

III. Fiscal Management

3.1 *Chief School Financial Officer*

The Board will appoint a Chief School Financial Officer (CSFO) to oversee the financial operations of the Board and to perform the duties of the position that are set forth in state law and regulations. The Chief School Financial Officer may also be referred to as the Chief School Finance Officer.

[Reference: ALA. CODE §16-13A-4 (1975); ALA. ADMIN. CODE 290-2-5-.01, *et seq.*]

3.2 *Budget*

A budget will be developed and approved for each fiscal year, which extends from October 1st to September 30th of the following year. Preparation, presentation, submission, and approval of the budget will be undertaken and completed as provided for in state law and regulations. Budgets will be “balanced” such that the expenditures set forth in the budget for the fiscal year will not exceed revenues and any cash balance requirements set forth by law. Budget amendments will be prepared in accordance with instructions from the Alabama State Dept of Education for approval by the Board.

The Superintendent or CSFO will inform the Board, before the Board votes on a budget or budget amendment, if the approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month’s operating balance reserve fund equal to one-twelfth of the general fund expenditures and outgoing transfers for the proposed budget or amendment.

[Reference: ALA. CODE §16-13-140, *et seq.* (1975)]

3.3 *Accounting*

Generally accepted accounting standards and procedures will be employed in the administration of all Board and school finances. All Board and school accounts will be reconciled to financial records. All reports required by the State Department of Education will be completed in compliance with the State Fiscal Accountability Act.

3.4 *MCS Financial Procedures Authorized*

Financial transactions will be administered in accordance with the MCS Financial Procedures and any local school finance manual that may be developed by the Superintendent or the Chief School Financial Officer and approved by the Board. The MCS Financial Procedures(s) will establish and describe specific practices and procedures that are to be followed in connection with all phases of financial administration, including, but not limited to such matters as accounting, bookkeeping, inventory maintenance, payroll, reconciliation, fund security, receipting, disbursement, purchasing, disposal of property, banking, and investments. The practices, procedures, and requirements set forth in the MCS Financial Procedures will be disseminated or made available to all employees with administrative responsibilities involving the receipt,

handling, or expenditure of school or school system funds, and training will be provided by the Superintendent and the Chief School Financial Officer regarding the contents of the MCS Financial Procedures.

[Reference: ALA. CODE §16-13A-1 (1975)]

3.5 Fund Balance Policy in Accordance with GASB Statement No. 54

Governmental Funds Definitions – The following definitions will be used in reporting activity in governmental funds. The Board may or may not report all fund types in any given reporting period, based on actual circumstances and activity.

- a. The General Fund is used to account for and report all financial resources not accounted for and reported in another fund.
- b. Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
- c. Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, even if it is being accumulated for future years' payments. Debt Service Funds should be used to report resources if legally mandated.
- d. Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Fund Balances – Fund balances will be reported in governmental funds under the following five categories using the definitions provided by GASB Statement No. 54:

- a. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in-tact. Examples of nonspendable fund balance reserves for which fund balance shall not be available for financing general operating expenditures include: inventories, prepaid items, and long-term receivables.
- b. Restricted fund balances consist of amounts that are subject to externally enforceable legal restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments; or through constitutional provisions or enabling legislation. Examples of restricted fund balances include: restricted grants.

- c. Committed fund balances consist of amounts that are subject to a purpose constraint imposed by formal action of the Board before the end of the fiscal year and that require the same level of formal action to remove the constraint.
- d. Assigned fund balances consist of amounts that are intended to be used by the school system for specific purposes. The Board authorizes the Superintendent or Chief School Financial Officer to make a determination of the assigned amounts of fund balance. Such assignments may not exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. Assigned fund balances require the same level of authority to remove the constraint.
- e. Unassigned fund balances include all spendable amounts not contained in the other classifications. This portion of the total fund balance in the general fund is available to finance operating expenditures.

Priority – When expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Board to consider restricted amounts to have been reduced first. When an expenditure is incurred for the purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Board that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

Review and Reporting – The Board of Education along with the Superintendent and Chief School Financial Officer will periodically review all restricted, committed, and assigned fund balances. The Chief School Financial Officer will prepare and submit an annual report of all restricted, committed and assigned funds for the Board of Education.

3.6 Audits

Business and financial transactions of the Board and the records of Board financial accounts will be audited in accordance with state law and appropriate auditing and accounting standards.

