

# **BUSINESS and FINANCIAL MANAGEMENT**

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## **7.1—FISCAL YEAR**

The District's fiscal year shall begin July 1 and end on the following June 30.

Legal Reference:       A.C.A. § 6-20-410

Date Adopted 1/9/2006

Last Revised:

## **7.2—ANNUAL OPERATING BUDGET**

The Superintendent shall be responsible for the preparation of the annual operating budget for the District. The Superintendent shall present the budget to the Board for its review, modification, and approval.

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 15 of each year.

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

Line item changes may be made to the budget 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. § 6-17-914  
                                 A.C.A. § 6-13-701 (e) (3)  
                                 A.C.A. § 6-20-2202

Date Adopted 1/9/2006  
Last Revised: 06/15/2013

### **7.3—MILLAGE RATE**

The Board shall publish one time in some newspaper published in the county in which the district lies, at least sixty (60) days in advance of the school election at which the annual ad valorem property tax for the district is decided by the electors, the District's proposed budget, together with a millage rate sufficient to provide the funds necessary for the District's operation.

Legal References:      A.C.A. § 6-13-622  
Arkansas Constitution: Article 14 Section 3 (c) as amended by Amendment 74

Date Adopted 1/9/2006

Last Revised:

## **7.4—GRANTS AND SPECIAL FUNDING**

The Superintendent or his/her designee may apply for grants or special funding for the District. Any grants or special funding that require matching District resources shall receive Board approval prior to the filing of the grant's or special resource's application.

Date Adopted 1/9/2006

Last Revised:

## **7.5—PURCHASES OF COMMODITIES**

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.

### **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.

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

Purchases of commodities with a purchase price of more than \$10,000.00 require prior Board approval; unless an emergency exists in which case 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 7.15—RECORD RETENTION AND DESTRUCTION.

All purchases of commodities in which the estimated purchase price equals or exceeds ten thousand dollars (\$10,000) 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 shall be attached to the bid. Bidders submitting written bids shall be notified in writing of the bid award.

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 this statement 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.

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

Any award of a contract shall be subject to revocation for ten working days or, if an appeal is received, after resolution of the appeal. This shall give 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 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 start all over again;
- 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.

Legal References:      A.C.A. § 6-21-301, 303, 304, 305, 306  
                                 A.C.A. § 6-24-101 et seq.

Date Adopted 1/9/2006  
Last Revised: 06/15/2013



## 7.5F2—FOOD SERVICE COMMODITIES BIDDER AFFIDAVIT

NAME OF SCHOOL DISTRICT

NAME OF COUNTY

I, \_\_\_\_\_, hereby state:

(1) I am the duly authorized agent of \_\_\_\_\_, the bidder submitting the competitive bid which is attached to this statement. I certify the facts as detailed below pertaining to the non-existence of collusion among and between bidders and state officials, as well as to the facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.

(2) I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.

(3) Neither the bidder nor anyone subject to the bidder's direction or control has been a party:

(A) To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;

(B) To any collusion with any state official or employee as to quantity, quality, or price in the prospective contract, or as to any other terms of the prospective contract; or

(C) In any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.

(4) I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

(5) I hereby certify that the bid, unless specifically exempted by the USDA, is for agricultural commodities that have been produced in the U.S. or if the bid contains food products that at least 51% of food in the product was produced in the U.S. I understand that the district shall not accept any product that does not meet this requirement and is not liable for any loss I may incur as a result of such refusal to accept.

\_\_\_\_\_  
Signature

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public"

## **7.6—ACTIVITY ACCOUNT**

The District shall maintain an account of activity funds. The funds for the account are those revenues derived from the sale of tickets to athletic contests or other school sponsored activities; the sale of food other than that sold in the cafeteria; the sale of soft drinks, school supplies, and books; and fees charged by clubs and organizations.

Activity funds are considered “school funds” and as such may only be spent for school related purposes.

