

# Policy Section D

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# DA Fiscal Management Goals

File: DA

## FISCAL MANAGEMENT GOALS

The board recognizes that money and money management comprise the foundational support of the whole school program. To make that support as effective as possible the board intends:

- A. To encourage advance planning through the best possible budget procedures;
- B. To explore all practical and legal sources of dollar income;
- C. To guide the expenditure of funds so as to achieve the greatest educational returns;
- D. To require maximum efficiency in accounting and reporting procedures; and
- E. To maintain a level of per pupil expenditure needed to provide high quality education.

As trustee of local, state, and federal funds allocated for use in education, the board has the responsibility to protect the funds and use them wisely.

Adopted: April 13, 1992

Reviewed and Adopted: May 8, 2006

# DB Annual Budget

## ANNUAL BUDGET

The Board recognizes that financial resources and the proper management of same are fundamental to the support of school programs and operations. With this in mind, the Board will develop and present an annual operating budget as directed by applicable laws.

The annual budget will be for a 12 month period covering the fiscal year July 1 through June 30.

The Board shall designate the superintendent as its budget officer, but he/she may delegate portions of such responsibility as appropriate.

Responsibilities of the budget officer are budget preparation, budget presentation and budget administration.

Legal Reference: 20-A, MRSA § 1482 20-A, MRSA § Sec. 15617 et. seq.

Adopted: April 13, 1992 Reviewed and Adopted: May 8, 2006 Revised: December 12, 2022

# DBG Budget Adoption Procedures

## BUDGET ADOPTION PROCEDURES

Adoption of the annual budget is to be accomplished prior to June 30 for the fiscal year beginning July 1.

The proposed budget shall include, in addition to operating expenses and expected income for the ensuing year, the sums required for meeting bonds falling due, interest on the bonds and on other obligations, rentals and other fixed charges. The proposed budget shall be thoroughly explained and the public shall be given an opportunity to be heard. Only those amounts pertaining to operating expenses, reserve or contingency funds, or capital outlay expenditures shall be subject to change by the voters.

Legal Reference: 20-A, MRSA §§ 1304 et. seq., 15617 et seq.

Adopted: April 13, 1992 Revised: December 13, 1993, October 12, 1994 Reviewed and Adopted: May 8, 2006 Revised: January 23, 2012; December 12, 2022

# DD Grants

The Board encourages the Superintendent/designees to pursue federal, state, foundation, corporate and other grants for the support of the schools and the enhancement of educational opportunities. The Superintendent is expected to be alert to potential sources of grant funding and to make recommendations for Board action. All grant applications or proposals must be approved by the Board prior to submission to the funding agency.

It is the policy of the Board to comply with all Federal and State requirements that may be a condition of receipt of grant funds.

When a grant application or proposal is presented to the Board for its approval, the Superintendent/designee will advise the Board as to whether additional staff will be needed to support the implementation of the grant and to maintain records that may be required by the granting entity; the availability of resources if matching funds are required; whether additional resources will be needed for continuation of the program when the grant expires; and measures that will be used to evaluate whether the objectives of the grant are being achieved.

Grant applications and proposals that apply to individual schools must be submitted to the building principal, who will make a recommendation to the Superintendent. The Superintendent shall present the grant application or proposal to the Board for its approval.

All grant funds received will be deposited into District accounts. Applicable Federal and State regulations, Board policies and school unit administrative procedures regarding purchasing, contracting, expenditures, and accounting will be followed in the administration and monitoring of grant funds. Staff positions created through grant funding will be filled pursuant to Board policy.

The Superintendent/designee may establish additional procedures for grant applicants, coordination of grant proposals, and for oversight and administration of grants received.

The Superintendent/designee will keep accurate records of all grant expenditures and will report annually on all grants received.

## Teacher Classroom Grants ("mini-grants")

Individual teachers may investigate eligibility requirements for foundation, corporate, and other grants that will benefit a single classroom. The building principal is authorized to approve

applications/proposals for such "mini-grants" as long as they do not exceed \$3,000, require matching or non-budgeted funds, or impose a continuing obligation. All mini-grants/classroom grant funds will be deposited into District accounts. Awards of mini-grants/classroom grants will be reported to the building principal, who will inform the Superintendent. The Superintendent will report such awards to the Board.

Cross Reference: KCDA - Public Gifts to the Schools

Adopted: May 19, 2014

# DFA Revenues from Investments

## REVENUES FROM INVESTMENTS

The school unit considers an investment program a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing a maximum yield of interest revenues to supplement other revenues for the support of the unit's educational program.

The investment program will be administered in a way that will ensure:

- A. The continuous process of temporary investing of all fund balances and moneys available for investment purposes;
- B. The maintenance (revised following each cash transaction) of a yearly cash flow chart that will provide data to assist proper planning and decision making regarding amount, duration and type of investments;
- C. The use of an open competition system of bids and/or quotes to obtain the maximum yield possible on all investments from both local community and beyond-community financial institutions;
- D. That all vendors using school unit funds provide statements to the unit of their collateral in the form of a list of the securities pledged at market value; and
- E. That all unit investments will be in compliance with the law.

### Delegation of Authority

The school unit authorizes the business manager and Superintendent to manage all activities associated with the investment program in such manner as to accomplish the objectives of this policy. Their responsibilities will also include annual review and assessment of the unit's investment program and filing a report and recommendations annually with the Board. The business manager is further authorized to execute in the Board's name any and all documents relating to the investment program in a timely manner and to confer with reputable consultants regarding investment decisions when necessary.

A quarterly progress report of investments will be made to the Board.

Legal Reference: 20-A MRSA § 1491

Adopted: September 21, 2009

Reviewed: January 17, 2020

Revised: March 27, 2023



# DFF-Student-Act-Funds-Mgmt

## STUDENT ACTIVITIES FUNDS

Student activity funds support activities that are based in student organizations.

Revenues collected from gate receipts from athletic competitions, admissions to school entertainment events, profits from school stores, club and class dues, and student organization fundraising activities shall be deposited and accounted for in a student activities fund maintained for each school. Within this fund, separate accounts will be maintained for accounting purposes. These revenues will be considered school unit funds under the direct control of the Superintendent, who may develop and implement procedures relative to these funds, and delegate specific responsibility for deposits, expenditures, and record keeping to the building principals and/or appropriate staff. Procedures for management of student activities funds shall be consistent with other Regional School Unit 1 financial practices/procedures.

Student activity funds are to be used only for student activities that augment the school unit's programs; they are not intended to replace school unit funding for school unit programs and activities. Funds raised by approved student clubs or organizations or from classes shall be expended to benefit the specific club or organization or class. All expenditures from student activities funds must be approved in advance by the building principal.

