Section D – Fiscal Management

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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.

Legal Reference:

20-A MRSA § 1311

Policy Adopted: March 5, 1975

Policy Revised: December 3, 1986; September 18, 1996; December 17, 2003; June 10, 2009; November 18, 2026

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:

1. The continuous process of temporary investing of all fund balances and moneys available for investment purposes;
2. 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;
3. 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;
4. 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
5. 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

20-A MRSA § 1491

Policy Adopted: June 17, 2009

Policy Revised: November 18, 2026

DID - Inventory of Capital Assets

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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 Personal Electronic Devices

Policy Adopted: November 19, 2008

Policy Revised: November 18, 2026

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.

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; November 18, 2026

DJ - Bidding Requirements

DJ - Bidding Requirements

1. 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.
2. Bid specifications shall state time and place of opening and such opening shall be public.
3. All awards of bids shall take place at a public meeting of the Board of Directors.
4. 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.
5. State bid may be substituted for local bid in the best interest of the district.
6. The insurance program will be bid according to state law.

Procurement Methods for Federally Funded Projects

The Superintendent/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”1). 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

DJ-R – Federal Procurement Manual

Policy Adopted: September 21, 1995

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

Policy Reviewed: August 18, 2021

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

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(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[1], 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/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. In addition, the Superintendent/designee should review and update this manual at least every five years, on a cycle roughly corresponding with the five-year federal review of the Uniform Grant Guidance as provided in 2 CFR § 200.109.

A. OVERVIEW

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

These administrative procedures, in combination with the school unit's written policies—including but not limited to Policy DJ (Bidding Requirements) 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 consistent with applicable federal, state, and local laws and regulations and, more specifically, conform to the procurement standards identified in 2 CFR §§ 200.317 through 200.327; 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/designee, acting singly, (the "Purchasing Agent") shall be responsible for implementing these administrative procedures and shall have direction and control over the purchasing of property, goods, and services for the school unit using federal funds.

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

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[1] *A "federal award" is any federal financial assistance (including cost-reimbursement contracts) that a school unit receives either directly from a federal agency or indirectly from a pass-through entity such as the state education department. See 2 CFR § 200.1. 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, the school unit should review the terms and conditions of the applicable grant agreement and the applicability provisions of the Uniform Grant Guidance, codified at 2 CFR § 200.101.*

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 bid proposals must be excluded from competing for such procurements. (2 CFR § 200.319(a)(b).)

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, proper classification of employees (see Fair Labor Standards Act, 29 U.S.C. 291, Ch. 8), 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); see also § 200.501(h).)
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 should be made between leasing and purchasing property or equipment to determine the most economical approach. When appropriate for the procurement or use of common or shared goods and services, consideration should also be given to: (i) entering into state and local intergovernmental agreements or inter-entity agreements, (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. **Domestic Preferences for U.S. Goods, Products, or Materials Encouraged**. The school unit should, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards, contracts, and purchase orders under federal awards. For purposes of this section, “manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber. (2 CFR § 200.322.)
6. **Clear and Accurate Technical Requirements.** The school unit must have written procedures for procurements that incorporate a clear and accurate description of the technical requirements for the property, equipment, or service to be procured, identify all requirements which offerors must fulfill, and identify all other factors to be used in evaluating solicitations. Technical descriptions (i) may include a statement of the qualitative nature of the property, equipment, or service to be procured; (ii) when necessary, must provide those minimum essential characteristics and standards to which goods or services must conform; (iii) should avoid detailed product specifications if possible; and (iv) may use a “brand name or equivalent” description of features to provide procurement requirements 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 must be clearly stated). Such written procedures must ensure that all solicitations of work or invitations for bids from competing on those procurements. (2 CFR §

200.319(d).)

7. **Prequalified Contractor Lists.** The school unit must ensure that all prequalified lists of persons, firms, or products used in procurement transactions are current and include enough qualified sources to ensure maximum open competition. When establishing or amending prequalified lists, the school unit must consider objective factors that evaluate price and cost to maximize competition. The school unit must not preclude potential bidders from qualifying during the solicitation period. (2 CFR § 200.319(e).)
8. **Procurement of Recovered Materials**

    a. The school unit and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended. The requirements of Section 6002 include procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

    b. The school unit should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable. This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products. (2 CFR § 200.323; Exec. Order 14057, section 101, Policy.)

9. **Scoring Mechanism.** The school unit may, to the extent consistent with established practices and legal requirements applicable to the school unit, develop written procedures for procurement transactions that incorporate a scoring mechanism that requires bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job training for employees making work products or providing services on a contract, and other worker protections. The school unit may make inquiries of bidders about these subjects and assess the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable federal statutes and regulations, and the terms and conditions of the federal award.

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: micro-purchases, 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. **Micro-purchases (less than $15,000 as of October 1, 2025)**. Micro-purchases up to the federal micro-purchase threshold ($15,000 as of October 1, 2025)[2] may be made without soliciting competitive quotations if the Purchasing Agent considers the

price to be reasonable based on research, experience, purchase history, or other information and maintains documents to support its conclusion. To the extent practicable, the Purchasing Agent must distribute micro-purchases equitably among qualified suppliers, vendors, or firms. (2 CFR §§ 200.67, 200.320(a)(1).)

On an annual basis, the school unit may establish a micro-purchase threshold higher than the federal micro-purchase threshold, up to $50,000. The school unit must maintain documentation, which must be made available to the federal agency or pass-through entity and auditors in accordance with 2 CFR § 200.334. The self-certification must include justification, clear identification of the threshold, and supporting documentation of any of the following: (i) a qualification as a low-risk auditee, in accordance with the criteria in 2 CFR § 200.520 for the most recent audit; (ii) an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or (iii) for public institutions, a higher threshold consistent with state law. (2 CFR § 320 (a)(1)(iv).)

b. **Small Purchases ($350,000 or less as of October 1, 2025).** Small purchases up to the federal simplified acquisition threshold ($350,000 as of October 1, 2025)3 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 sources (preferably, from at least three qualified vendors or firms). Unless specified by the federal agency, the school unit may exercise its judgment in determining what number is adequate. The Purchasing Agent shall document any price or rate quotes received, whether written or oral. (2 CFR §§ 200.88, 200.320(a)(2).)

c. Sealed Bids (over $350,000 as of October 1, 2025). For purchases in excess of the federal simplified acquisition threshold ($350,000 as of October 1, 2025) sealed bidding is used if (i) a complete, adequate, and realistic specification or purchase description is available; (ii) two or more responsible bidders have been identified as willing and able to complete effectively for the business; and (iii) 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. This is the preferred method for procuring construction. If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of qualified sources, providing them with sufficient response time prior to the date set for opening the bids. Unless specified by the federal agency, the school unit may exercise its judgment in determining what number is adequate;
- The invitation for bids must be publicly advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the
- invitation for bids;

- The bids must be opened publicly;A firm fixed price (lump sum or unit price) contract award will 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. Where specified in bidding documents, factors such as discounts, transportation costs, and life-cycle costs must be considered in determining which bid is lowest. Payment discounts must only be used to determine the low bid when the school unit determines they are a valid factor based on prior experience; and
- The school unit must document and provide a justification for all bids it rejects.

(2 CFR §§ 200.88, 200,320(b)(1).)

d. **Requests for Proposals (over $350,000 as of October 1, 2025).** For purchases in excess of the simplified acquisition threshold ($350,000 as of October 1, 2025), this procurement method is used when conditions are not appropriate for the use of sealed bids. Typically, a request for proposals ("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 require public notice and shall identify all evaluation factors and their relative importance. Any response to an RFP must be considered to the maximum extent practicable;
- The RFP must have written procedures for conducting technical evaluations and making selections;
- Proposals must be solicited from an adequate number of qualified offerors; and
- The Purchasing Agent must award a contract to the responsible offeror 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(b)(2).)

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 aggregate amount of the procurement transaction does not exceed the micro-purchase threshold (see Section C.1.a, above);
- The procurement transaction can only be fulfilled by a single source;
- An public exigency or emergency for the requirement will not permit a delay resulting from providing public notice of a competitive solicitation;
- The federal awarding agency or pass-through entity provides written approval to use a non-competitive procurement method in response to a written request from the school unit; or
- After solicitation of a number of sources, 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(c), 200.118(i).)

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[2] For procurements utilizing federal funds obtained prior to November 12, 2020, the micro-purchase threshold is $3,500. For procurements utilizing federal funds obtained between November 12, 2020 and September 30, 2025, the micro-purchase threshold is $10,000. The threshold is subject to adjustment every five years in the Federal Acquisition Regulations.

[3] For procurements utilizing federal funds obtained prior to November 12, 2020, the simplified acquisition threshold is $150,000. For procurements utilizing federal funds obtained between November 12, 2020 and September 30, 2025, the simplified acquisition threshold is $250,000. The threshold is subject to adjustment every five years in the Federal Acquisition Regulations ("FAR"). The school unit is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its document procurement procedures; however, in no circumstances can this threshold exceed the dollar value established in the FAR (48 CFR part 2, subpart 2.1) for the simplified acquisition threshold. The school unit should determine if local government laws on purchasing apply. (2 CFR § 200.1 - see definition of "simplified acquisition threshold.")

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2. Purchases Over $25,000. For purchases exceeding $25,000, prior to contracting with a vendor, the Purchasing Agent shall use the System for Award Management (SAM) to search for the

vendor by name, tax identification number, or another characteristic to make sure that the vendor has not been suspended or debarred from performing federally funded work. (2 CFR § 200.206(d), 180.220.)

3. Purchases Over the Simplified Acquisition Threshold ($350,000 as of October 1, 2025). The following additional procedures apply to purchases exceeding the simplified acquisition threshold:

a. Cost/Price Analysis.

(i) The school unit must perform a cost or price analysis in connection with every procurement transaction in excess of the simplified acquisition threshold, including contract modifications. The method and degree of analysis depends on the facts surrounding the particular procurement transaction (for example, the school unit should consider potential workforce impacts in its analysis if the procurement transaction will displace public sector employees). However, as a starting point, the Purchasing Agent must make independent estimates before receiving bids or proposals.

(ii) 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 Subpart E of 2 CFR Part 200.

(iii) The school unit must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting. (2 CFR § 200.324)

b. Bonding Requirements. For construction or facility improvement contracts or subcontracts in excess of the simplified acquisition threshold: the federal agency or pass-through entity may accept the school unit's policy and requirements for bonding, as long as the federal agency or pass-through entity determines that the federal interest is adequately protected. If such a determination has not been made, the minimum bonding requirements must be as follows:

(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 a bond 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 the law of all persons supplying labor and material in the execution of the

work provided for in the contract. (2 CFR § 200.326.)

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

When possible, the school unit should ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms are considered. Such consideration means:

1. Including these business types on solicitation lists;

2. Soliciting these business types whenever they are deemed eligible as potential sources;

3. Dividing procurement transactions into separate procurements to permit maximum participation by these business types;

4. Establishing delivery schedules (e.g., the percentage of an order to be delivered by a given date of each month) which encourage participation by these business types;

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 a contractor under a federal award to apply paragraphs (1) through (5) of this section to subcontracts.

(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 is responsible for the tasks, technical requirements, service performance, and verification that payments are in compliance with the contract.
2. **Contract Type.** The school unit may use a time-and-materials type contract (i.e., a contract whose cost to the school unit is the sum of (i) the actual cost of materials and (ii) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit) only if the school unit determines that no other contract is suitable and the contract includes a ceiling price that the contractor exceeds at its own risk. The school unit must assert a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls. (2 CFR § 200.318 (j).)
3. **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 of this manual. (2 CFR § 200. 327.)

4. **Labor and Employment Practices.** The school unit may use the practices listed below if consistent with the U.S. Constitution, applicable federal statutes and regulations, the objectives and purposes of the applicable federal financial assistance program, and other requirements under the Uniform Grant Guidance.

    a. Using Project Labor Agreements (PLAs) or similar forms of pre-hire collective bargaining agreements;

    b. Requiring construction contractors to use hiring preferences or goals for people residing in high-poverty areas, disadvantaged communities as defined by the Justice40 Initiative (see OMB Memorandum M-21-28), or high-unemployment census tracts within a region no smaller than the county where a federally funded construction project is located. The hiring preferences or goals should be consistent with the policies and procedures of the school unit, and must not prohibit interstate hiring;

    c. Requiring a contractor to use hiring preferences or goals for individuals with barriers to employment (as defined in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(24)), including women and people from underserved communities as defined by Executive Order 14091;

    d. Using agreements intended to ensure uninterrupted delivery of services;

    e. Using agreements intended to ensure community benefits; or

    f. Offering employees of a predecessor contractor rights of first refusal under a new contract.

(2 CFR § 200.318(1).)

5. **Subrecipient and Contractor Determinations.** The school unit, as a recipient or subrecipient of a federal award, may serve as a pass-through entity by providing a subaward to a subrecipient or lower tier subrecipient. When serving as a pass-through entity, the school unit is responsible for making case-by-case determinations as to whether the entity receiving federal funds is a subrecipient receiving a subaward or a contractor entering into a procurement contract. The school unit must make this determination using its judgement based on the characteristics set forth in (a) and (b) below, as well as any additional guidance supplied by the federal awarding agency. All of the characteristics listed below may not be present in all cases, and some characteristics from both categories may be present at the same time. No single factor or any combination of factors is necessarily determinative. In making this determination, the substance of the relationship is more important than the form of the agreement.

    a. Contractors. A contract is for the purpose of obtaining goods and services for the recipient's own use and creates a procurement relationship with the contractor. (See 2 CFR § 200.1) Characteristics that support a procurement relationship between the school unit and a contractor include, but are not limited to, 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 implementation of the federal program; and (v) is not subject to compliance requirements of a 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 financial assistance relationship with a subrecipient. (See 2 CFR § 200.1) Characteristics which support the classification of a party receiving federal funds as a subrecipient include, but are not limited to, 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) implements 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 school unit is serving as a pass-through entity, the school unit must:

(i) Verify that the potential subrecipient is not suspended, debarred, or otherwise excluded from receiving federal funds by (a) checking the System for Awards Management (SAM.gov); (b) collecting a certification from the potential subrecipient; or (c) adding a clause or condition to the procurement contract. (2 CFR § 180.300.)

(ii) Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the information required by 2 CFR § 200.332(b).

(iii) Evaluate each subrecipient's fraud risk and risk of noncompliance with a subaward to determine 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 CFR 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.

Depending on the pass-through entity's assessment of the risk posed by the subrecipient, the pass-through entity may implement the following monitoring tools to ensure proper accountability and compliance with program requirements and achievement of program goals:

a. Providing subrecipients with training and technical assistance on program-related matters;

b. Performing on-site visits to review the subrecipient's program operations; and

c. Arranging for agreed-upon-procedures engagements as described in 2 CFR § 200.425.

(iv) If appropriate, consider imposing specific subaward conditions upon a subrecipient as described in 2 CFR § 200.208.

(v) Monitor the activities of the subrecipient as necessary, and as further provided in 2 CFR § 200.332(c), to ensure that the subrecipient complies with federal statutes, regulations, and the terms and conditions of the subward; and that subaward performance goals and objectives are achieved.

(vi) Verify that each subrecipient is audited as required by Part F (Audit Requirements) of 2 CFR Part 200.

(vii) Consider whether the results of the subrecipient's audits, site visits, or other monitoring necessitate adjustments to the school unit's own records.

(viii) Consider taking enforcement action against noncompliant subrecipients as described in 2 CFR § 200.339.

(2 CFR § 200.332)

F. RECORDS

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

2. 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 financial 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. The three-year retention requirement does not apply to the school unit when records are transferred to or maintained by the federal agency. Records to be retained include, but are not limited to, financial records, supporting documentation, and statistical records. Federal agencies or pass-through entities may not impose any other record retention requirements except for the following:

a. 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.

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

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

d. When records are transferred to or maintained by the federal agency, the 3-year retention requirement is not applicable to the school unit.

e. Records for program income earned after the period of performance must be retained for three years from the end of the school unit's fiscal year in which the program income is earned. This only applies if the federal agency or pass-through entity requires the school unit to report on program income earned after the period of performance in the terms and conditions of the federal award.

f. Records for 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) must be retained as follows:

(i) When a proposal, plan, or other computation must be submitted to the Federal Government to form the basis for negotiation of an indirect cost rate (or other standard rates), then the 3-year retention period for its supporting records starts from the date of such submission.

(ii) When a proposal, plan, or other computation is not required to be submitted to the Federal Government to form the basis for negotiation purposes of an indirect cost rate (or other standard rates), 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), 200.334)

G. PROTESTS AND CLAIMS

The school unit is responsible for the settlement of all contractual and administrative issues arising out of procurement transactions. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school unit of any contractual responsibilities under its contracts. The federal agency will not substitute its judgment for that of the school unit unless the matter is primarily a federal concern. The school unit must report violations of law to the federal, state, or local authority with proper jurisdiction.

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.

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 federal agency or pass-through entity may review the technical specifications of proposed procurements under the federal award if the federal 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. The school unit must submit the technical specifications of proposed procurements when requested by the federal agency or pass–through entity. This review should 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 agency or pass-through entity may still review the specifications. In those cases, the review should be limited to the technical aspects of the proposed purchase.
2. The school unit, upon request, must provide procurement documents (such as requests for proposals, invitations for bids, or independent cost estimates) for to the federal agency or pass-through entity for pre-procurement review, The school unit may conduct a pre-procurement review 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 is expected to exceed the simplified acquisition threshold and specifies a “brand name” product;

d. The procurement is expected to exceed the simplified acquisition threshold and a sealed bid procurement is to be awarded to an entity other than the apparent low bidder; 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. However, self-certification does not limit the federal agency’s or pass-through entity’s right to survey the system. Under a self-certification procedure, the federal 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 § 200.325.)

I. EXCEPTIONS TO THESE ADMINISTRATIVE PROCEDURES

The requirements set forth in these administrative procedures, except for Section E.5 (Subrecipient and Contractor Determinations) and provisions related to covered telecommunications equipment, 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 or non-federal entities 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 2 CFR Part 200.

(2 C.F.R. §§ 200.101-200.102.)

Legal Reference:

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

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

Cross Reference:

DJ – Bidding Requirements

DJH – Purchasing and Contracting: Procurement Staff Code of Conduct

Policy Adopted: February 28, 2018

Policy Revised: August 18, 2021; November 18, 2026

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$350,000). Contracts for more than the simplified acquisition threshold (currently $350,000) 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 § 60-1.3 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, 30 FR 12935, 3 CFR 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 school unit 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 school unit 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.gov), 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.

J. Domestic Preference. As appropriate and to the extent consistent with law, the school unit should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards, including all contracts and purchase orders for work or products under a federal award. For purposes of this section, "produced in the United States" means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States. For purposes of this section, "manufactured products" means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber. See 2 CFR § 200.322.

K. Procurement of Recovered Materials. The contractor must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative

procurement program for procurement of recovered materials identified in the EPA guidelines. See 2 CFR § 200.323.

L. Prohibition on Certain Telecommunications and Video Surveillance Services or Equipment. Contractors are prohibited from obligating or expending loan or grant funds to (i) procure or obtain; (ii) extend or renew a contract to procure or obtain; or (iii) enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, “covered telecommunications equipment” includes telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities); video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities); telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country. See 2 CFR § 200.216.

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 shall participate in the selection, award, or administration of a contract supported by a federal award if they have a real or apparent conflict of interest.

A conflict of interest would arise when the employee or any member of their immediate family, their partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in a firm considered for a contract.

For the purpose of this policy, "immediate family" is defined as spouse, sibling, parent, or child.

Conflict of Interest Disclosure

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

Gifts and Solicitations

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

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

Violations

Employees of 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.

Protests and Claims

A bidder or respondent to a request for a proposal (RFP) may protest a procurement or contract award if they believe 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, they 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

DJ – Bidding Requirements

DJ-R – Federal Procurement Manual

KCD – Public Gifts/Donations to the Schools

Policy Adopted: February 24, 2016

Policy Revised: February 28, 2018; November 18, 2026

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 ensure 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/designated representative. A member of the Finance Committee and the District Treasurer shall sign all warrants. 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; November 18, 2026

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

1. Each school may maintain a school fund of monies raised or donated to that school.
2. The annual District audit will include Marshwood Middle School and Marshwood High School. Elementary Schools will be audited on a rotating basis based on auditor selection.
3. The principal shall be solely responsible for the proper conduct of school funds.
4. 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.
5. All cash collected by staff shall be turned in to school offices or deposited in appropriate accounts the day of collection.
6. School personnel shall deposit money in a timely manner.
7. 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; November 18, 2026

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 $10,000 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 a 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 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; February 11, 2026

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

DD - GRANTS

DD - Grants

The Board encourages the Superintendent/designees to pursue federal, state, foundation, corporate and other grants for the support of the schools and the enhancement of educational opportunities. The Superintendent is expected to be alert to potential sources of grant funding and to make recommendations for Board action. If the District is applying for a grant that requires a local match, a continuing obligation, or the hiring of additional staff, approval by the Board is required prior to submitting the application.

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

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

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

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

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

Teacher Classroom Grants (“mini-grants”)

Individual teachers may investigate eligibility requirements for foundation, corporate, and other grants that will benefit a single classroom. The building principal, in conjunction with the Superintendent, is authorized to approve applications/proposals for such “mini-grants” as long as they do not require matching or non-budgeted funds, impose a continuing obligation, or create a significant inequity within the building. All mini-grants must follow the District curriculum.

All mini-grants/classroom grant funds will be deposited into District accounts.

Awards of mini-grants/classroom grants will be reported to the building principal, who will inform the Superintendent. The Superintendent will report such awards to the Board.

Cross Reference:

KCD - Public Gifts/Donations to the Schools

Adopted: April 16, 2025

DIDA - Capital Assets

DIDA - Capital Assets

This policy establishes the minimum cost value (capitalization amount) that shall be used to determine the capital assets, including infrastructure assets, that are to be recorded in MSAD 35's annual financial statements in order to comply with the requirements of GASB Statement No. 34.

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

A. Capital Asset Definition

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

B. Capitalization Method

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

C. Capitalization Thresholds

MSAD 35 establishes the following minimum capitalization thresholds for capitalizing capital assets:

1. Land and Improvements $10,000.00
2. Buildings and Improvements $10,000.00
3. Machinery/Equipment/Vehicles $10,000.00
4. Infrastructure $10,000.00

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

D. Infrastructure Assets

In accordance with GASB Statement 34, MSAD 35 will record, at a minimum, "major" infrastructure assets as defined in Statement 34 that were acquired, constructed, or significantly reconstructed, or that received significant improvements after June 30, 1980. Other infrastructure assets may be capitalized as deemed appropriate. MSAD 35 does not intend to use the "modified approach" to record infrastructure.

E. Other Assets

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

F. Depreciation and Useful Life

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

G. Safeguarding and Controlling Capital Assets

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

Policy Adopted: November 18, 2026