The Superintendent shall be the custodian of all activity funds and shall be responsible and accountable for the funds. The Superintendent may appoint a co-custodian for each school in the District who shall also be responsible for the activity funds he/she maintains.

Legal Reference:       A.C.A. § 6-13-701 (g)

Date Adopted 1/9/2006

Last Revised: 06/09/2012

## **7.7—CASH IN CLASSROOMS**

No cash or checks are to be left in any classroom overnight. Staff, other than the District bookkeeper, who collect funds in the course of their employment should deposit the funds daily with the bookkeeper. Bookkeepers should deposit daily, unless otherwise directed by the superintendent or business manager.

Date Adopted 1/9/2006

Last Revised: 06/09/2012

## **7.8—PERSONAL PROPERTY**

To avoid confusion and the potential for misunderstandings, District staff who brings personal property to school to use in the performance of their jobs should label the items with their names. Any such items should be removed from the school at the close of school each year. The District assumes no responsibility for damage to, or the loss of, personal property brought to District facilities by District staff.

Date Adopted 1/9/2006

Last Revised:

## **7.9—PROPERTY INSURANCE**

The Superintendent shall be responsible, with approval of the Board, for maintaining adequate insurance coverage for all District properties. At a minimum, the District will purchase insurance coverage sufficient to meet the requirements by the Arkansas Commission for Public School Academic Facilities and Transportation.

Legal References:     A.C.A. § 6-21-114(d)  
                              Arkansas Commission for Public School Academic Facilities and  
                              Transportation Rules Governing Property Insurance Requirements

Date Adopted 1/9/2006  
Last Revised: 06/09/2012

## **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. 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 use of school facilities. Charges made for the use of school facilities shall reflect the actual costs (e.g. labor, utility, and materials) incurred by the District.

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.\*

\* District includes weapons besides firearms. Consult A.C.A. § 5-73-120 for a list of possible weapons.

Legal Reference:       A.C.A. § 6-21-101  
                              A.C.A. § 5-73-120

Date Adopted 1/9/2006  
Last Revised:

## **7.10PC - SCHOOL PROPERTY/FACILITY USE RULES:**

1. All school property and facilities are primarily for the use of the School District in educating children. At all times, this primary use and purpose is and will be paramount.
2. The District, on occasion, will permit the use of school facilities for nonprofit activities and uses which have a beneficial purpose to the community. Requests for the use of the facilities must be made to the Superintendent in writing not less than ten (10) days prior to the date upon which use is requested. Permission to use any school facility will at all times be subject to preemption in the event it should become necessary or appropriate to use the scheduled facilities or property for school functions or purposes.
3. As a general rule, use will not be granted to an individual but will only be granted to organized clubs, groups or other nonprofit organizations. The request for use of the facilities shall state the specific date, the purpose (set forth in specific terms for the requested use), the time of commencement and ending, the full name of the organization and person making the request, the addresses of the organization and person making the request and any other information which the District may request with reference to the organization and/or the individual.
4. It shall be the responsibility of the organization and each individual member of the organization, within six hours after conclusion of the particular use or function, to deliver the properties and facilities used to the District in a fully clean and neat condition free of all rubbish and trash of any type or nature. The group and each individual member shall be jointly and severally responsible for any damage to any school facility or property.
5. By requesting use of the facilities, the organization, the person making the request and each individual member of the organization, jointly and severally, agree to indemnify and hold harmless Parkers Chapel School District No. 35 of Union County, Arkansas, from any loss, expense, claim, demand or obligation as a result of the use of the facilities by the requesting organization and/or any member thereof, whether caused by negligence or otherwise, with the indemnity to include attorney's fees, expenses and debts of every type and nature. It is understood that the organization accepts the premises "AS IS" and the District has no responsibility with reference to the condition, use or maintenance of the facilities requested to be used.
6. The District may, whenever the Superintendent deems it appropriate, require the organization to furnish to the District a bond in a reasonable amount to guarantee the performance of the obligations of the use.
7. At no time shall the property or facilities of the District be used for any illegal purpose, for any activity constituting a nuisance, for any activity which permits the use or possession of alcoholic beverages of any kind in, on or about the premises, nor for any activity deemed by the Superintendent of the District to be detrimental to the best interest of the Parkers

Chapel School District.

