

D—FISCAL MANAGEMENT

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DA Goals and Objectives

It shall be the policy of the board to adhere to strict fiscal accountability procedures as outlined in subsequent policies and rules. The board shall make every effort to secure goods and services from responsible merchants and vendors at a price and quality which the district can afford while, at the same time, making sure that the children of the district are not denied reasonable access to supplies, equipment and services deemed essential to fulfill the educational goals of the district.

Approved:

DB Planning Programming Budgeting System

The board believes that a planned, systematically prepared budget is essential in the management of the school district. For that reason, the board delegates to the superintendent the authority to develop a budget preparation system that will receive maximum fiscal and educational value for each tax dollar and will provide informative data and further provide a basis for the interpretation of data.

Approved:

DBA Program Structure

The board authorizes the superintendent to develop a budgeting system for the school district.

Approved:

DBC System Analysis

The board encourages detailed cost analysis studies of all programs that are funded by the district's budget.

Approved:

DC Annual Operating Budget (See KBA)

DC

The district budget shall be prepared by the superintendent in cooperation with selected district employees and shall reflect the district's educational goals.

The superintendent shall follow the adopted budget.

The district shall fund the operating budget according to approved fiscal and budgetary procedures required by the State of Kansas.

Budget Forms

Budget forms used shall be those prepared and recommended by the Kansas State Department of Education. Budget summary documents shall be prepared on forms provided by the Kansas State Department of Education.

Priorities

The board will establish priorities for the district on a short-term, intermediate, and long-range basis.

Deadlines and Schedules

Deadlines and time schedules shall be established by the board.

Encumbrances

An encumbrance shall be made when a purchase is made or when an approved purchase order is processed. All encumbrances shall be charged to a specific fund. All necessary encumbrances shall be made by the superintendent.

Recommendations

Recommendations of the superintendent and professional staff concerning the district's budget allocations will be presented to the board prior to submission of the tentative draft budget. All superintendent and staff recommendations will be presented to the board no later than the regular board meeting in _____.

Preliminary Adoption Procedures

The superintendent will be responsible for developing the budget cover letter. It is recommended that the letter include a restatement of the goals and objectives of the district and a list of budget priorities. An explanation of line item expenditures will be included in the letter. Fund expenditures and line categories will also be explained in terms of how the budget meets the goals and objectives of the district and enhances completion of priority programs. A preliminary draft of the district's budget will be submitted by the superintendent to the board on or before _____each year.

Hearings and Reviews

The board shall conduct budget hearings according to state law.

Budget Transparency

The district shall comply with the requirements of the Kansas Uniform Financial Accounting and Reporting Act and rules and regulations promulgated by the Kansas State Board of Education thereunder in maintaining, reporting, publishing on the district's website, and making available to the public specified budgetary records, forms, and information.

Management of District Assets/Accounts

The superintendent shall establish and maintain accurate, financial management systems to meet the district's fiscal obligations, produce useful information for financial reports, and safeguard district resources. The superintendent shall ensure the district's accounting system provides ongoing

internal controls. The superintendent shall review the accounting system with the board.

Approved: July 9, 2018

DCA Goals and Objectives

It shall be the goal of the school district to fund the operating budget according to approved fiscal and budgetary procedures adhered to by the State of Kansas. The budget shall be the vehicle by which the educational goals and objectives of the district are to be carried out; further, the budget will be so developed as to insure systematic progress toward those ends.

Approved:

DCAA Priorities

The board will establish priorities for the district on a short term, intermediate and long-range basis.

Approved:

DCCA Deadlines and Schedules

In order for the district's budget preparation to proceed in an orderly fashion, the superintendent shall establish deadlines and time schedules.

Approved:

DCCA-R Deadlines and Schedules

The superintendent and the district's staff may utilize the following budget preparation schedule:

- January 1 – hold conferences to discuss programs, services and budgeting; consider proposed budget, compute legal maximum budget.
- February 1 – project enrollment for next school year.
- April 1 – accept submission of lists for new equipment, equipment to be replaced, supplies, books, repairs and remodeling, additional staff requirements, or accept submission of departmental budgets and other such needs.
- May 1 -complete working budget, including line items and expenditures for each item.
- May 10 -review budget with key certified staff members and central office staff who are responsible for helping in the preparation of the budget.
- June 1 -present draft of budget to the board along with a cover letter explaining, in sufficient detail, line and fund expenditures; engage in board discussion and adoption.

The dates for publishing the budget and hearing dates, and the date of the final budget hearing, will be in compliance with the dates set forth by the state board of education as shown on the face of the budget document.

The superintendent may establish other deadlines and schedules as the need arises.

Approved:

DCD Preliminary Adoption Procedures

A preliminary draft of the district's budget will be submitted to the board of education on or before July 1 of each year. A cover letter, together with supporting schedules explaining the rationale and contents of the budget in terms of line item and fund-projected expenditure, will accompany the draft budget.

Approved:

DCD-R Preliminary Adoption Procedures

The superintendent will be responsible for developing the budget cover letter. It is recommended that said letter include a restatement of the goals and objectives of the district and a list of priorities included in the budget. A detailed breakdown of line item expenditures will be included in the letter. Fund expenditures and line categories will also be explained in terms of how the budget meets the goals and objectives of the district and enhances completion of priority programs.

Approved:

DCDA Publication of Recommendations

Recommendations of the superintendent and professional staff concerning the educational program of the district and related budget figures will be presented to the board prior to submission of the tentative draft budget. Publication with local media of said recommendations will be at the discretion of the board.

Approved:

DCDA-R Publication of Recommendations

All recommendations of the superintendent and staff will be presented to the board no later than the regular board meeting in June.

Approved:

DCDB Hearings and Reviews

The board will conduct budget hearings according to state law.

Approved:

DCDB-R Hearings and Reviews

All budget reports, cover letters and copies of the draft budget will be made available to interested patrons upon request.

Approved:

DE Fraud Prevention and Investigation

DE

All employees, board members, consultants, vendors, contractors, and other parties maintaining a business relationship with the district shall act with due diligence in duties involving the district's fiscal resources. The superintendent shall develop internal controls that aid in the prevention and detection of fraud, financial impropriety, or irregularity.

Reporting Fraud

An employee who suspects fraud, impropriety, or irregularity shall promptly report those suspicions to the immediate supervisor and/or the superintendent. If the superintendent is the subject of the complaint, reports shall be made to the board president or the board's legal counsel. The superintendent shall generally have primary responsibility for any investigations, in coordination with legal counsel and other internal or external departments and agencies as appropriate. If the superintendent is the subject of the report of fraud, impropriety, or irregularity, the board shall retain control over the investigation or may designate its legal counsel or another investigator to act on behalf of the board in investigating the matter and reporting any findings back to the board.

Whistleblowers

The district encourages complaints, reports, or inquiries about illegal practices or violations of district policies, including illegal or improper conduct by the district, its leadership, or by others on its behalf. Reports may include, but not be limited to, financial improprieties, accounting, or audit matters, ethical violations, or other similar illegal or improper practices or policies. The district prohibits retaliation by or on behalf of the district against staff members

who make good faith complaints, reports, or inquiries under this policy or for participations in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. The district reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports, or inquiries or who otherwise abuse this policy.

Complaints, reports, or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the bases for the complaints, reports, or inquiries. They should be directed to the superintendent unless otherwise provided above. If the superintendent is implicated in the complaint, report, or inquiry, it should be directed to the board or its legal counsel. The district will conduct a prompt, review or investigation. The district may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.

