular program district cost will be compared to the prior budget year. In recent years, the legislature has set 100% or 101%.

BUDGET YEAR. The school year beginning during the calendar year in which a budget is certified. Budgets are certified in April of a calendar year with the school year beginning the following July 1.

BUDGETARY ACCOUNTS. Those accounts necessary to reflect budget operations and conditions, such as estimated revenues, appropriations, and encumbrances.

BUDGETARY CONTROL. The control or management of the business affairs of the school system in accordance with an approved budget with a view toward keeping expenditures within the authorized amounts.

CAPITAL PROJECT FUNDS. Funds used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

CASH BASIS. The basis of accounting under which revenues are recorded when the cash is received and expenditures/expenses are recorded when the cash is disbursed. For accounting and budgeting purposes, the State uses the term "non-GAAP basis" rather than "cash basis."

CASH RESERVE LEVY. A levy which a local school board may implement in order to provide cash to fund its maximum authorized budget and/or to provide cash flow. This levy does not increase the budget authority. This levy may be reduced by the School Budget Review Committee (SBRC).

CATEGORICAL AID. Educational support funds provided from a higher governmental level and specifically limited to a given purpose.

CERTIFIED ANNUAL REPORT (CAR). A report of financial and pupil data required by Iowa Code to be filed with the Department of Education by each school district and area education agency annually.

CERTIFIED BUDGET. A report showing the amount of taxes to be levied for each fund and/or program and the aggregate revenues and expenditures. This report is certified by the local board after holding a public hearing.

CERTIFIED ENROLLMENT. An annual report of counts of all resident students enrolled on the third Friday in September used for the Iowa School Finance Formula calculation, including supplemental weighting for shared programs, English as a Second Language, nonpublic shared time, open enrollment, home school assistance, and dual enrollment.

CERTIFYING BOARD. Any public body which has the power or duty to certify any tax to be levied or sum of money to be collected by taxation.

CHART OF ACCOUNTS. A list of all accounts generally used in an individual accounting system. In addition to account title, the chart includes an account number which has been assigned to each account. Accounts in the chart are arranged with accounts of a similar nature; for example, assets and liabilities.

CLEARING ACCOUNTS. Accounts used to accumulate total revenues or expenditures either for later distribution among the accounts to which such revenues or expenditures are properly allocable, or for recording the net differences under the proper account. Also called revolving accounts. Iowa school districts MAY NOT use clearing accounts.

CODING. A system of numbering, or otherwise designating, accounts, entries, invoices, vouchers, etc., in such a manner that the symbol used reveals quickly certain required information.

COMBINED DISTRICT COST PER PUPIL. An amount which is the sum of the regular program district cost per pupil for a year and the special education support services district cost per pupil for that year.

COMBINED STATE COST PER PUPIL. An amount which is the sum of the regular program state cost per pupil for a year and the special education support services state cost per pupil for that year.

CONSTANT DOLLARS. Dollar amounts that have been adjusted by means of price indexes to eliminate inflationary factors and allow direct comparisons across years. Also called real dollars.

CONSULTANT. A resource person who provides assistance to the regular personnel through conference, demonstration, research, or other means. A consultant may perform services under contract (purchased services) or may be an employee on the payroll of a state or area education agency.

COST ACCOUNTING. That method of accounting which provides for the assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operation, or to complete a unit of work or a specific job.

COST BENEFIT. Analyses which provide the means for comparing the resources to be allocated to a specific program with the results likely to be obtained from it; or, analyses which provide the means for comparing the results likely to be obtained from the allocation of certain resources toward the achievement of alternate or competing objectives.

COST EFFECTIVENESS. Analyses designed to measure the extent to which resources allocated to a specific objective under each of several alternatives actually contribute to accomplishing that objective so that different ways of gaining the objective may be compared.

CURRENT DOLLARS. Dollar amounts that have not been adjusted for inflation.

CURRENT EXPENDITURES PER PUPIL. An average amount expended per student served by a district. The calculation considers all public education, K-12, expenditures without debt service, capital outlay, community service, fiduciary or proprietary expenditures/expenses.

CURRICULUM BASED BUDGETING. See PROGRAM BUDGETING.

DEBT SERVICE FUND. A fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues from the Debt Service Levy certified by the board may be used to retire only bonded indebtedness authorized by the voters.

DEFEASANCE. The act of extinguishing debt based on provisions in the debt instrument even though the debt has not actually been paid. This term is used with refunding bonds.

DEFICIT. The excess of the obligations of a fund over the fund's resources.

DILLON RULE. Iowa school corporations operate under Dillon Rule which states that they possess and can exercise the following powers and no others: (1) Those granted in express words, (2) Those necessarily implied or necessarily incident to the powers expressly granted, and (3) Those absolutely essential to the declared objects and purposes of the school corporation--not simply convenient or desired, but indispensable. Interpretation of school laws may be done by the Iowa Attorney General's Office and the Iowa Department of Education. These Opinions or Rules, once given, have the effect of law on schools.

DISTRICT COST PER PUPIL. Local district costs per pupil were initially established in 1971-72 and recalculated in 1991-92. The figure is used to establish the combined district cost. Each year the amount is increased by a dollar amount which is the product of the allowable growth times the state cost per pupil. The district cost per pupil is also the Maximum Tuition Rate.

DOUBLE ENTRY. A system of accounting which requires that for every entry made to the debit side of an account or accounts an entry for the corresponding amount or amounts to the credit side of another account or accounts must be made.

EDUCATIONAL IMPROVEMENT PROGRAM LEVY. A voted levy to provide additional funding for a school district in which the regular program district cost per pupil for a budget year is 110% of the regular program state cost per pupil for the budget year or the district had adopted an enrichment levy of 15% prior to July 1, 1992, and which have approved the use of the instructional support program. The Educational Improvement Program may include a property tax and income surtax. The Educational Improvement Program must be accounted for in the General Fund.

ELIGIBLE ELECTOR. A person who possessed all of the qualifications necessary to entitle the person to be registered to vote, whether or not the person is in fact so registered.

ENCUMBRANCES. Purchase orders, contracts, and salaries or other commitments which are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when paid or when an actual liability is established.

