

Policies – First Reading 10-10-2016

The following is a brief summary of the items in this policy first reading packet.

Bylaws

0144. 3d Conflict of Interest (no solicitation of gifts, disclosure required)

Policies

1130 Conflict of Interest (changes offer more protection and clearer guidelines)

3110 Conflict of Interest (same as above)

4110 Conflict of Interest (same as above)

6110 Federal Grant Funds (recommended by NEOLA due to changes in grant system)

6111 Federal Grant Internal Controls (same as above)

6112 Federal Grant Cash Management (same as above)

6114 Cost Principles - Spending Federal Funds (same as above)

6116 Federal Grant Time and Effort Reporting (same as above)

6320 Purchasing (new NEOLA language; the district was already doing this)

6424 Purchasing Cards (same as above)

6550 Travel Payment & Reimbursement (same as above)

7300 Disposition of Real Property (no longer needed integrated equipment)

7310 Disposition of Surplus Property (no longer needed items: old or in poor condition)

7450 Property Inventory (much more clear and specific)

8500 Food Services (no discrimination, US govt will not cover bad debt, record – keeping must comply with district policy)

MEMBERSHIP

0141 **Number**

The Board of Education shall consist of 7 members.

M.C.L. 380.11a

0141.1 **Student-Body Representatives**

The Board shall have 2 representatives from the high school student-body selected by the Superintendent.

0142 **Election/Appointment**

0142.1 **Electoral Process**

The number of members of the Board shall remain the same as before July 1, 1996 unless changed by the School electors at a regular or special School election. A ballot question for changing the number of Board members may be placed on the ballot by action of the Board or by petition submitted by School electors as provided under Michigan election law (M.C.L. 168.301 to 168.315).

Members of the Board shall be elected in the November even year general election (the first Tuesday after the first Monday) in a manner that is consistent with State law.

A special election may be called by the Board as provided under Michigan election law (M.C.L. 168.301 to 168.315).

M.C.L. 168.301 et seq.

0142.2 **Qualifications**

An individual is eligible for election as a School Board member if the individual is a citizen of the United States and is a qualified and registered elector of the School District by the filing deadline.

M.C.L. 168.302

0142.3 **Term**

Members of the Board shall be elected by the School electors for terms of six (6) years.

At each regular School election, members of the Board shall be elected to fill the positions of those whose terms will expire. A term of office begins as provided by law (M.C.L. 168.302) and continues until a successor is elected and qualified.

At least one (1) School Board member for a School District shall be elected at each of the School District's regular elections. A School Board member's term of office begins January 1st, immediately following the November election.

M.C.L. 168.301 et seq.

0142.4 **Oath**

Each newly-elected Board member shall file an acceptance of office as well as an affidavit of eligibility within ten (10) days after receiving a certificate of election and shall take an oath of office as prescribed by the Constitution of Michigan.

A ceremonial oath of office may be administered at the Organizational Meeting and may be administered by the Superintendent.

M.C.L. 168.309, 168.310

0142.5 **Vacancies**

The office of a Board member shall become vacant immediately upon the occurrence of any one (1) of the following events:

- A. the death of the incumbent, or the incumbent's being adjudicated insane or being found to be mentally incompetent by the proper court
- B. the incumbent's resignation
- C. the incumbent's removal from office
- D. the incumbent's conviction of a felony
- E. the incumbent's election or appointment being declared void by a competent tribunal

- F. the incumbent's neglect or failure to file the acceptance of office, to take the oath of office, or to give or renew an official bond required by law
- G. the failure of the District to elect a successor at the annual school meeting or election
- H. the incumbent's ceasing to possess the legal qualifications for holding office
- I. the incumbent's residence being removed from the School District

If less than a majority of the offices of the District becomes vacant, the remaining members of the Board shall fill the vacancy immediately.

If the vacancy is not filled within thirty (30) days after it occurs, the Board of the Intermediate School District shall fill the vacancy by appointment.

A person elected or appointed to fill a vacancy on the Board shall file an acceptance of office and shall hold office until the next regular school election.

M.C.L. 168.310, 168.311

Filling a Board Vacancy

If the majority of the Board is still seated, the vacancy shall be filled by the Board using the following procedure:

- A. The Board shall seek qualified and interested candidates from the community through the news media, word of mouth, and contacts with appropriate organizations.
- B. All applicants are to submit a notice of their interest, in writing, to the Board President.
- C. The Board shall interview all interested candidates to ascertain their qualifications.
- D. Appointment by the Board to fill a vacancy shall be by majority vote of the full Board.

0142.6 **Recall**

Any member of the Board may be recalled pursuant to M.C.L. 168.951 et seq.

0142.7 **Orientation**

The Board believes that the preparation of each Board member for the performance of Board duties is essential to the effective functioning of the Board. The Board shall encourage each new Board member to understand the functions of the Board, acquire knowledge of matters related to the operation of the District, and learn Board procedures. Accordingly, the Board shall give to each new Board member for his/her use and possession during the term on the Board the following items:

- A. a copy of the Board policy manual
- B. a copy of each current negotiated agreement
- C. the current budget statement, audit report, and related fiscal materials

Each new Board member shall be invited to meet with: the Board President, the Superintendent, and/or the Business Manager to discuss Board functions, policies, and procedures.

The Board shall encourage the attendance of each new Board member at orientation and training meetings.

0143 **Authority**

Individual members of the Board do not possess the powers that reside in the Board of Education. The Board speaks through its minutes and not through its individual members. An act of the Board shall not be valid unless approved at an official meeting by at least a majority vote of the members elected to and serving on the Board. M.C.L. 380.1201

No member of the Board shall be denied documents or information to which s/he is legally entitled and which are required in the performance of his/her duties as a Board member.