Approved: July 9, 2018

DFAB Standard of Conduct for Federally Funded Contracts

DFAB

The following standard of conduct shall be followed by board members, district employees, officers, and their agents in an effort to eliminate conflicts of interest and to govern actions while engaged in the selection, award, and administration of contracts on behalf of the district.

No board member, employee, officer, or agent may participate in the selection, award, or administration of a contract supported by Federal funds if he or she has a real or apparent conflict of interest concerning the contract.

For the purposes of this policy, a conflict of interest would include any instance when a board member, 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 or receives or would receive a tangible personal benefit from a firm considered for a contract.

Unless otherwise provided herein, no board member, employee, officer, or agent of the district may solicit or accept gratuities, favors, or anything of monetary value from vendors, contractors, or parties to subcontracts. Therefore, these individuals would be prohibited from accepting offers for free entertainment which would otherwise cost the individual, lodging, transportation, gifts, or meals. However, accepting meals offered by a sponsor and consumed by such individual at school, a school sponsored activity, or a related event and/or accepting free product samples having a retail value no greater than \$50 will not be a violation of this policy or standard of conduct.

Employees, officers, and agents of the district found to be in violation of this policy and standard of conduct shall be subject to disciplinary action,

DFAB Standard of Conduct for Federally Funded Contracts

DFAB-2

up to and including suspension or termination for employees and denial of access to district property and activities and/or the severing of the officer or agency relationship with the district, as appropriate.

Approved: 01/09/2017

DFAC Federal Fiscal Compliance (See CMA, CN, DFAA, and DFAB) DFAC

The board shall ensure federal funds received by the district are administered in accordance with federal requirements, including but not limited to the federal Uniform Grant Guidance. This policy outlines the district's responsibilities when federal funding is considered. The board designates the superintendent/or his designee as the federal programs coordinator and district contact for all federal programs and funding.

The superintendent/or his designee shall establish and maintain a sound fiscal management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants and to track costs and expenditures of funds associated with grant awards. The superintendent, to assist in the proper administration of federal funds and implementation of this policy, may recommend additional procedures and regulations be adopted to supplement this policy.

The district's fiscal management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all fiscal management system requirements are met. Fiscal management standards and procedures shall assure that the following responsibilities are fulfilled:

- Identification – The district must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received.
- Financial Reporting – Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in

accordance with the financial reporting requirements of the Education Department General Administrative Regulations (EDGAR).

- **Accounting Records** – The district must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.
- **Internal Controls** – Effective control and accountability must be maintained for all federal funds, real and personal property purchased therewith, and other assets acquired with federal funding. The district must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
- **Budget Control** – Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
- **Cash Management** – The district shall maintain written procedures to implement the cash management requirements found in EDGAR.
- **Allowability of Costs** – The district shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.

Time and Effort Reporting by Employees

All district employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in

accordance with law. Time and effort reporting requirements do not apply to contracted individuals.

Recordkeeping

The district shall develop and maintain a records management plan and related board policy, administrative regulations, and/or procedures for the retention, retrieval, and disposition of print and electronic records, including emails.

The district shall ensure the proper maintenance of federal fiscal records documenting:

- Amount of federal funds,
- How funds are used,
- Total cost of each project,
- Share of total cost of each project provided from other sources,
- Other records to facilitate an effective audit,
- Other records to show compliance with federal program requirements,
and
- Significant project experiences and results.

All records must be retrievable and available for programmatic or financial audit.

The district shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any

documents, papers, or other district records which are pertinent to the federal award. The district shall also permit timely and reasonable access to the district's personnel for interview and discussion related to such documents.

Records shall be retained for a minimum of three (3) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in federal law or in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. If any litigation, claim or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action has been taken.

The district shall ensure that all personally identifiable data protected by statute or regulation is handled in accordance with the requirements of applicable law, regulations, board policy, administrative regulations, and procedures.

Subrecipient Monitoring

If the district awards subgrants, the district shall establish procedures to:

- Assess the risk of noncompliance.
- Monitor grant subrecipients to ensure compliance with federal, state, and local laws and board policy, regulations, and procedures.
- Ensure the district's records are adjusted to cure recordkeeping issues discovered through the subrecipient's audits, on-site reviews, or other monitoring.

Compliance Violations

Employees and contractors involved in federally funded programs and sub-recipients shall be made aware that failure to comply with federal law, regulations, or terms and conditions of a federal award may result in the

federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.

Approved: 08/14/2017

DFAC PROCUREMENT – FEDERAL PROGRAM

(Sample Procedure)

Procurement – Federal Programs

This document is intended to integrate standard district purchasing procedures with additional requirements applicable to procurements that are subject to the federal Uniform Grant Guidance regulations concerning the use of federal funds and/or U.S. Department of Agriculture (USDA) regulations governing school food service programs. The district maintains the following purchasing procedures, in accordance with federal and state laws, regulations, and board policy to aid in making purchases with federal funds. (2 CFR 200.318-200.325; 7 CFR 210.16, 210.19, 210.21, 215.14a, 220.16; K.S.A. 72-1151; board policies DFAB, DFAC, DJE, DJEB, DJED, DJEE, DJEF, DJEG, DJEJ, DJFA, and DJFAB)

2017 Procurement Thresholds		
Kansas Bid Threshold	\$20,000	For construction, reconstruction or remodeling or for the purchase of materials, goods or wares
Federal Micro-Purchase Threshold	\$3,500	Adjusted periodically and published in Federal Register (48 CFR Subpart 2.1)
Federal Simplified Acquisition Threshold	\$150,000	Adjusted periodically and published in Federal Register (48 CFR Subpart 2.1)

*Please review this Procurement attachment annually and update amounts accordingly

Responsibility for Purchasing

The board has outlined standard district purchasing responsibility, methods of purchasing, price quotations and bid, requirements in the following board policies and their accompanying administrative regulations and/or procedures:

- DFAB: Standard of Conduct for Federally Funded Contracts
- DFAC: Federal Fiscal Compliance
- DJE: Purchasing
- DJEB: Quality Control
- DJED: Bids and Quotations Requirements
- DJEE: Local Purchasing
- DJEF: Requisitions
- DJEG: Purchase Orders and Contracts
- DJEJ: Payment Procedures
- DJFA: Purchasing Authority
- DJFAB: Administrative Leeway

Purchase Methods

When a request for expenses for construction, reconstruction, or remodeling or for the purchase of materials, goods, or wares has been submitted and approved as outlined below, the procurement method to be used will be determined based on the type of purchase and the total cost of the purchase as further outlined below. This procedure outlines how the cost thresholds for determining when the quote or formal bidding procedures that are required by state law as reflected in Policy DJED must be modified when making purchases for federally funded purposes to which the Uniform Grant Guidance or USDA regulations apply to comply with both state and federal requirements. At each point where requirements for food service-related procurement under USDA regulations differ, a note will refer to the Food Service Program Notes at the end of this procedure. Final determination of which purchasing procedures are to be applied is delegated to the { } *Purchasing Agent* { } *Superintendent* { } *Business Manager* under the authority of the Board.

Standard Procurement Documents and Purchase Request Process

The district shall use { } *purchase orders* { } *requisitions* for purchase requests in accordance with the applicable purchase method.

The district shall use { } *paper* { } *electronic* purchasing records, which are pre-numbered and are accessible to designated purchasing staff in { } *the district office* { } *the business office* { } *Purchasing Agent's office* { } *Other* _____.

Purchase requests by an employee must be submitted to the building administrator or immediate supervisor. Purchase of all budgeted items or items approved by an administrator or supervisor must be initiated by use of a purchase order or requisition submitted to the purchasing agent. Purchase orders and requisitions shall contain information including, but not necessarily limited to:

1. Description of the services to be performed or goods to be purchased;
2. Location of where services will be performed or goods will be delivered;
3. Appropriate dates of service or delivery;
4. { } Other (describe) _____.