The senior class may decide how to disburse the funds remaining in its class account after graduation. Such disbursements may include gifts to the school, to a scholarship fund, or used for an activity approved in advance by the principal. All of the class's outstanding obligations must be paid before the class may expend its remaining funds. Unexpended funds remaining after the class has graduated and any interest earned on these funds will be maintained in the student activity fund.

Student activity funds are part of the total fiscal operation of the District and shall be audited as part of the District's annual audit.

Cross Reference: DI – Fiscal Accounting and Reporting JJE – Student Fundraising Activities

First Reading: February 11, 2008

Adopted: March 10, 2008

Revised: March 27, 2023

# DFI Tuition Receivables

File: DFI

## TUITION RECEIVABLES

The purpose of this policy is to establish what actions will be taken in the event that a private tuition bill has not been paid.

The previous year's tuition bill must be paid in full before a student is allowed to return to RSU 1 schools.

One-half of the tuition charged must be paid prior to September 1 of that school year before the student can enter a RSU 1 school. The second half must be paid at the start of the second semester and no later than January 23.

Adopted: December 12, 1988

Revised: April 13, 1992

Reviewed and Adopted: May 8, 2006

Reviewed: March 15, 2023

# DI Fiscal Accounting and Reporting

File: DI

## FISCAL ACCOUNTING AND REPORTING

The Superintendent shall be ultimately responsible for properly accounting for all funds of the school system.

The accounting used shall be in accordance with requirements of the Maine Department of Education and with sound accounting practices, providing for the appropriate separation of accounts, funds and special monies.

The Board shall receive monthly financial statements from the Superintendent showing the financial condition of the school system.

It shall be the duty of the Business Manager to direct and supervise the preparation of monthly and annual reports to the Superintendent and the Board; to advise principals and other administrators periodically of expenditures related to budget appropriations; and to prepare financial reports required by the Maine Department of Education or other agencies with jurisdiction.

Legal Reference: 20-A MRSA § 1055

Adopted: April 13, 1992

Reviewed and Adopted: May 8, 2006

Reviewed: January 17, 2020

# DID Inventories

File: DID

## INVENTORIES

Inventory of property and equipment shall be taken on an annual basis. The inventory system shall serve both the functions of control and conservation.

Responsibility for this shall lie with the Superintendent/designee, to whom principals and supervisors shall be accountable for the maintenance of proper inventories in their schools.

Adopted: April 13, 1992

Reviewed and Adopted: May 8, 2006

Reviewed: January 17, 2020

# DIDA Fixed Assets

## FIXED ASSETS

This policy establishes the minimum cost value (capitalization amount) that shall be used to determine the capital assets, including infrastructure assets, that are to be recorded in Regional School Unit 1's annual financial statements in order to comply with the requirements of GASB Statement No. 34.

The policy also addresses other considerations for recording and depreciating fixed assets in order to comply with the provisions of GASB Statement No. 34.

### A. Capital Asset Definition

Capital assets will be defined as tangible and intangible assets that have initial useful lives that extend beyond a single reporting period.

### B. Capitalization Method

All capital assets will be recorded at historical costs as of the date acquired or constructed. If historical cost information is not available, assets will be recorded at estimated historical cost by calculating current replacement cost and deflating the cost using the appropriate price-level index.

### C. Capitalization Thresholds

Regional School Unit 1 establishes the following minimum capitalization thresholds for capitalizing fixed assets:

1. Land and Improvements \$ 50,000
2. Buildings and Improvements \$ 50,000
3. Machinery/Equipment/Vehicles \$ 5,000
4. Infrastructure \$ 50,000

Detailed records shall be maintained for all fixed assets above the established thresholds.

### D. Infrastructure Assets

In accordance with GASB Statement 34, Regional School Unit 1 will record, at a minimum, "major" infrastructure assets as defined in Statement 34 that were acquired, constructed, or significantly reconstructed, or that received significant improvements after June 30, 1980. Other infrastructure asset may be capitalized as deemed appropriate

### E. Other Assets

Detailed records shall be maintained at the discretion of the Superintendent of Schools for all items below the capitalization thresholds that should be safeguarded from loss. These items will be part of the annual physical inventory discussed below. These items include computer equipment that falls below the established thresholds and any other assets specified by the Superintendent.

#### E. Depreciation and Useful Life

The business manager will assign an estimated useful life to all assets for the purposes of recording depreciation using the Association of School Business Officials' "Useful Lives" schedule. Asset lives will be adjusted as necessary depending on the present condition and use of the asset and based on how long the asset is expected to meet current service demands. Adjustments should be properly documented. Depreciation will be recorded based on the straight line method using actual month convention and depreciated down to the assets salvage value.

#### F. Safeguarding and Controlling Fixed Assets

All machinery and equipment, vehicles, and furniture will be assigned an asset number. As fixed assets are purchased or disposed of, the administrator in custody of that asset will be responsible for preparing a fixed asset data sheet, which will then be forwarded to the business manager to ensure proper recording. A physical inventory will be taken annually on or about June 30 and compared to the physical inventory records. The results will be forwarded to the business manager where appropriate adjustments will be made to the fixed asset records.

Adopted: September 21, 2009

Revised: March 27, 2023

# DIE Audits

## AUDITS/FINANCIAL MONITORING

The school system's financial records shall be audited annually by the Maine Department of Auditors or by an outside auditor approved by the Board, based on the July 1 to June 30 fiscal year, the Superintendent/designee shall be responsible for working with auditors in their conduct of annual or other audits as required.

Legal Reference: 20-A MRSA § 6051 et seq.

Adopted: April 13, 1992

Revised: December 13, 1993, March 27, 2023

Reviewed and Adopted: May 8, 2006, February 27, 2012

# DJ Bidding - Purchasing Requirements

The School Board expects all purchases made by the school unit to be consistent with applicable laws and sound business practices. The Superintendent shall be responsible for developing and implementing administrative procedures for bidding and purchasing consistent with this policy.

This policy is intended solely as an internal guide to purchasing by the school unit. It does not afford any vendor any property or contractual rights against the school unit. No vendor shall have any enforceable rights against the school unit based upon this policy or alleged violations of this policy. No vendor shall have any rights against the school unit until such time as a written contract between the vendor and the school unit is executed by the vendor and an authorized representative of the school unit.

## A. Bidding Required by Law

Maine law requires the Board to competitively bid property and casualty insurance; school bus and transportation contracts in excess of \$4,000; school building construction, alterations and repairs over \$25,000 (except contracts for professional architectural and engineering services); and bond anticipation notes for state-subsidized school construction projects.

