

# Section D – Fiscal Management

- [DB - Budget Development and Adoption](#)
- [DC - Borrowing in Anticipation of Revenue](#)
- [DFA - Revenues From Investments](#)
- [DID - Inventory of Capital Assets](#)
- [DJB - Purchase Orders](#)
- [DJE - Bidding Requirements](#)
- [DJE-R - \(For School Unit Procurements Using Federal Awards Subject to Uniform Grant Guidance\) - Federal Procurement Manual for Maine School Units Administrative Procedure](#)
- [DJH - Purchasing and Contracting: Procurement Staff Code of Conduct](#)
- [DK - Payment Policy](#)
- [DKC - Expense Authorization and Reimbursement](#)
- [DM - Cash in School Building](#)
- [DN - Property Disposal](#)
- [DB-R - Budget Development and Adoption Administrative Procedure](#)
- [DFF - Student Activities Funds](#)
- [DI - Fiscal Accounting and Reporting](#)

# DB - Budget Development and Adoption

## **DB - Budget Development and Adoption**

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

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

The Board shall designate the Superintendent as its budget officer, but the Superintendent may delegate portions of such responsibility as appropriate.

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

### Legal Reference:

20-A MRSA § 1301 (MSAD)

20-A MRSA § 1701 (CSD)

20-A MRSA § 1482 (RSU)

20-A MRSA § 1902 (UN)

20-A MRSA § 15617 et seq. (ALL)

### Cross Reference:

DB-R Budget Development and Adoption Administrative Procedure

*Policy Adopted: March 20, 2024*

# DC - Borrowing in Anticipation of Revenue

## **DC - Borrowing in Anticipation of Revenue**

Maine law allows a Board of Directors to borrow money to pay for current operating expenses of the district if the loans are repaid within 13 months of the date of borrowing and are limited to an amount reasonably required for current operating expenses.

The Board authorizes the borrowing of such monies through short-term loans in anticipation of revenue to be received so long as the total amount of loans outstanding does not exceed anticipated revenue.

The Superintendent, as District Treasurer, and the Board Chair, may sign notes as required for short-term borrowing.

Policy Adopted: March 5, 1975

Policy Revised: December 3, 1986, September 18, 1996, December 17, 2003 and June 10, 2009

# DFA - Revenues From Investments

## **DFA - Revenues From Investments**

MSAD #35 considers an investment program a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing a maximum yield of interest revenues to supplement other revenues for the support of the MSAD #35's educational program.

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

- A. The continuous process of temporary investing of all fund balances and moneys available for investment purposes;
- B. The maintenance (revised following each cash transaction) of a yearly cash flow chart that will provide data to assist proper planning and decision making regarding amount, duration and type of investments;
- C. The use of an open competition system of bids and/or quotes to obtain the maximum yield possible on all investments from both local community and beyond-community financial institutions;
- D. That all vendors using MSAD #35 funds provide statements to MSAD #35 of their collateral in the form of a list of the securities pledged at market value; and
- E. That all MSAD #35 investments will be in compliance with the law. (The legal references are listed at the end of this policy.)

### **Delegation of Authority**

MSAD #35 authorizes the school business executive and Superintendent to manage all activities associated with the investment program in such manner as to accomplish the objectives of this policy. Their responsibilities will also include annual review and assessment of MSAD #35's investment program and filing a report and recommendations annually with the Board. The school business executive is further authorized to execute in the Board's name any and all documents relating to the investment program in a timely manner and to confer with reputable consultants regarding investment decisions when necessary.

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

Legal Reference: 20-A MRSA § 1312

30-A MRSA, Chapter 223, Subchapter 3-A

Policy Adopted: June 17, 2009

# DID - Inventory of Capital Assets

## **DID - Inventory of Capital Assets**

A list of all District capital assets with a purchase price greater than \$10,000 shall be maintained for financial reporting purposes. A capital asset is any asset with a useful life greater than one year. A capital asset will be valued at actual purchase price or estimated value at time of acquisition and shall be depreciated for financial reporting purposes using the straight-line depreciation method over the useful life of the asset as determined by the ASBO "Useful Lives" schedule.