Documentation on purchase orders and requisitions shall be maintained in accordance with the district's Public Records policy (CN) and Federal Fiscal Compliance policy (DFAC).

Contracts shall be reviewed by the { } *Board Clerk* { } *Business Manager* { } *Superintendent* { } *Board's Attorney* prior to submission to the board for approval.

Contracts to which the Uniform Grant Guidance apply shall contain the clauses specified in Appendix II to 2 CFR Part 200 (Contract Provisions for Non-Federal Entity Contracts Under Federal Awards), when applicable.

[See Food Service Program Notes below for specific clauses required by USDA regulations to be included in cost reimbursable procurement contracts.]

Micro-Purchases Not Requiring Quotes or Bidding

For purposes of this procedure, **micro-purchase** means a purchase of supplies or services for use in federally funded programs using simplified acquisition procedures, the aggregate amount of which does not exceed a base amount of \$3,500. The micro-purchase dollar threshold is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$3,500.(48 CFR Subpart 2.1)

Note: The micro-purchase maximum for federal purposes is lower than the amount below which the Policy DJED allows purchase for nonfederal purposes to be made without using formal competitive bidding.

The micro-purchase method is used to expedite the completion of its lowest dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the district distributes micro-purchases equitably among qualified suppliers when the same or materially interchangeable products are identified and such suppliers offer effectively equivalent rates, prices, and other terms. The { } *Superintendent* { } *Business Manager* { } *Purchasing Agent* { } *Board Clerk* { } *Board Treasurer* will be responsible to determine the equitable distribution of micro-purchases.

Micro-purchases may be awarded without soliciting competitive quotations if the district considers the price to be reasonable. The district will maintain evidence of this reasonableness in the records of all micro-purchases. **Reasonable** means that sound business practices were followed, and the purchase is comparable to market prices for the geographic area. Such determinations of reasonableness may include comparison of the price to previous purchases of the same item or comparison of the price of items similar to the item being purchased.

Even if the cost of a purchase qualifies it as a micro-purchase, bidding or small purchase procedures may be used optionally when those procedures may result in cost savings.

Small Purchase Procedures

For purposes of this procedure, **small purchase procedures** are those relatively simple and informal procurement methods for securing materials, goods, or wares or for completing construction, reconstruction, or remodeling that cost more than the amount qualifying as a micro-purchase and do not cost \$20,000 or more, or in the case of services other than construction, reconstruction or remodeling, where the total cost does not exceed the \$150,000 federal Simplified Acquisition Threshold at which formal competitive bidding or competitive proposals are required. Small purchase procedures cannot be used for construction, reconstruction or remodeling costing \$20,000 or more or for the purchase of materials, goods or wares costing \$20,000 or more because the board policy and Kansas law requires formal competitive bidding at that level of cost.

The base amount at which bidding is required under state law for construction, reconstruction or remodeling or for the purchase of materials, goods or wares is \$20,000. (K.S.A. 72-1151)

The federal Simplified Acquisition Threshold at which competitive bidding or competitive proposals are required is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$150,000. (48 CFR Subpart 2.1)

Because state law does not require **competitive** bidding for the purchase of services other than for construction, reconstruction or remodeling with a cost in excess of \$20,000, small purchase procedures, including a request for proposal (RFP) procedure, may be used for procurement of such other services except when the estimated total cost will be at or over the federal threshold at which formal competitive bidding or competitive proposals are required (\$150,000).

[See Food Service Program Notes below for exemption from bidding for purchases of perishable food items costing less than \$150,000.]

Formal Competitive Bidding

Publicly Solicited Sealed Competitive Bids:

For construction, reconstruction, or remodeling or for the purchase of materials, goods or wares, sealed competitive bids are publicly solicited and awarded to the lowest responsible bidder as provided in Policy DJED when the total cost is estimated to be \$20,000 or more.

Note: The amount at which formal competitive bidding or competitive proposals are required by federal regulations is much higher than the base amount at which the policy and state law requires competitive bidding. Therefore, the lower base amount specified by Policy DJED will be used for purchases of equipment or supplies, or for obtaining services for construction, reconstruction or remodeling costing \$20,000 or more.

State law does not require bidding for the purchase of services other than for construction, reconstruction or remodeling regardless of total cost. For procurement of such other services for

federally funded purposes to which the Uniform Grant Guidance applies, formal competitive bidding or competitive proposals will be used when the estimated total cost will be at or over the federal threshold of \$150,000.

The federal Simplified Acquisition Threshold at which competitive bidding or competitive proposals are required is adjusted periodically by the federal government, and the threshold most recently established and published in the Federal Register shall apply if other than \$150,000. (48 CFR Subpart 2.1)

For procurement of services costing at or over the \$150,000 federal threshold other than for construction, reconstruction or remodeling, the use of competitive sealed bidding is considered feasible and appropriate when:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two (2) or more responsible bidders are willing and able to compete effectively for the business; and
3. The procurement lends itself to a firm fixed-price contract, and the selection of the successful bidder can be made principally on the basis of price.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Competitive Proposals

State law does not require public school entities to solicit competitive bids for services other than for construction, reconstruction or remodeling, for which competitive bidding is required if the cost will be a base amount of \$20,000 or more.

Federal regulations allow the use of competitive proposals as an alternative to formal competitive bidding when conditions are not appropriate for the use of sealed bids.

In the case of services other than for construction, reconstruction or remodeling costing less than that threshold, the district may use small purchase procedures or micro-purchase procedures as applicable based on total cost. A request for proposal (RFP) process can also meet or exceed the small purchase competition requirements under state law and Policy DJED for the acquisition of services other than for construction, reconstruction or remodeling, and can be used if the total cost will be less than \$150,000.

When permitted, the technique of competitive proposals is normally conducted with more than one (1) source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. Competitors' qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The district shall comply with other applicable state and federal law and regulations, board policy and administrative regulations or procedures regarding purchasing; the district may consult with the school solicitor or other qualified counsel in determining the required process for purchasing through competitive proposals when necessary.

If this method is used, the following requirements apply:

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
2. Proposals must be solicited from an adequate number of qualified sources.
3. There must be a written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.
5. Competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified is selected, subject to negotiation of fair and reasonable compensation, are allowed. The method where price is not used as a selection factor can only be used in procurement of A/E professional services and cannot be used to purchase other services through A/E firms.

Competitive proposals shall be evaluated by the { } *Superintendent* { } *Business Manager* { } *Federal Programs Coordinator* based on factors including but not limited to:

1. Cost.

{ } *Experience of contractor.*

{ } *Availability.*

{ } *Personnel qualifications.*

Financial stability.

Minority business, women's business enterprise, or labor surplus area firm status.

Project management expertise.

Understanding of district needs.

Other _____.

Evaluations shall be completed in a timely manner, documented and shall be reviewed by the *Board* *Superintendent* *Business Manager* *Federal Programs Coordinator* *school solicitor.*

Contract/Price Analysis

The district performs a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. (2 CFR Sec. 200.323(a)).

A **cost analysis** generally means evaluating the separate cost elements that make up the total price, while a **price analysis** means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the *Superintendent* *Business Manager* *Federal Programs Coordinator* must come to an independent estimate prior to receiving bids or proposals. (2 CFR Sec. 200.323(a)). As part of the analysis, the _____ will enact established business practices which may include evaluation of similar prior procurements and a review process.