## B. Competitive Bidding of Other Purchases

Where bidding is not required by law, it shall be the policy of the school unit to competitively bid purchases of equipment, supplies, materials or services over \$10,000 provided that it is practical and cost-effective to specify the materials or services with sufficient particularity to allow meaningful comparison of bids.

If competitive bidding is not utilized, the Superintendent may seek Requests for Proposals (RFP) for purchases over \$10,000. An RFP identifies the need the school unit intends to meet, but permits the vendor to propose the manner in which the work is to be performed and the materials to be



used.

The Superintendent may forego the competitive bid or RFP process only when he/she determines that quality, expertise, time factors, or other important considerations outweigh the possible benefits of bidding or requesting proposals. In each such case, the Board shall be informed of the Superintendent's decision and the reasons for it in advance of entering into a contract.

## C. Procedures for Bidding and Requesting Proposals

The method of notification that the school unit uses to solicit bids and proposals shall be reasonably designed to attract qualified vendors. Depending upon the circumstances, such notification may include public advertising and/or mailing of notices to potential vendors.

### Bid Procedures

A. The notification shall specify the deadline for submitting bids and the time and place of bid opening. Bid alternates shall be permitted at the discretion of the Superintendent. The notice shall reserve the right of the school unit to reject any or all bids, and to waive technical or immaterial non-conformities in bids if in the best interest of the school unit, and to exercise judgment in evaluating bids.

B. **Written bids.** Bids shall be in writing, sealed with outside envelope or wrapper plainly marked "Bid, not to be opened until (insert appropriate date)," and mailed or filed with the Superintendent of the unit.

C. **Time of opening.** No bid may be opened until the appointed time.

D. **Public opening.** At the time and place stated in the public notice, and open to the public, all bids shall be opened by the Superintendent or, in the Superintendent's absence or disability, by any School Board member designated for the purpose by the Chair of the School Board.

E. **Reading.** If any citizens who are not School Board members or employees of the school unit or if any representatives of the press are present, bids shall, at that time, either be made available for examination by them or shall be read aloud in a manner to be heard plainly by those in attendance.

F. In general, the Superintendent and/or School Board will award contracts to the vendor whom they deem will best be able to meet the requirements of the school district.

# RFP Procedures

A. Proposals should be submitted in plain envelopes clearly marked "Proposal, not to be opened until (state time and date)." The RFP shall state the time and date that proposals shall be opened, and no proposals shall be opened before that time. Public opening is not required.

B. Proposals are to be evaluated based on criteria appropriate for the project in question, and the contract will be awarded to the vendor whom the Superintendent and School Board deem best able to meet the requirements of the school unit.

Legal Reference: 5 MRSA § 1743-A (ALL) 20-A MRSA §§ 1001(14), 5401(13)(D); 5402 (ALL) 20-A MRSA § 1314 (MSAD) Me. DOE Rules, Ch. 61 (Rules for School Construction Projects) (ALL)

Adopted: June 25, 2012

# DJ-R Federal Procurement Manual for Maine School Units

This Federal Procurement Manual governs the procurement and purchase of property, goods, and services using any federal award,<sup>[^1]</sup> in whole or in part, that is subject to the Uniform Grant Guidance, codified at 2 CFR Part 200.

To the extent necessary or convenient, the Superintendent or his or her designee, shall implement further written measures to ensure compliance with these procedures and any applicable federal laws and rules, including any applicable provisions of the Uniform Grant Guidance and the federal award terms and conditions. Any such written measures shall be made part of this manual.

## A. OVERVIEW

The School Board expects all procurements of property, goods, or services made by the school unit using federal awards to be consistent with sound business practices and applicable federal laws and rules, including the Uniform Grant Guidance.

These administrative procedures, in combination with the school unit's written policies---including but not limited to Policy DJ (Bidding/Purchasing) and Policy DJH (Purchasing and Contracting: Procurement Staff Code of Conduct)---are intended to comply with the federal requirement that the school unit must (1) use its own documented procurement procedures which reflect applicable federal, state, and local laws and regulations and (2) maintain written standards of conduct covering conflicts of interest---real and perceived---for staff engaged in the selection, awarding, or administration of a contract. (2 CFR § 200.318(a), (c).)

The Superintendent or his or her designee, acting singly, (the "Purchasing Agent") shall be responsible for implementing these administrative procedures and shall have direction and control over the purchasing of property, goods, and services for the school unit using federal funds.

Wherever these administrative procedures are inconsistent with applicable federal laws and rules, or the terms and conditions of a federal award, the provisions of the applicable federal laws, rules, or award terms and conditions shall control.

# B. GENERAL PROCUREMENT PROCEDURES

1. **Full and Open Competition.** All procurements must be conducted in a manner that provides full and open competition. Real or perceived unfair advantages will be avoided. Accordingly, the school unit will not (i) place unreasonable requirements on firms or vendors to qualify for a procurement, (ii) require unnecessary experience or use excessive bonding, (iii) use noncompetitive pricing practices between firms or affiliated companies, (iv) allow organizational conflicts of interest, (v) specify a "brand name" product without allowing firms or vendors to offer an equal alternate product, or (vi) allow any arbitrary action in the procurement process. To ensure objective contractor performance and eliminate unfair competitive advantage, firms or vendors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals must be excluded from competing for such procurements. (2 CFR § 200.319(a).)
2. **Responsible Contractors.** The school unit must award contracts only to responsible contractors who are able to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (2 CFR § 200.318(h).)
3. **Oversight of Contractors.** The school unit must maintain a contract administration and oversight system to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (2 CFR § 200.318(b).)
4. **Fostering Economy and Efficiency.** The school unit must avoid purchasing unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase, and to using federal surplus equipment and property. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. To foster greater economy and efficiency, consideration should also be given to: (i) entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services, (ii) using federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs, and (iii) using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. (2 CFR § 200.318(d)-(g).)
5. **Geographical Preferences Prohibited.** The school unit must conduct procurements so as to prohibit the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except (i) where applicable federal statutes expressly mandate or encourage geographic preference or (ii) when contracting for architectural and engineering (A/E) services, so long as its application leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project. (2 CFR § 200.319(b).)

6. **Clear and Accurate Technical Requirements.** The school unit must have written selection procedures for procurements that incorporate a clear and accurate description of the technical requirements for the goods or services to be procured, identify all requirements which offerors must fulfill, and identify all other factors to be used in evaluating solicitations. Technical descriptions (i) must not, in competitive procurements, contain features which unduly restrict competition; (ii) may include a statement of the qualitative nature of the goods or services to be procured; (iii) when necessary, must set forth those minimum essential characteristics and standards to which goods or services must conform if they are to satisfy their intended use; (iv) should avoid detailed product specifications if possible; and (v) may use a brand name or equivalent description as a means to define performance or other salient requirements of procurement when it is impractical or uneconomical to make a clear and accurate description of the technical requirements (the specific features of the named brand which must be met by offerors must be clearly stated). (2 CFR § 200.319(c).)