Access to District personnel records shall be subject to the following rules:

- A. Examination of school employee personnel records by the Board of Education shall be conducted in accordance with the Open Meetings Act.
- B. Personnel records shall, in their entirety, be returned to the custody of the Superintendent at the conclusion of the Board meeting.
- C. Information obtained from employee personnel records by members of the Board shall be used only for the purpose of aiding the members in fulfilling their legal responsibilities in making decisions in such matters as appointments, assignments, promotions, demotions, remuneration, discipline, and dismissal or to aid the development and implementation of personnel policies, or for such other uses as are necessary to enable the Board to carry out its legal responsibilities.

0143.1

Public Expression of Board Members

The Board President functions as the official spokesperson for the Board.

From time-to-time, however, individual Board members make public statements on school matters:

- A. to local media;
- B. to local officials and/or State officials.

Sometimes the statements imply, or the readers (listeners) infer, that the opinions expressed or statements made are the official positions of the Board. The misunderstandings that can result from these incidents can embarrass both the member and the Board. Therefore, Board members should, when writing or speaking on school matters to the media, legislators, and other officials, make it clear that their views do not necessarily reflect the views of the Board or of their colleagues on the Board.

- A. This bylaw shall apply to all statements and/or writings by individual Board members not explicitly sanctioned by a majority of its members, except as follows:

1. correspondence, such as legislative proposals, when the Board member has received official guidance from the Board on the matters discussed in the letter
2. routine, not for publication, correspondence of the Superintendent and other Board employees
3. routine "thank you" letters of the Board
4. statements by Board members on nonschool matters (providing the statements do not identify the author as a member of the Board)
5. personal statements not intended for publication

B. Copies of this bylaw shall be sent annually to local media by the Board President.

0144 **Operations**

0144.1 **Compensation**

Board members shall receive not more than \$30 per meeting up to a total of not more than fifty-two (52) meetings (including committee meetings) as compensation for their services. Expenses of a Board member shall be reimbursed when incurred in the performance of his/her duties or in the performance of functions authorized by the Board and duly vouchered.

M.C.L. 380.11a, 380.1254

The following guidelines have been established by the Board of Education to ensure appropriate and proper reimbursement of expenses for Board members.

- A. Expenses will be reimbursed only for activities authorized by the Board.
- B. Reimbursement for mileage will not exceed the current rate established by the Internal Revenue Service.
- C. Attendance at Board-approved conferences should be at the location closest to the District.

- D. Purchase of any printed or other materials relating to Boardmanship will be reimbursed if prepurchase approval is given by the Board. If such approval is not possible or feasible, a voucher must be submitted to the Board for approval.
- E. When the Board attends a community or school-related event as a Board function, or a Board member attends as the designated representative of the Board, any incurred expenses, including mileage, will be reimbursed by the Board. If a Board member attends such events as a private citizen, any incurred expenses are to be paid by the Board member.
- F. No entertainment expenses or purchases of alcoholic beverages are reimbursable.

A voucher detailing the amount and nature of each expense must be submitted to the Board for approval at a Board meeting after the expenses have been incurred and prior to reimbursement.

Board members may use District credit or debit cards only in accordance with Board Policy 6423 and the accompanying administrative guidelines.

0144.2

Board Member Ethics

As members of the Board of Education, Board members will strive to improve public education and to that end they will:

- A. attend all regularly scheduled Board meetings insofar as possible, and become informed concerning the issues to be considered at those meetings;
- B. recognize that they should endeavor to make policy decisions only after full discussion at publicly held Board meetings;
- C. render all decisions based on the available facts and independent judgment, and refuse to surrender that judgment to individuals or special interest groups;
- D. encourage the free expression of opinion by all Board members, and seek systematic communications between the Board and students, staff, and all elements of the community;

- E. work with the other Board members to establish effective Board policies and to delegate authority for the administration of the District to the Superintendent;
- F. communicate to other Board members and the Superintendent expressions of public reaction to Board policies and school programs;
- G. inform themselves about current educational issues by individual study and through participation in programs providing needed information, such as those sponsored by the State and National School Boards Associations;
- H. support the employment of those persons best qualified to serve as school staff, and insist on a regular and impartial evaluation of all staff;

REVISED BYLAW 0144.3 - VOL. 30, NO. 2

- I. avoid being placed in a position of conflict of interest, and refrain from using their Board positions for personal partisan gain;
- J. take no private action that will compromise the Board or administration, and respect the confidentiality of information that is privileged under applicable law;
- K. remember always that their first and greatest concern must be for the educational welfare of the students attending the public schools.

Source: Board of Directors, National School Boards Association.

0144.3

Conflict of Interest

Board members shall perform their official duties in a manner free from conflict of interest. To this end:

- A. No Board member shall use his/her position as a Board member to benefit either himself/herself or any other individual or agency apart from the total interest of the School District.

- B. When a member of the Board determines that the possibility of a personal interest conflict exists, s/he should, prior to the matter being considered, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board), and thereafter shall abstain from participation in both the discussion of the matter and the vote thereon.
- C. A member of the Board is presumed to have a conflict of interest if the member or his/her family member has a financial interest, or a competing financial interest, in the contract or other financial transaction or is an employee of the School District.

Having a child in the District does not alone constitute a conflict of interest or financial interest in a contract or other financial transaction of the School District.

“Family member” means a person’s spouse or spouse’s sibling or child; a person’s sibling or sibling’s spouse or child; a person’s child or child’s spouse; or a person’s parent or parent’s spouse, and includes these relationships as created by adoption or marriage.

- 1. A Board member is not considered to have a financial interest in any of the following instances:
 - a. A contract or other financial transaction between the School District and any of the following:
 - 1) A corporation in which the individual is a stockholder owning 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owning stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.
 - 2) A corporation in which a trust, if the individual is a beneficiary under the trust, owns 1% or less of the total stock outstanding in any class if the stock is not listed on a stock exchange or owns stock that has a present market value of \$25,000.00 or less if the stock is listed on a stock exchange.