Negotiated Profit

In any procurement in which there has been no price competition, or in which a cost-analysis is performed, profit must be negotiated separately as an element of price. Accordingly, solicitations of bids, proposals or quotes shall require that bids, proposals or quotes be limited to costs other than profit, and exclude profit.

To establish a fair and reasonable profit, consideration is 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. (2 CFR Sec. 200.323(b)).

When profit must be negotiated as a separate element of the total price, it shall be negotiated by the *Superintendent* *Business Manager* *Federal Programs Coordinator.*

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals means procurement through solicitation of a proposal from only one (1) source and may be used only when one or more of the following circumstances apply:

1. The item is available only from a single source.
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation. An **emergency** exists whenever the time required for the board to act in accordance with regular procedures would endanger life or property or threaten continuance of existing school classes.
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the district.
4. After solicitation of a number of sources, the district determines the competition is inadequate.

In addition to standard procurement policy and procedures, the district will document the grounds for using the noncompetitive method in lieu of an otherwise required competitive method of procurement, which may include written confirmation from the contractor as the sole source of the item. Documentation must be submitted to and maintained by the district office.

All noncompetitive proposals will ultimately be approved by the board. The district may utilize legal advice regarding noncompetitive proposals.

Profit must be negotiated separately for noncompetitive proposals, and a cost or price analysis will also be performed for noncompetitive proposals when the price exceeds \$150,000.

Purchase Cards

The district approves the use of procurement cards for permissible purchases by designated employees to improve the efficiency of purchasing activities, reduce processing expenses, improve controls for small-dollar purchases, and streamline contractor payment.

Procurement cards may be used for purchases under federal programs.

Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR Sec. 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

1. Placing unreasonable requirements on firms in order for them to qualify to do business.
2. Requiring unnecessary experience and excessive bonding.
3. Noncompetitive pricing practices between firms or between affiliated companies.
4. Noncompetitive contracts to consultants that are on retainer contracts.
5. Organizational conflicts of interest.
6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
7. Any arbitrary action in the procurement process.

Minority Businesses, Women’s Business Enterprises, Labor Surplus Area Firms

The district must take necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include: (2 CFR Sec. 200.321)

1. Placing qualified small and minority business and women’s business enterprises on solicitation lists.
2. Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources.
3. Dividing total purchasing requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business and women’s

business enterprises.

4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and 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.
6. Requiring the prime contractor, if subcontracts are let, to take the affirmative steps listed above.

Geographical Preferences Prohibited

The district must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals for purchases made with federal funds, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

[See Food Service Program Notes below for permissibility of geographic preferences and "Buy American" practices in purchasing certain food products]

Prequalified Lists

The district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the district must not preclude potential bidders from qualifying during the solicitation period.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

Solicitation Language

The district must ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and

standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

Avoiding Acquisition of Unnecessary or Duplicative Items

The district must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration must be given to consolidating or breaking out procurements to obtain a more economical purchase; and, where appropriate, an analysis must be made of leases versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds. Such considerations are accessible in the procedure to Policy DFAC: Allowability of Costs – Federal Programs.

Use of Intergovernmental Agreements and Cooperative Purchasing

To foster greater economy and efficiency, the district enters into state and local intergovernmental agreements where appropriate for cooperative purchasing or use of common or shared goods and services, as permitted by the Intergovernmental Cooperation Act.

When procuring supplies or services for federally funded purposes to which the Uniform Grant Guidance applies, the district shall verify that the organization conducting the procurement pursuant to such agreements complies with the applicable procurement methods, requirements, and standards of the Uniform Grant Guidance as outlined in this procedure.

Use of Federal Excess and Surplus Property

The district considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Debarment and Suspension

The district awards contracts only to responsible contractors possessing the ability 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.

[See Food Service Program Notes below for reference to state requirements regarding contracts with food service management companies and contractors of pre-plated meals.]

The district may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 the district verifies that the contractor with whom the district intends to do business is not excluded or disqualified. (2 CFR Part 200, Appendix II, and 2 CFR Sec. 180.220 and 180.300).

All successful contractors must provide written certification that they have not been suspended or debarred from federal projects. The { } *Business Manager* { } *Federal Programs Coordinator* will be responsible for verification. Such verification may include accessing the online federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions.

Maintenance of Procurement Records

The district must maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.

Maintenance of records of procurement will be governed by board Policies CN and DFAC.

Time and Materials Contracts

The district may use a time and materials type contract only: (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. **Time and materials type contract** means a contract whose cost to the district is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the district must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlements of Issues Arising Out of Procurements

The district alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the district of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

The district maintains protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency. Protest procedures will be acted on in accordance with current state law and regulations, board policy and administrative regulations and procedures, and the advice of the board's legal counsel.

Food Service Program Notes:

Exemption from Bidding for Perishable Food Items -

Kansas law exempts purchases of food and foodstuffs necessary for the implementation or operation of any child nutrition program from bidding requirements. Bidding for such items is required only if the cost would be at or over the federal threshold at which formal competitive bidding is required (\$150,000). Small purchase procedures may be used for purchases below \$150,000, or micro-purchase procedures for purchases below \$3,500. Use of bidding should be considered as an option if it is feasible and likely to result in cost savings.

Geographic Preferences -

The district is permitted to apply a geographic preference when procuring unprocessed, locally grown or locally raised agricultural products. When a geographic preference is applied, the district has discretion to determine the local area to which the geographic preference option will be applied.

Unprocessed locally grown or locally raised agricultural products means only those agricultural products that retain their inherent character. The effects of the following food handling and preservation techniques shall not be considered as changing an agricultural product into a product of a different kind or character: cooling; refrigerating; freezing; size adjustment made by peeling, slicing, dicing, cutting, chopping, shucking, and grinding; forming ground products into patties without any additives or fillers; drying/dehydration; washing; packaging (such as placing eggs in cartons), vacuum packing and bagging (such as placing vegetables in bags or combining two (2) or more types of vegetables or fruits in a single package); the addition of ascorbic acid or other preservatives to prevent oxidation of produce; butchering livestock and poultry; cleaning fish; and the pasteurization of milk. (7 CFR Sec. 210.21, 215.14a, 220.16)

Buy American -

The district shall purchase, to the maximum extent practicable, domestic commodities or products for food service purposes. The term **domestic commodity or product** means: (7 CFR Sec. 210.21, 220.16)

1. An agricultural commodity that is produced in the United States; and
2. A food product that is processed in the United States substantially using agricultural commodities that are produced in the United States.

Mandatory Contract Clauses -

The following provisions shall be included in all cost reimbursable contracts for food services purchases, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts: (7 CFR Sec. 210.21, 215.14a, 220.16)

1. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
2. (a) The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or

(b) The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;
3. The contractor's determination of its allowable costs must be made in compliance with the applicable departmental and program regulations and Office of Management and Budget cost circulars;
4. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the state agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually;

5. The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and
6. The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the state agency, or the department.

Contracts with Food Service Management Companies -

Procedures for selecting and contracting with a food service management company (FSMC) shall comply with guidance provided by the Kansas State Department of Education, Division of Child Nutrition and Wellness, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 CFR Sec. 210.16, 210.19, 210.21, 215.14a, 220.16)

Pre-Plated Meals -

Procedures for selecting and contracting with contractors of pre-plated meals shall comply with guidance provided by the Kansas State Department of Education, Division of Child Nutrition and Wellness, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts. (7 CFR Sec. 210.16, 210.19, 210.21, 220.16)

Approved: July 9, 2018

DFG Fees, Payments and Rentals (Cf. EBH, ECE, KG)

Proceeds for fees for building or equipment use or rental will be credited to a fund specified by the clerk of the board.