8. The District reserve the right to impose additional conditions and/or requirements on the requesting organization in the discretion of the Superintendent who is granted full authority to condition his approval in such manner as he deems in the best interest of the District.
9. Permission to use shall be granted without discrimination. Race, sex, religion or age shall never be a reason to deny use of the facilities and permission to use the facilities shall be without regard to any of these factors or any other improper reason.

Date Adopted: 4/12/1993

Last Revised: 5/08/2006

I, the undersigned, have read and understand the School Property/Facility Use Rules for the use of \_\_\_\_\_ for \_\_\_\_\_ on \_\_\_\_\_.  
Building Event Date

\_\_\_\_\_  
Signature Date

Persons granted use of the cafetorium for private functions will be charged \$25 to cover the cost of utilities.

Date Adopted: 12/11/00

Date Reviewed: 5/08/2006



## **7.11—USE OF SCHOOL FUNDS FOR NON-SCHOOL RELATED PURPOSES**

School funds shall not be used for political, charitable, or humanitarian purposes.

No employee of the District shall use school time, school property, school personnel, or school equipment for the purpose of furthering the interests of any political party, the campaign of any political candidate or the advocacy of any political issue or ballot issue whether partisan or non-partisan. School employees may participate as part of a community organization which is renting a school facility for a political purpose.

Any school employee found guilty or who pleads guilty, or nolo contendere to the use of District funds to support any ballot measure shall be immediately suspended, and recommended for termination by the superintendent.

The Board of Directors is not prohibited from expressing an opinion on a ballot measure through the passage of resolution or proclamation. School employees are allowed to verbally express their views on a ballot measure other than in an attempt to persuade a student to the employee's point of view.

District employees and members of the Board of Directors may incur incidental expenditure of District funds for travel costs when speaking at an event in which a ballot measure is discussed if the subject matter of the speaking engagement is within the scope of the person's official duties and responsibilities.

District funds may be used to disseminate public information at a public speaking engagement. The incidental use of District resources may be used to prepare an analysis of the public information if such information is within the scope of the person's official duties and responsibilities.

Legal References:     Arkansas Constitution Article 14 § 2  
                              A.C.A. § 7-1-103  
                              A.C.A. § 7-1-111  
                              A.C.A. § 21-8-402

Date Adopted 1/9/2006  
Last Revised: 07/15/2013

## **7.12—EXPENSE REIMBURSEMENT**

The requirements of this policy shall govern reimbursement for expenses related to travel and/or attendance at conferences and professional development activities incurred by district employees and/or members of the Board of Directors on behalf of the district. Employees are only eligible for reimbursement for travel expenses for travel which has been approved in advance. Original receipts must accompany all requests for reimbursement to the extent that such receipts are customarily available. For a receipt to be valid it should contain the name of the issuing company, the date, and the amount. No cash advances shall be made for travel. Mileage, lodging, and meal expenses will not be reimbursed when incurred for the personal convenience of the employee and not required by the reason for the travel. Reimbursement for travel shall be for the lesser of the cost between travel by air or by car with some consideration allowed for length of time of the method of travel.

To the extent practicable, employees shall have the district pay initial conference and professional development registration fees and associated necessary and materials. In the occasional circumstances where this is not practical, the district shall reimburse the employee for such fees if they were authorized in advance and are supported with proper receipts.

The district will not reimburse expenses of any non-school board member or non-employee who accompanies the school board member or employee during his/her school related travel.

### **Reimbursable Expenses**

Mileage that is driven for a district sanctioned purpose in an employee's personal vehicle shall be reimbursed provided appropriate documentation is submitted establishing the date and time, place, and purpose of the travel. Mileage shall be reimbursed at the current rate authorized by the state/IRS and shall be based on the shortest, most reasonable, route available.