Building Administrators are responsible for protecting all assets within their building and should report missing or damaged assets to the Business Manager immediately.

The Business Manager shall maintain the capital asset list.

The district assumes no liability for any personal property.

Assets purchased with federal funds will be subject to federal asset reporting requirements.

Cross Reference: JFCK- Student Use of Cell Phones and other Electronic Devices

Policy Adopted: November 19, 2008

# DJB - Purchase Orders

## **DJB - Purchase Orders**

The Board of Directors recognizes that goods and services are purchased throughout the year and require different options for purchasing power. In all cases, approval must be obtained by the Superintendent or designee.

Purchase orders serve as requisitions to purchase goods and services. Purchase orders shall be prepared at the direction of an administrator or director, initialed and submitted to the Superintendent for approval. A purchase order is required for all purchases over \$200 and must indicate shipping costs in the final total.

For purchases under \$200 from local vendors, a Local Vendor Form may be used. These forms must be pre-approved by the administrator and submitted to the Superintendent with sales slips/invoices attached.

Occasionally, an employee will request reimbursement for goods and services purchased without a purchase order. An Employee Reimbursement Form is used when a company will not accept a purchase order or charge card. The Administrator and the Superintendent must provide pre-approval and indicate the spending limit for the purchase. The Employee Reimbursement may not be used as an open purchase order and will not be reimbursed until purchasing is complete.

The School Nutrition Director shall be authorized to purchase without a purchase order.

Under the regulation of the Superintendent, open purchase orders may be maintained for the purchase of consumable supplies (Home Economics) or short term, planned maintenance projects (painting) or local bookstore agreements. Maintenance of equipment may be authorized by the Administration with the approval of the Superintendent through an open purchase account.

Contracts for supplies or services such as gas and oil shall serve as open purchase orders for the duration of the contract.

The Superintendent's Office may maintain a petty cash fund not to exceed \$300.00. A careful accounting of all funds in this account shall be available at all times. No purchase from this account, except postage, shall exceed \$60.00.

Charge cards for certain local vendors are maintained at the Superintendent's Office and may be used by an employee purchasing goods and services for a school or program and returned immediately to the office with sales slips and invoices.

Employees purchasing without permission or following the proper procedure may be obligated to assume the debt incurred.



Legal References: 5MRSA 1743-A

20-A MRSA

Policy Adopted: March 5, 1975

Policy Revised: October 3, 1979, December 3, 1986, April 7, 1999, February 4, 2004 and August 5, 2009

# DJE - Bidding Requirements

## **DJE - Bidding Requirements**

- A. All purchases of and contracts for supplies, materials and equipment shall be subject to competitive bid wherever possible whenever such action is in the best interests of the district in the opinion of the Superintendent. M.S.A.D. #35 reserves the right to reject any and all bids or to negotiate with any bidder in the best interests of the district.
- B. Bid specifications shall state time and place of opening and such opening shall be public.
- C. All awards of bids shall take place at a public meeting of the Board of Directors.
- D. Bid lists for all products shall be maintained in the Superintendent's Office and such lists shall be reviewed annually. Upon request and upon submission of evidence of responsibility, any firm may have their name added to a bid list.
- E. State bid may be substituted for local bid in the best interest of the district.
- F. The insurance program will be bid according to state law.

## **Procurement Methods for Federally Funded Projects**

The Superintendent or his or her designee shall be responsible for developing, updating as necessary, and implementing a written administrative procedures manual (hereafter, the "Federal Procurement Manual") to govern the procurement and purchase of property, goods, and services using any federal award that is subject to the Uniform Grant Guidance, codified at 2 CFR Part 200 ("UGG Federal Award"). The Federal Procurement Manual shall be consistent with all applicable federal laws and rules.

Notwithstanding any policy provision to the contrary, the procurement and purchase of property, goods, and services using a UGG Federal Award, in whole or in part, must comply with the Federal Procurement Manual. Wherever this policy or any of the school unit's administrative procedures are inconsistent with federal laws or rules, the provisions of the federal laws or rules shall control.