Approved:

DFK Gifts and Bequests

Income derived from gifts and bequests will be credited, if possible, to the fund requested by the donor. If the request of the donor cannot be fulfilled, said gift or bequest will be deposited in the capital outlay funds of the district or any other fund specified by the board.

Approved:

DFL Investment of Idle Funds

The Board of Education authorizes the Clerk of the Board, with the approval of the Superintendent, to invest idle funds according to law (KSA 9-1401 and KSA 12-1675). Maximum return on investments is expected from idle funds, current funds, and funds from the sale of bonds.

Approved:

DFM Equipment and Supplies Sales

Excess or unusable district-owned equipment and supplies will be disposed of by bid or auction at the discretion of the board.

Approved:

DH Bonded Employees

The board shall purchase a blanket or surety bond for school employees. The board shall prescribe the amount of the bond.

Approved:

DH-R Bonded Employees

A surety bond in the amount of \$5,000.00 is required for the treasurer and clerk of the board.

Approved:

DIC Inventories

DIC

An accounting will be made annually for all district-owned personal property.

An inventory record system shall be developed by the superintendent. All inventory records shall be annually updated showing deletions and additions, the estimated value, original cost (where available), date of purchase, serial numbers (where available) and location and condition of each piece of district-owned personal property.

Each building principal shall take an annual inventory of district-owned personal property under the direction of the superintendent. Inventory forms shall be developed by the superintendent. One copy of each inventory taken in an attendance center shall be filed in that building, and one copy shall be filed in the central office with the clerk.

Approved: July 9, 2018

DIC-R Inventories

For the purposes of accountability of school-owned property, the superintendent shall develop an inventory record system. All inventory records shall be updated annually showing deletions and additions of school district-owned property, the estimated value, original cost, date of purchase, serial numbers (where available), location and condition of each piece of property.

Each building principal has the responsibility of taking an inventory in his/her building(s) of school district-owned property annually. The superintendent or his/her designated representative will develop inventory forms. The custodian of records will file one copy of each inventory taken in an attendance center in that building and one copy shall be filed in the central office with the clerk of the board.

Approved:

DID Audits

Audits, as required in KSA 75-1117 (et.seq.), shall be conducted annually. An auditing firm shall be named annually at the July meeting of the Board of Education for the current fiscal year.

Approved:

DID-R Audits

The audit shall be concluded as soon as possible following the end of the fiscal year. A report shall be made to the Board of Education by the October meeting. All funds maintained by the district will be examined. In addition, a fixed asset accounting and reporting system will be maintained.

General Fixed Asset Accounting & Reporting

A. Objectives of the System

1. Safeguard the investment in fixed assets by (a) identifying them and fixing responsibility for their custody, and (b) establishing a capitalization policy whereby dollar values assigned to fixed assets are permanently recorded.
2. Avoid duplication and inefficient use of fixed assets.
3. Comply with state laws and regulations concerning municipal accounting, auditing and reporting requirements, and thereby provide information for the preparation of financial statements in accordance with generally accepted accounting principles.

B. Definitions and Policies

1. Fixed Assets are tangible property of significant value at acquisition with a useful life of more than one year. Fixed assets fall into two main categories:
 - a. “General fixed assets” – assets that are not related to a specific service from which revenue is obtained. These are recorded in the balance sheet of the “General Fixed Asset Group of Accounts.”
 - b. “Enterprise –type-fixed assets” – assets directly related to a revenue-producing activity conducted by an enterprise (utility), intragovernmental service, or, in certain cases, trust fund. For financial statement purposes, these assets and related depreciation are recorded in the balance sheets of these funds.

All expenditures for fixed assets should be charged against the appropriation of the fund through which acquired.

2. Land includes all real estate owned by the municipality exclusive of improvements.
3. Buildings include all permanent walled and/or roofed structures.
4. Improvements Other than Buildings include any permanent improvements to land, which cannot be classed as buildings. Examples are streets, bridges and lighting systems. These assets are immovable and of value only to the municipality.
5. Construction work in process includes all costs of labor, material and overhead accumulated in the construction of a fixed asset. Upon completion

DID-R Audits (continued)

of the project, this account is cleared out by transfer of these costs to another class of fixed assets, e.g., Buildings.

6. Equipment includes movable personal property with the following characteristics and is distinguished from supply items as follows.
 1. It retains its original shape and appearance with use.
 2. It is nonexpendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to repair it rather than replace it with an entirely new unit.
 3. It represents an investment of money, which makes it feasible and advisable to capitalize the item.
 4. It does not lose its identity through incorporation into a different or more complex unit or substance.
 5. It is not permanently built into the building.

A supply item is any article or material that meets one or more of the following conditions:

6. It is consumed in use.
 7. It loses its original shape or appearance with use.
 8. It is expendable; that is, if the article is damaged or some of its parts are lost or worn out, it is usually more feasible to replace it with an entirely new unit rather than repair it.
 9. It is an inexpensive item, having characteristics of equipment, whose small unit cost makes it inadvisable to capitalize the item.
 10. It loses its identity through incorporation into a different or more complex unit or substance.
- 6b. Equipment items may be accounted for by either of the following methods:
 1. Unit equipment items. All pieces of equipment, which have their own serial numbers, must be accounted for individually.
 2. Group equipment items. Certain items, because of their large quantity and relatively small individual value will be grouped together. Items to be accounted for as a group may refer only to a single categorical description. For example, folding tables and chairs may be combined as a group. They are accounted for as group items, each being a part of the property item recorded as a total group value. Some equipment items come as sets and should be accounted for as such. Examples are socket wrench sets, micrometer sets, etc.

7. Capitalization Policy

In determining whether fixed assets as defined above should be capitalized, the following items should be considered:

- a. The cost, estimated cost or market value (where acquired by gift), of the fixed asset must be of significant value. Significant value for the purpose of capitalizing fixed assets shall be \$200.00
- b. At the time of capitalization, the asset must not have been in use beyond its normal estimated useful life. This will apply only to inventoried assets in use

at the time the fixed asset accounting system is established. (See Depreciation Policy below.)

- c. In accordance with the option provided by generally accepted accounting principles, “general fixed assets” classified as Improvements Other than Buildings need not be capitalized.

DID-R Audits (continued)

8. Depreciation Policy

- a. General Fixed Assets will not be depreciated.
- b. All initially inventoried assets should be assigned an estimated useful life for purposes of the capitalization test.

The following is a table of representative useful lives prepared by the Internal Revenue Service. It contains examples of asset types and their estimated useful lives; however it is by no means an all-inclusive list. This table may be applied to all assets for which an estimated useful life may be required.

<u>Asset</u>	<u>Useful Life (Years)</u>
Office Furniture	8-12
Office Equipment	5-7
Computer Systems	5-7
Automobiles	3-5
Buses	7-11
Light Trucks (less than 13M lbs.)	3-5
Heavy Trucks	5-7
Trailers	5-7
Land Improvements (except bldgs.)	20
Aircraft	5-7
Electric Utility Systems	23-36
Gas Utility Systems	28-42
Water Utility Systems	40-60
Buildings	30

C. Initial Inventory of Fixed Assets

A complete beginning inventory record of all fixed assets is required to implement the Fixed Asset Accounting System. Continuous reference to the various fixed asset definitions is necessary during the inventory process. If an item is determined not to be a fixed asset, it should not be counted in the inventory. However, all fixed assets, as defined, should be inventoried regardless of whether or not they will be capitalized. For example, a piece of equipment, which has been in use longer than its normal useful life, should be inventoried but will not be capitalized.