ENDING BALANCE. The dollars remaining available to the district after all expenditures are made during a fiscal year. Balances are reported for each fund separately.

ENTERPRISE FUNDS. Funds used to account for operations which are financed and operated in a manner similar to private business. No taxes are levied for these funds.

ENTRY. The record of a financial transaction in its appropriate book of accounts. Also the act of recording a transaction in the books of account.

EQUIPMENT. An item which meets all of the following tests: (1) lasts more than one year, (2) would be repaired rather than replaced, (3) is an independent unit rather than being incorporated into another unit item, (4) the cost of tagging and inventory is a small percent of the item cost, and (5) the cost exceeds a minimum dollar value set by the local government unit, for example $300.

EQUITY. The mathematical excess of assets over liabilities. Generally this excess is called Fund Balance.

FACE VALUE. This term designates the amount of the liability stated in the security document.

FACILITY. A dimension in the Uniform Financial Accounting System which identifies the school building or cost center. This is mainly used for site-based management.

FEASIBILITY STUDY. A report of the financial practicality of a proposed activity or project. The report may include estimates of revenues and expenditures and a review of the operating or economic aspects of the proposal.

FIDELITY BOND. A bond guaranteeing the school district against losses resulting from the actions of the specified officers and employees of the district.

FIDUCIARY FUNDS. A classification category which includes both Trust Funds and Agency Funds. These funds are established when the entity handles assets in a trustee or agent capacity.

FINANCIAL ACCOUNTING. The recording and reporting of activities and events affecting the money of an administrative unit and its program. Specifically, it is concerned with (1) determining what accounting records are to be maintained, how they will be maintained, and the procedures, methods, and forms to be used; (2) recording, classifying, and summarizing activities or events; (3) analyzing and interpreting recorded data; and (4) preparing and initializing reports and statements which reflect conditions as of a given date, the results of operations for a specific period, and the evaluation of status and results of operation in terms of established objectives.

FISCAL PERIOD. Any period at the end of which a school district determines its financial condition and the results of its operations and closes its books. It is usually a year, though not necessarily a calendar year. The fiscal period for Iowa school districts is July 1 through the following June 30. The fiscal period for federal government is October 1 through the following September 30.

FIXED ASSETS. Long-lived tangible assets such as land, buildings, machinery, furniture, and other equipment which the school district intends to hold or continue in use over a long period of time. "Fixed" denotes probability or intent to continue use or possession, and does not indicate immobility of an asset.

FOUNDATION FORMULA. A system established in Iowa Code to determine the level of funding school districts shall receive from state aid, property taxes, and certain income surtaxes for the General Fund.

FUNCTION. A dimension in the Uniform Financial Accounting System structure which is used with expenditures/expenses in all funds. The function describes the activity for which a service or material object is acquired. The functions are classified into five broad areas: Instruction, Support Services, Operation of Non-Instructional Services, Facilities Acquisition and Construction Services, and Other Outlays.

FUND. An independent accounting entity with its own assets, liabilities, and fund balance. Generally, funds are established to account for financing of specific activities of an agency's operations.

FUND BALANCE. The excess of the assets of a fund over its liabilities.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). GAAP is a codified set of currently effective accounting and reporting standards and principles. These standards are adopted only after a lengthy process of public review. Governmental GAAP is established by the Governmental Accounting Standards Board (GASB). Iowa school districts and area education agencies are required by law to be in compliance with GAAP beginning with July 1, 1996.

GENERAL FIXED ASSETS ACCOUNT GROUP (GFAAG). A self-balancing group of accounts used to account for fixed assets of governmental funds of a governmental unit. This account group is eliminated with the implementation of GASB Statement 34, and fixed assets will be reported on the entity-wide financial statements.

GENERAL FUND. This fund must be established by all Iowa schools. All moneys received by a school corporation from taxes and other sources must be accounted for in the General Fund except moneys required by law to be accounted for in another fund.

GENERAL LONG-TERM DEBT ACCOUNT GROUP (GLTDAG). A self-balancing group of accounts used to account for general long-term debt of governmental funds of a governmental unit. This account group is eliminated with the implementation of GASB Statement 34, and long-term debt will be reported on the entity-wide financial statements.

GOVERNMENTAL FUNDS. A classification of funds which include the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Project Funds. The Permanent Funds, established with the implementation of GASB Statement 34 will be governmental funds.

GOVERNMENTAL ACCOUNTING STANDARDS BOARDS (GASB). A board established in 1984 to promulgate standards of financial accounting and reporting of activities and transactions of state and local governments.

IMPREST SYSTEM. A system for handling disbursements whereby a fixed amount of money is set aside for a particular purpose. Disbursements are made from time to time as needed. At certain intervals, a report is rendered of the amount disbursed, and the cash is replenished for the amount of the disbursements, ordinarily by check drawn on the fund or funds from which the items are payable. The total of cash plus unreplenished disbursements must always equal the fixed sum of cash set aside. Petty cash funds are handled on an imprest system.

INDIRECT COSTS. Those elements of cost necessary in the provision of a service which are of such a nature that they cannot be readily or accurately identified with the specific service.

INSTRUCTIONAL SUPPORT PROGRAM LEVY. A school district may establish an Instructional Support Program to provide additional funding. The board may adopt a resolution for a period not exceeding five years without a public vote, unless it receives a proper petition to submit the question to a vote. The public may vote for the Program for a period not exceeding ten years. The Instructional Support Program may be funded by all property tax or a combination of property tax and income surtax. The Instructional Support Program must be accounted for in the General Fund.

INTERFUND LOANS. Money which is taken temporarily from one fund under the control of the board of education and added to another fund under the board's control. Interfund loans and temporary transfers are not revenues or expenditures of the funds or of the school district.

INTERFUND TRANSFERS. Permanent transfers of assets, usually cash, from one fund to another fund.

INTRAFUND TRANSFERS. Permanent transfers from one account to another account within the same fund.

INTERNAL AUDITING. Activities involved with evaluating the adequacy of the internal control system; verifying and safeguarding assets; reviewing the reliability of the accounting and reporting system; and ascertaining compliance with established policies and procedures.