-----

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

Guidance, codified at 2 CFR § 200.101.

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

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

Cross Reference: DJH – Purchasing and Contracting: Procurement Staff Code of Conduct

DJE-R – Federal Procurement Manual

Policy Adopted: September 21, 1995

Policy Revised: January 2, 2002, February 28, 2018

Policy Reviewed: August 18, 2021

# DJE-R - (For School Unit Procurements Using Federal Awards Subject to Uniform Grant Guidance) - Federal Procurement Manual for Maine School Units Administrative Procedure

## **DJE-R - (For School Unit Procurements Using Federal Awards Subject to Uniform Grant Guidance) - Federal Procurement Manual for Maine School Units Administrative Procedure**

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

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

### **A. OVERVIEW**

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

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

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

---

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

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

## **B. GENERAL PROCUREMENT PROCEDURES**

1. **Full and Open Competition.** All procurements must be conducted in a manner that provides full and open competition. Real or perceived unfair advantages will be avoided. Accordingly, the school unit will not (i) place unreasonable requirements on firms or vendors to qualify for a procurement, (ii) require unnecessary experience or use excessive bonding, (iii) use noncompetitive pricing practices between firms or affiliated companies, (iv) allow organizational conflicts of interest, (v) specify a “brand name” product without allowing firms or vendors to offer an equal alternate product, or (vi) allow any arbitrary action in the procurement process. To ensure objective contractor performance and eliminate unfair competitive advantage, firms or vendors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals must be excluded from competing for such procurements. (2 CFR § 200.319(a).)
2. **Responsible Contractors.** The school unit must award contracts only to responsible contractors who are able to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources. (2 CFR § 200.318(h).)

3. **Oversight of Contractors.** The school unit must maintain a contract administration and oversight system to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. (2 CFR § 200.318(b).)
4. **Fostering Economy and Efficiency.** The school unit must avoid purchasing unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase, and to using federal surplus equipment and property. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. To foster greater economy and efficiency, consideration should also be given to: (i) entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services, (ii) using federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs, and (iii) using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. (2 CFR § 200.318(d)-(g).)
5. **Geographical Preferences Prohibited.** The school unit must conduct procurements so as to prohibit the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except (i) where applicable federal statutes expressly mandate or encourage geographic preference or (ii) when contracting for architectural and engineering (A/E) services, so long as its application leaves an appropriate number of qualified firms to compete for the contract given the nature and size of the project. (2 CFR § 200.319(b).)
6. **Clear and Accurate Technical Requirements.** The school unit must have written selection procedures for procurements that incorporate a clear and accurate description of the technical requirements for the goods or services to be procured, identify all requirements which offerors must fulfill, and identify all other factors to be used in evaluating solicitations. Technical descriptions (i) must not, in competitive procurements, contain features which unduly restrict competition; (ii) may include a statement of the qualitative nature of the goods or services to be procured; (iii) when necessary, must set forth those minimum essential characteristics and standards to which goods or services must conform if they are to satisfy their intended use; (iv) should avoid detailed product specifications if possible; and (v) may use a brand name or equivalent description as a means to define performance or other salient requirements of procurement when it is impractical or uneconomical to make a clear and accurate description of the technical requirements (the specific features of the named brand which must be met by offerors must be clearly stated). (2 CFR § 200.319(c).)

## **C. PROCUREMENT METHODS AND THRESHOLDS**

1. **Methods of Procurement.** The school unit must use one of the following five methods of procuring goods or services: micropurchases, small purchases, sealed bids, competitive proposals (a.k.a. requests for proposals), and non-competitive proposals (a.k.a. sole source procurement). (2 CFR § 200.320.)
  - a. **Micropurchases (less than \$3,500 as of October 1, 2015).** Micropurchases up to the federal micropurchase threshold (\$3,500 as of October 1, 2015)<sup>2</sup> may be made without

soliciting competitive quotations if the Purchasing Agent considers the price to be reasonable.

To the extent practicable, the Purchasing Agent must distribute repurchases equitably among qualified suppliers, vendors, or firms. (2 CFR §§ 200.67, 200.320(a).)