[Reference: ALA. CODE §16-13A-7 (1975)]

3.7 Inventories

The Superintendent is required to establish effective procedures to account for all materials, equipment, and other Board property. These procedures will include an annual inventory and evaluation of tangible Board property (including fixed assets and supplemental property), to be completed no later than the end of each fiscal year, with appropriate reports submitted to the Superintendent and Chief School Financial Officer.

Inventories will be kept on forms prescribed or approved by the Chief School Financial Officer. Inventory forms will show items on hand at the beginning of the fiscal year, items lost, items disposed of, items purchased or otherwise added during the year, and items on hand at the end of the fiscal year.

[Reference: ALA. CODE §§16-13A-1, 6 (1975)]

3.8 *Purchasing*

All purchases will be made in accordance with an approved purchase order system that will include such requirements and procedures as may be established in the MCS Financial Procedures.

3.9 *Deposit and Expenditure of Funds*

3.9.1 Deposits – All funds of the Board will be deposited with qualified depositories, as defined by law, in the manner prescribed by the Chief School Financial Officer or the MCS Financial Procedures.

3.9.2 Investments – The Board authorizes the investment of surplus funds in the manner prescribed by law and approved administrative guidelines.

3.9.3 Expenditures – The Superintendent or his designee, subject to applicable law, policies and Board-approved budget limitations, may expend funds for budgeted operation expenditures without advance Board approval of specific expenditures. All such expenditures shall be included in the monthly expenditure report to the Board.

[Reference: ALA. CODE §16-13A-8 (1975)]

3.9.4 Reserve Funds –The Board will maintain, at all times, a minimum of one month’s unreserved fund balance.

3.9.5 Consultants – The Superintendent may engage professional consultants, specialists, and experts, including but not limited to medical, mental health, educational, legal, financial, technical (e.g., engineering, architectural, computer) experts and specialists, provided that the expenditure is within the amount established for such purposes in the current, Board-approved budget. All such expenditures shall be reported monthly to the Board of Education in the manner prescribed by Ala. Code §16-13A-8 (1975).

3.9.6 Competitive Bid Law and Public Works Act – All purchases will be made in compliance with the competitive bid law and Public Works Act, when applicable, and with such corresponding rules, regulations, and procedures as may be set forth in the MCS Financial Procedures. The Superintendent is authorized to enter into cooperative purchasing agreements with other school systems or local governments as may be permitted by law.

[Reference: ALA. CODE §41-16-50, *et seq.* (1975), ALA. CODE §39-1-1, *et seq.*(1975)]

- 3.9.7 Authorized Signatures – Checks drawn on the general fund or any special fund, with the exception of school accounts, require the signature of the Superintendent and the Chief School Financial Officer or their alternates as designated by the Board. Checks drawn on school accounts require the signature of the principal and the school bookkeeper or their alternates as designated by the Board. All checks used will be prenumbered. Checks drawn on Board funds may be signed and processed by electronic means, under the direction of the Chief School Financial Officer or Superintendent.

3.10 OMB Part 200

Federal funds subject to the requirements of the Office of Management and Budget’s Uniform Administrative Requirements, Cost Principles and Audit Requirements—Part 200 (“Part 200”) will be subject to the following policies:

- A. Cash Management for Federal Funds –The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of those federal funds. Federal funds will only be requested to meet immediate cash needs for reimbursement not covered by prior receipts and anticipated disbursements that are generally fixed, such as monthly program salaries and benefits.

The Chief School Financial Officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund. Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored by the Chief School Financial Officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the Chief Financial Officer determines that banking requirements for minimum or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

- B. Determination of Allowable Costs –
1. Before instituting a financial transaction that will require the

expenditure of federal funds the federal program director and the Chief School Financial Officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- a. The proposed expenditure is included in the federal program budget;
 - b. The proposed expenditure is reasonable and necessary for the federal program;
 - c. The proposed expenditure is consistent with procedures for financial transactions of the board including:
 1. Purchase order approval procedures;
 2. Contract review and approval procedures;
 3. Applicable competitive purchasing procedures; and
 4. Documentation supports allowability of transaction.
2. Before payments are made from federal funds the federal program director and the Chief School Financial Officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules and regulations.
- C. Travel Policy – Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by board employee who are in travel status on official business of the board. The board’s travel policy provides for reimbursement and payments for travel costs of employees paid from federal funds that is consistent with the travel costs for board employees paid from state or local funds.
- D. Conflict of Interest Policy – Generally, a conflict of interest exists when a board member, board employee, or agent of the board participates in a matter that is likely to have a direct effect on his or her personal and financial interests. A financial interest may include, but not limited to, stock ownership, partnership, trustee relationship, employment, potential employment, or a business relationship with an applicant, vendor, or entity. A board member, board employee, or agent of the board may not participate in his or her official capacity in a matter that is likely to have a direct and predictable effect on his or her financial interests.