## C. PROCUREMENT METHODS AND THRESHOLDS

1. **Methods of Procurement.** The school unit must use one of the following five methods of procuring goods or services: micropurchases, small purchases, sealed bids, competitive proposals (a.k.a. requests for proposals), and non-competitive proposals (a.k.a. sole source procurement). (2 CFR § 200.320.)

a. ***Micropurchases (less than \$3,500 as of October 1, 2015).*** Micropurchases up to the federal micropurchase threshold (\$3,500 as of October 1, 2015)<sup>[2]</sup> may be made without soliciting competitive quotations if the Purchasing Agent considers the price to be reasonable. To the extent practicable, the Purchasing Agent must distribute repurchases equitably among qualified suppliers, vendors, or firms. (2 CFR §§ 200.67, 200.320(a).)

b. ***Small Purchases (\$150,000 or less as of October 1, 2015).*** Small purchases up to the federal simplified acquisition threshold (\$150,000 as of October 1, 2015)<sup>[3]</sup> may be made using simple, informal procurement methods and without requiring sealed bids. For any such purchases, the Purchasing Agent must obtain price or rate quotes from an adequate number of qualified vendors or firms (preferably, from at least three qualified vendors or firms). The Purchasing Agent shall document any price or rate quotes received, whether written or oral. (2 CFR §§ 200.88, 200.320(b).)

c. ***Sealed Bids (over \$150,000 as of October 1, 2015).*** For purchases in excess of the federal simplified acquisition threshold (\$150,000 as of October 1, 2015) where a complete, adequate, and realistic specification or purchase description is available, the Purchasing Agent shall issue a notice of written invitation for sealed bids in a manner reasonably calculated to attract qualified bidders

and provide the bidders with sufficient response time. The invitation for bids shall provide a complete specification of the goods or services to be purchased. Bids shall be opened at the time and place prescribed in the invitation for bids. A firm fixed price (lump sum or unit price) contract award shall be made in writing to the lowest responsive and responsible bidder whose bid conforms to all material terms and conditions of the invitation to bid. Any or all bids may be rejected if there is a sound documented reason. (2 CFR §§ 200.88, 200.320(c).)

d. **Requests for Proposals (over \$150,000 as of October 15, 2015).** For purchases in excess of the simplified acquisition threshold (\$150,000 as of October 1, 2015), when conditions are not appropriate for the use of sealed bids because the goods or services sought cannot be defined or specified such that bids will not be comparable, the Purchasing Agent shall issue a request for proposals ("RFP") to solicit the goods or services. Typically, the RFP seeks proposals that are evaluated qualitatively such that price is not the primary evaluation criterion. Contracts may be awarded on either a fixed price or cost-reimbursement basis. If this procurement method is used, the following requirements apply:

- RFPs must be publicized in a manner reasonably calculated to attract qualified vendors or firms, and RFPs must identify all evaluation factors and their relative importance. Proposals shall be reviewed by the Purchasing Agent or a selection committee identified in the RFP. Any response to an RFP must be considered to the maximum extent practical;
- Proposals must be solicited from at least two qualified sources; and
- The Purchasing Agent shall award a contract to the responsible vendor or firm whose proposal is most advantageous to the school unit, with price and other factors considered; however, any and all proposals may be rejected if there is a sound documented reason. The Purchasing Agent may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, may only be used in procurement of A/E professional services. It cannot be used to purchase other types of services even if A/E firms are a potential source to perform the proposed effort. (2 CFR § 200.320(d).)

e. **Non-Competitive Proposals (Sole Source); Emergencies.** Procurements may be made through a non-competitive process (i.e., through the solicitation of a proposal from only one source) only when one or more of the following circumstances apply:

- The item is available only from a single source;
- An exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; or
- After solicitation of a number of vendors or firms, competition is determined inadequate. The Purchasing Agent must document the basis for the sole source procurement by documenting the basis for any exigency or emergency, obtaining express authorization from the federal awarding agency or pass-through entity, or demonstrating a good faith

effort on the part of the school unit to solicit proposals from a number of sources. (2 CFR §§ 200.320(e), 200.324(b)(2).)

2. **Purchases Over \$25,000.** For purchases exceeding \$25,000, prior to contracting with a vendor, the Purchasing Agent shall use the System for Award Management (SAM) to search for the vendor by name, tax identification number, or another characteristic to make sure that the vendor has not been suspended or debarred from performing federally funded work. (2 CFR § 200.205.)
3. **Purchases Over the Simplified Acquisition Threshold (\$150,000 as of October 1, 2015).** The following additional procedures apply to purchases exceeding the simplified acquisition threshold:

a. **Cost/Price Analysis.** (i) The Purchasing Agent must perform a cost or price analysis in connection with every procurement in excess of the simplified acquisition threshold, including contract modifications. The method and degree of analysis depends on the facts surrounding the particular situation, but as a starting point, the Purchasing Agent must make independent estimates before receiving bids or proposals. (ii) The Purchasing Agent must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. (iii) Costs or prices based on estimated costs for contracts under a federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable under Subpart E (Cost Principles) of 2 CFR Part 200. The school unit may reference its own cost principles that comply with the federal cost principles. (iv) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used. (2 CFR § 200.323.)

b. **Bonding Requirements.** For construction or facility improvement contracts or subcontracts in excess of the simplified acquisition threshold, the following bonds, or equivalent, are required: (i) A bid guarantee from each bidder equivalent to 5% of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified; (ii) A performance bond on the part of the contractor for 100% of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and (iii) A payment bond on the part of the contractor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. (2 CFR § 200.325.)

# D. CONTRACTING WITH SMALL & MINORITY BUSINESSES, WOMEN'S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS

The Purchasing Agent must take all necessary affirmative steps to assure that small & minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:

1. Placing qualified small & minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small & minority businesses and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small & minority businesses and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small & minority businesses and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be allowed, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

(2 CFR § 200.321.)