---

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

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

**c. Sealed Bids (over \$150,000 as of October 1, 2015).** For purchases in excess of the federal simplified acquisition threshold (\$150,000 as of October 1, 2015) where a complete, adequate, and realistic specification or purchase description is available, the Purchasing Agent shall issue a notice of written invitation for sealed bids in a manner reasonably calculated to attract qualified bidders and provide the bidders with sufficient response time. The invitation for bids shall provide a complete specification of the goods or services to be purchased. Bids shall be opened at the time and place prescribed in the invitation for bids. A firm fixed price (lump sum or unit price) contract award shall be made in writing to the lowest responsive and responsible bidder whose bid conforms to all material terms and conditions of the invitation to bid. Any or all bids may be rejected if there is a sound documented reason. (2 CFR §§ 200.88, 200.320(c).)

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

- RFPs must be publicized in a manner reasonably calculated to attract qualified vendors or firms, and RFPs must identify all evaluation factors and their relative importance. Proposals shall be reviewed by the Purchasing Agent or a selection committee identified in the RFP. Any response to an RFP must be considered to the maximum extent practical;
  - Proposals must be solicited from at least two qualified sources; and
-

<sup>3</sup> For procurements utilizing federal funds obtained prior to October 1, 2015, the simplified acquisition threshold is \$100,000. The threshold is subject to adjustment every five years in the Federal Acquisition Regulations.

- The Purchasing Agent shall award a contract to the responsible vendor or firm whose proposal is most advantageous to the school unit, with price and other factors considered; however, any and all proposals may be rejected if there is a sound documented reason.

The Purchasing Agent may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, may only be used in procurement of A/E professional services. It cannot be used to purchase other types of services even if A/E firms are a potential source to perform the proposed effort. (2 CFR § 200.320(d).)

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

- The item is available only from a single source;
- An exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes non-competitive proposals in response to a written request; or
- After solicitation of a number of vendors or firms, competition is determined inadequate.

The Purchasing Agent must document the basis for the sole source procurement by documenting the basis for any exigency or emergency, obtaining express authorization from the federal awarding agency or pass-through entity, or demonstrating a good faith effort on the part of the school unit to solicit proposals from a number of sources. (2 CFR §§ 200.320(e), 200.324(b)(2).)

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

***a. Cost/Price Analysis.***



(i) The Purchasing Agent must perform a cost or price analysis in connection with every procurement in excess of the simplified acquisition threshold, including contract modifications. The method and degree of analysis depends on the facts surrounding the particular situation, but as a starting point, the Purchasing Agent must make independent estimates before receiving bids or proposals.

(ii) The Purchasing Agent must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(iii) Costs or prices based on estimated costs for contracts under a federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable under Subpart E (Cost Principles) of 2 CFR Part 200. The school unit may reference its own cost principles that comply with the federal cost principles.

(iv) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(2 CFR § 200.323.)

**b. Bonding Requirements.** For construction or facility improvement contracts or subcontracts in excess of the simplified acquisition threshold, the following bonds, or equivalent, are required:

(i) A bid guarantee from each bidder equivalent to 5% of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified;

(ii) A performance bond on the part of the contractor for 100% of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract; and

(iii) A payment bond on the part of the contractor for 100% of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(2 CFR § 200.325.)

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

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

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

(2 CFR § 200.321.)