- 3) A professional limited liability company organized pursuant to the Michigan limited liability company act, if the individual is an employee but not a member of the company.
 - b. A contract or other financial transaction between the School District and any of the following:
 - 1) A corporation in which the individual is not a director, officer, or employee.
 - 2) A firm, partnership, or other unincorporated association, in which the individual is not a partner, member, or employee.
 - 3) A corporation or firm that has an indebtedness owed to the individual.
 - c. A contract between the School District and the intermediate school district.
 - d. A contract awarded to the lowest qualified bidder, upon receipt of sealed bids pursuant to a published notice for bids if the notice does not bar, except as authorized by law, any qualified person, firm, corporation, or trust from bidding. This does not apply to any amendments or renegotiations of a contract or to additional payments under the contract that were not authorized by the contract at the time of award.
2. If the financial interest pertains to a proposed contract with the District, the following requirements must be met:
 - a. The Board member shall disclose the financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the Board member shall make the disclosure in one

of two (2) ways:

- 1) In writing, to the Board president (or if the member is the Board president, to the Board secretary) at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - 2) By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The Board member must use this method of disclosure if his/her financial interest amounts to \$5000 or more.
- b. Any contract in which there is a conflict of interest as defined by this bylaw and the related statute (M.C.L. 380.1203) must be approved by a majority vote of the full Board without the vote of any Board member with a financial interest.

However, if a majority of the members of the Board are required to abstain from voting on a contract or other financial transaction due to a financial interest, then for the purposes of that contract or other financial transaction, the members who are not required to abstain constitute a quorum of the board and only a majority of those members eligible to vote is required for approval of the contract or financial transaction.

- c. The official minutes of the Board disclose the name of each party involved in the contract, the nature of the financial interest, and the terms of the contract including the duration, financial consideration between the parties, facilities or services of the District included in the contract, and the nature and degree of assignment of District staff needed to fulfill the contract.
- d. A Board member with a conflict of interest in a contract may not participate in the discussion of nor vote on the contract.

- D. Board members shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. A Board member may, however, accept unsolicited item such as a business-related meal or entertainment where the main purpose is the active conduct of business and is not lavish or extravagant under the circumstances or a gift of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds.

Board members must disclose any potential conflict of interest which may lead to a violation of this policy to the full Board.

- E. A Board member may be appointed to serve as a volunteer coach or supervisor of a student extra-curricular activity if all of the following conditions are present:
1. the Board member receives no compensation for service as a volunteer coach or supervisor;
 2. the Board member abstains from voting on issues before the Board concerning the program during the period of time s/he serves as a volunteer coach or supervisor;
 3. there is no other qualified applicant available to fill a vacant position; and
 4. the appointing authority has received the results of a criminal history check and criminal records check from the Michigan State Police or the Federal Bureau of Investigation for the Board member.

M.C.L. 15.183, 15.323, 380.1203

See also, Policy 6420, Conflict of Interest - Legal Counsel, Advisors, or Consultants.

0144.4

Indemnification

The Board may hold harmless, indemnify, pay, settle, or compromise a judgment against a Board member to the extent allowed under the law.

M.C.L. 691.1408

0145 **Discriminatory Harassment**

The Board of Education's intent is to provide an environment that fosters the respect and dignity of each person. To this end, the Board is committed to maintaining an environment free of harassment and intimidation.

Sexual harassment includes all unwelcome sexual advances, requests for sexual favors, and verbal or physical contacts of a sexual nature whenever submission to such conduct is made a condition of employment or a basis for an employment decision. Other prohibited conduct includes that which has the purpose or effect of creating an intimidating, hostile, discriminatory, or offensive environment on the basis of gender, religion, race, color, national origin or ancestry, age, disability, height, weight, marital status, and/or any other legally protected characteristic.

The harassment of a student, staff member, or third party (e.g. visiting speaker, athletic team member, volunteer, parent, etc.) is strictly forbidden. Any person who is found to have violated this policy will be subject to discipline in accordance with law.

M.C.L. 380.1300a

REVISED POLICY - VOL. 30, NO. 2

CONFLICT OF INTEREST

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by School District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the School District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers and agents, including members of the Board to assure that conflicts of interest do not occur. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees, officers, and agents.

1. No employee, officer, or agent shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, s/he should, prior to the matter being considered by the Board or administration, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, or agent shall use his/her position to benefit either himself/herself or any other individual or agency apart from the total interest of the School District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, or agent shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, or agent shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, or agent must use this method of disclosure if his/her financial interest amounts to \$5,000 or more.
4. Employees, officers, and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, client, or parents of such students or clients in the course of their employment or professional relationship with the School District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee
- b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, or agent's employment or professional relationship with the District through his/her access to School District records
- c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
- d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, or agent or any business or professional practitioner with whom any employee, officer, or agent has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations

5. Employees, officers, and agents shall not make use of materials, equipment, or facilities of the School District in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the School District, all such exceptions will be made known to the employee's, officer's, or agent's supervisor and will be disclosed to the Superintendent before entering into any private relationship.
- C. Employees, officers, and agents can not participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

[x] Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a reasonable gift of unsolicited items such as lunch, dinner, tickets, or prizes as a result of a random drawing from a contractor, potential contractor, or party to subcontracts that do not involve Federal grant funds. Any items received must not be lavish or extravagant and must be reported as soon as is reasonable on an employee expense report, but no later than the end of the fiscal year.
- D. To the extent that the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the School District is unable, or appears to be unable, to be impartial.
- E. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to the School District. Upon discovery of any potential conflict of interest, the School District will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable,

the pass-through entity.

The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- F. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

2 C.F.R. 200.112, 200.113, 200.318
M.C.L. 380.634, 380.1805(1)

REVISED POLICY - VOL. 30, NO. 2

CONFLICT OF INTEREST

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by School District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the School District.

To accomplish this, the Board of Education has adopted the following guidelines, which apply to all District employees, officers and agents, including members of the Board to assure that conflicts of interest do not occur. These guidelines are not intended to be all-inclusive, nor to substitute for good judgment on the part of all employees, officers, and agents.