# E. CONTRACTS ARISING FROM PROCUREMENTS

1. **Contract Administrator.** Prior to the execution of a contract funded by a federal award, the school unit should name a Contract Administrator. The Contract Administrator shall be responsible for the tasks, technical requirements, service performance, and verification that payments are in compliance with the contract. (2 CFR § 200.319.)
2. **Contract Provisions.** Any contract entered into between the school unit and a firm or vendor who is to be compensated using a federal award or a portion thereof must contain the applicable contract provisions described in Appendix I. (2 CFR § 200.326.)
3. **Subrecipient and Contractor Determinations.** The school unit must make case-by-case determinations whether each agreement it makes for the disbursement of federal funds casts the party receiving the funds in the role of a subrecipient or a contractor. The school unit shall make this classification using its judgment based on the following factors, as well as any additional guidance supplied by the federal awarding agency:

a. **Contractors.** A contract is for the purpose of obtaining goods and services for the party's own use and creates a procurement relationship with the contractor. (See 2 CFR § 200.22.) Characteristics indicative of a procurement relationship between the school unit and a contractor are when the contractor (i) provides the goods and services within normal business operations; (ii) provides similar goods or services to many different purchasers; (iii) normally operates in a competitive environment; (iv) provides goods or services that are ancillary to the operation of the federal program; and (v) is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.

b. **Subrecipients.** A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. (See 2 CFR § 200.92.) Characteristics which support the classification of a party receiving federal funds as a subrecipient include when the party (i) determines who is eligible to receive what federal assistance; (ii) has its performance measured in relation to whether objectives of a federal program were met; (iii) has responsibility for programmatic decision making; (iv) is responsible for adherence to applicable federal program requirements specified in the federal award; and (v) in accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity. If the party receiving the funds is classified by the school unit as a subrecipient, the school unit must:

(i) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information:

- Federal Award Identification: (a) Subrecipient name (which must match the name associated with its unique entity identifier); (b) subrecipient's unique entity identifier; (c) Federal Award Identification Number (FAIN); (d) federal award date (see 2 USC § 200.39) of award to the recipient by the federal agency; (e) subaward period of performance start and end date; (f) amount of federal funds obligated by this action by the school unit to the subrecipient; (g) total amount of federal funds obligated to the subrecipient by the school unit including the current obligation; (h) total amount of the federal award committed to the subrecipient by the school unit; (i) federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); (j) name of federal awarding agency, school unit, and contact information for awarding official of the school unit; (k) CFDA number and name (the school unit must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement); (l) identification of whether the award is R&D; and (m) indirect cost rate for the federal award (including if the *de minimis* rate is charged per 2 USC § 200.414).
- All requirements imposed by the school unit on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.
- Any additional requirements that the school unit imposes on the subrecipient so as to meet its own responsibility to the federal awarding agency, including identification of any required financial and performance reports.
- An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the school unit and the subrecipient or a *de minimis* indirect cost rate as defined in 2 USC § 200.414(f).
- A requirement that the subrecipient permit the school unit and auditors to have access to the subrecipient's records and financial statements as necessary for the school unit to meet the requirements of 2 USC § 331.
- Appropriate terms and conditions concerning closeout of the subaward.

(ii) Evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward for purposes of determining the appropriate subrecipient monitoring described below, which may include consideration of such factors as: (a) the subrecipient's prior experience with the same or similar subawards; (b) the result of previous audits including whether or not the subrecipient receives a Single Audit in accordance with Subpart F--- Audit Requirements---of 2 USC Part 200, and the extent to which the same or similar subaward has been audited as a major program; (c) whether the subrecipient has new personnel or new or substantially changed systems; and (d) the extent and results of federal awarding agency monitoring.

(iii) Consider imposing specific subaward conditions upon a subrecipient as described in 2 USC § 200.207.

(iv) Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. School unit monitoring of the subrecipient must include: (a) reviewing financial and performance reports required by the school

unit; (b) following up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the federal award provided to the subrecipient from the school unit detected through audits, on-site reviews, and other means; and (c) issuing a management decision for audit findings as required by 2 USC § 200.521. Depending on the school unit's assessment of risk posed by the subrecipient, the following monitoring tools may be useful to ensure proper accountability and compliance with program requirements and performance goals: (a) providing subrecipients with training and technical assistance; (b) performing on-site reviews of the subrecipient's program operations; and (c) arranging for agreed-upon-procedures engagements as described in 2 USC § 200.425 (audit services).

(v) Verify that each subrecipient is audited as required by Part F (Audit Requirements) of 2 USC Part 200 when it is expected that the subrecipient's federal awards expanded during the respective fiscal year equaled or exceeded the threshold set forth in 2 USC § 200.501.

(vi) Consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the school unit's own records.

(vii) Consider taking enforcement action against noncompliant subrecipients as described in 2 USC § 200.338. (2 CFR §§ 200.330, 200.331.)

## F. RECORDS

a. **Recordkeeping.** The school unit must maintain records sufficient to detail the history of procurement. Records must include the following: (i) rationale for the method of procurement, (ii) selection of contract type, (iii) contract selection or rejection, and (iv) the basis for the contract price.

b. **Record Retention Requirements.** The school unit must maintain records related to each federal procurement for a period of three years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or school unit in the case of a subrecipient. The following exceptions apply:

i. If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

ii. When the school unit is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

iii. Records for real property and equipment acquired with federal funds must be retained for 3 years after final disposition.

- iv. When records are transferred to or maintained by the federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the school unit.
- v. Records for program income transactions after the period of performance. In some cases, federal fund recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the school unit's fiscal year in which the program income is earned.
- vi. Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates). If the proposal, plan, or other computation is required to be submitted to the federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission. If the proposal, plan, or other computation is not required to be submitted to the federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation. (2 CFR §§ 200.318(i), 200.333.)

## G. PROTESTS AND CLAIMS

The school unit is solely responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements of goods or services under federal awards. Except as may be otherwise provided in a written request for proposals or other solicitation of the school unit, these procedures are available to proposers for the purpose of handling and resolving disputes relating to such procurements, including evaluation and selection, protests of awards, disputes, and claims relating to the selection process and contract award.<sup>[4]</sup> A protestor must exhaust all of these administrative remedies before pursuing a protest with the federal grant agency or in any court of law. For purposes of this section, the term "proposer" means any person or entity that has submitted a bid or a proposal in response to an RFP or other solicitation to the school unit, or a person or entity that is a prospective bidder or offeror and who has a demonstrated direct economic interest in the results of the procurement.

1. **Protest Submission Requirements.** To be considered by the school unit, a protest must be made in writing, supported by sufficient information to enable the protest to be fairly evaluated, and submitted within the time periods set forth herein. At minimum, protests must include (i) the name, phone number, and address of the protester; (ii) identification of the detailed and specific provision(s) of applicable federal or state law which would be allegedly violated by the procurement; (iii) copies of all exhibits, evidence, or documents supporting the protest; and (iv) a concise description of all remedies or relief requested.