INTERNAL CONTROL. A plan of organization under which employee's duties are so arranged and records and procedures so designed as to make it possible to exercise effective accounting control over assets, liabilities, revenues, and expenditures. For example, under such a system, the employee's work is subdivided so that no one employee performs a complete cycle of operations. For instance, an employee handling cash would not post the accounts receivable records. Again, under such a system, the procedures to be followed are definitely established and such procedures call for proper authorizations by designated officials for all actions to be taken.

INTERNAL SERVICE FUNDS. Funds used to account for the provision of goods or services by one department or fund to other departments or funds of the governmental unit on a cost-reimbursement basis.

INVENTORY. A detailed list or record showing quantities, descriptions, values, and frequently, units of measure and unit prices of property or supplies on hand at a given time.

INVOICE. An itemized list of merchandise purchased from a particular vendor. The list includes such information as quantity, description, price, terms, and date.

LEA. See LOCAL EDUCATION AGENCY.

LEASE, CAPITAL. Leases agreements in which title passes or is expected to pass at some later date or in which there exists the ability for the lessee to purchase at less than fair market value. Lease-purchases are capital leases.

LEASE, OPERATING. Written rental agreement in which title does not pass, nor is intended to pass, to the lessee.

LEVY. The total of taxes or special assessments imposed by a governmental unit. Also the act of imposing taxes or special assessment.

LEVYING BOARD. The board of supervisors of the county and any other public body or corporation that has the power to levy a tax.

LIABILITIES. Debt or other legal obligations arising out of transactions in the past which are payable but not necessarily due. An encumbrance is not a liability; it becomes a liability when the services or materials for which the encumbrance was established have been rendered or received.

LIBRARY LEVY FUND. A fund created to deposit and expend money related to providing a community library. The Library Levy Fund is a Special Revenue Fund.

LINE-ITEM BUDGET. The standard format for presenting financial plans used in most public school districts. This budget provides figures on a districtwide basis at the chart of account level, including an estimated beginning balance, expected revenues listed by source, planned expenditures listed by function, program, project, and object, and a resulting ending balance. A line-item budget is a managerial device and is not required by law. See PROGRAM BUDGET.

LOCAL EDUCATION AGENCY (LEA). An educational agency at the local level which exists primarily to operate schools or to contract for educational services. Taxes may be levied by such publicly-operated agencies for school purposes. Also called a school district. An LEA is a school corporation.

MANAGEMENT LEVY FUND. A fund created to deposit and expend money from a levy certified by the board of directors for the purpose of liability insurance, unemployment, early retirement incentives, and judgments. The Management Levy Fund is a Special Revenue Fund.

MANAGEMENT INFORMATION SYSTEM (MIS). A network of information that acquires, retrieves, and redistributes data used in managing the educational process and in supporting the individual and collective decisionmaking process.

MAXIMUM AUTHORIZED BUDGET. The amount that expenditures in a local school district cannot exceed.

MAXIMUM TUITION RATE. See DISTRICT COST PER PUPIL.

MEMORANDA ACCOUNT. An informal record of a school district transaction that cannot be recorded under the regular financial accounts but for which a record is desired.

MILL. A rate used in calculating property taxes expressed in units of one-tenth of one cent or 0.001 of one dollar. Instead of reporting tax levies in terms of millage, Iowa reports tax levies in terms of cents per thousand dollars.

MISCELLANEOUS INCOME. All revenues and receipts deposited to the General Fund but not including state foundation aid, foundation property tax, or additional property tax generated through the foundation formula.

MODIFIED ACCRUAL ACCOUNTING. Accrual accounting for governmental funds is called Modified Accrual Accounting. The main difference between accrual accounting for commercial accounting and proprietary funds and modified accrual accounting for governmental funds is the accounting measurement objectives.

MUNICIPALITY. Generally includes a township, city, county, or school corporation. Iowa Code defines municipality differently for different chapters.

NONGAAP BASIS. See CASH BASIS.

NONPUBLIC SCHOOL. A school established by an individual, institution, or agency other than the state, subdivisions of the state, or the federal government, which usually is supported primarily by other than public funds, and the operation of whose program rests with other than publicly elected or appointed officials.

NONRESIDENT STUDENT. A student whose legal residence is outside the geographic area served by a specified school district.

OBJECT. A dimension used in the Uniform Financial Accounting System for expenditures. The object is the service or commodity bought. Objects include salary, employee benefits, purchased services, supplies, property, other objects, and other uses of funds.

OBLIGATIONS. Amounts which the school system will be required to meet out of its resources, including both liabilities and encumbrances.

OPERATIONAL AUDIT. A systematic identification of ways to improve efficiency and effectiveness. Also called a performance audit. An operational audit is recommended, but not required.

PERFORMANCE AUDIT. See OPERATIONAL AUDIT.

PERMANENT FUNDS. Trust funds where the interest earned, but not the principal, may be used for purposes that support the district’s program.

PETTY CASH. A small sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and check would be too expensive and time-consuming. Iowa schools must use an imprest system for any petty cash funds they establish. See IMPREST SYSTEM.

PHYSICAL PLANT AND EQUIPMENT LEVY FUND (PPEL). A fund created to deposit and expend money from a levy certified by the board of directors and/or a voter-approved levy. The voter-approved levy may be all property tax or a combination of property tax and income surtax. The PPEL fund is a special revenue fund limited to expenditures for facilities, grounds, and certain equipment.

POSTING. The act of transferring to an account in a ledger the detailed or summarized data contained in the cash receipts book, check register, journal voucher, or similar books or documents of original entry.

PRIVATE-PURPOSE TRUST FUND. Trust funds where the principal and interest earned may be used for purposes that benefit individuals, private organizations, or other governments rather than the district.

PROGRAM. A dimension used in the Uniform Financial Accounting system for classifying expenditures. The program is a plan of activities and procedures designed to accomplish a predetermined objective or set of allied objectives.

PROGRAM BUDGET. A technique in which expenditure plans are formulated and resources appropriated on the basis of the expected services to be performed by organizational units. Line-items are organized by functions or programs and may also be organized by facilities. See LINE-ITEM BUDGET.