1. No employee, officer, or agent shall engage in or have a financial or other interest, directly or indirectly, in any activity which conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, s/he should, prior to the matter being considered by the Board or administration, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, or agent shall use his/her position to benefit either himself/herself or any other individual or agency apart from the total interest of the School District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, or agent shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If

**BOARD OF EDUCATION
DEXTER COMMUNITY SCHOOL DISTRICT**

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his/her direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, or agent shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, or agent must use this method of disclosure if his/her financial interest amounts to \$5,000 or more.
4. Employees, officers, and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, client, or parents of such students or clients in the course of their employment or professional relationship with the School District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee
- b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, or agent's employment or professional relationship with the District through his/her access to School District records
- c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals

- d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, agent, or any business or professional practitioner with whom any employee, officer, or agent has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees, officers, and agents shall not make use of materials, equipment, or facilities of the School District in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the School District, all such exceptions will be made known to the employee's, officer's or agent's supervisor and will be disclosed to the Superintendent before entering into any private relationship.
 - C. Employees, officers, and agents cannot participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
 - D. Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items such as lunch, dinner, tickets, or prizes as a result of a random drawing from a contractor, potential contractor, or party to subcontracts that do not involve Federal grant funds. Any items received must not be lavish or extravagant and must be reported as soon as is reasonable on an employee expense report, but no later than the end of the fiscal year.

- E. To the extent that the District has a parent, affiliate or subsidiary organization which is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the School District is unable, or appears to be unable, to be impartial.
- F. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to the School District. Upon discovery of any potential conflict of interest, the School District will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- G. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

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M.C.L. 380.634, 380.1805(1)

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2. No staff member, officer, or agent shall use his/her position to benefit either himself/herself or any other individual or agency apart from the total interest of the School District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, or agent shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District,

the staff member, officer, or agent shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, or agent must use this method of disclosure if his/her financial interest amounts to \$5,000 or more.
4. Employees, officers, and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, client, or parents of such students or clients in the course of their employment or professional relationship with the School District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee
- b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, or agent's employment or professional relationship with the District through his/her access to School District records
- c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
- d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, agent, or any business or professional practitioner with whom any employee, officer, or agent

has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations

5. Employees, officers, and agents shall not make use of materials, equipment, or facilities of the School District in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the School District, all such exceptions will be made known to the employee's, officer's, or agent's supervisor and will be disclosed to the Superintendent before entering into any private relationship.
- C. Employees, officers, and agents can not participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.
 - [x] Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a reasonable gift of unsolicited items such as lunch, dinner, tickets, or prizes as a result of a random drawing, from a contractor, potential contractor, or party to subcontracts that do not involve Federal grant funds. Any items received must not be lavish or extravagant and must be reported as soon as is reasonable on an employee expense report, but no later than the end of the fiscal year.
- D. To the extent that the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the School District is unable, or appears to be unable, to be impartial.
- E. Employees, officers and agents must disclose any potential conflict

of interest which may lead to a violation of this policy to the School District. Upon discovery of any potential conflict of interest, the School District will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- F. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

2 C.F.R. 200.112, 200.113, 200.318
M.C.L. 380.634, 380.1805(1)

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REVISED POLICY - VOL. 30, NO. 2

FEDERAL GRANT FUNDS

It is the objective of the Board of Education to provide equal educational opportunities for all students within the District. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the District that would benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this District. The Superintendent shall approve each such proposal prior to its submission, and all grants resulting from such proposals will be included in final budget adoptions.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accordance with Federal regulations and guidelines.

No Federal funds received by the District shall be used (1) to develop or distribute materials, or operate programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.

Grant Proposal Development

- A. All grant proposals must support at least one (1) District goal or priority.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

Grant Proposal Internal Review

- A. Each grant proposal shall be reviewed and approved by the Superintendent or designee prior to submission to the funding source.

Grant Administration

- A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as District policies and administrative guidelines.
- B. The Superintendent or designee is responsible for the efficient and effective administration of grant awards through the application of sound management practices.
- C. The Superintendent or designee is responsible for administering grant funds in a manner consistent with underlying agreements, applicable statutes, regulations, and objectives, and the terms and conditions of the grant award.
- D. The District, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls, including the organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- E. All Federal funds received by the District will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Superintendent shall require that each draw of Federal monies be aligned with the District's payment process (whether reimbursement, cash advance or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.

Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local, and grantor rules, regulations, and assurances as well as District policies and administrative guidelines.

The District shall provide for the following:

- A. Identification, in District accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include a method to attach revenue and expenditures to specific Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.
- B. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.
- C. Records that adequately identify the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- D. Effective control over, and accountability for, all funds, property, and other assets. The District must adequately safeguard all assets and assure that they are used solely for authorized purposes.

Further, the District must:

- 1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- 2. comply with Federal statutes, regulations and the terms and conditions of the Federal award;
- 3. evaluate and monitor the District's compliance with statutes,

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- regulations and the terms and conditions of the Federal award;
4. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
 5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.
- E. Comparison of expenditures with budget amounts for each Federal award.
- F. Recordkeeping and written procedures to the extent required by Federal, State, local, and grantor rules and regulations pertaining to the grant award and accountability, including but not limited to, the following areas:
1. cash management
 2. allowability
 3. conflict of interest
 4. procurement
 5. equipment management
 6. conducting technical evaluations of proposals and selecting recipients
 7. compensation and fringe benefits
 8. travel
- G. Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass-through agency in accordance with applicable Federal policy.

- H. Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the District.

Program Income

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the Federal award during the grant's period of performance.

It includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts and interest earned on any of them. Additionally, taxes, special assessments, levies, fines and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment or supplies are not program income.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the District uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the Federal awarding agency or pass-through entity.