## **E. CONTRACTS ARISING FROM PROCUREMENTS**

1. **Contract Administrator.** Prior to the execution of a contract funded by a federal award, the school unit should name a Contract Administrator. The Contract Administrator shall be responsible for the tasks, technical requirements, service performance, and verification that payments are in compliance with the contract. (2 CFR § 200.319.)
2. **Contract Provisions.** Any contract entered into between the school unit and a firm or vendor who is to be compensated using a federal award or a portion thereof must contain the applicable contract provisions described in Appendix I. (2 CFR § 200.326.)
3. **Subrecipient and Contractor Determinations.** The school unit must make case-by-case determinations whether each agreement it makes for the disbursement of federal funds casts the party receiving the funds in the role of a subrecipient or a contractor. The school unit shall make this classification using its judgment based on the following factors, as well as any additional guidance supplied by the federal awarding agency:
  - a. Contractors.** A contract is for the purpose of obtaining goods and services for the party's own use and creates a procurement relationship with the contractor. (See 2 CFR § 200.22.) Characteristics indicative of a procurement relationship between the school unit and a contractor are when the contractor (i) provides the goods and services within normal business operations; (ii) provides similar goods or services to many different purchasers; (iii) normally operates in a competitive environment; (iv) provides goods or services that are ancillary to the operation of the federal program; and (v) is not subject to compliance requirements of the federal program as a result of the agreement, though similar requirements may apply for other reasons.
  - b. Subrecipients.** A subaward is for the purpose of carrying out a portion of a federal award and creates a federal assistance relationship with the subrecipient. (See 2 CFR § 200.92.)

Characteristics which support the classification of a party receiving federal funds as a subrecipient include when the party (i) determines who is eligible to receive what federal assistance; (ii) has its performance measured in relation to whether objectives of a federal program were met; (iii) has responsibility for programmatic decision making; (iv) is responsible for adherence to applicable federal program requirements specified in the federal award; and (v) in accordance with its agreement, uses the federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

If the party receiving the funds is classified by the school unit as a subrecipient, the school unit must:

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

- Federal Award Identification: (a) Subrecipient name (which must match the name associated with its unique entity identifier); (b) subrecipient's unique entity identifier; (c) Federal Award Identification Number (FAIN); (d) federal award date (see 2 USC § 200.39) of award to the recipient by the federal agency; (e) subaward period of performance start and end date; (f) amount of federal funds obligated by this action by the school unit to the subrecipient; (g) total amount of federal funds obligated to the subrecipient by the school unit including the current obligation; (h) total amount of the federal award committed to the subrecipient by the school unit; (i) federal award project description, as required to be responsive to the Federal Funding Accountability and Transparency Act (FFATA); (j) name of federal awarding agency, school unit, and contact information for awarding official of the school unit; (k) CFDA number and name (the school unit must identify the dollar amount made available under each federal award and the CFDA number at time of disbursement); (l) identification of whether the award is R&D; and (m) indirect cost rate for the federal award (including if the *de minimis* rate is charged per 2 USC § 200.414).

- All requirements imposed by the school unit on the subrecipient so that the federal award is used in accordance with federal statutes, regulations, and the terms and conditions of the federal award.

- Any additional requirements that the school unit imposes on the subrecipient so as to meet its own responsibility to the federal awarding agency, including identification of any required financial and performance reports.

- An approved federally recognized indirect cost rate negotiated between the subrecipient and the federal government or, if no such rate exists, either a rate negotiated between the school unit and the subrecipient or a *de minimis* indirect cost rate as defined in 2 USC § 200.414(f).

- A requirement that the subrecipient permit the school unit and auditors to have access to the subrecipient's records and financial statements as necessary for the school unit to meet the requirements of 2 USC § 331.

- Appropriate terms and conditions concerning closeout of the subaward.

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

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

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

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

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

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

(2 CFR §§ 200.330, 200.331.)

## **F. RECORDS**

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

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

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

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

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

(iv) When records are transferred to or maintained by the federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the school unit.

(v) Records for program income transactions after the period of performance. In some cases, federal fund recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the school unit's fiscal year in which the program income is earned.

(vi) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

If the proposal, plan, or other computation is required to be submitted to the federal government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

If the proposal, plan, or other computation is not required to be submitted to the federal government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

(2 CFR §§ 200.318(i), 200.333.)

## **G. PROTESTS AND CLAIMS**

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

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

**2. Pre-Award Protests.** Pre-award protests are protests based upon the content of the solicitation documents. Any protest to the terms, conditions, or specifications set forth in a solicitation must be submitted to the Purchasing Agent or the contract administrator, if a contract administrator is identified in the solicitation, within 5 calendar days after the issuance of the solicitation. All such protests will be considered by the Purchasing Agent, or the contract administrator as appropriate, prior to the solicitation due date, and a written decision will be provided to the protester.