PROJECT. A dimension used in the Uniform Financial Accounting System for classifying revenues, expenditures, and balance sheet accounts. The project dimension permits the accumulation of expenditures to meet a variety of specialized reporting requirements at the local, state, and federal levels.

PROPOSED BUDGET. The budget recommended based on a process of administrative planning.

PROPRIETARY FUNDS. Funds which account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the entity is that the costs of providing the goods or services be financed primarily through user charges or where a periodic determination of revenues, expense and net income is appropriate. Proprietary fund types include the School Nutrition Fund, the Day Care Fund, and Internal Service Funds.

PUBLIC EDUCATION AND RECREATION LEVY FUND (PERL). A fund created to deposit and expend money from a levy authorized by the voters. The PERL fund is a special revenue fund limited to expenditures for playgrounds and community education.

PUBLIC IMPROVEMENT. A building or other construction work to be paid for in whole or in part by the use of funds of any municipality.

PUBLIC MEASURE. Any question authorized or required by law to be submitted to the voters at an election.

PUBLIC SCHOOL. Any school directly supported in whole or in part by taxation.

PUPIL ACCOUNTING. A system for collecting, computing, and reporting information about pupils.

PURCHASE ORDER. A document which authorized the delivery of specified merchandise or the rendering of certain services and the making of a charge for them.

QUALIFIED ELECTOR: See REGISTERED VOTER.

REGIONAL ACADEMY. An educational institution established by a school district to which multiple other school districts send pupils in grades seven through twelve and which includes advanced-level courses. In addition to the advanced-level courses, the curriculum of the academy may include a virtual academy and vocational-technical programs.

REGISTERED VOTER. A person who is registered to vote.

RECONSTRUCTING. Rebuilding or restoring as an entity a thing which was lost or destroyed.

REFUNDING BONDS. Bonds issued to retire bonds already outstanding; usually issued at a lower interest rate.

REGULAR ELECTION. See SCHOOL ELECTION.

REQUISITION. A written request to a purchasing officer for specified articles or services. It is a request from one school employee to another school employee, whereas a purchase order is from a school official to a vendor.

REPAIRING. Restoring an existing structure or thing to its original condition, as near as may be, after decay, waste, injury, or partial destruction, but does not include maintenance.

RESERVE. An amount of fund balance set aside for some specified legal purpose.

RESIDENT PUPIL. A child who is physically present in a district, whose residence has not been established in another district by operation of law, and who meets any of the following conditions: (1) is in the district for the purpose of making a home and not solely for school purposes, (2) meets the definitional requirements of the term "homeless individual" under federal law, or (3) lives in a juvenile detention center, foster care facility, or residential facility in the district.

SCHOOL BASED BUDGET. A budget format presenting the expenditures to be made by an individual school. This is an alternative to the traditional line-item budget. See LINE-ITEM BUDGET.

SCHOOL BOARD. A board of school directors regularly elected by the registered voters of a school corporation.

SCHOOL BUDGET REVIEW COMMITTEE (SBRC). A committee established by Iowa Code chapter 257 and appointed by the Iowa Governor with the Director of the Department of Education as the Chair, the Director of the Department of Management as the Secretary, and three lay members. This committee reviews school budgets and hears requests from school districts for additional allowable budget growth.

SCHOOL DISTRICT. See LOCAL EDUCATION AGENCY.

SCHOOL ELECTION. The election held annually on the second Tuesday in September in each school district for the election of officers of the district and merged area and for the purpose of submitting to the voters any matter authorized by law.

SCHOOLHOUSE 67.5 CENT LEVY FUND. A fund created to deposit and expend money from a levy authorized by the voters. Although districts may continue to levy this fund for the number of years authorized by the voters, the opportunity to seek any new or renewed levy has expired. The schoolhouse 67.5 Cent Levy Fund is a special revenue fund limited to expenditures for facilities and grounds.

SCHOOL NUTRITION FUND. A fund created to deposit and expend money related to the operation of the school nutrition program. No taxes are levied for this fund. The School Nutrition Fund is an Enterprise Fund.

SECRETARY'S BALANCE. A budget term referring to the General Fund unexpended ending fund balance on the budget basis.

SOURCE. A dimension of the Uniform Financial Accounting System for revenues to differentiate local, intermediate, state and federal sources of funding.

SPECIAL ELECTION. Any election other than the school election held for any purpose authorized or required by law. Some special elections may be held in conjunction with the regular school election.

SPECIAL REVENUE FUNDS. Funds which are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. Special Revenue Funds include the Student Activity Fund, the Management Levy Fund, the Physical Plant and Equipment Levy Fund, the Public Education and Recreation Levy Fund, the 67.5 Cent Schoolhouse Levy Fund, and the Library Levy Fund.

SPECIAL REVENUE TRUST FUNDS. Trust funds where the principal and interest may be used for purposes that support the district's programs.

STAFF ACCOUNTING. Pertains to services rendered in connection with the systematic recording, filing, and storing of information related to staff members employed by the school system.

STAMPED WARRANTS. A warrant which is registered by the paying officer for future payment on account due to present lack of funds, and which is to be paid in the order of its registration.

STATE COST PER PUPIL. The state cost per pupil was initially established in 1971-72 and recalculated in 1990-91. The figure is used to established the combined state district cost and to establish the district cost per pupil. Each year a dollar amount

is determined which is the product of the allowable growth rate set by the legislature times the state cost per pupil. This dollar amount is added to the cost per pupil of the prior year.

STUDENT ACTIVITY FUND. A fund created to deposit and expend money related to district sponsored and supervised co-curricular activities for students. No taxes are levied for this fund. The Student Activity Fund is a Special Revenue Fund.

STRATEGIC BUDGETING. A goal-oriented process for developing a resource allocation plan.

SUBSIDIARY ACCOUNTS. Related accounts which support in detail the summaries recorded in a controlling account.

SUPPLEMENTARY WEIGHTING. Additional funds for districts which send resident pupils to another school district or community college for classes, jointly employ and share the services of teachers, or use the services of a teacher employed by another school district. Also for a district that establishes and hosts a regional academy of advanced-level curriculum to which multiple other districts send students.