34 C.F.R. 75.707, 76.563, 76.565, 76.707

2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307

2 C.F.R. 200.309, 200.310, 200.313, 200.318-.320, 200.343(b)&(e)

Compliance Supplement for Single Audits of State and Local Governments

20 U.S.C. 7906

REVISED POLICY - VOL. 30, NO. 2

FEDERAL GRANT-INTERNAL CONTROLS

The Superintendent or designee shall establish and maintain effective internal control over financial grants and awards that provide reasonable assurance that the program and funds are managed in compliance with applicable statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- D. take reasonable measures to safeguard protected "personally identifiable information" ("PII") and other information the awarding agency or pass-through entity designates as sensitive or the District considers sensitive consistent with applicable Federal, state, local, and tribal laws and District policies regarding privacy and obligations of confidentiality.

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

2 C.F.R. 200.61-.62
2 C.F.R. 200.79
2 C.F.R. 200.303

Suggested resources:

- A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;
- B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.

NEW POLICY - VOL. 30, NO. 2

FEDERAL GRANT-CASH MANAGEMENT

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent or designee shall implement internal controls in the area of cash management.

The District's payments methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the Michigan Department of Education (MDE) (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The District shall request grant funds payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent or designee is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely payment to contractors in accordance with contract provisions.

- C. To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The District shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments will be deposited and maintained in insured accounts whenever possible.
- F. Advance payments will be maintained in interest bearing accounts unless the following apply:
 - 1. The District receives less than \$120,000 in Federal awards per year.
 - 2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
 - 3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 - 4. A foreign government or banking system prohibits or precludes interest bearing accounts.

- G. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ("PMS") through an electronic medium using either Automated Clearing House ("ACH") network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number ("PAN") if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment ("ASAP"), National Science Foundation ("NSF") or another Federal agency payment system.

Applicable Laws, Regulations, and Guidance:
2 C.F.R. 200.305

NEW POLICY - VOL. 30, NO. 2

FEDERAL GRANT -COST PRINCIPLES

The Superintendent or designee is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

Cost Principles

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
5. whether the cost represents any significant deviation from the established practices or Board of Education policy which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is

determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it.

When determining whether a cost is necessary, consideration may be given to whether:

- a. the cost is needed for the proper and efficient performance of the grant program;
- b. whether the cost is identified in the approved budget or application;
- c. whether there is an educational benefit associated with the cost;
- d. whether the cost aligns with identified needs based on results and findings from a needs assessment;
- e. whether the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the goods or services involved are chargeable or assignable to the Federal award in accordance with the relative benefit received.

- B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
- D. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term “applicable credits” refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented:
 - 1. in the case of personal services, the Superintendent or designee shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
 - 2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

Selected Items of Cost

The District shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.

Cost Compliance

The Superintendent or designee shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and

as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

Determining Whether a Cost is Direct or Indirect:

- A. Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the District, the governing body of the District, compensation of the Superintendent, compensation of the chief executive officer of any component of the District, and operation of the immediate offices of these officers.

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

1. Administrative or clerical services are integral to a project or activity.

2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Michigan Department of Education (MDE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

Timely Obligation of Funds

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education ("USDOE") regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the District - when the services are performed.
- C. Personal services by a contractor who is not an employee of the District - on the date which the District makes a binding written commitment to obtain the services.
- D. Public utility services - when the District receives the services.
- E. Travel - when the travel is taken.

- F. Rental of property - when the District uses the property.
- G. A pre-agreement cost that was properly approved by the Secretary (USDOE) under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

Period of Performance

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the grant award notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is, unless an agreement exists with MDE or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the District shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

2 C.F.R. 200.403-.406, 200.413(a)-(c), 200.430(a), 200.431(a), 200.458
2 C.F.R 200.474(b)

NEW POLICY - VOL. 30, NO. 2

FEDERAL GRANT-TIME AND EFFORT REPORTING

As a recipient of Federal funds, the District shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.

Time and Effort Reports

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the District;

- C. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- E. comply with the District's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Chief Financial Officer is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the District may use budget estimates for interim accounting purposes. The system used by the District to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the District and entered into the District's records in a timely manner.

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The District's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

Applicable Laws, Regulations, and Guidance:
2 C.F.R. 200.430, 200.431

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REVISED POLICY - VOL. 30, NO. 1

PURCHASING

Procurement of all supplies, materials, equipment, and services paid for from District funds shall be made in accordance with all applicable Federal and State statutes, Board policies, and administrative procedures. Standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts are established in Policy 1130, Policy 3110, and Policy 4110 – Conflict of Interest.

A system of purchase orders and purchasing cards shall be used to ensure purchasing accountability within the school district. All purchase of supplies, equipment, and services, except in cases of emergency, shall be purchased only on the basis of a purchase order approved by the program/building administrator and Chief Financial Officer, in advance of the order being placed; or purchasing cards in compliance with Board Policy [6424](#). Purchases for public utilities or contracts and agreements that have been authorized by the Board or authorized designee shall be considered adequate authorization of expenditures.

Incidental purchases may be reimbursed as an employee expense provided all other purchasing policies are met and the purchase was preapproved by the responsible administrator.

All procurement transactions shall be conducted in a manner that encourages full and open competition and in accordance with good administrative practice and sound business judgment.

It is the policy of the Board that the Superintendent adhere to the following:

Quotations

Seek price quotations from an adequate number of qualified sources on purchases of supplies, materials, and equipment in excess of \$ 3,500, except in cases of emergency, or for technical or professional services, or when the materials purchased are of such a nature that price negotiations would not result in a savings to the School.

Competitive Bids

Purchases of supplies, materials, and equipment in a single transaction that are in excess of the dollar amount permitted by State statute section 1274 of the revised school code shall require competitive bids. Whenever possible, purchases shall have at least three (3) bids for substantiation of purchase and shall require approval of the Superintendent or designee prior to purchase.

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Purchases for new school construction, renovation, or repairs shall obtain competitive bids in compliance with Board Policy 6321.