A decision of the Purchasing Agent or contract administrator is final, and no further protest or appeal of the terms, conditions, or specifications of any solicitation will be considered by the School Board.

---

<sup>4</sup> These protest procedures are not available to contractors or third parties for the purpose of handling and resolving disputes, claims or litigation arising in the course of contract formation or

contract administration. Any such disputes, claims or litigation will be handled and resolved in accordance with applicable contract terms, if any, and applicable law.

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

(2 CFR § 200.318(k).)

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

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

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

- a. The school unit's procurement procedures or operation fails to comply with the procurement standards in 2 CFR Part 200;
- b. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
- c. The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product;
- d. The proposed contract is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

- e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

The school unit is exempt from the pre-procurement review in this paragraph if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of 2 CFR Part 200.

3. The school unit may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis.

4. The school unit may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from the school unit that it is complying with these standards. The school unit must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

(2 CFR § 200.324.)

## **I. EXCEPTIONS TO THESE ADMINISTRATIVE PROCEDURES**

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

1. Block grants awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services);
2. Federal awards to local education agencies under 20 U.S.C. 7702-7703b (portions of the Impact Aid program, including federal payments relating to federal acquisition of school property and federal payments for students residing on military installations or Indian lands);
3. Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended;
4. Classes of federal awards identified as exceptions by the Office of Management and Budget; or
5. Any circumstance where the provisions of federal statutes or regulations differ from the provisions of Part 200 of Title 2 of the Code of Federal Register.

(2 C.F.R. §§ 200.101-200.102.)

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



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

Cross Reference: DJE – Bidding Requirements

DJH – Purchasing and Contracting: Procurement Staff Code of Conduct

Adopted: February 28, 2018

Policy Revised: August 18, 2021

---

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

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

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

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

**C. Equal Employment Opportunity.** Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.360-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

**D. Davis-Bacon Act, Copeland “Anti-Kickback” Act (construction contracts over \$2,000).** When required by federal program legislation, all prime construction contracts in excess of \$2,000 awarded by the school unit must include a provision for compliance with the Davis-Bacon Act (40

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

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

**F. Rights to Inventions Made Under a Contract or Agreement.** If the federal award meets the definition of "funding agreement" under 37 CFR § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment, or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "*Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements*," and any implementing regulations issued by the awarding agency.

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

Environmental Protection Agency (EPA).

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

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

Adopted: February 28, 2018

Reviewed: August 18, 2021

# DJH - Purchasing and Contracting: Procurement Staff Code of Conduct

## **DJH - Purchasing and Contracting: Procurement Staff Code of Conduct**

### **Conflict of Interest**

All employees of the school unit shall perform their duties in a manner free from conflicts of interest to ensure that the school unit's business transactions are made in compliance with applicable laws and regulations and in a manner that maintains public confidence in the schools.

No employee, officer, or agent of the school unit may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest.

A conflict of interest would arise when the employee, officer, or agent – or any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein – has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

For the purpose of this policy, “immediate family” is defined as spouse, brother, sister, parent, son, or daughter.

### **Conflict of Interest Disclosure**

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

investigate and make a determination regarding the transaction.

## **Gifts and Solicitations**

The employees, officers, and agents of the school unit may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

Employees, officers, and agents of the school unit may accept unsolicited items of nominal value such as those that are generally distributed by a company or organization through its public relations program.

## **Violations**

Employees of the school unit who violate this code of conduct may be subject to discipline, up to and including termination of employment and, if appropriate, referral to law enforcement.

## **Dispute Resolution**

A bidder or respondent to a request for a proposal (RFP) may protest a procurement or contract award if he/she believes that it was made in a manner inconsistent with Board policy, specifications, or law or regulations. A protest must be submitted to the Superintendent in writing within five business days after receipt of notification of the award being made, with all documents supporting the protest.

The Superintendent shall review the protest and supporting documents and render a decision in writing within 20 business days of receipt of the protest. The Superintendent may also convene a meeting with the bidder or respondent to attempt to resolve the problem.