Meals may be reimbursed for travel which necessitates an overnight stay when submitted according to the dictates of this policy. Reimbursement shall be prorated based on the percent of a day the employee is away on travel. For example, if an employee returns from his/her travel in the afternoon, he/she is only eligible for reimbursement for breakfast and lunch expenditures. Meals shall be reimbursed for the actual expense to the extent that they are not lavish and are reasonable based on circumstances. Except as otherwise specified by this policy, meals are only reimbursable in conjunction with travel requiring an overnight stay.

Tips paid by a school employee for meals associated with travel as defined in this policy are reimbursable for up to 15% of the cost of the meal provided the employee submits a receipt for the meal as part of an "accountable plan" for reimbursement. Tips are not allowed if an employee is reimbursed using a "per diem" plan.

Meal expenses incurred by the superintendent or other administrators as necessary, in the performance of their duties when meeting with state officials or consultants may be reimbursed on a prorated, per person basis in line with the mandates of this policy. Such expenses shall only be reimbursed when the expenditure is likely to result in a tangible benefit to the district.

Travel necessitating overnight lodging shall be reimbursed to the extent that it is not lavish and is reasonable based on circumstances of the expenditure. Proper documentation establishing the date and time, place, and purpose of the travel must be submitted along with a receipt for the overnight accommodations. To the extent practicable, employees shall receive assistance from administrators or their designee in arranging travel plans to help keep expenses to a minimum.

### **Expenses not covered**

The district shall not reimburse the following items/categories of expenses.

- Alcoholic beverages;
- Entertainment expenses – including sports or sporting events; pay per view or game expenses at motels;
- Replacement due to loss or theft;
- Discretionary expenses for items such as clothing or gifts;
- Medical expenses incurred while on route to or from or at the destination of the reason for the travel;
- Optional or supplementary insurance obtained by the employee for the period covered during the travel; and

### **Credit Cards**

Only those employees specifically issued credit cards to be used in the performance of their jobs to purchase goods, services, or supplies on behalf of the district shall be allowed to use such cards. Employees who incur reimbursable expenses as defined in this policy are expected to pay for them initially by any means they choose and then submit their request for reimbursement. The district assumes no responsibility for the payment of any personal credit card charges incurred by a district employee.

### **Airport Associated Expenses**

Receipts for airport associated expenses are required for reimbursement. All airline flights shall be by coach/economy class. Upon arrival at their destination, employees are expected to take the less expensive option between a taxi and an airport shuttle service to his/her hotel or meeting site. When circumstances dictate that a rental car is necessary and/or the most economical approach to the travel requirements, the least expensive car that will accomplish the job should be rented. The district shall not reimburse for any kind of rental car supplemental insurance.

Cross References: 3.20—CERTIFIED PERSONNEL REIMBURSEMENT OF TRAVEL EXPENSES

8.14— CLASSIFIED PERSONNEL REIMBURSEMENT OF TRAVEL EXPENSES

Date Adopted 1/9/2006  
Date Revised: 07/15/2013

## **7.13—MANAGEMENT AND DISPOSAL OF DISTRICT PROPERTY**

### Definitions

For the purposes of this policy, the following definitions apply:

Commodities are all supplies, goods, material, computers, software, machinery and other equipment purchased on behalf of the district having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

Surplus commodities are those commodities that are no longer needed, obsolete, irreparable, or worn out.

Real property is land and whatever is erected or affixed to land, such as structures or buildings.

Surplus real property is real property that is not presently needed or foreseen to be needed by the District, and that has been authorized for sale as surplus real property by vote of the School Board.

Trash are those items that would otherwise belong to another category of goods or property defined in this policy, but which, due to the property's age or an act of God, have less value than it would cost to repair the item. Examples could include, but are not limited to, fire damage, vehicle accidents, extreme age and/or decline in value of the item.