Competitive bids are not required for items purchased through cooperative bulk purchasing programs.

Competitive bids are not required for food purchases, unless food purchased in a single transaction costs \$100,000 or more.

Awarding Contracts

All orders or contracts should be awarded to the lowest responsible bidder; however, consideration can be given to:

- A. the quality of the item(s) to be supplied;
- B. its conformity with specifications;
- C. suitability to the requirements of the school;
- D. delivery terms;
- E. past performance of vendor.

In addition to the factors above, the Board may consider and provide a preference to qualified local businesses whose principal place of business is located within the geographical boundaries of the school district.

This preference shall not apply to any procurement or project using Federal funds, nor shall it be used if it would violate any Federal law or requirements.

The following bid items shall be brought before the Board of Education in accordance with state law:

- A. Competitive bids for remodeling to present buildings or new building construction.
- B. Bids on school buses.
- C. Bids on state aid or other short term loans.
- D. Bids on long term bond issue loans.

The Board reserves the right to reject any and all bids.

Bid Protest

A bidder who wishes to file a bid protest must file such notice and follow procedures prescribed by the Request for Proposals (RFP) or the individual bid specifications package, for resolution. Bid protests must be filed in writing with the Office of the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

General Provisions

The Superintendent is authorized to purchase all items within budget allocations.

The Board should be advised, for prior approval, of all purchases of equipment, materials, and services when the purchase was not contemplated during the budgeting process.

The Superintendent is authorized to make emergency purchases, without prior approval, of those goods and/or services needed to keep the school in operation. Such purchases shall be brought to the Board's attention at the next regular meeting.

District administrators, supervisors, building secretaries, and other professional and support personnel are authorized to sign receipts for incoming goods. Purchasing originators are responsible for ensuring that all goods are received in proper condition and are responsible for forwarding the receipted acknowledgement to the Business Office for payment.

The Board authorizes payment for goods or services which have been appropriately ordered, received, and receipted by authorized employees of the District.

M.C.L. 380.1267, 380.1274 et seq.

NEW POLICY - VOL. 30, NO. 2

FEDERAL GRANT -PROCUREMENT

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies, and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320 and AG 6320.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3110 and Policy 4110 – Conflict of Interest.

The District will avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease 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.

To foster greater economy and efficiency, the District may enter into State and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and that is in accordance with good administrative practice and sound business judgment. In order to promote objective contractor performance and eliminate unfair competitive advantage, the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms in order for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive contracts to consultants that are on retainer contracts;
- D. organizational conflicts of interest;
- E. specification of only a “brand name” product instead of allowing for an “*or equal*” product to be offered and describing the performance or other relevant requirements of the procurement; and
- F. any arbitrary action in the procurement process.

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; or (2) the District is contracting for architectural and engineering services, in which case 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.

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list continuously.

Solicitation Language

The District shall require that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall 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, shall set forth those minimum essential characteristics and standards to which it shall conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all 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 as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The District shall utilize the following methods of procurement:

A. Micro-Purchases

Procurement by micropurchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500. To the extent practicable, the District shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if Superintendent or designee considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all purchases made by this method.

B. Small Purchases

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property that does not exceed the competitive bid threshold established by the State of Michigan under MCL 380.1274. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

C. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to the amount allowed by Michigan statute and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

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.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
2. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
3. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.

4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
5. The Board reserves the right to reject any or all bids for sound documented reason.

D. Competitive Proposals

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method.

If this method is used, the following requirements apply:

1. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
2. Proposals shall be solicited from an adequate number of sources.
3. The District shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.

4. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E that firms are a potential source to perform the proposed effort.

E. Noncompetitive Proposals

Procurement by noncompetitive proposals allows for solicitation of a proposal from only one 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 (this must be documented and submitted to the superintendent or designee for approval in advance)
2. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation
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, competition is determined to be inadequate

Contract/Price Analysis

The District shall perform a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. 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 District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate profit as a separate element of the price. 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.

Time and Materials Contracts

The District uses 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, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180.

Suspension is an action taken by the District that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 CFR Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR chapter 1). A person so excluded is debarred. (2 CFR Part 180 Subpart H)

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

Bid Protest

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The District maintains 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, and the basis for the contract price (including a cost or price analysis).

Applicable laws and regulations:
2 C.F.R. 200.317 - .326

PURCHASING CARDS

The Board of Education recognizes that bank credit cards (“purchasing cards”) offer an alternative to existing procurement processes and provide a convenient, efficient method of purchasing goods and services. Board employees, school Board members, and contracted personnel, authorized by the Superintendent, may use purchasing cards only for school-related purposes only in accordance with this policy, the approved budget, and District administrative guidelines. Purchasing cards shall not be used to circumvent the general purchasing procedures required by Michigan law and Board policy.

The Superintendent or Chief Financial Officer shall be responsible for the issuance, accounting, monitoring, and general oversight of purchasing card use in the District and shall develop the administrative guidelines. The credit limit of individual purchasing cards shall be authorized and monitored by the Chief Financial Officer.

All approved cardholders must agree to abide by purchasing card procedures and regulations set forth in this policy and relevant administrative guidelines. All transactions must be made by the individual to whom the card is issued.

Purchasing card banks are provided with a cardholder’s work address, date of birth, and the last four (4) digits of his/her social security number for verification purposes only when cards are issued. No other personal information of cardholders is provided to the purchasing card banks.

The Chief Financial Officer shall conduct independent, regular reviews of each cardholder’s activity to verify that the purchasing card is being used in accordance with the policy and administrative guidelines. Prices of commonly priced items should be periodically verified to prevent schemes of purposeful price inflation.

Cardholders must use common sense and good judgment when using school resources. This policy and administrative guidelines cannot cover every issue, exception, or contingency that may arise during the cardholders’ use of the purchasing card.