If the bidder or respondent is not satisfied with the Superintendent's decision, he/she may appeal to the Board. The Superintendent will provide reasonable notice to the bidder or respondent of the time for the Board's consideration of the protest. The Board's decision shall be final.

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

2 CFR § 200.318 (Uniform Administrative Requirements – General Procurement Standards) (for federal awards made on or after 12/26/2014)

Cross Reference: BCB – Board Member Conflict of Interest

DJE – Bidding Requirements

DJE-R – Federal Procurement Manual

KCD – Public Gifts/Donations to the Schools

Policy Adopted: February 24, 2016

Policy Revised: February 28, 2018

# DK - Payment Policy

## **DK - Payment Policy**

It is the policy of the School Board to pay all valid invoices within thirty calendar days of the receipt of the invoice unless there is a justifiable business reason, as determined by the Superintendent, for extending the payment period. The Superintendent will establish administrative procedures to insure timely and accurate payment of all valid invoices. Whenever practical the Superintendent will insure payments are processed so as to take advantage of any prompt payment discount offered by a vendor. All payment checks will be signed by the Superintendent or his/her designated representative. Payment warrants will be reviewed by a majority of the members of the Finance Committee prior to the issuance of the checks. All payment records will be retained in accordance with state and federal record retention requirements. For the convenience, privacy, and security of School Department employees, the Board encourages the use of direct deposit whenever practical.

Policy Adopted: December 20, 1995

Policy Revised: November 2, 2005

Policy Reviewed: June 15, 2009

# DKC - Expense Authorization and Reimbursement

## **DKC - Expense Authorization and Reimbursement**

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

### **Authorization**

Prior to District-related travel, employees must read and sign the MSAD #35 Memorandum for District Travel.

All employee expenses to be reimbursed must be pre-approved by the employee's supervising administrator.

All Board member expenses to be reimbursed must be approved by the Board prior to the member's incurring the expense.

Expenses to be reimbursed may include transportation, lodging, registration fees, required materials, parking fees and other reasonable and necessary District business-related expenses.

### **Reimbursement**

All requests for reimbursement must be itemized on an official M.S.A.D. # 35 form. Receipts for reimbursable expenses must be attached to the reimbursement form.

Automobile travel will be reimbursed at the current mileage rate approved by the Board.

Reimbursement for commercial transportation will be based on coach/economy fares. Receipts are necessary for reimbursement for airfare.

When circumstances dictate that a rental car is necessary and/or the most practical approach to travel, the least expensive car that will meet the purpose should be rented.

### **Unapproved Expenses**

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



## **Establishment of Reimbursement Procedures**

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

*Policy Adopted: August 5, 2009*

*Policy Revised: June 5, 2024*

# DM - Cash in School Building

## **DM - Cash in School Building**

- A. Each school may maintain a school fund of monies raised or donated to that school.
- B. The annual District audit will include an audit of each school. Audits take place at the close of each school year.
- C. The principal shall be solely responsible for the proper conduct of school funds.
- D. Teachers who are required to collect money from students for the sale of materials, etc. shall use a receipt book or other system of accountability approved by the principal.
- E. All cash collected by staff shall be turned in to school offices or deposited in appropriate accounts the day of collection.
- F. School personnel shall deposit money in a timely manner.
- G. The principal shall insure that money is deposited at least weekly or when the amount on hand exceeds \$500.

Policy Adopted: March 5, 1975

Policy Revised: October 3, 1979, December 3, 1986, November 5, 1997, November 2, 2005 and November 5, 2008

# DN - Property Disposal

## **DN - Property Disposal**

It is the will of the School Board that all property purchased for use by the School District be used in the most effective and efficient manner and that at the end of its useful life disposed of in accordance with state and federal law and in a way that is most beneficial to the taxpayers. To that end the School Board authorizes the Superintendent to determine when personal property (supplies, materials, and equipment) is obsolete or beyond economic repair and no longer of use to the District and to declare it surplus property. The Superintendent is further instructed to establish procedures that will insure proper disposal of surplus personal property and to inform the Board of any personal property declared surplus with an estimated value greater than \$5,000 prior to its disposal.