The District's purchases of commodities shall be in accordance with Policy 7.5—PURCHASES OF COMMODITIES and, to the extent applicable, the procurement requirements of any granting source of funding used to purchase the commodity. The Superintendent shall develop procedures governing the use, management, and dispersal of commodities. At a minimum, the procedures will cover the following topics.

- labeling all commodities<sup>1</sup>;
- establishing adequate controls to account for their location, custody, and security;
- annually auditing the inventory of commodities and updating a listing of such commodities to reconcile the audit with the district's inventory records. The audit will be documented and account for any transfer and/or disposal of a commodity.
- Disposing of surplus commodities and surplus real property, whether purchased in whole or in part with federal grant funds or with local funds.

### Disposal of Surplus Commodities

The Board of Directors recognizes that commodities sometime become of no use to the District and thus meet this policy's definition of surplus commodities.

The Superintendent or designee(s) will determine the objective fair market value of surplus commodities. The District will strive to dispose of surplus commodities at or near their fair market value.<sup>2</sup>

The Superintendent may declare surplus any commodity with a fair market value of less than \$1000. Surplus commodities with a fair market value of less than \$1000 will be periodically sold by the most efficient, cost effective means that is likely to result in sales at or near fair market value.

The Superintendent may submit a list of surplus commodities deemed to have a fair market value of \$1,000 or greater to the Board of Directors for authorization to sell such surplus commodities. Once the Board of Directors has authorized the sale of such surplus commodities, the Superintendent or designee(s) may sell that surplus commodity as the need arises. Items with a fair market value of \$1,000 or greater will be sold by the most efficient, cost effective means that is likely to result in sales at or near fair market value. If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid provided the high bid is at or near the fair market value without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold commodities may then, at the discretion of the Superintendent, be disposed of as scrap or junk or be donated to appropriate charitable or education related entities. Computer or technology equipment will be cleansed of data prior to disposal.

#### Disposal of Surplus Real Property

The Board of Directors recognizes that real property it owns sometimes becomes no longer of use to the District and thus meets this policy's definition of surplus real property.

The Superintendent may submit a request to the Board of Directors for authorization to sell surplus real property. Once the Board of Directors has authorized the sale of such surplus real property, the Superintendent or designated individual(s) may sell that surplus real property as the need arises. The Superintendent or designee(s) shall be responsible for getting a determination of the objective fair market value of surplus real property<sup>3</sup>. The district will strive to dispose of surplus items at or near their fair market value. The real property may be listed for sale with a real estate broker, and the Superintendent or designated individual may contract on behalf of the district to pay the usual and customary sales commission for such transactions, upon sale of the property.

If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee(s) may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid provided the high bid is at or

near the fair market value without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold real property may then, if agreed to by the Superintendent and Board of Directors, be donated to appropriate education related entities or not-for-profit organizations in accordance with the provisions of state law.<sup>4</sup>

Items obtained with federal funds shall be handled in accordance with applicable federal regulations, if any.

The disposal of school property must be for the benefit of the school district and consistent with good business principles.

Trash, as defined in this policy, may be disposed of in the most cost efficient or effective method available to the district.

Notes: <sup>1</sup> Due to federal monitoring and disposal requirements, we suggest differentiating the labeling of items purchased with federal funds from non-federal fund items.

<sup>2</sup> The fair market value (FMV) of items must be established prior to their disposal. The determination of the surplus commodity's value will determine whether the superintendent has to submit it to the board. You need to document how you reached FMV; Digital photos can be very useful, particularly if you decide FMV seems low.

The disposal of items purchased with federal grant funds is governed by the following requirements which are located at 34 CFR 80.32(e).

Disposition. When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

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

(2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

<sup>3</sup> The fair market value (FMV) of items must be established prior to their disposal. In the case of real property, this should be established by means of a survey and real estate appraisal by a licensed surveyor and appraiser performed within the preceding six months.