Cardholders shall immediately surrender their cards upon request of the Chief Financial Officer and shall surrender their cards upon separation from employment. Cardholders are required to take reasonable prudent measures to protect the use and custody of the card and shall immediately notify the credit card issuer and the Business Office if the card is lost or stolen.

The purchasing card may never be used to purchase alcohol or personal items or services.

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Employee cardholders may make personal use of incidental bonus points, frequent flyer miles, or other affinity programs as long as it is not abusive: the promotional benefits accrued must be an insignificant portion of any benefit received, the District may not incur any excess costs as a result of affinity program participation, and affinity programs cannot influence employee selection of vendors.

Dexter Community Schools will seek restitution, including any costs associated with obtaining restitution, for any inappropriate charges made to an account. Misuse of the card may result in corrective action up to and including termination and/or possible criminal action.

Adopted 4/2/07
Revised 11/17/08

REVISED POLICY - VOL. 30, NO. 2

BUSINESS EXPENSE PAYMENT & REIMBURSEMENT

Business expenses and travel expenses incurred for official business-related activity on behalf of the Board of Education shall be limited to those expenses reasonably and necessarily incurred by the employee in the performance of a public purpose authorized, in advance.

Payment for expenses and reimbursement rates for per diem meals, lodging, and mileage shall be in accordance with administrative guidelines.

Employees are expected to exercise the same care incurring business expenses that a prudent person would exercise if expending personal funds and traveling on personal business. Unauthorized costs and additional expenses incurred for personal preference, poor judgment, or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to sales tax, personal expenses, gift cards for adult recognition or awards, alcohol, movies, fines for traffic violations, or entertainment/meals/lodging of spouses or guests.

Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the District's travel policy and administrative guidelines. For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the District's travel policy.

All travel shall comply with the travel procedures and rates established in the administrative guidelines. All costs incurred with Federal funds must meet the cost allowability standards within Board Policy 6114.

To the extent that the District's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.

REVISED POLICY - VOL. 30, NO. 2

DISPOSITION OF REAL PROPERTY

The Board of Education believes that the efficient administration of the District requires the disposition of property and goods no longer necessary for the maintenance of the educational program or the operation of the School District.

"Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

The Board shall direct the periodic review of all District property and authorize the disposition by sale, trade, or discard of any property not required for school purposes in accordance with the provisions of this policy and Policy 7310 – Disposition of Surplus Property.

- A. All property considered for (sale) disposition may be subjected to a current, outside, professional appraisal prior to the solicitation of offers.
- B. The authorized agents of the Board to review all purchase or lease offers pertaining to sale or lease of property shall be the Superintendent and the Board Finance Committee. The Board shall give final approval of all contracts.
- C. In consideration of the best interest of the District and of the residents and taxpayers, the Board reserves the right to reject any and all offers at its sole discretion, regardless of price and terms.
- D. Potential purchasers or lessees shall demonstrate financial capability to meet the terms and conditions of their purchase or lease offer.

M.C.L. 380.1260
2 C.F.R. 200.78, 200.85

REVISED POLICY - VOL. 30, NO. 2

DISPOSITION OF SURPLUS PROPERTY

The Board of Education requires the Superintendent to review the property of the District periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy.

A. Instructional Material

The District shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current
3. worn beyond salvage

B. Equipment

The District shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate the equipment has no usable life remaining
3. obsolete and no longer contributing to the educational program

4. some potential for sale at a school auction
5. creates a safety or environmental hazard

C. Disposition

The Superintendent is authorized to dispose of obsolete instructional and other property by selling it to the highest bidder, or by proper waste removal. Disposal of obsolete items should be done in such a way as to maximize return to the School District. The Superintendent shall have the authority to sell or otherwise dispose of obsolete equipment or supplies not needed by the School District. At the Superintendent's discretion items may be sold outright or on public bid or at public auction.

Items considered to have minimal or no value shall be offered to District students, residents, or staff prior to disposal.

Disposal of all property subject to inventory (see policy 7450) must be preauthorized by the Chief Financial Officer. A disposal report of all inventoried property and computer equipment that is disposed must be provided to the Chief Financial Officer with all monies received as a result of the disposal.

All revenue from the sale of supplies and equipment shall be deposited in the school general fund account.

Disposition – Federal Grants and Funds

When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, the District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.

Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Except as provided in §200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

2 C.F.R. 200.312, 200.313

REVISED POLICY - VOL. 30, NO. 2

PROPERTY INVENTORY

As steward of this District's property, the Board of Education recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The Board shall maintain a continuous inventory of all District-owned property subject to inventory.

For purposes of this policy, "property" shall mean a unit of land, building, site improvement, furniture or furnishings, vehicle, equipment, computer, or set of articles which retains its shape and appearance with use, is nonexpendable, and does not lose its identity when incorporated into a more complex unit.

Capital Assets

All property that costs at least \$ 5,000 as a single unit either purchased or donated to the District shall be entered on the inventory records.

It shall be the duty of the Chief Financial Officer to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

Major items of equipment shall be subject to annual spot check inventory to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.

The Chief Financial Officer shall maintain a system of property records which shall show, as appropriate to the item recorded, the description and identification, year of purchase, initial cost, location, and depreciation.

Technology Equipment

Technology equipment with a moderate or high risk of theft must be properly labeled and entered into the technology inventory records. This includes laptop computers, desktop computers, tablet devices, handheld computers, iPads, iPods, fax machines, copiers, projectors, voice enhancement systems, security cameras, video cameras, still cameras, GPS units, document cameras, etc., regardless of the funding source or purchase price.

It shall be the duty of the Technology Director to ensure that inventories are recorded systematically and accurately and property records of technology equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

Items of technology equipment shall be observed and accounted for on an ongoing basis and subject to spot check to identify loss or mislocation; any major loss shall be reported to the Board.

The Technology Director shall maintain a system of property records which shall show, as appropriate to the item recorded, the description and identification, manufacturer, year of purchase, initial cost, and location.