Disposal procedures established by the Superintendent shall include at a minimum the following provisions:

- A. All municipal governments in the district are to be informed in writing of property declared surplus, and are to have first option to purchase. The charges for municipal purchases shall be determined by the Superintendent after consultation with the board.
- B. Surplus property, including books, to be offered for sale shall be disposed of by sealed bid, public auction, or public sale. Public notice of any sale of surplus property shall be given at least one week in advance of an auction, sale, or opening of sealed bids. All property is to be sold as is, where is.
- C. Library books, textbooks, and instructional materials are to be disposed of by a means most likely to offer promise of continuing educational benefit, first to citizens of the school unit, then to others.
- D. Any surplus property which is offered for public sale and is not sold may be disposed of in a manner deemed advisable by the superintendent, including donation to nonprofit agencies.
- E. Any property determined to be worthless, or for any reason is considered to be inappropriate for sale, shall be disposed of in a manner the Superintendent deems appropriate after so informing the Board, with recycling as a priority where feasible.
- F. Any school unit identification borne by surplus property shall be removed, or be further identified to indicate the intended disposition and surplus nature (i.e., "SOLD BY" "SURPLUS").

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

Legal Reference: Title 20-A MRSA §7

Policy Adopted: November 6, 1991

Policy Revised: May 19, 1999 and November 2, 2005

Policy Reviewed: June 15, 2009

# DB-R - Budget Development and Adoption Administrative Procedure

## **DB-R - Budget Development and Adoption Administrative Procedure**

It is the policy of the Board to present to the voters a budget that is both responsive to the needs of the school system and fiscally responsible.

A. The Board shall hold a budget planning workshop, the purpose of which is to:

1. Review District core values and vision;
2. Review current year's finances and the Superintendent's preliminary year end projection;
3. Review Superintendent's projections for the upcoming budget;
4. Consider items which Board members feel should be prioritized in the new budget;
5. Agree on budget parameters to be followed in developing the upcoming budget;
6. Ensure opportunities for public input for consideration in budget development;
7. Set a date and method for public presentation of the budget;
8. Establish a date for the public referendum on the budget.

B. The Board shall instruct the Superintendent to develop a budget timeline that ensures the budget development process is conducted in an orderly and deliberate manner so as to honor the dates established above.

C. The Board authorizes the Superintendent to establish administrative procedures for the development of the district budget that include input from staff and administrators as they deem necessary and appropriate.

D. The Superintendent shall prepare for the Board's review and consideration a budget presentation in March that includes:

1. An overview of the budget, detailing significant budget issues, explaining the budget development process, and including other comments and information they deem appropriate;
2. A summary of anticipated revenues and projected expenditures;
3. Sufficient detail and supplemental information to allow the Board and the public to understand and appreciate the budget.

E. The Superintendent shall instruct the Directors of the Adult Education program and the School Nutrition program to submit a budget for their respective operations, including a projection of revenues and expenditures, for inclusion in the district budget.

Legal Reference:

20-A MRSA § 1301 (MSAD)

20-A MRSA § 1701 (CSD)

20-A MRSA § 1482 (RSU)

20-A MRSA § 1902 (UN)

20-A MRSA § 15617 et seq. (ALL)

Cross Reference:

DB - Budget Development and Adoption

*Policy Adopted: March 5, 1975*

*Policy Revised: October 3, 1979; December 3, 1986; October 15, 1997; November 2, 2005; March 20, 2024*

# DFF - Student Activities Funds

## **DFF - STUDENT ACTIVITIES FUNDS**

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

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

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

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

Cross Reference:

DI-Fiscal Accounting and Reporting

JJE-Student Fundraising Activities

*Policy Adopted: June 24, 2024*



# DI - Fiscal Accounting and Reporting

## **DI - FISCAL ACCOUNTING AND REPORTING**

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

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

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

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

Legal Reference:

20-A MRSA § 1055

Cross Reference:

MSAD 35 Board Bylaws, Article VII

*Policy Adopted: June 24, 2024*