2. **Pre-Award Protests.** Pre-award protests are protests based upon the content of the solicitation documents. Any protest to the terms, conditions, or specifications set forth in a solicitation must be submitted to the Purchasing Agent or the contract administrator, if a contract administrator is identified in the solicitation, within 5 calendar days after the issuance of the solicitation. All such protests will be considered by the Purchasing Agent, or the contract administrator as appropriate, prior to the solicitation due date, and a written decision will be provided to the protestor. A decision of the Purchasing Agent or contract administrator is final, and no further protest or appeal of the terms, conditions, or specifications of any solicitation will be considered by the School Board.
3. **Protests of Proposal Evaluations and Award Decision.** Proposers shall be notified of any award decision by a written or oral notice of the award. This notice shall be transmitted to each proposer at the address, email address, or telephone number contained in its proposal. Any proposer whose proposal has not lapsed may protest an award decision on any ground arising from the evaluation of proposals or the award decision, but not on any ground specified in the "Pre-Award Protests" category, above. Any such protest must be submitted to the Purchasing Agent or the contract administrator, if a contract administrator is identified in the solicitation, within 3 calendar days after notice of the award. All such protests will be considered by a Protest Review Subcommittee, composed of members selected by the School Board in its sole discretion. A written decision from the Protest Review Subcommittee stating the grounds for allowing or denying the protest shall be transmitted to the protestor before a final contract award is made. A decision of the Protest Review Subcommittee is final, and no further protest or appeal will be considered by the School Board.

(2 CFR § 200.318(k).)

## H. FEDERAL AWARDING AGENCY OR PASS-THROUGH ENTITY REVIEW

1. The school unit must make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the school unit desires to have the review accomplished after a solicitation has been developed, the federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of

the proposed purchase.

2. The school unit must make available upon request, for the federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

- a. The school unit's procurement procedures or operation fails to comply with the procurement standards in 2 CFR Part 200;
  - b. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
  - c. The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product;
  - d. The proposed contract is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
  - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold. The school unit is exempt from the pre-procurement review in this paragraph if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of 2 CFR Part 200.
3. The school unit may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous highdollar funding, and third party contracts are awarded on a regular basis.
  4. The school unit may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from the school unit that it is complying with these standards. The school unit must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

(2 CFR § 200.324.)

# I. EXCEPTIONS TO THESE ADMINISTRATIVE PROCEDURES

The requirements set forth in these administrative procedures do not apply to:

1. Block grants awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services);
2. Federal awards to local education agencies under 20 U.S.C. 7702-7703b (portions of the Impact Aid program, including federal payments relating to federal acquisition of school property and federal payments for students residing on military installations or Indian lands);
3. Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended;
4. Entitlement awards under the National School Lunch Program, Commodity Assistance, Special Meal Assistance, Summer Food Service Program for Children, and Child and Adult Care Food Program of The National School Lunch Act;
5. Entitlement awards under the Special Milk Program, School Breakfast Program, and State Administrative Expenses of The Child Nutrition Act of 1966;
6. Classes of federal awards identified as exceptions by the Office of Management and Budget; or
7. Any circumstance where the provisions of federal statutes or regulations differ from the provisions of Part 200 of Title 2 of the Code of Federal Register.

(2 C.F.R. §§ 200.101-200.102.)

Legal Reference: 34 CFR Parts 74 and 80 (Education Department General Administrative Regulations ("EDGAR")) (for federal awards made prior to 12/26/2014)

2 CFR Part 200 (Uniform Administrative Requirements) (for federal awards made on or after 12/26/2014)

Cross Reference: DJ -- Bidding/Purchasing DJH -- Purchasing and Contracting: Procurement Staff Code of Conduct

Adopted: June 25, 2012

## **APPENDIX I. REQUIRED CONTRACT PROVISIONS**

All contracts made by the school unit for the procurement of property, goods, or services using a federal award must contain provisions covering the following, as applicable:

A. **\*\*Remedies (over \$150,000).** \*\*Contracts for more than the simplified acquisition threshold (currently \$150,000) must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and must provide for such sanctions and penalties as appropriate.

B. **Termination for Cause and Convenience (over \$10,000).** All contracts in excess of \$10,000 must address termination for cause and for convenience by the school unit, including the manner by which it will be effected and the basis for settlement.

**C. Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.360-1.3 must include the equal opportunity clause provided under 41 CFR 601.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR Part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

**D. Davis-Bacon Act, Copeland "Anti-Kickback" Act (construction contracts over \$2,000).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by the school unit must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144 and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "*Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction*"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The school unit must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The school unit must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "*Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States*"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The school unit must report all suspected or reported violations to the Federal awarding agency.

**E. Contract Work Hours and Safety Standards Act (over \$100,000).** Where applicable, all contracts awarded by the school unit in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

**F. Rights to Inventions Made Under a Contract or Agreement.** If the federal award meets the definition of "funding agreement" under 37 CFR § 401.2(a) and the recipient or subrecipient wishes



to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment, or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "*Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements*," and any implementing regulations issued by the awarding agency.

**G. Clean Air Act; Federal Water Pollution Control Act (over \$150,000).** Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires compliance with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

**H. Debarment and Suspension.** A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "*Debarment and Suspension* ." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

**I. Byrd Anti-Lobbying Amendment (over \$100,000).** Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award.

[^1]: A "federal award" is any federal financial assistance (including cost-reimbursement contracts) that a school unit receives either directly from a federal agency or indirectly from a pass-through entity such as the State education department. See 2 CFR § 200.38. Most, but not all, federal awards received by the school unit are subject to the Uniform Grant Guidance. To confirm whether a federal award is subject to the Uniform Grant Guidance, review the terms and conditions of the applicable grant agreement or cooperative agreement and the applicability provisions of the Uniform Grant Guidance, codified at 2 CFR § 200.101.

[^2]: For procurements utilizing federal funds obtained prior to October 1, 2015, the micropurchase threshold is \$3,000. The threshold is subject to adjustment every five years in the Federal Acquisition Regulations.

[^3]: For procurements utilizing federal funds obtained prior to October 1, 2015, the simplified acquisition threshold is \$100,000. The threshold is subject to adjustment every five years in the

Federal Acquisition Regulations.

[^4]: These protest procedures are not available to contractors or third parties for the purpose of handling and resolving disputes, claims or litigation arising in the course of contract formation or contract administration. Any such disputes, claims or litigation will be handled and resolved in accordance with applicable contract terms, if any, and applicable law.

# DJA Purchasing Authority

File: DJA

## PURCHASING AUTHORITY

The Superintendent and/or his/her authorized delegate shall have the power within the limits of the approved budget to approve and direct all purchases and expenditures in conformance with appropriate administrative procedures.

Adopted: April 1, 1980

Revised: April 13, 1992

Reviewed and Adopted: May 8, 2006

Revised: May 19, 2014

Reviewed: March 15, 2023

# DJC Petty Cash Accounts

## PETTY CASH ACCOUNTS

In order to facilitate refunds and minor purchases, the Board authorizes a petty cash fund in each school and in the Central Office.

A school's petty cash fund shall not exceed \$ 150.00. The Central Office petty cash fund shall not exceed \$ 150.00.

The custodian for such accounts at the schools will be the building administrator. The account custodian at the Central Office will be the Superintendent/designee. Each transaction must be supported with proper receipts.

Justifiable expenditures from the petty cash accounts include but not be limited to: miscellaneous materials and supplies (\$ 150.00 maximum) for office supplies, postage and shipping. Purchasing with petty cash funds should not be used to circumvent Board policies establishing purchasing authority or administrative purchasing procedures.

The petty cash funds will be replenished through Regional School Unit 1 Business Office procedures after approval by the Superintendent/designee.

Adopted: April 13, 1992 Reviewed and Adopted: May 8, 2006 Revised: April 28, 2014, March 27, 2023

# DJH Procurement of Staff

## Code of Conduct

### PURCHASING AND CONTRACTING: PROCUREMENT STAFF CODE OF CONDUCT

#### Conflict of Interest

All employees of Regional School Unit 1 shall perform their duties in a manner free from conflict of interest to ensure that the school unit's business transactions are made in compliance with applicable laws and regulations and in a manner that maintains public confidence in the schools. No employee, officer, or agent of the school unit shall participate in the selection, award, or administration of a contract supported by a federal award if they have a real or apparent conflict of interest.

A conflict of interest would arise when the employee or any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties has a financial or other interest in the firm selected for the award. For the purpose of this policy, "immediate family" is defined as spouse, sibling, parent, or child.

#### Conflict of Interest Disclosure

All employees with real or apparent conflicts of interest as defined above must disclose the conflict of interest to the Superintendent who will investigate the circumstances of the proposed transaction. The Superintendent will exercise due diligence in investigating the circumstances of the transaction and, if necessary, will make reasonable efforts to find alternatives to the proposed transaction or arrangement that would not give rise to a conflict of interest. If the Superintendent determines that the proposed transaction is in the best interest of Regional School Unit 1 and is fair and reasonable, they may proceed with the transaction. In the event that the Superintendent may have a conflict of interest, an ad hoc subcommittee of the Board will investigate and make a determination regarding the transaction.

#### Staff Gifts and Solicitations

Employees, officers, and agents of the school unit may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts. Employees, officers, and agents of the school unit may accept unsolicited items of nominal value such as those that are generally distributed by a company or organization through its public relations program.

#### Violations

Employees of Regional School Unit 1 who violate this code of conduct may be subject to discipline, up to and including termination of employment, and, if appropriate, referral to law enforcement.

Legal Reference: 34 CFR Parts 74 and 80 (Education Department General Administrative Regulations ("EDGAR")) (for federal awards made prior to 12/26/2014) 2 CFR § 200.318 (Uniform Administrative Requirements - General Procurement Standards) (for federal awards made on or after 12/26/14)

Cross Reference: BCB - Board Member Conflict of Interest DJ - Bidding/Purchasing Requirements DJ-R - Federal Procurement Manual KCD - Public Gifts to the Schools

Adopted: February 22, 2010 Revised: November 25, 2019; June 28, 2021; April 24, 2023

This is a required policy.

# DKC Expense Authorization and Reimbursement

The Board recognizes that some School Department business expenses involve initial payment by a school system employee or a Board member and that such expense may qualify for reimbursement. The purpose of this policy is to promote financial accountability by requiring prior authorization of expenditures and the establishment of procedures for the reimbursement of expenses.

## Authorization

All employee expenses to be reimbursed must be pre-approved by the employee's supervising administrator. All Board member expenses to be reimbursed must be approved by the Board prior to the member's incurring the expense. Expenses to be reimbursed may include transportation, lodging, registration fees, required materials, parking fees and other reasonable and necessary district business-related expenses.

## Reimbursement

All requests for reimbursement must be **itemized** on an official RSU 1 form. **Itemized** receipts for reimbursable expenses must be attached to the reimbursement form. Automobile travel will be reimbursed at the current IRS mileage rate. Travel shall be by the most practical direct route and documentation shall include starting point, destination and miles travelled. When circumstances dictate that a rental car is necessary and/or the most practical approach to travel, the least expensive car that will meet the purpose should be rented. Reimbursement for commercial transportation will be based on coach/economy fares. Receipts are necessary for reimbursement for airfare.

## Unapproved Expenses

District employees and Board members who incur expenses that have not been approved in advance as required by this policy will be personally accountable for such expenses.

# Establishment of Reimbursement Procedures

The Superintendent/designee will be responsible for developing a schedule of reimbursement rates for district business expenses including those expenses requiring advance approval and specific rates of reimbursement. The Superintendent/designee shall also develop procedures to address methods and times for submission of requests for reimbursement.

Adopted: November 19, 2018 Reviewed: March 15, 2023



# DKC-R Expense Reimbursement Procedure

## EXPENSE REIMBURSEMENT PROCEDURE

The following procedure shall be used for reimbursement of travel expenses incurred by School Committee members and School Department employees.

1. **Mileage:** Staff members who use their vehicle in the performance of their duties will be reimbursed for mileage at the IRS allowable rate.  
  
Travel from home to place of work and return may not be included for reimbursement. Travel for authorized activities should be calculated from the place of work to the activity and the return to the place of work. Regional School Unit 1 employees are all encouraged to minimize mileage whenever possible.
2. **Meal Allowance/Miscellaneous:** Reimbursement for the daily meal allowance will be in accordance with the negotiated contract agreement. Itemized receipts are necessary for all reimbursements.
3. **Lodging:** Lodging allowance will be in accordance with the negotiated contract agreement.
4. **Other Authorized Expenses:** The following actual expenses, in addition to lodging and meals are authorized:
  - a. Registration fees
  - b. Air travel must be at coach or the lowest available published fare. All air travel expenses must be documented with a receipt.
  - c. Whenever practicable, travelers should use free shuttle service if provided during conferences to and from the hotel and conference center. The most economical means of traveling to and from the airport should also be utilized. Travelers will be reimbursed the cost of shuttle or taxi by presenting a receipt to the district at the completion of the trip.
5. **Entertainment:** Entertainment expenses will not be reimbursed.
6. **Other Expenses:** The following actual expenses incurred as a necessary part of approved travel may be claimed if substantiated by documentation:
  - a. parking fees
  - b. road toll charges

c. airline baggage fees

7. **Non Allowable Expenses:** The following expenses are not authorized for reimbursements:

- a. Personal expenses such as laundry, valet services, clothing, toiletries, flowers, gifts, etc.
- b. Cost of traveler's checks
- c. Alcoholic beverages
- d. Expenses for an employee's spouse or family
- e. Side trips for personnel reasons

8. **Submission of Information:** Travel expense information is to be submitted to the Superintendent's office within the (14) days of the staff member's return to the school unit with all necessary supporting documentation as required.