D. Valuation of Initial Inventory

One of the objectives of fixed asset accounting is to account for total fixed asset costs rather than current market or replacement values. Thus, inventoried fixed assets, which, according to the established policy, are to be capitalized, should be assigned a dollar value in accordance with one of the following bases:

1. Actual historical cost. This cost can be obtained by reference to documents such as invoices, checks, vouchers, contracts or purchase orders.

DID-R Audits (continued)

2. Estimated historical cost. Although historical costs are more desirable, they may be impossible or impractical to obtain. In this case, an estimated fair market value (estimated cost) as of the date of acquisition should be placed on each item. Estimated costs may be obtained from such sources as minutes, contracts, purchase orders, bond indentures, vendors, appraisers, newspaper articles or inquiries of persons on hand at the time an asset was acquired.
3. Estimated fair market value – gifts. Gifts or donations should be valued at fair market value at the time of receipt. This value can usually be obtained from the donor who will generally have recorded the amount for federal tax purposes.

After assets have been valued, it is important that the permanent fixed asset record contain notations referring to source documents and the method of valuation.

E. Asset Identification

All assets of significant value will be identified with an inventory number. Group equipment items will be identified with a marking pen.

F. Maintaining the System

A physical inventory will be taken annually. All acquisitions and dispositions will be recorded on the individual fixed asset records and the control record as they occur. The fixed asset records should agree with the annual physical inventory. Significant differences will be explained to the Board of Education.

Approved:

DJ Expenditure of Funds

The superintendent shall follow the adopted budget.

Approved:

DJ-R Expenditure of Funds

The board will approve in advance any expenditure of school district funds in the following areas:

Expenditures of funds in excess of amounts budgeted for general line item categories.

All purchases in excess of \$1,000.00.

Approved:

DJB Petty Cash Accounts

DJB

The board may establish petty cash accounts by resolution. All petty cash funds will be audited annually at the same time as the general fund budget. The board shall also receive monthly reports of the expenditures from and reimbursements to each petty cash account.

Approved: July 9, 2018

DJB PETTY CASH ACCOUNTS

[RESOLUTION TO ESTABLISH PETTY CASH FUND]

RESOLUTION

WHEREAS, the Board of Education of Unified School District No. _____, _____ County, Kansas, has determined that the creation of a petty cash fund is an efficient method to pay expenses for school district purposes in emergencies.

WHEREAS, Kansas law authorizes the establishment of petty cash funds;

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of Unified School District No. _____, _____ County, Kansas that a petty cash fund designated as the _____ Building Petty Cash Fund is created for the purpose of receiving and expending funds for needed district expenditures in an emergency. The fund shall be in the amount of \$_____.*

The fund shall be administered by _____. The _____ shall keep a record of all receipts and expenditures of the fund and shall prepare and file with the Board a statement showing all receipts, expenditures and balance at the end of each _____ and at the end of each school year. An itemized receipt shall be maintained for each expenditure. Any person authorized to administer a petty cash fund shall be bonded by the school district.

Upon proper report to the board, the petty cash fund shall be replenished by payment from the appropriate fund of the school district.

The petty cash fund shall not be loaned or advanced against the salary of any employee.

Funds in the petty cash fund shall remain district funds but shall not be considered school money for purposes of K.S.A. 72-1136 and the provisions of K.S.A. 12-105b shall not apply.

ADOPTED by the Board of Education of Unified School District _____, _____ County, Kansas, the _____ day of _____, 20 ____.

[NOTE: A separate resolution must be adopted for each petty cash fund.]

* Not to Exceed \$1500.00

DJB-R Petty Cash Accounts

A petty cash fund of \$200 shall be provided for each principal in the district. A petty cash fund of \$500 shall be provided for the clerk of the board.

A monthly, itemized accounting of each petty cash fund will be given to the assistant superintendent by each building principal, and the clerk shall report his/her monthly, itemized accounting of his/her petty cash directly to the board.

Approved:

DJE Purchasing of Goods and Services (Cf. DJF)

The purchasing, receiving, storing, and distribution of necessary supplies, equipment, and services for use in the educational program and for the various auxiliary services represent a significant expenditure in the school budget. These items must be procured efficiently and economically. The measure of efficient, economical purchasing is the degree to which the right items are provided in the right quantity to the right place at the right time and at the right price.

The board declares its intention to purchase competitively without prejudice and to seek maximum educational value for every dollar expended.

Approved:

DJE-R Purchasing of Goods and Services (Cf. DJF)

Guidelines for making purchases are as follows:

School personnel desiring to make a purchase from district funds shall obtain permission from the building principal who shall then fill out a requisition and submit it to the assistant superintendent for his/her approval.

To expedite the purchase, if approved, the company name and address, the catalog number, the name of the article and price should be included with the request to the principal.

In case "shipment on approval" is desired, a requisition must be completed and the purchase order marked "HOLD" until the transaction is completed. When the transaction is completed, a corrected purchase order will be made before payment; however, such purchases are discouraged.

Employees will be asked to plan orders in such a way that materials, supplies, and equipment for fall term shall be requisitioned early in the spring. The assistant superintendent will review all requisitions and make purchase orders for materials for summer delivery on the basis of the annual budget.

Exceptions to the above procedure will be recognized when custodians, bus drivers, or other employees find it necessary to purchase emergency supplies. In such cases signed tickets or invoices may be attached to the requisition before approval is given.

An activity fund is authorized for each attendance center. The building principal will be the purchasing authority for each activity fund. It will be his/her duty to approve all activity fund requisitions and purchase orders. No purchases may be made from the activity fund without a requisition and purchase order signed by the principal.

Approved:

**GUIDELINES
PRAIRIE HILLS USD #113
CREDIT CARDS**

BOARD OF EDUCATION APPROVED PROCEDURES

- Credit cards are to be checked out to school employees that have signed a contract stating that they agree to abide by the policies.
- Receipts and logs by school employees are to be to the business office by the 25th of each month.
- Have all credit card purchases made by the superintendent reviewed (by the board president or a designated school board member) prior to submission to the local board of education for payment.
- Provide a contract that explicitly state penalties/consequences for violation of board rules and policies concerning unauthorized purchases. (Attachment C)

BUSINESS OFFICE RESPONSIBILITIES

- Prepare a system of reporting all credit card purchases made during a fiscal year. (Attachment A)
- Maintain a log showing names of cardholders, account numbers, credit card purchases, etc., that are submitted and approved by the board. (Attachment B)
- Verify credit card limits on a monthly basis. A written request should be submitted to the board stating rationale for any changes in the limit.
- Audit all original credit card receipts, invoices, electronic tickets, and logs submitted by cardholders monthly to ensure the purchases are in compliance with board policy and used for school district purposes. Verify that all products purchased with a credit card have been received. Provide a system to account for returned merchandise.
- Identify the merchants or type of merchants where the credit card may be used.
- Make sure that purchases can be tied to a specific cardholder through a checkout system.
- Provide a method of notifying merchants of the sales tax exemption status (K.S.A. 79-3606) when purchasing merchandise with credit cards.

- Provide training and monitor credit cardholders (school employees) to ensure the rules are being followed.

SUPERINTENDENT RESPONSIBILITIES

- Review credit card expenditures, following review by the district fiscal officer, prior to submission to the local board of education.

SCHOOL EMPLOYEE RESPONSIBILITIES

- The cardholder must officially sign all credit card purchases. Make it clear that no one may use the credit card except authorized individuals. All purchases must be school related (no personal purchases).
- Submit credit card receipts, invoices, and logs to the school district business office by the 25th of each month.
- Report all lost or stolen credit cards immediately to the school district business office.
- Never accept cash for credit card returns. Request that merchant credit the credit card account.
- Make sure merchants are aware of the sales tax exemption status of school districts (K.S.A. 79-3606) when purchasing merchandise with credit cards.
- Sign contract upon checkout of credit card.