SURETY BOND. A written promise to pay damages or to indemnify against losses caused by the party or parties named in the document, through nonperformance or through defalcation; for example, a surety bond given by a contractor or by an official handling cash or securities.

SURTAX. A tax applied to individual income taxes to generate additional funds for local school districts.

TAXES. Compulsory charges levied by a governmental unit for the purpose of financing services performed for the common benefit. The term includes licenses, permits and surtaxes. It does not include special assessments.

TAX INCREMENT FINANCING (TIF). Financing secured by the incremental property tax revenues generated from a development project. The project area is designated and its property tax base frozen. Revenues from the incremental growth of the property base are used to provide additional funds for further development or for debt service on financing issued for development purposes.

TEXTBOOKS. Books and loose-leaf or bound manuals, and systems of reusable instructional materials or combinations of books and supplementary instructional materials which convey information to the student or otherwise contribute to the learning process, or electronic textbooks, including but not limited to software, applications using computer-assisted instruction, interactive videodisc, and other computer courseware and magnetic media.

TRIAL BALANCE. A list of the balances of the accounts in a ledger kept by double entry, with the debit and credit balances shown in separate columns. If the totals of the debit and credit columns are equal or their net balance agrees with a controlling account, the ledger from which the figures are taken is said to be “in balance.”

TRUST FUNDS. Trust funds are used to account for assets held in a trustee capacity by the school district. These include expendable trust funds, nonexpendable trust funds and pension trust funds. Expendable trust funds are used to account for trusts where both principal and earnings on principal may be expended for the trust’s intended purpose. Nonexpendable trust funds are used to account for trusts where the earnings on principal, but not the principal, may be expended. Expendable trust funds will be eliminated with the implementation of GASB Statement 34 and will be reclassified as either special revenue trust funds or private-purpose trust funds. Nonexpendable trust funds will be eliminated with the implementation of GASB Statement 34 and will be reclassified as either permanent funds or private-purpose trust funds.

TUITION. An amount of money charged by a school district or educational institution for instruction for a set period of time.

UNENCUMBERED. That portion of an appropriation, or allotment, or fund balance which has not yet been expended or encumbered; the balance remaining after deducting the accumulated expenditures and outstanding encumbrances.

UNEXPENDED. That portion of an appropriation, or allotment, or fund balance which has not yet been expended; the balance remaining after deducting the accumulated expenditures.

UNIFORM FINANCIAL ACCOUNTING. A system of accounting for financial activity and transactions which is required of all school districts and area education agencies. The system is a management information system (MIS) and is based on the Handbook II, Revised 1990, published by the National Center for Education Statistics at the U.S. Department of Education.

UNSPENT BALANCE. The unspent balance is the difference between the district’s maximum authorized spending authority and its actual expenditures for a year in the General Fund. The unspent balance from the prior fiscal year is added to the district’s combined budget and can be spent the following year. An unspent balance represents spending authorization under the Iowa school finance formula and might not be backed by sufficient cash.

VOUCHER. A document which authorizes the payment of money and usually indicates the accounts to be charged.

WARRANT. A written order drawn by the school board or its authorized officer directing the school district treasurer to pay a specified amount to a designated payee.

WEIGHTED ENROLLMENT. The budget enrollment plus an additional amount for the costs of providing special education services to identified students.

WHOLE-GRADE SHARING. A procedure used by school districts whereby all or a substantial portion of the pupils in any grade in two or more school districts share an educational program for all or a substantial portion of a school day under a written agreement. Whole grade sharing may be one-way or two-way sharing.

ZERO-BASED BUDGETING. A technique which prepares several service level alternatives based on funding levels for both existing and new program initiatives. Resources are appropriated to the various programs based on the priority of these alternatives. It involves justification of each item in the entire budget during each budgeting cycle as well as consideration of the consequences of not funding a specific program.

APPENDIX B

REPRODUCIBLE FORMS

AEA Number 92_____
Juvenile Home Facility Request for an Educational Program

TO BE COMPLETED BY JUVENILE HOME:

Iowa Code section 282.30(1) provides that, "An area education agency shall provide or make provision for an appropriate educational program for each child living in the following types of facilities located within its boundaries: (1) An approved or licensed shelter care home, as defined in section 232.2, subsection 34. (2) An approved juvenile detention home, as defined in section 232.2, subsection 32." "An area education agency shall not provide educational services to a facility…unless the facility makes a request for educational services to the area education agency by either of the following dates: (1) December 1 of the school year prior to the beginning of the school year for which the services are being requested or (2) Ninety days prior to the beginning of the time for which the services are being requested if the facility is a newly established facility." A juvenile home can only have an education program if that educational program is provided by the AEA pursuant to this section.

1. Name of Juvenile Home_____

   Address of Home _____

   Telephone Number_____

2. Type of Home (check one):
   _____Juvenile Detention Home -- Iowa Code Section 232.2(32)
   _____Juvenile Shelter Home -- Iowa Code Section 232.2(34)

   Date of Approval or License_____

   Capacity_____

3. Program requested for_____ school year.

   Program to begin on_____

4. Name of AEA_____

   Address of AEA_____
   _____
   _____

5. Date filed with AEA_____

6. Additional information that may assist the AEA in developing the educational program. (Use other side of page.)

_____	_____	_____
Signature (Juvenile Home Official)	Position	Date

Statement of Candidacy
For Election to the
Area Education Agency Board of Directors

Area Education Agency Number 92 __ __
Director District Number __

Director Qualifications: The member of the area education agency board to be elected at the director district convention may be a member of a local school district board of directors and shall be an elector and a resident of the director district, other than school district employees (273.8). A member of an area education agency board shall not serve on the board of directors of a merged area (206C.11).

I, _____, residing at
name

_____, _____,
street address town

Iowa __ __ __ __ __ - __ __ __ ,
zip code

swear or affirm that I am a qualified candidate to serve on an area education board of directors and am an elector and resident of the _____ School District and an elector and resident of the Director District Number.

_____
Signature

State of Iowa

County of _____

Subscribed and sworn to (or affirmed) before me on _____, 200 __
date

by _____.
name

_____
signature of notarial officer
Notarial number _____
My commission expires _____

A candidate for election to the area education agency board shall file a statement of candidacy with the area education agency secretary at least ten (10) days prior to the date of the director district convention. The statement of candidacy shall include the candidate's name, address, and school district (273.8(2)).

Certificate of Resolution

Area Education Agency Number 92 __ __
Director District Number __

The Code does not prescribe a procedure if any board has less than a quorum in attendance at the director district convention in order to cast a ballot for director. This certified resolution is suggested.

We, the undersigned officers of the Board of Directors of the _____

School District, certify that the board adopted a resolution at a board meeting on

_____, 200 __, appointing _____
date name

to serve as our delegate to the above named Director District Convention and Area Education

Agency, and appointing _____ to serve as an
name

alternate delegate, both members of the board; the delegate to have full authority to cast the

weighted vote for the district director on behalf of our School Board. Certified this

_____ day of _____, 200 __.

_____
Signature, President, Board of Directors

_____
Signature, Secretary, Board of Directors

Sample Ballot

Area Education Agency Number 92 __ __
Director District Number __

I, _____, being authorized by the
name

_____ School District Board of Directors

of which I am a member, hereby cast the weighted vote of that board for

_____ as director of the above named
name of candidate

director district and Area Education Agency, on this ____ day of _____, 200 __.

_____
signature of board member

_____
position on the board

For Use by the Canvass Committee

Weighted Vote _____

Certificate of Election

Area Education Agency Number 92 __ __
Director District __ Convention

We the undersigned appointed officials of the Director District Convention in the director district and Area Education Agency named above, certify that

_____, a resident of the
name

_____ School District and an elector and resident of the Director District, received a plurality of the votes cast at the Director District Convention held on _____, 200 __, at _____ o'clock, at a location in
date time

the _____ School District. Certified on this _____ day of _____, 200 __.

_____
Signature, Chair, Director District Convention

_____
Signature, Secretary, Director District Convention

REORGANIZATION OBJECTION PROCESS

The purpose of this publication is to familiarize the Area Education Agency and citizens of districts involved in a reorganization about the objection process.

Summary of Duties of the AEA for the Objection Process

In order to better understand the objection process, it is helpful to be able to fit the objection process into the petition method of reorganization procedures.

1. The petition, signed by twenty percent of the qualified electors, or four hundred electors, (whichever is the smaller number) is presented to the area education agency (AEA) administrator. Iowa Code section 275.12
2. Within 10 days after the petition is filed the AEA administrator sets a final date for filing objections, and that date may be no more than sixty days after the petition is filed. Objections Iowa Code section 275.14
   - Objections shall be filed in the office of the AEA administrator.
   - Objections shall be filed not later than twelve o'clock noon of the final day fixed for filing objections. This date is published in a newspaper, published within the territory described in the petition, as required by the Code.
   - Objections shall be in writing on the prescribed forms and shall be notarized.
   - Objections "...may be made by any person residing or owning land within the territory described in the petition, or who would be injuriously affected by the change petitioned for..."
   - There are two types of objection forms, and individuals may complete and file both types if appropriate.
     - i) Form #1 is to be filed by individuals requesting that the petition be dismissed and that no election on the proposed petition be held.
     - ii) Form #2 is to be filed by individuals objecting to the boundary line description presented in the reorganization petition. In most cases the objector is requesting the AEA board to set specific territory out of a reorganization proposal for later inclusion in another school district. Individuals should file this form if they approve of the reorganization proposal, but want the property to be in another district if the reorganization election passes; or, individuals may file this form if they disapprove of the reorganization proposal, but want the property to be in another district if the reorganization election passes. If the petition does not include all territory of an existing district, this form may be used for territory that was excluded from the petition.
3. The administrator sets a date for a hearing, and that date may be no more than ten days after the final date for filing objections. Iowa Code section 275.15
4. At the hearing, interested parties, both petitioners and objectors, may present evidence and arguments to the area education agency board.. Iowa Code section 275.15
5. Within ten days of the hearing, the AEA board shall:
   a. Dismiss petition
   b. Bring the petition as presented to an election
   c. Modify the petition, which usually involves redrawing the boundary lines, and then bring the modified petition to an election.

   Iowa Code section 275.15
6. The board may continue the hearing for up to thirty days. Additional objections may be filed within five days of the original hearing. Iowa Code section 275.15
7. If the AEA board approves the petition for an election or modifies the petition and approves it for an election. The AEA administrator shall give written notice of the proposed date of the election to the county commissioner of the proposed school corporation which has the greatest taxable base. Iowa Code section 275.18 The special reorganization election must receive a majority yes vote in each district in order to pass. Iowa Code section 275.18 and 275.23A
8. If a successful election is held prior to November 30, the reorganization is effective the following July 1. The boards of the affected districts shall notify the Department of Education on or before January 1 of the successful election.

AFFIDAVIT OF OBJECTION TO REORGANIZATION
REQUEST FOR DISMISSAL OF PETITION (Form 1)

Type or print

I , _____, (_____)_____, residing at
name of objector home phone number

_____, _____, _____ _____,
street address town state zipcode

object to the reorganization of the following school districts (List all districts included in the petition):

Answer each item:

1. Resident of a district named in petition? _____Yes _____ No
   If yes, name of district:
2. Own property in a district named in petition? _____ Yes _____ No
   If yes, name of district:
3. Have children of school ages (grades K-12) or younger who reside in a district named in petition?
   _____ Yes _____ No
   If yes, provide the following information:

Child's Name	Age	Name of School District/Nonpublic School of Attendance (if any)	Grade

4. I am requesting the area education agency board to dismiss the petition (Check only one).
   _____ a. I oppose any reorganization election.
   _____ b. I am in favor of a reorganization election with the following district(s):

   _____ c. I want a dissolution commission to be formed.

5. I am requesting dismissal of the petition for the following reasons: IMPORTANT -- The purpose of this form is to collect evidence. Therefore, in order to place the maximum value on each objection form, it is expected that objectors individually complete this portion of the form and not copy a list of reasons supplied in the form of a group petition. (Attach additional pages if necessary).

_____
Signature

State of Iowa

County of _____

Subscribed and sworn to (or affirmed) before me on _____, 200 __
date

by _____.
name

_____
signature of notarial officer
Notarial number _____
My commission expires _____

AFFIDAVIT OF OBJECTION TO REORGANIZATION
REQUEST FOR BOUNDARY LINE CHANGE (Form 2)

Type or print

I , _____, (_____)_____, residing at
name of objector — home phone number

_____, _____, _____ _____,
street address — town — state — zipcode

object to the reorganization of the following school districts (List all districts included in the petition):

Answer each item:

1. Have children of school ages (grades K-12) or younger who reside in a district named in petition?
   _____ Yes _____ No
   If yes, provide the following information:

Child's Name	Age	Name of School District/Nonpublic School of Attendance (if any)	Grade

2. I am requesting that the area education agency board remove the following property from the proposed school district, or change the described boundary line as follows. A single parcel of territory may be divided on the objection form if only a portion of the whole is requested to be excluded from the proposed school district. **IMPORTANT** The Code of Iowa requires the correct legal description. Please copy the legal description from the deed or abstract of the property. It may be necessary to obtain the assistance of an attorney. Objectors may include more than one parcel of territory on the objection form.
   Example (City Property) Lot 11 of ABC Estate, Plat 9, an official plat now included in and forming a part of the city of XYZ, Iowa."
   Example (Rural Property) "The South One-half (S 1/2) of the Northwest Quarter (NW 1/4) of Section Thirty-three (33), Township Ninety-nine (99) North, Range Thirty-nine (39) West of the 5th P.M., MNOP County, Iowa."

   a. I reside on above described territory. _____ yes _____ no
   b. I own above described territory. _____ yes _____ no
   c. I prefer the above described territory to be in the following school district. (It is important to note the preferred district on the form. If a request is being made for multiple or non-adjacent parcels to be assigned to more than one contiguous school district, it may be necessary to complete more than one objection form.)

3. I am requesting a boundary line change for the following reasons. (Provide adequate detail. Attach additional pages if necessary).

_____
Signature

State of Iowa
County of _____

Subscribed and sworn to (or affirmed) before me on _____, 200 __
date

by _____.
name

_____
signature of notarial officer
Notarial number _____
My commission expires _____

APPENDIX C

WEB ADDRESSES FOR GOVERNMENTAL RESOURCES

A

AccuWeather	http://www1.accuweather.com/adcbin/index?partner=accuweather
ADA Information	http://www.usdoj.gov/crt/ada/adahom1.htm
American Association of School Administrators	http://www.aasa.org/
American Bar Association (homepage)	http://www.abanet.org/home.html
American Bar Association (law links)	http://www.abanet.org/lawlink/home.html
American Bar Association (tax links)	http://www.abanet.org/tax/sites.html
American Education Finance Association	http://www.ed.sc.edu/aefa
American Education Research Association	http://www.aera.net/
American Educational Research Association (fiscal issues)	http://www.ed.sc.edu/drt/fiscalsig/
American Federation of Teachers (AFT)	http://www.aft.org/
American Institute of Certified Public Accountants	http://www.aicpa.org/index.htm
American Institutes for Research	http://www.air.org/
American School Board Journal	http://www.asbj.com/
American Stock Exchange	http://www.amex.com/
Association of Government Accountants	http://www.agacgfm.org/
Association of School Business Officials (ASBO)	http://www.asbointl.org/
AuditNet	http://www.auditnet.org/

B

BanxQuote	http://www.banx.com/
Board of Governors of the Federal Reserve System	http://www.federalreserve.gov/
Bond Market Trade Association	http://www.bondmarkets.com/
Bonds On-line	http://www.bondsonline.com
Bureau of Economic Analysis (Dept of Commerce)	http://www.bea.gov
Bureau of Labor Statistics	http://stats.bls.gov/

C

Catalog of Federal Domestic Assistance	http://www.cfda.gov/
Civil Right's Commission (Iowa)	http://www.state.ia.us/government/crc/
Code of Federal Regulations	http://www.access.gpo.gov/nara/cfr
Code of Iowa (multiple versions)	http://www.legis.state.ia.us/IALaw.html
Consortium for Policy Research in Education	http://www.gse.upenn.edu/cpre/
Consumer Project Safety Commission	http://www.cpsc.gov
Cornell Law Library, Legal Information Institute	http://www.law.cornell.edu/
Council of Educational Facility Planners International	http://www.cefpi.com
Council of State Governments	http://www.csg.org
CPAnet	http://www.cpalinks.com/index.asp

D

Davis-Bacon Act (wage determinations)	http://davisbacon.fedworld.gov/
Department of Education (site map for all states)	http://www.ccsso.org/seamenu.html
Department of Labor	http://www.dol.gov/
Doppler Radar, Stormtrac, KGAN	http://www.kgan.com
Drug Free Workplace	http://www.whitehousedrugpolicy.gov/prevent/workplace/

E

Education Commission of the States	http://www.ecs.org/
Education Week (online newspaper)	http://www.edweek.org/
Educational Resources Information Center (ERIC)	http://www.eric.ed.gov

Educational Research Service	http://www.ers.org
Educational Testing Service	http://www.ets.org/
Electronic Municipal Statistics	http://www.emuni.com/nav/os.html
Electronic School (technology in school)	http://www.electronic-school.com/
Environmental Protection Agency	http://www.epa.gov/

F

Fair Labor Standards Act	http://www.dol.gov/elaws/flsa.htm
Family and Medical Leave Act (FMLA)	http://www.dol.gov/dol/esa/fmla.htm
Federal Emergency Management Agency	http://www.fema.gov/
Federal Register online via GPO	http://www.access.gpo.gov/su_docs/aces/aces140.html
Federal Reserve Board	http://www.federalreserve.gov/
FedWorld (Dept of Commerce web site)	http://www.fedworld.gov
Finance Project	http://www.financeproject.org/
Fine: First in the Nation in Education	http://www.iptv.org/FINE
Fitch Investors Services L.P.	http://www.fitchinv.com/

G

General Accounting Office (GAO)	http://www.gao.gov/
Georgetown University Law Center	http://www.law.georgetown.edu
Government Auditing Standards (the Yellow Book)	http://www.gao.gov/govaud/ybk01.htm
Government Finance Officers Association (GFOA)	http://www.gfoa.org/
Government Information (search by department and subject)	http://www.library.vanderbilt.edu/romans/gvtmain.html
Government Printing Office	http://www.access.gpo.gov/
Governmental Accounting Standards Board (GASB homepage)	http://accounting.rutgers.edu/raw/gasb/
Guidebook of Financial tools (debt reference)	http://www.epa.gov/efinpage/guidbk98/gbk2a.htm

H

Heritage Foundation	http://www.heritage.org/

I

Indiana Education Policy Center	http://www.indiana.edu/~iepc/
Inspector General's Office	http://www.ignet.gov/ig.html
Intellicast Weather	http://intellicast.com/LocalWeather/World/UnitedStates/RadarLoop/
Internal Revenue Service (IRS home page)	http://www.irs.gov
Iowa Association of School Boards	http://www.ia-sb.org
Iowa Association of School Business Officials	http://www.iowa-asbo.org
Iowa Attorney General	http://www.state.ia.us/government/ag/legal.html
Iowa Court Decisions	http://virgil.giant.net/cgi-bin/ialaw/courts/browse
Iowa Department of Education	http://www.state.ia.us/educate
Iowa Department of Management	http://www.state.ia.us/government/dom/index.htm
Iowa Department of Public Safety	http://www.state.ia.us/government/dps
Iowa Department of Revenue and Finance	http://www.state.ia.us/tax/index.html
Iowa General Assembly (index)	http://www.legis.state.ia.us/
Iowa Legislative Fiscal Bureau	http://staffweb.legis.state.ia.us/lfb
Iowa Legislative News Service	http://virgil.grant.net
Iowa Legislative Service Bureau	http://www.legis.state.ia.us/Central/LSB
Iowa OSHA	http://www.state.ia.us/government/wd/labor/iosh/
Iowa Secretary of State	http://www.sos.state.ia.us/
Iowa Society of Certified Public Accountants	http://www.iacpa.org
Iowa State Auditor's Office	http://www.state.ia.us/government/auditor/index.html
Iowa State Education Association	http://www.ISEA.org
Iowa State Treasurer	http://www.treasurer.state.ia.us/
Iowa Workforce Development	http://www.iowaworkforce.org/

J

Journal of Education Finance	http://www.uark.edu/misc/elfc/jef/home.html

L

Library of Congress (homepage)	http://lcweb.loc.gov/
Live Super Doppler, Channel 8	http://html.theiowachannel.com/des/images/weather/auto/radar_640x480.gif?2535314766

M

Mid-Continent Research for Education and Learning	http://www.mcrel.org
Minimum Wage	http://www.dol.gov/dol/esa/public/whd_org.htm
Moody's Investors Service	http://www.mrsc.org/
Municipal Securities Rulemaking Board	http://www.msrb.org

N

NASDAQ Stock Market	http://www.nasdaq.com/
National Association of Bond Lawyers	http://www.nabl.org/
National Association of College and University Business Officers	http://www.nacubo.org
National Association of State Auditors, Comptrollers & Treasurers	http://www.nasact.org
National Association of State Procurement Officials	http://www.naspo.org/
National Center on Education Finance	http://www.ncsl.org/programs/educ/NCEF.htm
National Clearinghouse for Educational Facilities	http://www.edfacilities.org/
National Conference of State Legislatures	http://www.ncsl.org
National Education Association	http://www.nea.org/
National Education Finance Statistics Center	http://nces.ed.gov/edfin/
National Institute on Education Governance, Finance, and Management	http://www.ed.gov/offices/OERI/FIS/FY96-archive/fis-gfi.html
National Institute of Governmental Purchasing	http://www.nigp.org/index1.htm
National School Boards Association (NSBA)	http://www.nsba.org/
National School Network	http://www.nationalschoolnetwork.com/
National School Safety Center	http://nssc1.org
New York Stock Exchange	http://www.nyse.com/
Nonprofit Resource Center	http://www.1800net.com/nprc
North Central Regional Education Laboratory	http://ncrel.org

O

Occupational Safety & Health Administration (OSHA)	http://www.osha.gov/
Office of Equal Employment Opportunities	http://oeeo.psc.gov/oeeo/index.html
Office of Management and Budget	http://www.whitehouse.gov/omb
Organized Weather Link	http://weather.communitycomputing.com/

P

Piper Resources (state and local governments on the web)	http://www.piperinfo.com/index.cfm

Q

Quality Education Data	http://www.qeddata.com/

R

RAND (research and analysis)	http://www.rand.org/
Road Conditions, Iowa Department of Education	http://www.weatherview.dot.state.ia.us/

S

School Administrators of Iowa	http://www.sai-iowa.org
Single Audit Act (amended 1996)	http://www.ignet.gov/single/saamend.html
Social Security Administration	http://www.ssa.gov/
Standard & Poor's Ratings Services	http://www.standardandpoors.com/
StormFax Information Page (guides, facts, warning, maps)	http://www.stormfax.com/safepage.htm#top

Swanson & King, *School Finance: Economic and Politics*(text)	http://www.gse.buffalo.edu/fas/swanson/649/reading.html

T

Tax and Accounting Sites	http://www.taxsites.com
Thomas B. Fordham Foundations (Educational Excellence)	http://www.edexcellence.net/
Thomas, Legislative Information on the Internet	http://thomas.loc.gov/

U

Urban Education Network of Iowa Department of Education	http://www.des-moines.k12.ia.us/uen
U.S. Census Bureau	http://www.census.gov/
U.S. Department of Education	http://www.ed.gov/
U.S. Securities and Exchange Commission	http://www.sec.gov/

W

Wage and Hour Division	http://www.dol.gov/dol/esa/public/whd_org.htm
White House	http://www.whitehouse.gov/
Worker's Compensation Programs	http://www.dol.gov/dol/esa/public/owcp_org.htm
Workplace Violence	http://www.osha-slc.gov/SLTC/workplaceviolence/

Y

Yellow Book	http://www.gao.gov