The disposal of real property purchased with federal grant funds is governed by the requirements contained in 34 CFR 80.31 which states in part:

(c) Disposition. When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

(1) Retention of title. Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sale of property. Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable

selling and fixing-up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or subgrantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer of title. Transfer title to the awarding agency or to a third-party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

<sup>4</sup> A.C.A. § 6-13-111 and A.C.A. § 6-21-108 are the statutes that cover donating District property. Please keep in mind that selling below Fair Market Value has the same legal connotation as donating.

Legal References:     A.C.A. § 6-13-111  
                              A.C.A. § 6-13-620  
                              A.C.A. § 6-21-108  
                              A.C.A. § 6-21-110  
                              A.C.A. § 6-24-101–107  
                              34 CFR § 80.3 – 80.52  
                              34 CFR § 80.31  
                              34 CFR § 80.32(d)(e)

Date Adopted: 06/15/2013

Last Revised:



## **7.14—USE OF DISTRICT CELL PHONES AND COMPUTERS**

Board members, staff, and students shall not be given cell phones or computers for any purpose other than their specific use associated with school business. School employees who use a school issued cell phones and/or computers for non-school purposes, except as permitted by District policy, shall be subject to discipline, up to and including termination. School employees may be issued District cell phones if their position requires the employee be available at all times for work related emergencies or the employee be available to speak with others on school related business when the employee is away from the office. Employees issued cell phones for such purposes may use the phone for personal use on an “as needed” basis.

Students who use a school-issued cell phones and/or computers for non-school purposes, except as permitted by the District’s Internet/computer use policy, shall be subject to discipline, up to and including suspension or expulsion.

All employees are forbidden from using school-issued cell phones while driving any vehicle at any time. Violation may result in disciplinary action up to and including termination.

Cross References: 3.34—CERTIFIED PERSONNEL CELL PHONE USE  
4.47— POSSESSION AND USE OF CELL PHONES, BEEPERS, ETC.  
8.25— NONCERTIFIED PERSONNEL CELL PHONE USE

Legal References:      IRC § 132(d)  
                                 IRC § 274(d)  
                                 IRC § 280F(d)(4)  
                                 IRS Publication 15 B

Date Adopted: 3/12/2007  
Last Revised: 06/09/2012

## **7.16—INFORMATION TECHNOLOGY SECURITY**

The superintendent shall be responsible for ensuring the district has the necessary components in place to meet the district's needs and the state's requirements for information technology (IT) security. The district shall appoint an information technology security officer (ISO) who, along with other IT staff, the superintendent and district management appointed by the superintendent shall develop the necessary procedures to create a district-wide information technology security system meeting the requirements of this policy and the standards prescribed by the Arkansas Department of Education.

The IT security system shall contain the necessary components designed to accomplish the following.

1. Sensitive information shall be protected from improper denial, disclosure, or modification.
2. Physical access to computer facilities, data rooms, systems, networks and data will be limited to those authorized personnel who require access to perform assigned duties.
3. Traffic between internal (district) resources and external (Internet) entities will be regulated by network perimeter controls. To the extent technologically feasible, network transmission of sensitive data should enforce encryption.
4. User access to the district's technology system and its applications shall be based on the least amount of access to data and programs necessary to perform the user's job duties.
5. Student or financial applications software developed for or by the district will be tested prior to implementation to ensure data security through proper segregation of programs.
6. Monitoring of internal and external networks and systems will be designed to provide early notification of events and rapid response and recovery from IT related incidents and/or attacks.

7. Continuity of critical IT services will be ensured through the development of a disaster recovery plan appropriate for the size and complexity of the district's IT operations.
8. Software protection of servers and workstations will be deployed to identify and eradicate malicious software attacks such as viruses, spyware, and malware.

Legal Reference: Commissioner's Memo RT 09-010

Date Adopted: 11/09/2009

Last Revised: 8/11/2010

## **7.17—FOOD SERVICE PREPAYMENT**

The district does not offer credit for food items purchased in the school cafeteria; payment for such items is due at the time the food items are received. Staff, students, or parents choosing to do so may pay weekly or monthly in advance for meals.