Refer to CEF also.

Approved:

CREDIT CARD AUTHORIZATION LIMITS

Total Dollar Limit (Per Period)	\$
Max Number of Daily Transactions	
Maximum Dollars per Transaction	\$

Account Number	
Name of Cardholder	
Department	
Social Security Number	
Position	
Statement Address	
City/State/Zip	
Telephone Number	
Authorization Strategy Number	
Organization Number/Object Code	
Special Instructions	

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Date of Request

Departmental Approval

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Date Authorized

Signature of Business Procurement
Card Coordinator

Attachment C

USER AGREEMENT FOR DISTRICT-ISSUED CREDIT CARD

The following user agreement must be signed by all authorized employees of Prairie Hills USD #113 with access to a credit card.

I understand that Prairie Hills USD #113 has authorized my use of a district credit card for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions that follow.

- I will use the card issued to me only for the payment of authorized expenses consistent with my organizational responsibilities and to satisfy by building/department needs.
- I understand the purchases are limited to approved expenditures listed on an approved requisition.
- I will not use the card to obtain cash advances.
- I understand that I am the only authorized card user.
- I will not use the card for personal use or for any other non-district purposes.
- I understand the card shall be used for only the types of merchants approved by the school district.
- I understand that all purchases shall be made in accordance with applicable purchasing and credit card procedures adopted by the board of education.
- I understand that I am responsible to provide appropriate documentation for credit card transactions charged to my card or be held responsible for those expenditures.
- I will surrender the card to the district office upon returning.
- I understand that any charges against the credit card that are not properly identified or not allowed by the district shall be paid by me by check, United States currency or salary deduction. I further understand that any employee who has been issued a card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the administrator/business department or designee.
- I will immediately report any stolen or lost card to the business office at (785) 284-2175.
- I will immediately report a stolen or lost card to Cardmember Services at the following number; 1-800-442-4757

I understand that any variance and/or violation of the above conditions will result in cancellation of my credit card use. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges.

All district credit cards are subject to examination by external auditors.

The district shall have unlimited authority to revoke use of any credit card issued and upon such revocation shall not be liable for any cost subsequently charged to the credit card.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name_____

Building/Department_____

SSN_____

CreditCard#_____

Signature_____

Date_____

DJEA Purchasing Authority

The board shall appoint a purchasing agent for the district.

Approved:

DJEA-R Purchasing Authority

The assistant superintendent is the purchasing agent for the district and is authorized by the board of education to make all purchases with district funds. It is essential that all purchases be made in this manner in order to properly account for the distribution of funds in the district's budget.

The function of the purchasing agent of the school district is to serve the educational program by providing the necessary supplies, equipment and services.

Approved:

DJEAB Administrative Leeway

The purchasing agent is authorized to issue purchase orders without prior approval of the board when formal bidding procedures are not required by the board or by state law and when budget appropriations are adequate to cover such obligations.

Approved:

The board reserves the right to establish the specifications for and quality of goods or services purchased by the district.

Specifications

It is the responsibility of the originator of a purchase request to see that all specifications requested are complete.

Standardization

Whenever possible, standard lists of supplies and equipment shall be developed in all budget areas.

Quantity Purchasing

Quantity purchasing is encouraged.

Approved: July 9, 2018

DJEBA Specifications

It is the responsibility of the originator of a request to see that each item on a requisition is complete as to specifications.

Approved:

DJEBA-R Specifications

The purchasing agent shall seek any help needed to develop the best possible set of specifications for items to be purchased by competitive bid.

Approved:

DJECA Standardization

Standard lists of supplies and equipment shall be developed in all budget areas whenever possible.

Approved:

DJECB Quantity Purchasing

Quantity purchasing is encouraged whenever possible.

Approved:

DJED Bids and Quotations Requirements

DJED

All purchases requiring competitive bids shall be made in accordance with current statutes.

The purchasing agent shall develop and maintain lists of potential suppliers. Bid lists shall be used to notify potential bidders.

Any supplier may be included in the list upon request. All bid lists shall be reviewed annually by the purchasing agent.

A copy of this policy shall be given to all bidders upon request.

All bids and supporting documentation shall be retained in the district office with the clerk for a period of three years after bids have been opened.

Bid Specifications

All bid specifications shall be written by the district's purchasing agent and shall include required characteristics and quality standards. Specifications shall include, when necessary: required performance, surety, bid, and statutory bond information; compliance with preferential bid law; financial statements; the board's right to reject any or all bids; compliance with all federal, state, and local laws, ordinances, and regulations; the date, time, and place for the opening of bids; and other items as the board directs.

The board shall avoid negotiation of bid specifications after bids have been accepted and shall correct specifications if they are inadequately written and request new bids. If an error is discovered in the bid specifications, all bids shall be returned unopened, and the project shall be rebid using corrected and/or amended specifications.

Procedure

All bids must be submitted to the clerk in sealed envelopes with the name of the bidder and the date of the bid opening plainly marked in the lower left-hand corner of the envelope. All bids shall be opened publicly on the stated date and time. All bidders and other interested persons may be present when the bids are opened.

Bids may be opened by the purchasing agent or other person designated by the board, and such opening shall be witnessed by one other district employee. The bids shall then be arranged in order from low to high before they are presented to the board for action.

Responsible Bidder

All bids shall be awarded to the lowest responsible bidder. The board remains the sole judge of whether a bidder is "responsible." Criteria that may be used to judge whether the bidder is responsible by way of illustration and not limitation, are: financial standing, reputation, experience, prior working relationship with the district, resources, facilities, judgment, and efficiency.

The board may investigate whether the bidder is responsible by using information at hand to form an intelligent judgment, such as, but not necessarily limited to, the district's architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

Withdrawal of Bids

Any bid may be withdrawn and/or corrected prior to the scheduled time for opening of bids and no later than two days after the bids have been opened if a non-judgmental error has been made.

Any bid received after the publicized date and time shall not be considered by the board.

Rejection of Bids

The board reserves the right to reject any and all bids and to ask for new bids. This reservation shall be specified in the publication or notification of bid letting.

The board reserves the right to waive any informalities in or reject any parts of a bid.

Multi-State Purchasing Pools

The board may participate in multi-state purchasing pools.

Approved: July 9, 2018

DJED-R Bids and Quotations Requirements

All bids will be awarded to the lowest responsible bidder according to quality standards identified in the bid specifications. The board reserves the right, however, to reject any and all bids and to ask for new bids at its discretion.

Bids may be opened by the purchasing agent and arranged in order of bid before they are presented to the board for action.

All bids must be submitted in sealed envelopes, addressed to the board, and plainly marked with the name of the bidder and the time of the bid opening. All bidders and other persons shall be invited to be present.

The board reserves the right to waive any informalities in, or to reject any part of a bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered.

Approved:

DJEE Local Purchasing

The board will purchase goods and services on a local basis when possible and when costs, quality and servicing of goods meet board specifications and the needs of the district.

Approved:

DJEF **Requisitions**

DJEF

The purchasing agent shall develop a requisition form to be used by staff members requesting that certain goods be purchased for the district.

All requisitions shall be submitted to the purchasing agent by the designated deadline. After a purchase order has been issued, the number of the purchase order shall be recorded on the requisition, and the number of the requisition shall be recorded on the purchase order. After processing, the original copy of the requisition shall be filed in the office of the purchasing agent in numerical sequence.