A board member, board employee, or agent of the board will

abide by the federal and state laws and regulations that address conflict of interest standards. In general, the federal rules provide that:

No employee, officer, or agent of the board shall participate in selection, or in the award or administration of a contract supported by federal funds if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ any of the parties indicated herein, has a financial or other interest in a tangible personal benefit from the firm considered for a contract. The board's officers, employees, or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subcontractors.

The board's conflict of interest policies include adherence to the Alabama Ethics Law, as it may be amended from time to time, which defines conflict of interest as:

A conflict on the part of a public official or public employee between his or her private interests and the official responsibilities inherent in an office of public trust. A conflict of interest involves any action, inaction, or decision by a public official or public employee in the discharge of his or her official duties which would materially affect his or her financial interest or those of his or her family members or any business with which the person is associated in a manner different from the manner it affects the other members of the class to which he or she belongs.

A board member, board employee, or agent of the board may not review applications, proposals, or participate in the evaluation or selection process where his or her participation in the review process would create the appearance that he or she is: (a) giving preferential treatment; (b) losing independence and impartiality; (c) making decisions outside official and appropriate channels; or (d) harming the public's confidence in the integrity of the board.

Situations and circumstances presenting an actual conflict of interest or the appearance of a conflict of interest should be brought to the immediate attention of the Superintendent. A board employee, board members, or agent of the board who has knowledge of a possible conflict of interest should identify the conflict and notify the Superintendent. The Superintendent

will document his or her actions related to the reported conflict of interest. Resolution can consist of disqualification, recusal, waiver, or other appropriate measures. Appropriate measures may include reporting a conflict of interest to the State Ethics Commission, the Alabama State Department of Education, or the appropriate federal agency.

Procurement Policy – The board will follow state laws for the procurement of property and services. The primary state procurement laws for Alabama school boards are: Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975); Joint Information Technology Purchasing Agreement (Chapter 13B of Title 16, Code of Alabama 1975); and Public Works Law (Title 39, Code of Alabama 1975).

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board’s Conflict of Interest Policy and the procurement decisions of the board will:

1. Avoid acquisition of unnecessary or duplicative goods and services;
2. Use the most economical and efficient approach for acquisitions;
3. Award acquisitions contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement;
4. Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contracts;
5. Maintain records sufficient to document the history of the procurement; and,
6. Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions for federal programs and child nutrition programs that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the other Uniform Administrative Requirements for procurement

of property and services.

The board will request proposals for those professional service contracts (excluding architectural and engineering services) that are exempt under state procurement laws if the contracts exceed \$150,000 and will be paid from federal or child nutrition program funds. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's conflict of interest policy.

3.11 *Risk Management*

The Board may obtain such liability and other forms of insurance or enter into such risk management agreements, pools, cooperatives, and like arrangements, agreements, or undertakings as it deems necessary and appropriate to meet legal requirements or to protect the Board, its employees, or its property from risk of loss.

3.12 *Employee Compensation*

3.12.1 Salaries and Pay Rates – Except as established and governed by the terms of a special employment contract, Board employees will be compensated at rates of pay that are approved by the Board. When required, such salary or compensation rates will be included in a schedule to be developed and adopted by the Board in accordance with state law. Employees may receive supplements or other additional compensation when specifically approved by the Board. All compensation must be approved by the Board, regardless of the source of funding.

[Reference: ALA. CODE §16-13-231.1 (1975)]

3.12.2 Local Supplements – School-related booster or support organizations may fund local supplements for individual Board employees if the Board approves such supplemental payments. Such payments may be approved only if the following conditions are satisfied:

- a. The payment is voted on and approved by the membership of the booster or support organization that proposes to fund the supplement at a regular meeting of the organization;
- b. Funding for the payment must be sufficient to cover benefits, expenses, and other payroll costs, contributions, and liabilities, if any;
- c. Sufficient unobligated funds are on hand to provide the supplemental payment;

- d. The payments are accepted by the employee with the understanding that they do not constitute a part of any employment contract, salary schedule, or legal obligation that is enforceable against the Board, and that the Board has no continuing obligation to maintain supplemental payments to any employee that are provided, funded, or underwritten by a booster club, support organization, or similar third party; and
- e. The payments are subject to any payroll deductions that are required by law.

3.12.3 Salary Administration – Employees are expected to fulfill the work requirements of the position held for the full term of their appointment. Compensation will be prorated to reflect the number of days actually worked, subject to appropriate adjustments, credits, and allowances for available leave. Salaries for full time employees will be paid over twelve months, regardless of the contract term. However, employees in the first year of employment with the Board may opt to be paid over thirteen (13) months if they have never been employed by another system. Personnel will be paid in accordance with customary payroll procedures, which may be modified from time to time as the needs of the system require. No employee is entitled to compensation except for work performed by the employee in accordance with an approved contract or the applicable terms of appointment. Compensation may be withheld pending the employee’s timely, accurate, and complete submission of all required records, data, and reports.

3.12.4 Salary Deductions – Mandatory salary deductions will be made in accordance with applicable law. Employees are required to complete and submit all forms and provide such information as may be required or reasonably required for such purpose. The Board will make voluntary deductions as a service to employees upon written request of the individual employee as permitted by law. Deductions for membership dues will be made for organizations that have at least ten percent (10%) of Board employees as members if the organization timely has provided to the Board all certifications and expenditure reports required by law. Determination of whether the organization meets the required membership threshold will be made by examination of membership lists provided to the Board by the organization. Such membership lists will be corrected, updated, and returned to the organization no later than November 10 of each school year. Deductions will be based on the membership lists unless an employee revokes authorization for such deductions by providing written notice to the Board on or before September 15th of each school year. Upon termination of employment, any amounts owed under the terms of an employee authorization will be deducted from the employee’s final pay. The Board will not be liable for any good faith error made in implementing a salary deduction that has been authorized by the employee.

[Reference: ALA. CODE §§ 16-22-6 , 17-17-5 (1975)]

- 3.12.5 Minimum Wage and Overtime – In compliance with the Fair Labor Standards Act (“FLSA”), the Board will pay required minimum hourly wages and overtime to all employees who are not exempt employees under the FLSA. For purposes of determining overtime, the workweek begins at 12:01 a.m. on Sunday and ends at midnight on the succeeding Saturday. All non-exempt employees who work more than forty (40) hours in a work week will receive compensatory time. Employees must accurately report all time worked for the Board. Non-exempt employees are not authorized to work more than forty (40) hours in a workweek without specific direction or authorization to do so by the Superintendent, the employee’s supervisor, or the supervising school principal.
- 3.12.6 Compensatory Time – Non-exempt employees who work more than forty (40) hours in a workweek will be paid overtime in the form of compensatory time. Compensatory time will be based on time worked beyond forty (40) hours in a workweek, and will be recorded in minimum time units of one-quarter hour rounded to the nearest quarter of an hour. No more than two hundred forty (240) hours of compensatory time may be accumulated. The Board reserves the right to require an employee to use compensatory time as its needs require and may “pay down” any compensatory time balance in its discretion. The Superintendent is hereby authorized to develop procedures and forms for use in implementing this policy.

3.13 *Expense Reimbursement*

Board members and employees will be reimbursed for reasonable travel and subsistence expenses incurred in connection with official Board business. Reimbursement will be in accordance with Board approved rates and such procedures and standards for submitting and documenting such expenditures as may be developed by the Chief School Financial Officer or provided in the approved MCS Financial Procedures.

3.14 *Fees, Payments, Rentals, and Charges*

- 3.14.1 Facility Use Fees – The Superintendent is authorized to develop a schedule of reasonable fees for use of Board facilities and property by individuals, groups, or organizations that shall be effective upon approval by the Board.
- 3.14.2 Copying and Other Charges – The Superintendent is authorized to establish a schedule of reasonable charges which, upon approval by the Board, will be applied uniformly in response to requests for copies of documents and records. Said fees must, at minimum, cover MCS out of pocket expenses. Nothing in this policy or in any schedule of charges authorized hereunder creates or expands any entitlement to copies of records or access thereto beyond that which is established by law or specific Board policy.
- 3.14.3 Food Service Charges – Students attending a Board elementary school, may upon authorization from the principal or his/her designee, and in accordance with any procedures that may be developed by the Superintendent or Child Nutrition

Supervisor, charge for future payment the cost of a meal from the school cafeteria. No Pre-K through 6th grade student nor any student with a disability will be denied a meal. Any charged meal will be assessed to the student's meal account for later payment.

These procedures will limit the number of charges, and will be available for review at the local schools. Adult charges are not allowed.

Uncollected charged meals are not an allowable expenditure for the Child Nutrition Fund.