Notes: The federal Fair and Accurate Credit Transaction Act of 2007 (15 USC. § 1601 *et seq.*), along with its accompanying regulations (16 CFR 681, effective 5/1/2009), require “creditors” to implement an Identity Theft Protection Program. This is a financial and potentially time-consuming burden that districts can avoid by not having practices deemed to make them “creditors.” This is accomplished by the language in this policy.

Please note that districts cannot withhold wages to cover staff debts without the express, written authorization from the affected employee(s).

This policy is similar to policy 4.51. If you change this policy, please review 4.51 at the same time to ensure applicable consistency between the two.

Date Adopted: 11/09/2009

Last Revised:

## **7.18 – DISPOSAL OF NON-NEGOTIATED CHECKS OR UNCLAIMED PROPERTY**

State law specifies how the district is to dispose of retained funds in the form of issued but non-negotiated checks that have been not been presented for payment within one calendar year. The district shall dispose of these retained funds in accordance with the law and remit the amount of all non-negotiated checks to the Unclaimed Property Division of the Arkansas Auditor's Office.

The district shall make a good faith effort to return physical items that have been left on district property to their rightful owners. When contact information is known for the owner of an item of a non-perishable nature left at the district, the district shall use the information to attempt to contact the owner to inform him/her of the location of the item. Owners of such items shall be given at least three weeks<sup>1</sup> to pick up the item he/she left at the district. If the owner fails to pick up the item within the time allotted, the district may dispose of the item in a manner of its choosing.

The district is under no obligation to retain an abandoned, perishable item left on district property.

Legal References:     A.C.A. § 18-28-201  
                              A.C.A. § 18-28-202(11), (c), (d)  
                              A.C.A. § 18-28-204  
                              A.C.A. § 18-28-206  
                              A.C.A. § 18-28-207  
                              A.C.A. § 18-28-208(a)  
                              A.C.A. § 18-28-210(b)(c)  
                              A.C.A. § 18-28-217  
                              A.C.A. § 18-28-221(a)  
                              A.C.A. § 18-28-224

Date Adopted: 06/09/2012

Last Revised:

## **7.20 – ELECTRONIC FUND TRANSFERS**

District funds shall only be disbursed by the district treasurer upon the receipt of checks or warrants signed by the District Board of Directors' Disbursing Officer and the Superintendent or through the electronic transfer of funds. Any electronic transfer of funds must be initiated by the District and authorized in writing by both the Disbursing Officer of the school district Board of Directors and the Superintendent.

For the purposes of this policy, "initiated by the District" means the District controls both the timing and the amount of the funds transfer.

The district treasurer shall maintain evidence of authority for the disbursement in the form of invoices, payrolls that conform with written contracts on file in his/her office, or other appropriate documentation indicating an authority to disburse District funds.

"Other appropriate documentation" includes one-time, signed authorization for recurring transactions. The Board of Directors Disbursing Officer must pre-authorize the electronic transfer of funds for non-recurring transactions which can be accomplished by a signed authorization or an email authorizing such a disbursement of funds.

Cross Reference: 1.16 —DUTIES OF BOARD DISBURSING OFFICER

Legal References: A.C.A. § 6-13-701(e)  
Commissioner's Memo Com-12-036

Date Adopted: 06/09/2012  
Last Revised:

## **7.21—NAMING SCHOOL FACILITIES**

Except as otherwise permitted in this policy or Arkansas law, the District shall not name any building, structure, or facility, paid for in whole or in part with District funds, for an individual living at the time of its completion who, in the ten (10) years preceding its construction, was elected, or held, a federal, state, county, or municipal office and received a salary for his/her service.

Exceptions to the preceding paragraph may be made when a building, structure, or facility is a constructed through the use of at least 50% private funds or, the name refers to:

1. an individual(s) living at the time of its completion and who has historical significance;
2. an individual who is or has been a prisoner of war; or
3. a living individual who is at least 75 years of age and is retired.

Legal Reference: A.C.A. § 25-1-121

Date Adopted: 07/15/2013

Last Revised: