



**2017 - 2018**

**District Fiscal  
Policies**

<b>District Fiscal Policies</b>	<b>2017-2018</b>
7.1 Fiscal Year	No Revision
7.2 Annual Operating Budget	<b>Revised</b>
7.3 Millage Rate	No Revision
7.4P Funding Proposals, Grants, Special Funding	No Revision
7.4P1 Revenues from Tax Sources	No Revision
7.4P2 Revenues from Tax	No Revision
7.5F Commodities Bidder Affidavit	No Revision
7.5F2 Food Service Commodities Bidder Affidavit	No Revision
7.5P Purchases And Procurement	<b>Revised</b>
7.6 Activity Account	No Revision
7.6P Petty Cash	No Revision
7.7 Cash in Classrooms	No Revision
7.8 Personal Property	No Revision
7.9 Property Insurance	No Revision
7.10 Public Use Of School Buildings	<b>Revised</b>
7.10P1 Public Use of Buildings	No Revision
7.10P1 Rental and Service Charges	No Revision
7.11 Use of School Funds for Non-School Related Purposes	No Revision
7.12 Expense Reimbursement	No Revision
7.13 Management and Disposal of District Property	No Revision
7.14 Use Of District Cell Phones And Computers	No Revision
7.15 Record Retention And Destruction	<b>Revised</b>
7.16 Information Technology Security	No Revision
7.17 Food Service Prepayment	No Revision
7.18 Disposal of Non-negotiated Checks or Unclaimed Property	No Revision
7.19P1 Service Animals In District Facilities	No Revision
7.20—Electronic Fund Transfers	No Revision
7.21P1 Facilities Plannings	No Revision
7.21P2 Naming Facilities	No Revision
7.22 Private Sponsorship Of Extracurricular Events	No Revision
7.23 Health Care Coverage And The Affordable Care Act	No Revision
7.30P Authorized Signatures	No Revision
7.31P Financial Reports and Statements	No Revision
7.32P Inventories	No Revision
7.33P Audits/Financial Monitoring	No Revision
7.34P Taxing and Borrowing Authority/Limitations	No Revision
7.36P Bid Protests	No Revision

## 7.2 Annual Operating Budget

The Superintendent and CFO shall be responsible for the preparation of the annual operating budget for the District. The Board directs the Superintendent to prepare a budget showing the actual revenue from each and every source during the past year and the estimated revenue from each and every source for the ensuing year. The budget will reflect actual expenditures for the past year and estimated expenditures for the current year. The Superintendent and CFO shall present the budget to the Board for its review, modification, and approval in September.

The budget shall be prepared in the electronic format as prescribed by the State Board of Education and filed with the Arkansas Department of Education no later than September 30 of each year.

No warrant issued after October 1 of a current fiscal year against the funds of the District will be valid unless the budget has been submitted to the State Board of Education for approval.

The District's budget serves as the control to direct and limit expenditures. Responsibility for this control rests with the Superintendent who will direct the Chief Financial Officer to establish the procedures for budget control and reporting throughout the District.

The approved budget shall provide for expenditures that are within anticipated revenues and reserves. The District CFO shall present monthly reconciliation reports and a statement on the general financial condition of the District monthly to the Board.

Any changes made to the budget shall be in accordance with District policy and state law.

The Board will retain control of the budget, once adopted, and all personnel subject to the Board in implementation of the budget will adhere to Board policies. Items in the budget may be changed upon the approval of the Board at any time during the fiscal year provided that any revision in the budget does not cause estimated expenditures to exceed estimated income or actual revenue and such changes are consistent with statute

The CFO shall present monthly reconciliation reports and a statement on the general financial condition of the District monthly to the Board. Line item changes within the same program or functional area that do not increase the total budgeted expenditures without an equal increase in the program revenue may be made at any time during the fiscal year with the approval of the appropriate program director or administrator. Line item changes that cross programs or functional areas that do not increase total budgeted expenditures without an equal increase in program revenue may be made at any time during the fiscal year with the approval of the Superintendent. Line item changes that decrease the budgeted legal balance (teacher salary, operating and debt services funds) may be made at any time during the fiscal year upon the approval of the Board. Any changes made shall be in accordance with District policy and state law.

Legal References: A.C.A. § 6-13-701(e)(3)

A.C.A. § 6-20-2202

Adopted: 10/10/72

Revised: 1/11/83

Revised: 9/11/84

Revised: 2/8/11

Revised: 4/9/13

Revised: 2/1/18

## 7.5 Purchases and Procurement

Purchases shall be made in accordance with State laws and procurement procedures governing school purchases that are deemed to be in the best interest of the District and are the result of fair and open competition between qualified bidders and suppliers. No bids shall be taken for professional services.

The Director of Purchasing, under the supervision of the Chief Financial Officer, will be responsible for implementing centralized purchasing through procedures set forth in a Regulations and Procedures Manual approved by the Chief Financial Officer, Superintendent and the Board.

The Board's authority for the purchase of materials, equipment, supplies and services is extended to the District administration through the detailed listing of such items compiled as part of the budget making process and approved by the Board through its adoption of the budget. The purchase of items and services on such lists requires no further Board approval except when must be put to bid by law or Board policy.

### Definitions

"Commodities" are all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased on behalf of the District.

"micro-purchases" are purchases with a value of less than three thousand five hundred dollars (\$3,500) when purchased with Federal funds.

"Professional services" are legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.

"Specifications" means a technical description or other description of the physical and/or functional characteristics of a commodity.

### Commodities

The superintendent shall develop procedures for the procurement of micro-purchases that provide for the distribution of purchases between eligible vendors to the extent possible.

Purchases of commodities with a purchase price of more than \$20,000 require prior Board approval; however, if an emergency exists, the Superintendent may waive this requirement.

The district shall notify in writing all actual or prospective bidders, offerors, or contractors who make a written request to the district for notification of opportunities to bid. The notification shall be made in sufficient time to allow actual or prospective bidders, offerors, or contractors to submit a bid or other appropriate response. The board shall accept bids submitted electronically by email or fax for any and all district purchases, unless specified to be submitted

by other means or methods, and except those bids which have been specified to have a designated date upon which the bids shall be opened. The superintendent shall be responsible for ensuring submitted bids, whether written, faxed, or emailed, are retained in accordance with policy

The district will not solicit bids or otherwise contract for a sum greater than twenty-five thousand dollars (\$25,000) with vendors that are on the "excluded parties list" if the contract is to be paid from federal grant funds.

All purchases for a Federal program with an estimated purchase price between three thousand five hundred dollars (\$3,500) and twenty thousand five hundred dollars (\$20,500) and all purchases of commodities with an estimated purchase price that equals or exceeds twenty thousand five hundred dollars (\$20,500) shall be procured by soliciting bids. Specifications shall be devised for all commodities to be bid that are specific enough to ensure uniformity of the bid and yet not so restrictive that it would prevent competitive bidding. The bid specifications shall not include the name or identity of any specific vendor. The Board reserves the right to reject all bids and to purchase the commodity by negotiating a contract. In such an instance, each responsible bidder who submitted a bid shall be notified and given a reasonable opportunity to negotiate.

Bids shall be awarded after careful examination of the details of the bid to determine the best overall value to the District. In instances where the low bid was not accepted, a statement of the reasons the low bid was not accepted shall be attached to the bid. Bidders submitting written bids shall be notified in writing of the bid award.

Whenever possible, a preference will be given to minority and women owned business.

The following commodities may be purchased without soliciting bids provided that the purchasing official determines in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of the written determination is attached to the purchase order:

1. Commodities in instances of an unforeseen and unavoidable emergency;
2. Commodities available only from the federal government;
3. Utility services;
4. Used equipment and machinery; and
5. Commodities available only from a single source.

The District may purchase a new motor vehicle, other than a school bus, without soliciting bids if, at the time of the purchase, the:

- a. Purchase is from a motor vehicle dealer licensed in Arkansas;
- b. Purchase price of the motor vehicle does not exceed the fleet price awarded by the Office of State Procurement; and
- c. Motor vehicle to be purchased is the same make and model motor vehicle as the make and model the fleet price was awarded for by the Office of State Procurement.

Prospective bidders, offerors, or contractors may appeal to the district's superintendent if they believe the district failed to follow district bidding and purchasing policy or state law.

Any award of a contract shall be subject to revocation for ten (10) working days from:

- o The initial awarding of the contract; or
- o If an appeal is received, resolution of the appeal.

The intent is to provide prospective bidders, offerors, or contractors the opportunity to appeal the bid award if they believe the facts warrant an appeal. Any appeal shall be in writing by certified mail and received by the district office, "attention to the superintendent" within seven (7) calendar days following the initial and revocable award of the contract.

If the district receives an appeal of a bid award, they shall notify, in writing, those prospective bidders, offerors, or contractors who have made a written request to the district for notification of opportunities to bid that an appeal has been submitted. The notification shall state:

- that the contract award has been halted pending resolution of the appeal and could be revoked;
- the reasons for the appeal;
- that the recipient of the letter may respond to the protested issues identified in the appeal;
- the date the decision on the appeal will be made and notification sent;
- that if the appeal is upheld, the bidding process will be re-opened;
- that if the bidding is re-opened, changes will be made to the request for bids as necessary to satisfy the reasons for upholding the appeal.

The sole authority to resolve any appeal made relating to this policy shall rest with the superintendent. The superintendent's decision shall be final and conclusive. In the event the district upholds an appeal, the sole responsibility of the district to the aggrieved bidder(s) shall be the re-opening of the bidding process.

The District reserves the right to extend or renew a contract that was previously awarded under the process governed by this policy and law, provided the extension or renewal meet the following criteria:

1. The equipment and services provided under the extended or renewed contract meets or exceeds the specifications of the original bid.
2. The extended or renewed contract agreement complies with the state of Arkansas's documentation requirements.
3. The cost of the extended or renewed contract is the same or less than the original contract.
4. The extension or renewal is approved by the local school board.

#### Professional Services

The District does not use a bidding process when procuring professional services. Instead, when the District needs to procure professional services, the District shall:

1. Select three (3) qualified firms;

2. Determine the most qualified firm by considering, at a minimum, the:
  - Specialized experience and technical competence of the firm with respect to the type of professional services required;
  - Capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
  - Past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and
  - Firm's proximity to and familiarity with the area in which the project is located;
1. Negotiate a contract for the project with the most qualified firm.

When negotiating a contract, the District and the selected firm shall jointly prepare a detailed, written description of the scope of the proposed services. If the District is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated and the District shall negotiate a contract with the next most qualified firm. In the event the District is unable to negotiate a contract with any of the original selected firms, the District shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, and return to step one.

The District encourages firms who provide professional services to submit annual statements of qualifications and performance data to the District. The District shall request any additional information as needed for a particular public project.

Legal References:      A.C.A. § 6-21-301, 303, 304, 305, 306, 307  
                                 A.C.A. § 6-24-101 et seq.  
                                 A.C.A. § 19-11-801 et seq.  
                                 2 C.F.R. § 200.67  
                                 2 C.F.R. § 200.319  
                                 2 C.F.R. § 200.320  
                                 2 C.F.R. § 200.321  
                                 2 C.F.R. § 200.324  
                                 48 C.F.R. § 2.101

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Revised: 09/11/84  
Revised: 08/12/97  
Revised: 04/15/02  
Revised: 03/11/03  
Revised: 07/12/05  
Revised: 05/13/14  
Revised: 09/09/14  
Revised: 07/14/15  
Revised: 09/08/15  
Revised: 11/14/17  
Last Revised: 10/09/18



## 7.10 Public Use of School Buildings

It is the policy of the Board that District school buildings may be used by citizens of the District to conduct lawful meetings for social, civic, or recreational purposes provided such meetings do not interfere with the regular school work and proper protection is afforded the district against the potential costs of such use. The Superintendent shall be responsible, with Board approval, for establishing procedures governing such use of school buildings. The governing procedures shall be viewpoint neutral. Building principals shall be consulted to determine if there exists any conflict with planned school activities prior to other groups being allowed to use school facilities.

The District shall establish a fee schedule for the school facilities the District intends to make available for public use. The fee schedule shall be individualized for each school facility and shall be based on a formula that allows the District to reclaim the actual costs incurred by the District from the use of the facility.

School facilities that do not appear on the District's fee schedule shall not be available to the public.

The District shall also require any non-school related group using a district facility to provide proof of having purchased sufficient active and current general liability insurance to cover the damage to, or the cost to entirely replace the structure(s) and furnishing(s), if necessary due to the loss of, or damage to, District property.

Organizations using school facilities assume full and complete responsibility for the conduct of all persons, regardless of age, associated with their use of the facility while they are in or about the facility. Smoking or the use of tobacco or products containing tobacco in any form or the use of drugs or intoxicants is prohibited. Firearms of any kind are not allowed on school property unless the person carrying the firearm is permitted to do so by law as defined in A.C.A. § 5-73-120 or the individual has a valid conceal carry license and leaves the concealed handgun in the individual's locked vehicle.

Legal References:     A.C.A. § 5-73-119  
                           A.C.A. § 5-73-120  
                           A.C.A. § 6-10-130  
                           A.C.A. § 6-21-101  
                           Arkansas Constitution Article 14, § 2

Date Adopted: 11/14/17

Revised: 2/2/18

## 7.15 Record Retention and Destruction

It is necessary to maintain district records in a manner that provides for efficient document storage and retrieval and is conducive to eliminating unnecessary record retention. Due to the variety of records that may need to be retained and accessed, the superintendent shall ensure that all staff receive appropriate training to understand this policy. Staff shall also understand the possible ramifications to the district and/or themselves for failure to properly maintain records and follow the requirements contained in this policy.

### Definitions

"Directly or directly interested" (hereinafter "directly") means receiving compensation or other benefits personally or to an individual's household from the person, business, or entity contracting with the District.

"Indirectly or indirectly interested" (hereinafter "indirectly") means that a family member, business, or other entity in which the individual or a family member has a financial interest will receive compensation or benefits.

"Record" is defined for the purposes of this policy, as an item or items, whether electronic or material, that are created by, at the request of, or received by and purposefully retained by a board member, administrator, or employee in the ordinary course of District business. Examples include, but are not limited to:

- Any kind of correspondence;
- Calendars;
- Computer files and documents (which may include drafts);
- Telephone logs;
- Expense records;
- Audio or video recordings that are created for the purpose of monitoring the security of District property or the safety of District students;
- Documentation related to transactions or contracts for: Services with Board members, administrators, employees, or members of their families covered under the statutorily defined ethical restrictions associated with a contract for services provided for the District involving a Board member, administrator, or employee who "directly or indirectly" benefits from the contract;
  - An exemption granted by the Arkansas Department of Education (ADE) from the statutorily defined ethical restrictions associated with a contract for employment or for services provided for the District that involves a District administrator, board member, or employee.

The superintendent shall be responsible for establishing a schedule for the routine destruction of district records that accommodates the needs of the district. The schedule shall specify the length of retention for any records not specifically delineated by this policy and be distributed to staff on a need-to-know basis according to their respective employment duties and responsibilities. The schedule should accommodate the need for records to be stored as a blend of printed, bound and electronically

recorded (e.g., audio tape, video tape, micro-fiche, computer disk) material. The superintendent or designee shall ensure the effective and efficient securing, cataloging, storing, and appropriate scheduled destruction of all records.

The following records categories shall be retained for the time specified.

- a. Board of Education Minutes – forever
- b. Personnel files – forever
- c. Student files – until the student receives a high school diploma or its equivalent, or is beyond the age of compulsory school attendance
- d. Student records of attendance/graduation – forever
- e. Financial Records – five (5) years
- f. Documentation, including letters of approval, related to transactions or contracts for services covered by this policy and Arkansas statutes for Board members or members of their families or for waivers granted to District employees - thirteen years
- g. Documentation relating to payments or reimbursements made by a vendor on behalf of a board member, administrator, or employee for travel, lodging, food, registration, entertainment, or other expenses – Three (3) years
- h. Employment applications, including applicant lists, applicant interview evaluations, documentation in response to requests for reasons for a failure to be interviewed and/or hired, and hiring determinations - five (5) years
- i. Expenditures made with federal grant monies – governed by the terms of each grant
- j. Video Surveillance Recordings – the timeline established in Policy 4.48—Video Surveillance
- k. Emails – whatever the district’s policy is on this subject
- l. Documents filed with the IRS, including those required in Policy 7.23-Health Care Coverage and the Affordable Care Act – four (4) years
- m. Statewide assessment security agreement - (3) Three years

The superintendent or designee shall be responsible for determining when there is a need to interrupt the routine destruction of records. When the superintendent or designee makes the decision to cease the routine disposal of records, staff affected by the decision shall be promptly informed of the decision and of the nature of records that are to be retained. Such records shall be retained until the superintendent or designee has authorized their destruction. Employee training on the district’s records retention schedule shall specifically include information on the records that may need to be retained due to pending disciplinary or legal actions which otherwise are subject to routine disposal. If an employee has doubt about the need to retain any record otherwise scheduled for destruction, he/she shall consult with the superintendent or designee prior to destroying such records.

The records’ storage system devised by the superintendent and designee(s) shall be organized in a manner that enables the efficient retrieval of data and documents. The district shall have adequate backup of critical data which is stored electronically. The system shall be communicated to employees in a manner that enables them to understand and follow the system’s requirements.

In retaining and destroying records, no employee shall:

- Destroy, alter, mutilate, conceal, cover up, falsify, or make a false entry in any record that may be connected to a disciplinary matter or lawsuit or to a matter within the jurisdiction of a federal or state agency, in violation of federal or state law or regulations.
- Alter, destroy or conceal a document, or attempt to do so, with the intent to impair the document's availability for use in a disciplinary matter, lawsuit or an official proceeding or otherwise obstruct, influence or impede any lawsuit or official proceeding, in violation of federal or state law or regulations.
- Retaliate or discriminate against an employee who refuses to violate this policy or to coerce or threaten an employee to violate this policy.

Failure to follow the requirements set forth in this policy may result in disciplinary action against the employee(s), up to and including termination. The district's board of directors prohibits and will not tolerate any form of reprisal, retaliation or discrimination against any employee who, in good faith, has attempted to comply with this policy.

Cross References: Policy 3.19—Licensed Personnel Employment  
Policy 8.13—Classified Employment

Legal References: A.C.A. § 5-1-109(c)(2), (g)

A.C.A. § 6-13-619

A.C.A. § 6-17-104

A.C.A. § 6-17-2301

A.C.A. § 6-18-901

A.C.A. § 6-24-102(8)(15)

A.C.A. § 6-24-105(d)

A.C.A. § 6-24-106(c)(6)

A.C.A. § 6-24-107(c)

A.C.A. § 6-24-115

A.C.A. § 21-3-302, 303

ADE Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members, and Other Parties

ADE Rules Governing the Arkansas Educational Support and Accountability ACT

26 C.F.R. § 31.6001-1

34 C.F.R. § 99.2

Federal Rules of Civil Procedure Numbers 16, 26, 33, 34, 37, and 45

Date Adopted: 10/10/72

Revised: 01/11/83

Last Revised: 8/16/18