Each school must also maintain documentation to reflect the status of charged meals and the transfer of non-public funds by the principal to the school Child Nutrition Program should charges remain uncollected by year end.

The CSFO will review and approve all non-public fund transfers to cover outstanding debt.

- 3.13.4 Worthless Checks – Non-sufficient fund checks or account closed checks used for meal or school payments will automatically be sent to a collection agency by the bank used by the City of Madison Board of Education. Madison City Schools may apply fees for uncollected checks. The fees collected for return checks may be used for related expenses and recovery of uncollected checks by Madison City Schools or by a contracted agreement with a check collection agency.

Public funds may not be used to cover any insufficient checks for the Child Nutrition Program.

3.15 Authority to Execute Contracts

- 3.15.1 General Authority – The president of the Board, or, in the absence of the president, the vice-president, will have authority to execute contracts on behalf of the Board upon approval of the contract by the Board. The Board may also authorize the Superintendent to execute contracts on behalf of the Board as its chief executive officer.

- 3.15.2 Limitation on Authority to Bind the Board – Principals and other administrators will have authority to enter into agreements with third parties only with authorization from the Board.

3.16 Child Nutrition Procurements

The Superintendent may enter into a written agreement with the Child Nutrition Program at the State Department of Education in order to procure food and other food related products and services. The Board will comply with applicable state and federal laws and regulations governing participation in such child nutrition program.

[Reference: ALA. ADMIN. CODE 290-8-3-.01, *et seq.*]

3.17 School Accounts

Funds held in school accounts, regardless of the funding source, will be maintained and accounted for in accordance with the MCS Financial Procedures, and such procedures, rules, and regulations as may be developed by the Chief School Financial Officer or the Superintendent. The principal is ultimately responsible for all school funds and for ensuring that such funds are properly accounted for and secured. Principals shall not permit the school, a school-sponsored organization, or a school-related organization to incur debt on behalf of the school.

3.18 Affiliated Organizations

3.18.1 School Sponsored Organizations – School-sponsored student organizations will be subject to Board policies and procedures concerning fiscal management and will maintain organization funds in school accounts. All books, records, and official documents pertaining to the management of such organizations will be maintained at the local school and will be subject to examination and audit by the Board, the principal, or a CPA firm. The use of funds collected, generated, or held by such organizations will be determined in accordance with the constitution, charter, or by-laws of the organization, with oversight by the sponsor of the organization, and subject to approval of the principal.

3.18.2 Other Affiliated Organizations – Other organizations that are affiliated with local schools are permitted to operate or raise funds on Board property or at Board sanctioned events only in conformity with Board and State Department of Education policies, procedures, and standards concerning the fiscal management of such organizations. An affiliated organization must conduct an annual audit of its financial operations and make its books and financial records available to the Board for review or audit.

3.18.3 Extracurricular Camps, Tournaments, and Jamborees – Extracurricular camps, tournaments and jamborees and other similar activities for academic and athletic programs in affiliation with any Madison City School are permitted to operate or raise funds only in conformity with procedures and standards developed by the Superintendent. All books, records, and official documents pertaining to the management of such organizations will be maintained at the local school and will be subject to examination and audit.

3.19 Fundraising

Fundraising activities will be permitted on school or Board property only if the following criteria are satisfied:

- a. The activity will be held at a time and in a manner that will not be disruptive to the instructional program or to any other school or school system activity or function;

- b. The activity is designed and intended to support a *bona fide* school or school system program or activity, or an activity that is consistent with the mission and purposes of the school system;
- c. Adequate provision has been made for the security and proper accounting of funds collected;
- d. Other information regarding the nature, scope, and purpose of the activity is provided to school officials upon request; and
- e. Appropriate arrangements have been made for any special activities to be held in conjunction with the fundraising event.
- f. The activity complies with applicable state laws and regulations.

3.20 *Employee Fundraising and Crowdfunding*

Any property, money, or other resources that are obtained by a Board employee through grants, fundraising, online giving, or like means in the name of or for the benefit of the school system or its students becomes the property of the school system and are subject to board policies and procedures governing board property and resources. The Superintendent is authorized to develop procedures governing the approval and administration of any outside fundraising or crowdfunding activities.

3.21 *Instructional Support*

The Superintendent shall develop procedures by which state allotments for classroom instructional support are made available for use by classroom instructors in the MCS Financial Procedures and for the purposes authorized by statute and corresponding state regulations.

[Reference: ALA. CODE §16-1-8.1(b)(7) (1975)]