9. **Unapproved Expenses:** Staff members who incur expenses which have not been approved by their immediate supervisor/administrator will be personally accountable for all expenses incurred.

10. **Conference Registrations:** Regional School Unit 1 will pay for conference registrations as approved through the budget process. Regional School Unit 1 will pay late fees only if approved by the immediate supervisor/administrator. Requests for processing must be submitted to the Superintendent's office prior to the pre-registration deadline. Pre-registrations for conferences should be sent to the Superintendent's office as soon as possible to allow adequate time for processing, in order to avoid late fees.

11. **Cancellation Fees:** Cancellation of airline reservations by traveler which result in a penalty must be approved by an immediate supervisor/administrator. Fees for cancellation of reservations without immediate supervisor/administrator approval will be the responsibility of the individual making the cancellation.

Cross Reference: DKC

Adopted: May 22, 2023

# DLB Tax Sheltered Annuities

## TAX SHELTERED ANNUITIES

So that employees may obtain the benefit of tax sheltered annuities, the Board hereby authorizes the adoption of a Tax Sheltered Annuity Plan. The Superintendent or designee is authorized to sign a written Tax Sheltered Annuity Plan (the "Plan") on behalf of the Board. The Plan shall provide that:

A. Any employee may participate in the Tax Sheltered Annuity Plan, subject to the limitations of the Plan and the Internal Revenue Code.

B. Any agents or agency wishing to sell tax sheltered annuities to employees of Regional School Unit 1 must file with the Superintendent or designee evidence of its license to sell such annuities in the State of Maine.

C. Only those providers of annuities who agree to comply with the terms of the Plan shall be permitted to participate as an annuity provider under the Tax Sheltered Annuity Plan. In accordance with the Plan, the Board retains the right to limit the number of annuity providers authorized to sell annuities to employees.

D. At no time will solicitation by providers of tax sheltered annuities be permitted in school buildings or on school properties during regular school hours.

Adopted: April, 1, 1980

Revised: April 13, 1992, March 27, 2023

Reviewed and Adopted: May 8, 2006, January 23, 2012

# DM Cash Management in Schools

File: DM

## CASH MANAGEMENT IN SCHOOLS

As a prudent policy to discourage theft and to have funds safely deposited at a bank, no money shall be kept overnight in schools except in a locked depository that the building administrator has made available for the purpose. All money collected by a teacher or other adult during school hours shall be promptly transmitted to the office for safekeeping. Athletic game funds shall be placed in a secure depository and deposited at the bank as soon as possible.

All other school sponsored or other groups raising money shall have arrangements for the security and deposit of funds.

In the event that money is stolen from desks or cabinets or elsewhere in the school buildings, RSU 1 and/or its Board cannot be held liable for the loss.

Adopted: April 13, 1992

Reviewed and Adopted: May 8, 2006

Revised: April 28, 2014

# DMA - CASH MANAGEMENT FOR FEDERAL FUNDS

The Board will minimize the time between the receipt of federal funds from the United States Treasury, the Maine Department of Education, or other pass-through entity, and the disbursement of the federal funds. Federal funds will only be requested to meet immediate cash needs as follows:

- Reimbursement not covered by prior receipts and;
- Anticipated disbursements that are generally fixed, such as monthly program salaries and benefits.
- The Business Manager 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 Business Manager or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent 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 Business Manager 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.

## [Determination of Allowable Costs]

Before instituting a financial transaction that will require the expenditure of federal funds the federal program director and the business manager 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:

- The proposed expenditure is included in the federal program budget;
- The proposed expenditure is reasonable and necessary for the federal program;
- The proposed expenditure is consistent with procedures for financial transactions of the Board including:

- Purchase order approval procedures;
- Contract review and approval procedures;
- Applicable competitive purchasing procedures, and;
- Documentation supports allowability of transaction.

Before payments are made from federal funds the federal program director and the business manager 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. Any cost reduction or cash refund (rebates, discounts, etc.) related to the transaction will be credited to the federal program.

Adopted: November 19, 2018

# DN School Properties

## Disposition

The Superintendent is authorized to determine, through procedures he/she develops, when personal property (supplies, materials, equipment), as distinguished from real property, is obsolete or no longer of use to the school unit and to declare it surplus.

The Board shall be informed of any property declared as surplus by the Superintendent prior to its disposal. Procedures for disposal of all surplus personal property shall be in accordance with the following:

- A. Any personal identification content shall be removed from the item before it is to be declared as surplus.
- B. All member municipalities are to be informed in writing of property declared surplus and are to have first option to purchase. The charges for municipal purchases shall be determined by the Superintendent after consultation with the Board (or "Board's Finance Committee").
- C. Surplus property, including books, to be offered for sale shall be disposed of by sealed bid, public auction, or public sale. Public notice of any sale of surplus property shall be given at least one week in advance of the date of an auction, sale, or opening of sealed bids.
- D. Library books, textbooks and instructional materials are to be disposed of by a means most likely to offer promise of continuing educational benefit, first to citizens of the school unit, then to others.
- E. Any surplus property which is offered for public sale and is not sold may be disposed of in a manner the Superintendent deems appropriate after so informing the Board, with recycling as a priority where feasible.
- F. Any property determined to be worthless, or for any reason is considered to be inappropriate for sale, shall be disposed of in a manner the Superintendent deems appropriate after so informing the Board, with recycling as a priority where feasible.
- G. Any school unit identification that has been applied to the surplus property shall be removed or, if not possible to remove, be further identified to indicate the intended disposition and surplus nature (i.e., "SOLD BY", "SURPLUS").

All revenues which result from the sale of surplus property shall be credited as miscellaneous income except in those instances where law requires that it be credited to a specific account.

Legal Reference: Title 20-A, MRSA, Sec. 7

Adopted: November 17, 1986

Revised: April 13, 1992

Reviewed and Adopted: May 10, 2006

Revised: April 28, 2014