The school or district entity shall not be used to order or purchase supplies, goods, or wares for the personal use of employees. Use of the “school entity” in this manner would include, but may not be limited to, the use of the school or district’s name, letterhead, purchase order, fund, credit card, and/or check.

Approved: July 9, 2018

DJEF-R Requisitions

All requisitions shall be submitted to the purchasing agent at a time designated by him/her. After a purchase order has been issued, the number of the purchase order shall be recorded on the requisition; the requisition shall be attached to the purchase order. After processing, the original copy of the requisition shall be filed in the office of the purchasing agent in numerical sequence.

School letterhead paper shall not be used in ordering supplies and equipment for personal use.

Approved:

DJEG Purchase Orders and Contracts

The purchasing agent shall develop a form consistent with the requisition form to be used in purchasing goods for the school district.

Approved:

DJEG-R Purchase Orders and Contracts

Purchase orders shall include the following essentials:

A specification of the item which adequately describes to the supplier the characteristics and the quality standards; a firm quoted, net-delivered price (whenever

possible) and prices shown both per unit and as extended; clear delivery instructions which include time and place; signature of the purchasing agent and budget account code number.

All purchase orders shall be numbered in sequence and sufficient copies made to meet distribution requirements.

A verbal order, subject to subsequent confirmation by a written purchase order, may be issued only in cases where a bona fide emergency situation exists. Whenever possible, a purchase order number should be given to the supplier. A confirming requisition/purchase order shall be issued immediately thereafter.

Approved:

DJEJ Payment Procedures

Payment of bills shall be authorized by the board at a regular board meeting upon the recommendation of the superintendent or his/her designated representative.

Approved:

DJEJ-R Payment Procedures

Claims, which are submitted to the board for payment, must meet the criteria found in DJEG.

A list of claims may be attached to the board's agenda each month and shall include the following information: claimant, amount of claim, and the fund against which the claim is based. The purpose or object of said claim may be given verbally to the board by the purchasing agent upon request.

All bills must be presented to the clerk of the board by the twenty-eighth day of the month for prompt payment.

Approved:

DJFA Capital Equipment Purchasing Authority (Cf. DJED)

The board of education may grant approval to purchase capital equipment, when said cost is less than \$20,000.00, upon proper request and recommendation of the superintendent.

Approved:

DJFAB Administrative Leeway

In the event of an emergency situation such as a power failure, severe cold weather or other such natural disasters, the superintendent shall have the authority to purchase capital equipment needed to keep the schools of the district open or to reopen the schools. Any such purchases shall be ratified by the board at a special or general meeting as soon after the purchase is made as is possible.

Approved:

DJFC Cost Control

The board reserves the right to maintain cost control authority over any goods or services purchased by the school district.

Approved:

DJFF Requisitions

Purchases from local vendors will be by approved methods and procedures outlined in the board's rules.

Approved:

DJH Note and Bond Payments

Note and bond payments shall be made promptly according to a schedule established by the board for such payments.

Approved:

DK Student Activity Fund Management (See JH)

Any activity, which involves the expenditure of activity funds, shall be subject to prior approval of the principal.

Activity Fund Management

The building principal shall maintain an accurate record of all student activity funds in the respective attendance centers. No funds shall be expended from these accounts except in support of the student activity program. No activity account shall have a negative balance.

The board shall receive a monthly report on all activity accounts.

All student activity funds will be audited annually at the same time as the general fund budget.

The board will assume control of all inactive activity organization funds and disburse those funds to other activity accounts or expend the funds as directed by the board.

Approved:

DK STUDENT ACTIVITY FUND MANAGEMENT

[RESOLUTION TO ESTABLISH ACTIVITY FUND]

RESOLUTION

WHEREAS, the Board of Education of Unified School District No. _____, _____ County, Kansas, has determined that the creation of an activity fund is an efficient method to pay expenses for student activities; and

WHEREAS, Kansas law authorizes the establishment of school activity funds;

NOW THEREFORE, BE IT RESOLVED, by the Board of Education of Unified School District No. _____, _____ County, Kansas, that an activity fund designated as the _____ fund is created for the purpose of receiving and expending funds for student activities, including athletics, music, forensics, dramatics and other board approved student extra-curricular activities.

The fund shall be administered by _____. The _____ shall keep a record of all receipts and expenditures of the fund and shall prepare and file with the Board a statement showing all receipts, expenditures and balance at the end of each _____ and at the end of each school year. Any person authorized to administer an activity fund shall be bonded by the school district.

Funds in the activity fund shall remain district funds but shall not be considered school money for purposes of K.S.A. 72-1132 and the provisions of K.S.A. 12-105b shall not apply.

ADOPTED by the Board of Education of Unified School District _____, _____ County, Kansas, the ____ day of _____, 20____.

[NOTE: A separate resolution must be adopted for each activity fund.]

DK-R Student Activity Fund Management (See JH)

Each student activity fund shall have an employee in charge of the funds. The employee shall be responsible for making a monthly report to the superintendent and the board.

The monthly student activity report shall show opening and closing balances of each fund. The report shall also show the total amount of deposits and an itemized list of expenditures.

Activity Fund Management

All payments from student activity funds shall be made from purchase orders signed by the employee responsible for the fund.

Receipts shall be kept for all revenue deposited into the activity fund of each attendance center. All payments from the activity fund shall be by checks provided for that purpose.

Approved:

Unpaid Fees and Negative Account Balances

Unpaid or overdue accounts disrupt accounting practices within the district. All persons who owe overdue fees or have negative account balances with the district shall be notified of the delinquency up to three times in not less than ten day increments by the superintendent or superintendent's designee via letter sent by U.S. First Class Mail providing that the individual owes the district fees or that a specified account has insufficient funds or a negative balance and the reason for the fees or account withdrawals.

If, within ten days after the second notice was mailed, the debt is not paid in full or arrangements have not been made with the superintendent or superintendent's designee to pay it, a third and final notice shall be sent to the debtor by mail. Postage and stationary costs may be added to the original bill.

If full payment is not received by the clerk within ten days after mailing of the final notice, authorization for the enforcement of collection may be obtained through the local small claims court in compliance with Kansas statutes, the superintendent or superintendent's designee may turn the matter over to legal counsel to commence debt collection proceedings on behalf of the district, or the matter may be handled through the Kansas SetOff Program.

Insufficient Funds Checks

Option 1:

The superintendent or the superintendent's designee is authorized to request charges to be filed against a person or persons giving worthless or insufficient fund checks to the school district. In addition, the board adopts

the following procedures for dealing with returned checks in the school setting.

Once the person is notified of the first returned check via U.S. First Class Mail, if restitution is made within five working days from the notification being mailed, there will be no charge for a returned check. If after a second notification is sent, restitution is not made within an additional five working days, a fee of \$10.00 will be charged.

- If a person has a second returned check, he/she will be notified and assessed a \$15.00 fee, providing restitution is made within five working days. After the second notification is mailed concerning the second returned check, a fee of \$20.00 will be assessed.
- For a third returned check, the person will be notified, assessed a \$30.00 fee, and informed that the district and its schools will not accept any future checks from such person. All future payments to the district or individual schools would then need to be in the form of cash, cashier's check, or credit/debit card payment.
- If restitution of the third check is not made within five working days from mailing the final notification, the superintendent or superintendent's designee will be notified, and the superintendent or superintendent's designee may turn the matter over to the county attorney for legal action.

Option 2:

The superintendent or the superintendent's designee is authorized to retain the services of a bad check collection agency to collect funds due to the district upon receipt of insufficient funds checks.

Approved: July 9, 2018