Federal Funds

Equipment acquired under a Federal award will vest upon acquisition to the District, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.
- C. The equipment may only be used and disposed of in accordance with the provisions of the Federal awarding agency or the pass-through entity and Policy 7300 and Policy 7310, and AG 7310.
- D. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the

source of funding for the equipment (including the Federal Award Identification Number (FAIN), title entity, acquisition date, cost of the equipment, percentage of Federal participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the equipment, and ultimate disposition data, including date of disposal and sale price of the equipment.

- E. A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years.
- F. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.
- G. Adequate maintenance procedures shall be implemented to keep the property in good condition.

When defining supplies for inventory purposes, no items will be counted whose total value is less than \$5,000.

2 C.F.R. 200.313

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REVISED POLICY - VOL. 30, NO. 2

FOOD SERVICES

The Board of Education shall provide cafeteria facilities in all school facilities where space and facilities permit, and will provide food service for the purchase and consumption of lunch for all students.

The Board shall provide a public hearing annually for all parents prior to determining whether or not it will provide a breakfast program for all students. If it chooses not to provide such a program, the Board shall make available the reasons for its decision.

The Board does not discriminate on the basis of race, color, national origin, sex (including sexual orientation or transgender identity), disability, age (except as authorized by law), religion, military status, ancestry, or genetic information (collectively, "Protected Classes") in its educational programs or activities. Students and all other members of the School District community and third parties are encouraged to promptly report incidents of unlawful discrimination and/or retaliation to a teacher, administrator, supervisor, or other District official so that the Board may address the conduct. See Policy 2260 – Nondiscrimination and Access to Equal Educational Opportunity.

The food-service program shall comply with Federal and State regulations pertaining to the selection, preparation, delivery, consumption, and disposal of food and beverages, including but not limited to the current USDA's school meal pattern requirements for Americans and the USDA Smart Snacks in School nutrition standards, as well as to the fiscal management of the program. In addition, as required by law, a food safety program based on the principles of the Hazard Analysis and Critical Control Point (HACCP) system shall be implemented with the intent of preventing food-borne illnesses. For added safety and security, access to the facility and the food stored and prepared therein shall be limited to food service staff and other authorized persons.

Substitutions to the standard meal requirements shall be made, at no additional charge, for students for whom a healthcare provider who has prescriptive authority in the State of Michigan has provided medical certification that the student has a disability which restricts his/her diet, in accordance with the criteria set forth in 7 CFR 15(b). To qualify for such substitutions the medical certification must identify:

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- A. the student's disability and the major life activity affected by the disability;
- B. an explanation of why the disability affects the students diet; and
- C. the food(s) to be omitted from the student's diet, and the food or choice of foods that must be substituted (e.g., caloric modifications or use of liquid nutritive formula).

For non-disabled students who need a nutritional equivalent milk substitute, only a signed request by a parent or guardian is required.

Lunches sold by the school may be purchased by students and staff members and community residents in accordance with the administrative guidelines established by the Superintendent.

The operation and supervision of the food-service program shall be the responsibility of the Food and Nutrition Director and the Chief Financial Officer. Food services shall be operated on a self-supporting basis with revenue from students, staff, Federal reimbursement, and surplus food. The Board shall assist the program by furnishing available space, initial major equipment, and utensils. Maintenance and replacement of equipment is the responsibility of the program.

A periodic review of the food-service accounts shall be made by the Chief Financial Officer. Any surplus funds from the National School Lunch Program shall be used to reduce the cost of the service to students or to purchase cafeteria equipment. Surplus funds from a-la-carte foods purchased using funds from the nonprofit food service account must accrue to the nonprofit food service account. Bad debt incurred through the inability to collect lunch payment from students is not an allowable cost chargeable to any Federal program. Any related collection costs, including legal cost, arising from such bad debts after they have been determined to be uncollectable are also an unallowable.

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With regard to the operation of the school food service program, the Superintendent shall require:

- A. the maintenance of sanitary, neat premises free from fire and health hazards;
- B. the preparation of food that complies with Federal food safety regulations;
- C. the planning and execution of menus in compliance with USDA requirements;
- D. the purchase of foods and supplies in accordance with State and Federal law, USDA regulations, and Board policy (See Policy 1130, Policy 3110, and Policy 4110);
- E. complying with food holds and recalls in accordance with USDA regulations;
- F. the accounting and disposition of food-service funds pursuant to Federal and State law and USDA regulations;
- G. the safekeeping and storage of food and food equipment pursuant to State and Federal law and USDA regulations;
- H. the regular maintenance and replacement of equipment;
- I. all District employees whose salaries are paid for with USDA funds or non-federal funds used to meet a match or cost share requirement must comply with the District's time and effort record-keeping policy (See Policy 6116).

The District shall serve only nutritious food as determined by the Food Service Department in compliance with the current USDA Nutrition Standards for the National School Lunch and School Breakfast Programs and the USDA Smart Snacks in School nutrition guidelines. Foods and beverages unassociated with the food-service program must comply with the current USDA Nutrition Standards for the National School Lunch and School Breakfast Programs and the USDA Smart Snacks in School nutrition guidelines, and may be vended in accordance with Board Policy 8540.

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The Superintendent will require that the food service program serve foods in District schools that are wholesome and nutritious and reinforce the concepts taught in the classroom.

Healthy, Hunger-Free Kids Act of 2010 and Richard B. Russell National School Lunch Act, 42 U.S.C. 1751 et seq.

Child Nutrition Act of 1966, 42 U.S.C. 1771 et seq.

M.C.L. 380.1272, 1272a, 1272d et seq.

7 C.F.R. Parts 15b, 127, 210, 215, 220, 225, 226, 240, 245, 3015

42 U.S.C. 1758, 1760

OMB Circular No. A-87 USDA Smart Snacks in School Food Guidelines
(effective July 1, 2014)

SP 32-2015 Statements Supporting Accommodations for Children with
Disabilities in the Child Nutrition Programs

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