

TABLE OF CONTENTS

SECTION 7—BUSINESS AND FINANCIAL MANAGEMENT

7.1—FISCAL YEAR.....	3
7.3—MILLAGE RATE.....	5
7.4—GRANTS AND SPECIAL FUNDING.....	6
7.5—PURCHASES AND PROCUREMENT.....	7
7.6—ACTIVITY ACCOUNT.....	15
7.7—CASH IN CLASSROOMS.....	16
7.8—PERSONAL PROPERTY.....	17
7.9—PROPERTY INSURANCE.....	18
7.10—PUBLIC USE OF SCHOOL BUILDINGS.....	19
7.10.1—PROCEDURES GOVERNING USE OF SCHOOL FACILITIES.....	20
7.11—USE OF SCHOOL FUNDS FOR NON-SCHOOL RELATED PURPOSES.....	29
7.12---- EXPENSE REIMBURSEMENT.....	30
7.12.1----- EMPLOYMENT COSTS.....	1
7.12.3- LONG TERM SUBSTITUTE TEACHER COMPENSATION.....	3
7.13—MANAGEMENT AND DISPOSAL OF DISTRICT PROPERTY.....	4
7.14—USE OF DISTRICT CELL PHONES AND COMPUTERS.....	7
7.15—RECORD RETENTION AND DESTRUCTION.....	8
7.16—INFORMATION TECHNOLOGY SECURITY.....	33
7.17—FOOD SERVICE PREPAYMENT.....	34
7.18 - DISPOSAL OF NON-NEGOTIATED CHECKS OR UNCLAIMED PROPERTY.....	35
7.19 -- SERVICE ANIMALS IN DISTRICT FACILITIES.....	36
7.20 - ELECTRONIC FUND TRANSFERS.....	38
7.21—NAMING SCHOOL FACILITIES.....	39
7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS.....	40
7.22F—EVENT SPONSOR AGREEMENT.....	42
7.23—HEALTH CARE COVERAGE AND THE AFFORDABLE CARE ACT.....	43

BUSINESS and FINANCIAL MANAGEMENT

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: 2-22-2010

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 the prescribed date set by law and/or the Arkansas Department of Education.

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 (c) (3)
 A.C.A. § 6-20-2202

Date Adopted: 2-22-2010
Last Revised: 11-15-2010

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.

The District shall file with the county clerk of the county where the District is administratively domiciled the language required to submit the rate of tax for the District to the voters during the annual school election as soon as that language becomes available but no later than:

- Seventy-two (72) days before the annual school election in odd years and even years when the governor appears on the ballot at the general election; and
- eighty-nine (89) days before the annual school election in even years when the President of the United States appears on the ballot at the general election.

Legal References: A.C.A. § 6-13-622
 A.C.A. § 6-14-111
 Arkansas Constitution: Article 14 Section 3 (c) as amended by Amendment 74

Date Adopted: 2-22-2010
Last Revised: 7-18-2011; 7/31/2023

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: 2-22-2010

Last Revised:

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.

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:

- Ten thousand dollars (\$10,000) when purchased with Federal funds; or
- The State bid purchase threshold for purchases for the District’s child nutrition programs when purchased with Federal funds.

“Professional services” are legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.¹

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

“State bid purchase threshold” means the purchase threshold amount set in A.C.A. § 6-21-304 and updated by Commissioner’s Memo that requires District purchases be through the District’s formal purchase procedures, such as sealed bids.

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 \$30,000 require prior Board³ 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.⁴ 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.

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 funds.⁵

The District shall not knowingly enter into any type of transaction with an individual or entity that performs abortions; induces abortions; ~~or~~ provides abortions; or offers or provides abortion referrals.

The District shall not engage in a boycott of energy, fossil fuel, firearms, and ammunition industries. The District shall not enter into a contract with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract:

- Includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of energy, fossil fuel, firearms, and ammunition industries; or
- Offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business; or
- Is for a total potential value of less than seventy-five thousand dollars (\$75,000).

All purchases of commodities with an estimated purchase price that equals or exceeds the micro-purchase threshold or the State bid purchase threshold shall be procured by soliciting bids.⁶ 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.⁷

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 small and minority businesses; women's business enterprises; and labor surplus area firms.⁸

The District shall provide a preference to Arkansas residents whenever the District is accepting bids to purchase materials and equipment as part of a construction project if:

- a. One (1) or more Arkansas residents who submitted bids made written claim for a preference at the time they submitted a bid; and
- b. An Arkansas resident's bid does not exceed the lowest qualified bid from a nonresident by more than five percent (5%).

If the qualifications for the Arkansas resident preference are met, then the District shall take the lowest bid from an Arkansas resident regardless of whether the Arkansas resident was one of the individuals who requested the preference.

The following commodities may be purchased with State funds without soliciting bids provided that the purchasing official⁹ 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;¹⁰ and

5. Commodities available only from a single source.¹¹

Commodity purchases with Federal funds may be purchased without soliciting bids only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or appropriate unit of the Division of Elementary and Secondary Education expressly authorizes the noncompetitive purchase in response to a written request from the District; or
4. After solicitation of a number of sources, competition is determined inadequate.

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.¹²

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.

Except when prohibited by law¹³, 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.

Notes: ¹ The definition of "professional service" contains the entire list of professional services in A.C.A. § 19-11-801 that are automatically removed from the bidding process. The board has the option to add additional professional services to this list with a two-thirds (2/3) vote for each service type to be added. Services that can be added to the list are services that require a firm or individual to hold a valid license specific to perform the type of service in question.

² Insert an amount less than the micro-purchase threshold for Federal purchases and the State bid purchase threshold for purchases without Federal funds if your board determines a lesser amount is appropriate.

³ Your district may elect to employ a “designated agent of the district,” if so, substitute it for “Board.”

⁴ ASBA strongly recommends that each district keep a record of all requests to be a “bidder.”

⁵ Names of vendors on the excluded parties list can be found at www.sam.gov.

⁶ For Federal purchases, be sure that your purchasing procedures include the different procedures for micropurchases, small purchase threshold purchases, and formal bids.

In accordance with A.C.A. § 15-4-3804 and 3805, your procedures will need to address how your district intends to ensure that the state goal of at least twenty percent (20%) of the purchases of food products by entities that receive at least twenty-five thousand dollars (\$25,000) of state funds and have a food service program is spent on local farm or food products. More information on what to include in your procedures may be found on page 38 of the USDA document found at https://fns-prod.azureedge.net/sites/default/files/f2s/F2S_Procuring_Local_Foods_Child_Nutrition_Prog_Guide.pdf.

⁷ Any commodities purchased by the district through the TAPS program satisfies the state bidding requirements; however, for purchases with Federal funds, districts are required to demonstrate that an effort was made to determine that the TAPS purchase price is the best price. The verification effort may be demonstrated through an email, fax, letter, or written documentation of a telephone call.

Be aware that A.C.A. § 18-44-503 requires a district or education coop to receive a payment bond in the amount of the contract from a contractor for projects to repair, alter, or erect a public building, structure, or improvement that is in excess of fifty thousand dollars (\$50,000).

⁸ This language is required by 2 C.F.R. § 200.321 and the process you will use to provide the preference should be clearly set forth in your purchasing procedures, which must include all of the following:

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

⁹ This is the school board if specified in this policy (see #³ above) as the body to approve the purchase of commodities.

¹⁰ Used school buses, over two years old as defined in A.C.A. § 6-21-306(a), are exempt from bidding requirements.

¹¹ A “sole source justification document” should be attached to the purchase order and maintained in the audit file for all commodities purchased as such. DESE stipulates the following seven (7) criteria that the justification must meet:

- Why the service or product is needed;
- The methods used to determine that a lack of responsible/responsive competition exists for the service or product;
- How it was determined that the provider possesses exclusive capabilities;
- Why the service or product is unique;
- Whether or not there are patent or property rights which make the required service or product unavailable from other sources;
- What the district would do if the provider/service product were no longer available;
- Any program considerations which make the use of a “sole source” critical to the successful completion of the district’s task.

¹² A.C.A. § 6-21-304 specifically states the parameters required within the appeal process. Your district could choose to alter the paragraph and how it intends to deal with the appeal and its resolution. An example would be to award a financial settlement to the appellant if the appeal is upheld. Another example would be to state, by policy, the length of time for the resolution of the appeal process.

¹³ An example of when simply extending a contract without going through the bid process is prohibited includes certain purchase contracts for the child nutrition programs.

Legal References: A.C.A. § 6-18-2201 et seq.
A.C.A. § 6-21-301, 303, 304, 305, 306, 307
A.C.A. § 6-24-101 et seq.
A.C.A. § 15-4-3801 et seq.
A.C.A. § 18-44-503
A.C.A. § 19-11-259
A.C.A. § 19-11-801 et seq.
A.C.A. § 22-9-203
A.C.A. § 25-1-1002
DESE rules Governing the Student Protection Act
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

Date Adopted: 2-22-2010

Last Revised: 1-23-2012; 6-19-2017; 6-17-2019; 07-19-2021; 7-31-2023

7.5.1 ----- Employee Purchases Through District

It is the policy of the Board that any employee of the Clarksville School District is prohibited from making any purchase through the District.

Date Adopted: 9-27-1990

Last Revised:

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: 2-22-2010

Last Revised: 7-18-2011

7.7—CASH IN CLASSROOMS

Teachers shall deposit daily to the principal's office all activity funds collected in their classrooms. No cash or checks are to be left in any classroom overnight.

Date Adopted: 2-22-2010

Last Revised:

7.8—PERSONAL PROPERTY

To avoid confusion and the potential for misunderstandings, District staff who bring 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: 2-22-2010

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: 2-22-2010

Last Revised: 7-18-2011

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.*

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

Date Adopted: 2-22-2010

Last Revised:

7.10.1—PROCEDURES GOVERNING USE OF SCHOOL FACILITIES

Terms and Conditions

Hold Harmless

The organization agrees to assume all liability for injury or damage to individuals or property and to indemnify and hold harmless the Clarksville Public School board and employees of the Board from any expenses, losses or damage. The user further agrees to make full restitution for any and all damages incurred during the use of the facility.

Liability Insurance

Required of Groups II and III only.

Supervision

Proper security and supervision of children must be maintained at all times. One person shall be designated as being in charge of and responsible for the event. This person will be directly responsible to the administrator of the school in which the event is scheduled, and will also be accountable for fulfillment of the terms in the Facilities Rental Agreement.

Return Condition

All building and facilities will be returned to a suitable condition under the supervision of a Clarksville Public School employee. Users will ensure that all facilities are reasonably clean and free from litter at the end of the period of usage. It will be the responsibility of the applicant to see that all persons have vacated the school buildings and grounds promptly at the time specified on the Agreement and that the building is securely closed. Custodial charges are found in the Rental Fee Schedule.

Transfer

The Facility Rental Agreement is not transferable to any other person or group (subleasing is not permitted) and rental is restricted to the conditions agreed to therein.

Agreement of Time

The hours listed will include both entry and exit time for facility, rehearsal, set-up or practice time needed prior to scheduled event. Groups must adhere to the hours stated in the agreement.

Specified Area Use

Users must confine their activities to those facilities for which a rental request was approved. The only allowable facilities to be used other than those specified on the rental agreement are the restrooms and drinking fountains in the nearest proximity.

COMMUNITY USE OF SCHOOL FACILITIES

General Policy

The public school facilities exist in order that the youth of the community may receive the benefits of a sound education program. Although this is the basic purpose for which the schools are built, school facilities may serve the community at large. Therefore, it is the policy of the Board of Education to make district buildings and facilities available to the community when not in use for school activities.

Usage of the school buildings will be restricted to individuals or group whose activities benefit the residents of the Clarksville School District. The District **will not** extend use of a facility to any organization or group whose policies advocate the advancement of any doctrine or theory subversive to the laws of the United States of America or State of Arkansas. The district also reserves the right to refuse the use of facilities to any group whose usage might be detrimental to the facilities or create a disturbance.

Users must comply with all federal and state equal opportunity regulations regarding discrimination: gender, ethnicity, and disability, religious or political affiliation.

The user shall be responsible for the conduct and control of participants and shall ensure that all applicable fire and safety regulations are followed. The maximum number of participants permitted in any facility shall be restricted to its seating capacity as indicated by fire regulations.

Use or possession of tobacco, alcohol or illegal drugs anywhere on school property is strictly prohibited. Use or possession of firearms or other weapons, as well as gambling are also prohibited. Failure to comply will result in an immediate request to leave the facility and grounds and will avoid any future rentals.

Furthermore, The Clarksville Board of Education acknowledges the diversity in societal morals and standards of values, and therefore, reserves the right to refuse rental or use of any school facility to any individual or group that has submitted a request containing subject matter, content, materials, or propaganda that does not align with prevailing district and community-based morals and value standards.

Representative

Presence of a school staff member may be required when a school facility is in use. Groups II and III may be assessed a fee of \$ **25 per** hour to cover off-duty personnel (Custodian). Staff member shall be authority for the Clarksville School District.

Agreement

Applications for use of a Clarksville Schools facility shall be made on the district's facility Rental Agreement form **at least 14 days** in advance of event. Prior to use of a facility, a Rental Agreement must be completed and approved by the designated authorities responsible for the facility requested.

Cancellations or Changes

Any agreement may be cancelled by the school district in favor of school activities. Reasonable effort will be made to offer alternative spaces and to give timely notification in the event of unavoidable circumstances requiring this privilege be used. Any changes to agreed upon time and school location must be negotiated a minimum of two working days before the scheduled event. Both parties must sign agreement of the changes on the Rental Agreement form. If the need arises to cancel the scheduled event, the district will be notified as soon as possible. Refunds will only be made when cancellations are requested by the user at least 48 hours in advance. If the district finds it necessary to cancel the scheduled event, due to weather conditions or emergencies, all fees shall be refunded in full to the group.

Group Priority Categories

School facilities will be made available for community use as long as there is no conflict with official school schedules according to the following priority and rental rate groupings.

Group I: School-related groups, educational institutions and district-wide community non-profit groups – no charge for events

Group II: Community for-profit groups and out-of-district non-profit groups

Group III: Out-of-district for —profit groups

Authority

The Principal of the school will be the approving authority for use of the school facilities. After necessary approval has been granted by the school Principal, the user will submit all signed documents to the Athletic Director where final approval will be granted. The use of kitchen facilities must be approved and coordinated with the Food Service Director. Final confirmation of approved facility rental will be sent to the applicant.

Fees, Deposit and Staff Member

Users will be assessed appropriate fees to use a district facility, as determined by their priority grouping. We require a refundable cleaning and **security deposit of \$200.00**. This deposit will be returned provided that the facility is cleaned and no damage is done to the facility. You will be required to employ one school approved staff member off duty to provide security, locking/unlocking, cleaning and making sure no damage is done to the facility after use.

Concession Agreement

No food or drink will be sold during the use of the facility without prior written approval.

Fields/Weather Conditions

Athletic fields may be available for community use pending approval of the Athletic Director. This use is subject to cancellation or rescheduling due to weather condition, field conditions, or maintenance operation. Fields too wet to play will be closed at the discretion of the Athletic Director.

Equipment & Technology

Building rental does not include the use of Technology or audio-visual equipment. Must have prior approval.

Long-term Usage Agreements

Long-term or repeated use of Clarksville Public Schools facilities must be arranged and coordinated with the Building Administrator and Athletic Director on case-by-case basis. Appropriate fees will be agreed upon by the School board and the user.

Any exceptions to these guidelines may be made only through a review committee consisting of the Superintendent, the Athletic Director and the Administrator of the building in question.

The Clarksville Schools reserves the right to refuse or to cancel any and all agreements issued for the use of a school building or its facilities when it is deemed that such action is necessary for the best interests of the district.

Facility	Group I	Group II	Group III
High School & Junior High Schools			
Cafeteria	NC	100	500
Competition Gym	NC	250	500
Stadium	NC	1000	2500
Track Only-Daytime	NC	250	500
Soft Ball Fields	NC	250	500
Base Ball Fields	NC	250	500
Kraus Middle School			
Cafeteria	NA	NA	NA
Gym	NC	200	500
Pyron Elementary			
Cafeteria	NC	100	500
Gym	NC	200	500
Primary Elementary			
Cafeteria	NC	100	500
Gym	NC	200	500

**Performing Arts Center has own policies

Above is for Facility use only. There is an additional Fee for Custodial.

Events requiring more than eight (8) hours building access will be charged an additional 20% of the Category fee, per hour or any portion thereof.

All kitchen use will be approved and coordinated with the Food Service Director. When kitchen is used, there will be an additional fee for cafeteria staff.

Rental of facility does not include the use of any equipment.

Fees Levied for Facility use are to cover utility and clean-up cost.

Clarksville Public Schools Building Rental Acceptance

Person requesting rental _____ Date _____

Complete mailing address _____ Fax number _____

Building requested: _____ Date(s) requested _____

Contact information for on-site supervisor of this activity (if different than person requesting rental):

On-site supervisor's name _____ Contact number _____

We hereby agree to the following conditions of usage (if any):

We hereby agree to the following costs for usage:

Facility Rental: \$ _____
Press Box Cost: \$ _____
Kitchen Cost: \$ _____
Field Cost: \$ _____
Cafeteria Cost: \$ _____
Stadium Cost: \$ _____
Track Coast: \$ _____

If these terms are acceptable, please sign and return so building can be scheduled. The above costs and conditions are satisfactory and are hereby accepted.

Accepted by: _____
Signature of authorized representative accepting responsibility for this rental

Date: _____

Facilities Director (Athletic Director)

Signature _____
**COMMUNITY USE OF CLARKSVILLE'S SCHOOL FACILITIES
FACILITY RENTAL AGREEMENT**

Organization: _____ School: _____

Representative: _____ Area requested: _____

Address: _____ Date of

Rental: _____

Phone: _____ Time: _____ to _____
(Includes setup and cleanup)

Fax: _____

Email _____ Number of People Expected: _____

Purpose/Activity: _____

—

Security Deposit of \$200.00 Yes _____

Off duty personnel-Custodian: Yes _____

Name: _____

Number of Hours: _____ x \$25 = \$ _____

Security Required: Yes _____ No _____ Number of Hours: _____ x \$25 = \$ _____

Press Box Required: Yes _____ No _____ Number of Hours: _____ x \$25 = \$ _____

Kitchen Use: Yes _____ No _____ Number of Hours: _____ x \$25 = \$ _____

All kitchen use will be approved and coordinated with the Food Service Director. When kitchen is used, there will be an additional fee for Cafeteria Staff.

Food Service Director

Signature: _____

Athletic Facility Use: Yes _____ No _____

All athletic facilities use will be approved and coordinated with the Athletic Director.

Athletic Director

Signature: _____

-----This Section for School Use Only-----

****NOTE: BUILDING ADMINISTRATOR APPROVES THE DATE OF USE. ATHLETIC DIRECTOR APPROVES THE USE OF THE FACILITY.**

Yes ___ No ___ _____
Principal signature Date

Yes ___ No ___ _____
Athletic Director Signature Date

Check # _____ Receipt # _____

COMMUNITY USE OF SCHOOL FACILITIES
FACILITY RENTAL AGREEMENT

Facilities are available for community use on a rental basis by non-school organization. The community use of Clarksville Public School facilities is granted to those organizations provided:

- A. That _____ agrees to assume all liability for injury or damage to individuals or property and to indemnify and hold harmless the Clarksville Public School Board and employees of the Board from any loss or damage.
- B. That said user agrees to make full restitution for any loss or damage.
- C. That user will observe all fire and safety regulations and understand that smoking and the use of alcoholic beverages or illegal drugs on school grounds are strictly prohibited.
- D. That the use of the facility does not interfere with the operation of the facility for school purposes.
- E. That the request for use has been approved by the proper authorities.
- F. That user will provide proof of a minimum of \$ 100,000 liability insurance. *
- G. That _____ is the person designated as being in charge of and responsible for the event.
- H. That the facility will be returned to a suitable condition under the supervision of a Clarksville Public Schools employee.
- I. That the rental time as stated in the agreement is strictly adhered to.
- J. That all applicable rental fees, deposits, off duty personnel, custodial fees, kitchen and equipment fees are paid in a timely manner.
- K. That all guidelines, as stated in the Terms and Conditions, are strictly followed.

*Group I is exempt

The Clarksville Public School reserves the right to refuse or to cancel any and all agreements issued for the use of a school building or its facilities when it is deemed that such action is necessary for the best interests of the district.

Use of Clarksville Schools' facilities requires acceptance of the conditions as stated above. Failure to comply may result in the cancellation of any existing rental agreements and denial of future rental requests.

All payments are to be made to the Clarksville Public School System.

I have read and agree to abide by the above conditions:

Signature of Authorized Representative

Date

Name of Organization

Signature of Approval

Date

Date Adopted: 11-15-2010

Last Revised:

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.

Legal Reference: Arkansas Constitution Article 14 § 2

Date Adopted: 2-22-2010

Last Revised:

7.12— Expense Reimbursement

Reimbursement for expenses related to travel and/or attendance at conferences, professional development activities and other school business incurred by district employees and/or members of the Board of Directors on behalf of the district shall be done according to the following per diem guidelines. For a receipt to be valid it should contain the name of the issuing company, the date, and the amount.

Employees are only eligible for reimbursement for travel expenses for travel which has been approved in advance. In order to request reimbursed for travel a request must be made for a school vehicle first, if no vehicle is available mileage may be reimbursable. 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.

To the extent practicable, employees shall have the district pay initial conference and professional development registration fees and associated necessary 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.

Per Diem for Meals

Meal expenses and any tips related to meals will be reimbursed via the meal per diem. The meal per diem is established by the board. The per diem schedule is regularly updated. The initial meal in state per diem rate will be \$55.00 per day and out of state being \$70.00. As with any reimbursement request, a lesser amount may be claimed at the traveler's request.

Meal Receipts

Meal receipts are not required to support the claim for full- or partial-day per diem.

Prorating Meal Per Diem

The need for prorating the meal per diem occurs when a traveler has some meals provided by a conference or host, participates in a business group meal, or is on travel status for only a partial day, which is frequently the case for first and last day of travel status. Prorating the meal per diem will be based on a 24-hour day, and the meal allocation corresponds to the hours of the day a person is on travel status.

The meal per diem rate on the day of departure and the day of return will be one-half (1/2) of the daily meal rate.

If meals are provided by a conference or host, then the meal per diem for that trip will be adjusted to correspond with the meals that were provided. In the event that all meals for a day are provided by a conference, a business group meal, or another source, no meal per diem can be claimed for that day. The initial meal values for provided meals are as follows:

In State		Out of State	
Breakfast	\$15.00	Breakfast	\$20 00
Lunch	\$15.00	Lunch	\$20 00
Dinner	\$25.00	Dinner	\$30 00

One-Day Travel Status

No reimbursement will be made for meal expenses when no overnight travel is involved

Rates for Reimbursement

Mileage allowance shall be reimbursed at the IRS travel rate Mileage shall be reimbursed on the basis of the shortest, most reasonable, route available

Expenses not covered

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

- Alcoholic beverages;
- Entertainment expenses - including sports or sporting events or 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
- Tips

Airport Associated Expenses

All airline flights shall be by coach/economy class Receipts are necessary to be reimbursed for airport parking Upon arrival, the employee is expected to take the less expensive option between a taxi and an airport shuttle service to his hotel or meeting site Receipts are necessary to be reimbursed 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 A receipt is necessary to be reimbursed The district shall not reimburse for any kind of rental car supplemental insurance

Date Adopted: 8-18-2009

Last Revised: 11-27-2023

7.12.1----- Employment Costs

Contracted Employees

The District will reimburse or pay the following costs associated with employment:

- State Police Background Check
- FBI Background Check
- Child Maltreatment Record Check

Contracted Bus Drivers

All items listed above plus the following items:

- CDL Passenger Endorsement--To Be Reimbursed
- Bus driver physical--School pays if done at designated location
- Drug test--Paid by school

Substitutes

All items listed above will be reimbursed or paid once the individual is approved to be placed on the substitute list.

Date Adopted: 8-18-2009

Last Revised: 04/15/2019

7.12.2— PAYMENT OF LICENSURE FEES

The district will pay the fees associated with renewing work-related licenses, provided the employee has two (2) years of service within the district, as follows:

- A standard Teacher's license
- A Nurse's license
- A Social Worker license
- Psychological Examiner license

Date Adopted: 12-15-2009

Last Revised: 05/20/2019

7.12.3- Long Term Substitute Teacher Compensation

Long term substitute teachers are required to be certified teachers or hold a bachelor's degree awarded by an accredited college or university. Long term substitute teachers will be compensated at the minimum daily rate of a bachelor "step one" certified teacher. Long term substitute teachers must be approved by the superintendent. The superintendent is given the authority to approve retro pay for a long term substitute teacher serving in a position that has exceeded 30 instructional days.

Date Adopted: 2-22-2011

Last Revised:

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 \$2,500 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.

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 commodities¹;
- 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.²

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 property³. 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.⁴

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.

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: 2-22-2010
Last Revised: 11-15-2010
 6-26-2023

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.¹ 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.¹

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.

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)

Date Adopted: 2-22-2010
Last Revised: 10-15-2012

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.

“Record” is defined for the purposes of this policy, as an item or items, whether electronic or material, employees receive or generate and purposefully retain in the course of their employment. Examples include, any kind of correspondence, calendars, computer files and documents (which may include drafts), telephone logs, expense records, and other types of data.

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.

Board of Education Minutes – forever

Personnel files – forever

Student files – until the student receives a high school diploma or its equivalent, or is beyond the age of compulsory school attendance¹

Student records of attendance/graduation – forever²

Financial Records – five years³

Transactions between the district and members of its board of education, administration, or employees⁴ - forever

Expenditures made with federal grant monies⁵ – governed by the terms of each grant

Video Surveillance Recordings – the timeline established in Policy 4.48—VIDEO SURVEILLANCE

Emails – 6 months

The superintendent or designee shall be responsible for determining when there is a need to interrupt the routine destruction of records.⁷ 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.⁸

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.⁹ 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.

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

Date Adopted: 2-22-2010

Last Revised:

7.15.1-----

**POST-ISSUANCE COMPLIANCE
POLICY MANUAL OF**

Clarksville School District No. 17 of Johnson County, Arkansas

Dated: December 2, 2010

(SEAL)

SECTION 1. POLICY

At closing, Bond Counsel delivers an opinion that interest on bonds (the "Bonds") is properly excluded from the gross income of the bondholders. That opinion is based upon a reasonable expectation that tax law requirements will be complied with throughout the time the Bonds remain outstanding. Bond documents include covenants as to post-issuance tax law compliance. The tax-exempt status of the Bonds will remain throughout the life of the Bonds provided all covenants and applicable federal tax laws are satisfied. Therefore, it is the policy of Clarksville School District No. 17 of Johnson County, Arkansas (the "District") to obey all federal and state laws, to implement and enforce procedures to provide assurance, on a regular basis, for the term of the Bonds, that the Bonds are in compliance with both local and federal laws and regulations.

SECTION 2. PURPOSE

These written policies are intended to assist treasurers, bookkeepers, chief financial officers, and other responsible officials of the District in developing procedures and systems which will ensure that the Bonds remain tax-exempt. Because most tax-exempt Bonds will remain outstanding for many years, it is important to have procedures which can be understood and implemented over time even as the responsible officials may change.

Most important is to assign responsibility for post-issuance tax law compliance and to be sure that sufficient information is routinely identified and maintained to allow those who later inherit that responsibility to successfully continue the job.

These procedures and guidelines described in this Policy Manual will help identify on a timely basis the facts relevant to the continued tax exemption of outstanding Bonds. The following aspects of post-issuance compliance practices are covered:

- (1) Written procedures or guidelines - Post-issuance tax compliance;
- (2) Record keeping and retention policies;
- (3) Arbitrage yield restriction and rebate requirements;
- (4) Bond expenditures and asset management procedures; and
- (5) Private business use monitoring procedures.

SECTION 3. PROCEDURE

General Statement. In general, as an issuer of tax-exempt Bonds, the District is responsible for ensuring that tax-exempt financings satisfy all applicable federal tax requirements both at the time of issuance and for so long as such Bonds remain outstanding. The District has responsibility of monitoring post-issuance compliance and maintaining adequate records to substantiate compliance. A failure to fulfill this responsibility may result in the Bonds forfeiting their tax-exempt status.

3.1 Written Procedures or Guidelines – Post-issuance Tax Compliance

a. Responsibility For Post-Issuance Tax Law Compliance

(1) Because Bonds will remain outstanding for many years, it is important that the Board of Directors of the District assign responsibility for post-issuance tax law compliance and to be sure that sufficient information is routinely identified and maintained to allow those who later inherit that responsibility to successfully continue the job. The person with primary responsibility for monitoring post-issuance compliance for the District is the Business Manager (the "Responsible Person"). Hereafter, any successor person to hold the position of Business Manager shall be deemed to be the Responsible Person.

(2) Whenever possible, monitoring of tax law compliance should be integrated with existing accounting systems so that the Responsible Person will be prompted to identify relevant facts at the time any changes are contemplated and to communicate such plans to the appropriate finance officials.

(3) Written procedures defining responsibilities should be established when more than one person is responsible for maintaining the records needed to ensure post-issuance compliance.

b. Proper and Timely Use of Bond Proceeds and Bond-financed Property

(1) The Responsible Person shall maintain documentation of allocations of Bond-financing proceeds to expenditures.

(2) For each issue of outstanding Bonds, the District may use construction proceeds only to finance the Project described in Exhibit A to the Tax Certificate that was executed in connection with such issue of Bonds.

(3) Binding contracts to expend at least 5% of the Bond proceeds must be spent within six (6) months from closing date of the Bonds. This must be documented by the Responsible Person.

(4) All construction proceeds must be spent within three (3) years from closing date of the Bonds. This must be documented by the Responsible Person.

(5) The Bond proceeds must be spent with due diligence.

(6) Debt service tax revenues may not be set aside for debt service except in a bona fide debt service fund which must be depleted at least annually except for a carryover balance equal to earnings in the prior year or one twelfth of prior year debt service, if greater.

(7) If the Project has not been completed within three (3) years from closing date, then the remaining construction proceeds should not be invested above the Bond yield. The Bond yield is set forth on line 21(e) in your 8038G and in Exhibit II to the Tax Certificate (see Bond Transcript). The Responsible Person should immediately notify the District's Fiscal Agent if the Project has not been completed within three (3) years from closing date.

(8) Any construction proceeds remaining after the Project has been completed must immediately be used to refund a portion of the outstanding Bonds. If construction proceeds remain after the Project is completed, the Responsible Person should immediately notify the District's Fiscal Agent.

(9) If the District has covenanted to meet the "small issuer" exception to rebate ((see 3.1c(7)(a) below)), the District may not issue more than \$15,000,000 of tax-exempt bonds, including these Bonds, in the calendar year the Bonds are issued.

(10) If the District has covenanted to meet the "small issuer" exception to rebate ((see 3.1c(7)(a) below)), the District may not issue more than \$5,000,000 of bonds for a purpose other than construction in the calendar year the Bonds are issued.

(11) If a Reimbursement Resolution has been adopted by the District (see Bond Transcript), then the District may reimburse itself from Bond proceeds for costs paid by the District prior to the date the Bonds were issued. If a Reimbursement Resolution has not been adopted, and the District desires to reimburse itself from Bond proceeds, the Responsible Person should notify the District's Fiscal Agent for guidance.

c. Arbitrage Yield Restrictions and Rebate

(1) The yield on the Bonds is set forth on line 21(e) in your 8038G and in Exhibit II to Tax Certificate (see Bond Transcript).

(2) Unless the Bond issue satisfies a rebate exception ((see 3.1c(7) below)), all earnings from investing Bond proceeds above the Bond yield must be rebated to the United States Government.

(3) In the Resolution Authorizing the Bonds (see Bond Transcript), the District has covenanted to comply with requirements for arbitrage rebate of excess investment earnings. If the requirements are not satisfied, the Bonds may become taxable.

(4) A certified public accounting firm (the "Accountant") should be hired to make the rebate calculation. At least once every year, and upon retirement of the Bonds, the District should determine the Rebate Amount. The Responsible Person should work with the Accountant to ensure the Rebate Amount is properly calculated in a timely fashion.

(5) At least once every 5 years, the District must make installment payments in an amount at least equal to 90% of the Rebate Amount to places designated by the Internal Revenue Service. The Responsible Person should make sure the installment payments are made to the Internal Revenue Service in a timely fashion.

(6) Prior to closing, the District and the Responsible Person should seek advice from its Fiscal Agent related to the 6-month, 18-month and 24-month spending exceptions from arbitrage rebate (see Section 3.1C (7)(b)(c) and (d) below).

(7) All earnings from investing Bond proceeds above the Bond yield must be rebated to the United States Government. However, there are five (5) important exceptions to the rebate requirement: (1) the "small issuer" exception, (2) the 6-month spending exception, (3) the 18-month spending exception, (4) the 24-month spending exception, and (5) the "bona fide debt service fund" exception. The Responsible Person should monitor compliance with these exceptions to rebate.

(a) The "Small Issuer" Exception. Under the small issuer exception, the Bond issue is "completely" exempt from the rebate requirement. See Code §148(f)(4)(D) and Treas. Reg. §148-8.

(1) This exception applies when the District does not reasonably expect that the aggregate face amount of all obligations of the District, the interest on which is not includable in federal gross income issued in the calendar year in which the Bonds are issued will exceed \$15,000,000, excluding, however, such obligations which are not outstanding on the date of issuance of a later issue or which are to be redeemed (other than in an advance refunding) from the proceeds of the later issue. In addition, the District does not reasonably expect that the aggregate face amount of all obligations of the District, the interest on which is not includable in federal gross income issued in the calendar year in which these Bonds are issued will exceed \$5,000,000 to finance expenditures other than for public school construction (within the meaning of Code §148(f)(C)(iv)), excluding, however, such obligations which are not outstanding on the date of issuance of a later issue or which are to be redeemed (other than in an advance refunding) from the proceeds of the later issue.

(b) 6-month Spending Exception. If all gross proceeds (sale and investment proceeds) are spent within 6 months after the Bonds are issued, the rebate rules do not apply. If the District has issued current refunding Bonds, then this exception would apply to the refunding portion of the Bonds. Code § 148(f)(4)(B) and Treas. Reg. §1.148-7(c).

(c) 18-month Spending Exception. If all proceeds are spent within 18 months after the Bonds are issued, no rebate is due. Treas. Reg. §1.148-7.

(1) For this exception to apply, available proceeds (which includes interest earnings) must be spent for the Project within 18 months according to the following progress benchmarks:

- (i) at least 15% within 6 months;
- (ii) at least 60% within 12 months; and
- (iii) 100% within 18 month.

(2) These progress benchmarks must be closely monitored by the Responsible Person.

(d) 24-month or "2-year Spending Exception". If all proceeds are spent within 24 months after the Bonds are issued, no rebate is due. Code §148(f)(4)(c) and Treas. Reg. §1.148-7(f).

(1) This exception applies only to a "construction issue". A construction issue is one in which 75% of proceeds are spent on construction expenditures. The available construction proceeds, which includes interest earnings, must be spent for the Project within 24 months after Bonds are issued according to the following progress benchmarks:

- (i) At least 10% within 6 months;
- (ii) At least 45% within 12 months;
- (iii) At least 75% within 18 months;
- (iv) 100% within 24 months.

(2) These progress benchmarks must be closely monitored by the Responsible Person.

(e) Bona Fide Debt Service Fund Exception. Earnings on proceeds in your Bond Fund are exempt if the earnings do not exceed \$100,000 per year. Since your earnings on the Bond fund will not exceed \$100,000, no rebate is due on Bond Fund earnings.

(f) See the Tax Certificate in the Bond Transcript to determine if one of these rebate exceptions may apply.

(8) To maintain tax compliance, the Project may not be sold, encumbered or disposed while the Bonds remain outstanding. However, the Code and Regulations permit the tax-exemption to be preserved if five conditions are met and one of three remedial actions is taken. The Responsible Person should contact the Fiscal Agent if the District plans to sell, encumber or dispose of the Project.

(9) The Responsible Person is responsible for monitoring yield, rebate and post-issuance compliance. If the District designates more than one Responsible Person, then specific procedures should be established outlining responsibilities.

d. Compliance Training Programs.

(1) Periodic compliance training for individuals responsible for monitoring post-issuance compliance should be conducted. The Responsible Person is authorized to seek training from the Fiscal Agent.

e. Failure to Comply with Post-Issuance Tax Compliance.

(1) If it is determined that the District has failed to comply with post-issuance requirements, the District's Fiscal Agent should be immediately notified. The Internal Revenue Service does provide for certain voluntary remedial actions that may be taken by the District to keep the Bonds tax-exempt.

Section 4. GENERAL RECORD KEEPING - To Support Tax Positions

General Statement. In order to support your tax-exempt position, it is necessary to retain certain records.

4.1. Record Retention Requirements

- (1) If there is ever an Internal Revenue Service examination, agents will request all material records and information necessary to support a municipal Bond issue's compliance with section 103 of the Internal Revenue Code. To support these tax positions, the Responsible Person should keep all material records for as long as the Bonds are outstanding, plus 3 years after the Bonds are paid off. Records for each outstanding Bond issue should be kept in district files.

4.2. Application of rules to Bond refundings

- (1) For certain federal tax purposes, a refunding Bond issue is treated as replacing the original new money issue. With this being the case, the tax-exempt status of a refunding issue is dependent upon the tax-exempt status of the refunded Bonds. Thus, material records relating to the original new money issue and all material records relating to the refunding issue should be maintained by the Responsible Person until 3 years after the final maturity of both Bond issues.

4.3. Records that should be retained

- (1) At a minimum, the following documents should be retained by the Responsible Person as long as the Bonds are outstanding plus 3 years after the Bonds are paid off:
 - (a) Basic records relating to the Bond transaction (**including the Bond Transcript**);
 - (b) Documentation evidencing expenditure of Bond proceeds;
 - (c) Documentation evidencing use of Bond-financed property by public and private sources;
 - (d) Documentation evidencing all sources of payment or security for the Bonds;
 - (e) Documentation pertaining to any investment of Bond proceeds;
 - (f) Correspondence relating to the Bonds; and
 - (g) Trustee statements relating to Bonds.

Section 5. INVESTMENTS AND ARBITRAGE COMPLIANCE

General Statement. The Responsible Person must maintain detailed records as to investment of Bond proceeds. Investments of Bond proceeds must be purchased at fair market value. The Fiscal Agent can discuss this with the Responsible Person.

5.1. Calculation of issue price and Bond yield.

- (1) The calculations of issue price and Bond yield are found in the Tax Certificate (Exhibit II) and 8038G (lines 11 and 21(e)).

5.2. Investment of Bond Proceeds.

- (1) The District may invest moneys held for the credit of the Construction Fund in Authorized Investments ((see 5.2(3) below)) or in bank certificates of deposit.
- (2) The District may invest moneys held for the credit of the Bond fund in Authorized Investments or in bank certificates of deposit the principal of and interest on which are fully insured by the Federal Deposit Insurance Corporation.

(3) The term "Authorized Investments" means direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America or units of participation in a common trust fund created pursuant to the Local Government Joint Investment Trust Act (Subchapter 3 of Chapter 8, Title 19, Arkansas Code of 1987 Annotated).

(4) Investments shall remain a part of the Fund from which the investment was made. All earnings and profits from investments should be credited to and all losses charged against, the Fund from which the investment was made.

(5) Any certificates of deposit purchased with Bond proceeds must have a yield at least equal to (a) the yield on reasonably comparable direct obligations of the United States Treasury and (b) the highest yield that is published or posted by the bank to be currently available from the bank on comparable certificates of deposit offered to the public.

5.3. Record retention.

(1) The Responsible Person shall keep records relating to investments at least three (3) years after the Bonds have been paid in full.

Section 6. EXPENDITURES

General Statement. Records of allocations of Bond proceeds to expenditures on Projects must be maintained.

6.1. Records of allocations

(1) The following records of allocations must be maintained by the Responsible Person:

- (a) Copies of requisitions, draw schedules, draw requests, invoices and cancelled checks related to Bond proceeds spent during the construction period.
- (b) Copies of all contracts entered into for the construction, renovation or purchase of Bond-financed facilities.
- (c) Records of expenditure reimbursements incurred prior to issuing the Bonds (see Reimbursement Resolution above).
- (d) A list or schedule of all Bond-financed property.
- (e) Documentation that tracks purchases and sale of Bond-financed assets.

Section 7. PRIVATE BUSINESS USE

General Statement. Records of any private-business use of Bond financed facilities must be kept.

7.1. No private business use or user of the Project.

- (1) No private business user should own or lease the Project without the Responsible Person contacting the Fiscal Agent.
- (2) No private business user should have a contract, arrangement or special legal entitlement for use of the Project without the Responsible Person contacting the Fiscal Agent.

7.2. Payment "in lieu of taxes".

- (1) If the District is a party to a "payment in lieu of taxes" agreement, the Responsible Person should notify the Fiscal Agent.

Section 8. CLOSING CHECKLIST

8.1. Closing Checklist.

(1) At, or prior to closing on Bonds, a closing checklist documenting certain important tax-exempt compliance requirements should be completed. The closing checklist will be provided by the Fiscal Agent. The checklist should be kept for at least three (3) years after the Bonds have been paid in full.

Date Adopted: 12-2-2010

Last Revised:

7.15.2-----

**FIRST SUPPLEMENT TO POST-ISSUANCE
COMPLIANCE POLICY MANUAL OF**

Clarksville School District No. 17

Of

Johnson County, Arkansas (Qualified Tax-Credit Bonds - Direct Payment)

Dated: December 2, 2010

(SEAL)

SECTION 1. GENERAL STATEMENT

This First Supplement, dated December 2, 2010 (the "Supplement"), to the District's Post-Issuance Compliance Policy Manual, dated December 2, 2010, deals with post-issuance tax compliance of qualified tax-credit bonds ("Tax-Credit Bonds"). This Supplement provides written procedures and policies in connection with Tax-Credit Bonds issued after March 18, 2010, and which have been designated by the District as "qualified school construction bonds" within the meaning of Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") and "specified tax credit bonds" within the meaning of Section 6431(f) of the Code. Prior to issuance of its Tax-Credit Bonds, the District made an irrevocable election to apply Section 6431(f) of the Code to receive a direct payment subsidy instead of a tax credit allowed to investors.

SECTION 2. POLICY

The District has designated the Tax-Credit Bonds as "qualified school construction bonds" within the meaning of Section 54F of the Code and "specified tax credit bonds" within the meaning of Section 6431(f) of the Code. That designation was based upon a reasonable expectation that tax law requirements will be complied with while the Tax-Credit Bonds remain outstanding. Bond documents include covenants as to post-issuance tax law compliance.

The District has elected to receive payments from the federal government equal to the lesser of (i) the amount of interest payable on the Tax-Credit Bonds or (ii) the amount of interest which would have been payable under the Tax-Credit Bonds on such date if such interest were determined at the applicable credit rate determined under Section 54A (b)(3) of the Code (the "Subsidy Payments"). The District has made an irrevocable election to apply Section 6431(f) of the Code to the Tax-Credit Bonds in order to receive the Subsidy Payments. Any Subsidy Payments will be paid to the District. The owners of the Tax-Credit Bonds will not be entitled to a tax credit. The specified tax credit status of the Tax-Credit Bonds will remain throughout the life of the Tax-Credit Bonds provided all covenants and applicable federal tax laws are satisfied. If not complied with, the District may lose all or a part of the Subsidy Payments. Therefore, it is the policy of the District to obey all federal and state laws, to implement and enforce procedures to provide assurance, on a regular basis, for the term of the Tax-Credit Bonds, that the Tax-Credit Bonds are in compliance with both local and federal laws and regulations.

SECTION 3. PURPOSE

These written policies are intended to assist treasurers, bookkeepers, chief financial officers, and other responsible officials of the District in developing procedures and systems which will ensure that the Tax-Credit Bonds remain qualified school construction bonds and specified tax credit bonds and not lose any or all of its Subsidy Payments under the Code. Because most Tax-Credit Bonds will remain outstanding for many years, it is important to have procedures which can be understood and implemented over time even as the responsible officials may change.

Most important is to assign responsibility for post-issuance tax law compliance and to be sure that sufficient information is routinely identified and maintained to allow those who later inherit that responsibility to successfully continue the job.

These procedures and guidelines described in this Supplement will help identify on a timely basis the facts relevant to the continued compliance with the federal tax provisions concerning the Tax-Credit Bonds. The following aspects of post-issuance compliance practices are covered:

- (1) Written procedures or guidelines - Post-issuance compliance;
- (2) Record keeping and retention policies;
- (3) Arbitrage yield restriction and rebate requirements;
- (4) Bond expenditures and asset management procedures; and
- (5) Private business use monitoring procedures.

SECTION 4. PROCEDURE

General Statement. In general, as an issuer of Tax-Credit Bonds, the District is responsible for ensuring that the tax-credit financing satisfies all applicable federal tax requirements both at the time of issuance and for so long as such Tax-Credit Bonds remain outstanding. The District has responsibility of monitoring post-issuance compliance and maintaining adequate records to substantiate compliance. A failure to fulfill this responsibility may result in the District forfeiting its Subsidy Payments.

4.1 Written Procedures or Guidelines – Post-issuance Tax Compliance - Tax-Credit Bonds

a. Responsibility For Post-Issuance Tax Law Compliance

(1) Because Tax-Credit Bonds will remain outstanding for many years, it is important that the Board of Directors of the District assign responsibility for post-issuance tax law compliance and to be sure that sufficient information is routinely identified and maintained to allow those who later inherit that responsibility to successfully continue the job. The person with primary responsibility for monitoring post-issuance compliance for the District is the Business Manager (the “Responsible Person”). Hereafter, any successor person to hold the position of Business Manager shall be deemed to be the Responsible Person.

(2) Whenever possible, monitoring of tax law compliance should be integrated with existing accounting systems so that the Responsible Person will be prompted to identify relevant facts at the time any changes are contemplated and to communicate such plans to the appropriate finance officials.

(3) Written procedures defining responsibilities should be established when more than one person is responsible for maintaining the records needed to ensure post-issuance compliance.

b. General

(1) The Tax-Credit Bonds have been designated as qualified school construction bonds under Section 54A and Section 54F of the Code and as specified tax credit bonds under Section 6431(f) of the Code. The District has elected to apply Section 6431(f) of the Code to the Tax-Credit Bonds and to receive payments from the federal government equal to the lesser of (i) the amount of interest payable on the Tax-Credit Bonds or (ii) the amount of interest which would have been payable under the Tax-Credit Bonds on such date if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) of the Code . These payments constitute the Subsidy Payments.

(2) The receipt of the Subsidy Payments is subject to certain requirements, including the filing of a Form 8038-CP with the Internal Revenue Service (the "IRS") prior to each interest payment date. Such Subsidy Payments do not constitute a full faith and credit guarantee of the United States Government, but are

required to be paid by the United States Treasury. Subsidy Payments are subject to offset against certain amounts that may, for unrelated reasons, be owed by the District to an agency of the United States of America. Form 8038-CP must be filed 45 days before the related interest payment date but not earlier than 90 days prior to the interest payment day. It shall be the responsibility of the Responsible Person to make sure that each Form 8038-CP gets filed on a timely basis. The Responsible Person shall consult the District's Fiscal Agent, as needed, to properly complete the Form 8038-CP. The Subsidy Payments shall be paid to the District as directed by the Responsible Person.

(3) IRS officials have indicated that the IRS may send to each issuer of "qualified school construction bonds" a compliance-check questionnaire and, depending on the responses to those questionnaires and a review by the IRS of trade data and prices, as well as other information, the IRS may audit certain "qualified school construction bond" issues to determine eligibility for Subsidy Payments. It shall be the responsibility of the Responsible Person to make sure the compliance-check questionnaire is completed and returned to the IRS on a timely basis.

(4) Qualified school construction bonds, such as these Tax-Credit Bonds, may be issued for the purposes of construction, rehabilitation or repair of a public school facility, or the acquisition of land on which such a facility is to be constructed or for purchasing equipment to be used in the facility that is being constructed, rehabilitated or repaired with the proceeds of the Tax-Credit Bonds and for paying costs of issuance not in excess of two percent (2%) of the proceeds of said Tax-Credit Bonds ("Qualified Purpose").

(5) The costs of issuing the Tax-Credit Bonds paid from proceeds of the Tax-Credit Bonds must not exceed two percent (2%) of the proceeds of the Tax-Credit Bonds.

(6) The term of the Tax-Credit Bonds may not exceed the maximum term permitted under Section 54A of the Code. The maximum term permitted under the Code is determined on the date the Tax-Credit Bonds are sold.

(7) The Responsible Person shall maintain records documenting the interest due on the Tax-Credit Bonds on each interest payment date.

c. Funds; Proper and Timely Use of Bond Proceeds and Bond-financed Property

(1) The Responsible Person shall maintain documentation of allocations of Bond-financing proceeds to expenditures.

(2) For each issue of Tax-Credit Bonds, the District may use construction proceeds only to finance the Project described in Exhibit A to the Tax Certificate that was executed in connection with such issue of Tax-Credit Bonds.

(3) The Authorizing Resolution authorizes the issuance of the Tax-Credit Bonds and is located in the Bond Transcript prepared for each issue of Tax-Credit Bonds. Each year that the Tax-Credit Bonds are outstanding, the District is required to make an annual deposit into the Sinking Fund (created by the Authorizing Resolution) in the amounts set forth in the Authorizing Resolution. On or before the maturity date of the Tax-Credit Bonds, the total amount in the Sinking Fund must be transferred to the Debt Service Fund (created by the Authorizing Resolution) for the purpose of making the principal payment due on the maturity date of the Tax-Credit Bonds. Pending transfer to the Debt Service Fund, the Sinking Fund may be invested in authorized investments pursuant to the Authorizing Resolution (the "Sinking Fund Investments").

(4) The Authorizing Resolution requires the District to deposit the Subsidy Payments into a special subaccount within the Proceeds Fund (as defined in the Authorizing Resolution) and use such moneys to pay interest on the Tax-Credit Bonds or to make payments into the Sinking Fund.

(5) The Sinking Fund, which deposits shall be transferred to the Debt Service Fund on the maturity date of the Tax-Credit Bonds, shall be restricted as follows: (i) it shall not be funded at a rate more rapid than

equal annual installments; (ii) it shall not be funded in a manner reasonably expected to result in an amount not greater than an amount necessary to repay the Tax-Credit Bonds, and (iii) the yield on Sinking Fund Investments shall not be greater than the discount rate determined under Section 54A(d)(5)(B) of the Code. The Bureau of Public Debt publishes the permitted sinking fund yield for each month on its internet site for state and local government series securities at: <http://www.treasurydirect.gov>. The maximum permitted yield for the Sinking Fund expected to be used to repay the Tax-Credit Bonds was set forth in the Tax Certificate (contained in Bond Transcript).

(6) The District has covenanted that it will not take any action, or fail to take any action, if any such action or failure to take action would cause the Tax-Credit Bonds to not be

(i) "qualified school construction bonds" under Section 54F of the Code, or (ii) "specified tax credit bonds" under Section 6431(f) of the Code. The District must not directly or indirectly use or permit the use of any proceeds of the Tax-Credit Bonds or any other funds of the District, or take or omit to take any action that would cause the Tax-Credit Bonds to violate the arbitrage investment restrictions within the meaning of Section 148(a), 148(f), 54A and 54F of the Code. To that end, the District must comply with all requirements of Section 148 and Section 54A and 54F of the Code to the extent applicable to the Tax-Credit Bonds. The Responsible Person should contact its Fiscal Agent to discuss rebate and whether an accounting firm should be hired to calculate rebate.

(7) The District must not take any action, or fail to take any action, if any such action or failure to take action would cause the Tax-Credit Bonds to not be a "qualified school construction bond" under Section 54F of the Code or a "specified tax credit bond" under Section 6431(f) of the Code.

(8) The Project being constructed with the proceeds from the Tax-Credit Bonds must be located within the boundaries of the District.

(9) The District has covenanted that one hundred percent (100%) of the available project proceeds (described below) of the Tax-Credit Bonds (including investment proceeds) will be used for a Qualified Purpose (see 4.1b(4)) for the entire term of the Tax-Credit Bonds.

(10) One hundred percent (100%) of the available project proceeds (sale proceeds less issuance costs financed by the Tax-Credit Bonds (not to exceed two percent (2%) of the proceeds), plus investment earnings on the Construction Fund) must be spent within three (3) years from the date the Tax-Credit Bonds are issued (unless the IRS grants an extension) (the "Expenditure Period"). The Responsible Person should consult its Fiscal Agent every six (6) months to discuss its expenditures. The District shall make specific notation of the date that 100% of the available project proceeds have been spent. The Responsible Person should immediately notify the District's Fiscal Agent if 100% has not been spent within three (3) years from closing date.

(11) To the extent that less than 100% of the available project proceeds of the Tax-Credit Bonds are expended by the close of the Expenditure Period for one or more Qualified Purposes, the District must redeem all of the nonqualified bonds within ninety (90) days after the end of such period. If such nonqualified bonds are not redeemed, the District may lose some, or all, of its Subsidy Payments.

(12) The District has certified that the applicable State of Arkansas and local law requirements governing conflicts of interest are satisfied with respect to the Tax-Credit Bonds and if the IRS prescribes additional conflicts of interest rules governing the appropriate members of Congress, Federal, State, and local officials, and their spouses, such additional rules must be satisfied with respect to the Tax-Credit Bonds.

(13) In connection with the Project, the District has covenanted to comply with the Davis-Bacon wage rate requirements of Section 1606 of the American Recovery and Reinvestment Act of 2009.

(14) If a Reimbursement Resolution has been adopted by the District (see Bond Transcript), then the District may reimburse itself from Tax-Credit Bond proceeds for costs paid by the District 60 days prior to the date the Reimbursement Resolution was adopted. If a Reimbursement Resolution has not been

adopted, and the District desires to reimburse itself from Tax-Credit Bond proceeds, the Responsible Person should notify the District's Fiscal Agent for guidance.

(15) If land is purchased, the proceeds of the Tax-Credit Bonds must be spent on the costs of construction of a public school facility on such land.

(16) All equipment purchased with Tax-Credit Bonds must be used in portions of the public school facility being constructed, rehabilitated or repaired with proceeds of the Tax-Credit Bonds.

(17) The District must reasonably expect that binding commitments with a third party equal to at least ten percent (10%) of the available project proceeds will be entered into within six (6) months beginning on the issue date of the Tax-Credit Bonds. If not so entered into, the Responsible Person should immediately notify its Fiscal Agent.

(18) The weighted average maturity date of the Tax-Credit Bonds must not exceed the average reasonably expected economic life of the Project by more than 20%.

d. Arbitrage Yield Restrictions and Rebate

(1) Unless the Tax-Credit Bond satisfies a rebate exception, all earnings from investing Tax-Credit Bond proceeds above the Tax-Credit Bond yield must be rebated to the United States Government.

(2) For purposes of monitoring the arbitrage requirements of Section 148 of the Code, the Responsible Person shall monitor all arbitrage requirements of Section 54A and 54F of the Code. The Responsible Person shall monitor compliance with these requirements each year the Tax-Credit Bonds are outstanding.

(3) If necessary, the District has covenanted in its Authorizing Resolution to make such additions, deletions or modifications of the Authorizing Resolution as may be necessary to assure compliance with Section 148(f) and Section 54A and Section 54F of the Code relating to required rebate of excess investment earnings to the United States of America or otherwise as may be necessary to assure compliance under Section 54A and Section 54F.

(4) Prior to closing, the District and the Responsible Person should seek advice from its Fiscal Agent related to exceptions from arbitrage rebate.

(5) The Responsible Person is responsible for monitoring yield, rebate and post-issuance compliance. If the District designates more than one Responsible Person, then specific procedures should be established outlining responsibilities.

e. Compliance Training Programs

(1) Periodic compliance training for individuals responsible for monitoring post-issuance compliance should be conducted. The Responsible Person is authorized to seek training from the Fiscal Agent.

f. Failure to Comply with Post-Issuance Tax Compliance

(1) If it is determined that the District has failed to comply with post-issuance requirements, the District's Fiscal Agent should be immediately notified. The IRS does provide for certain voluntary remedial actions that may be taken by the District.

SECTION 5. GENERAL RECORD KEEPING - To Support Tax Positions

General Statement. In order to receive the Subsidy Payments, it is necessary to retain certain records.

5.1. Record Retention Requirements

(1) If there is ever an IRS examination, agents will request all material records and information necessary to support compliance with section 54A, 54F, 6431 and 148(f) of the Code. To support these tax positions, the Responsible Person should keep all material records for as long as the Tax-Credit Bonds are outstanding, plus 3 years after the Tax-Credit Bonds are retired. Records for each outstanding Tax-Credit Bond issue should be kept in District files.

5.2. Records that should be retained

(1) At a minimum, the following documents should be retained and reviewed annually by the Responsible Person as long as the Tax-Credit Bonds are outstanding plus 3 years after the Tax-Credit Bonds are retired:

- (a) Basic records relating to the Tax-Credit Bond transaction (**including the Bond Transcript**);
- (b) Documentation evidencing expenditure of Tax-Credit Bond proceeds;
- (c) Documentation evidencing use of Tax-Credit Bond-financed property by public and private sources;
- (d) Documentation evidencing all sources of payment or security for the Tax-Credit Bonds;
- (e) Documentation pertaining to any investment of Tax-Credit Bond proceeds;
- (f) Correspondence relating to the Tax-Credit Bonds; and
- (g) Trustee statements relating to Tax-Credit Bonds.

SECTION 6. LIMITATION ON BOND PREMIUM

General Statement. The Tax-Credit Bonds may not have an "issue price" with more than a de minimis amount of premium over the stated principal amount of Tax-Credit Bonds. If the de minimis rule is violated, the District may lose all, or part, of its Subsidy Payments.

6.1 Issue Price Certificate

In connection with each issue of Tax-Credit Bonds, the successful bidder (the "Purchaser") furnished to the District either (i) a certificate acceptable to Bond Counsel to the effect that the Purchaser made a bona fide public offering of each maturity of the Tax-Credit Bonds to the public at the prices and yields shown on the cover of the Official Statement and a substantial amount of each maturity was sold to the public or final purchasers thereof (not including bond houses and brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below such initial reoffering prices, or (ii) a certificate in form acceptable to Bond Counsel as to the "issue price" of the Tax-Credit Bonds within the meaning of Section 1273 of the Code. This certificate is contained in the Bond Transcript.

6.2 Monitoring Initial Pricing

Officials from the IRS have indicated through public comment and through its Direct Pay Bonds Compliance Check Questionnaire that the IRS will be scrutinizing the pricing of Direct Pay Bonds, which include the Tax-Credit Bonds. As a result, the District should monitor, along with its Fiscal Agent, trade data on the Municipal Securities Rulemaking Board's EMMA site as well as other information prior to the date the Tax-Credit Bonds are delivered to the Purchaser to verify that the entire issue of Tax-Credit Bonds was offered to the public at the initial offering price and that a substantial amount of Tax-Credit Bonds were sold at the initial public offering price.

6.3 De Minimis Rule

The Tax-Credit Bonds shall not have an "issue price" more than a de minimis amount of premium over the stated principal amount of Tax-Credit Bonds. The definition of "issue price" applicable to tax-exempt bonds under § 1.148-1(b) applies. Section 1273(a)(3) and Section 1.1273-1(d) provide rules for determining a de minimis amount for a bond, which generally means .25% of the stated redemption price at maturity of the bond multiplied by the number of complete years from the bond's issue date to its maturity date. An issuer is presumed to exercise a call option or combination of call options if the exercise would minimize the yield on the bond. Thus, for example, if a 17-year bond issued at a premium is callable by the issuer at par after 10 years, the issuer will be treated as if it called the bond on the first call date if calling the bond on the first call date would produce the lowest yield on the bond. If so, then for purposes of Section 6431, the issuer would determine if the premium is de minimis based on a 10-year maturity date rather than a 17-year maturity date.

SECTION 7. INVESTMENTS AND ARBITRAGE COMPLIANCE

General Statement. The Responsible Person must maintain detailed records as to investment of Tax-Credit Bond proceeds. The District shall direct the Trustee of the Tax-Credit Bonds on how to invest its Sinking Fund. Investments of Tax-Credit Bond proceeds must be purchased at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arms-length transaction. At least three (3) reasonably competitive providers should be solicited for bids on the investment in the Sinking Fund. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased. The Responsible Person should discuss this with the Fiscal Agent.

7.1. Investment of Bond Proceeds

(1) The District may invest moneys held for the credit of the Construction Fund in Authorized Investments ((see 7.1(4) below)) or in bank certificates of deposit.

(2) The District may invest moneys held for the credit of the Proceeds Fund (created in the Authorizing Resolution) in Authorized Investments or in bank certificates of deposit the principal of and interest on which are fully insured by the Federal Deposit Insurance Corporation.

(3) Moneys held in the Sinking Fund shall be invested or reinvested only in the Authorized Investments. The District shall direct the Trustee on these investments.

(4) The term “Authorized Investments” means direct obligations of the United States of America or obligations the principal of and interest on which are fully guaranteed by the United States of America or units of participation in a common trust fund created pursuant to the Local Government Joint Investment Trust Act (Subchapter 3 of Chapter 8, Title 19, Arkansas Code of 1987 Annotated).

(5) Investments shall remain a part of the Fund from which the investment was made. All earnings and profits from investments should be credited to and all losses charged against, the Fund from which the investment was made.

(6) Any certificates of deposit purchased with proceeds must have a yield at least equal to (a) the yield on reasonably comparable direct obligations of the United States Treasury and (b) the highest yield that is published or posted by the bank to be currently available from the bank on comparable certificates of deposit offered to the public.

7.2. Record retention

(1) The Responsible Person shall keep records relating to investments at least three (3) years after the Tax-Credit Bonds have been paid in full.

SECTION 8. RECORDS OF EXPENDITURES

General Statement. Records of allocations of Tax-Credit Bond proceeds to expenditures on Projects must be maintained.

8.1. Records of allocations

(1) The following records of allocations must be maintained by the Responsible Person:

- (a) Copies of requisitions, draw schedules, draw requests, invoices and cancelled checks related to Tax-Credit Bond proceeds spent during the construction period.
- (b) Copies of all contracts entered into for the construction, renovation or purchase of Tax-Credit Bond-financed facilities.
- (c) Records of expenditure reimbursements incurred prior to issuing the Tax-Credit Bonds (see Reimbursement Resolution above).
- (d) A list or schedule of all Tax-Credit Bond-financed property.
- (e) Documentation that tracks purchases and sale of Tax-Credit Bond-financed assets.

SECTION 9. PRIVATE BUSINESS USE

General Statement. Records of any private-business use of Tax-Credit Bond-financed facilities must be kept.

9.1. No private business use or user of the Project

- (1) No private business user should own or lease the Project without the Responsible Person contacting the Fiscal Agent.
- (2) No private business user should have a contract, arrangement or special legal entitlement for use of the Project without the Responsible Person contacting the Fiscal Agent.

9.2. Payment “in lieu of taxes”

- (1) If the District is a party to a “payment in lieu of taxes” agreement, the Responsible Person should notify the Fiscal Agent.

SECTION 10. DIRECT PAY BONDS COMPLIANCE CHECK QUESTIONNAIRE

10.1 Completion by Responsible Persons.

After issuing the Tax-Credit Bonds, the District will probably receive a Direct Pay Bonds Compliance Check Questionnaire from the IRS. It shall be the responsibility of the Responsible Person to complete the questionnaire and return it to the IRS on a timely basis. The Responsible Person should contact the Fiscal Agent for assistance in completing the questionnaire.

SECTION 11. CLOSING CHECKLIST

11.1. Closing Checklist

(1) At, or prior to closing on Tax-Credit Bonds, a closing checklist documenting certain important compliance requirements should be completed. The closing checklist will be provided by the Fiscal Agent. The checklist should be kept for at least three (3) years after the Tax-Credit Bonds have been paid in full.

Date Adopted: 12-2-2010

Last Revised:

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.
9. Wireless Networks- District shall ensure all wireless access shall require authentication and Service Set Identifiers (SSID) shall not contain information relative to the District, location, mission, or name.
10. Wireless Network- District shall ensure that wireless networks will deploy network authentication and encryption in compliance with the Arkansas State Security Office's Best Practices.
11. Wireless Network- District shall scan for (and disable) rogue wireless devices at a minimum quarterly.

Legal Reference: Commissioner's Memo RT 09-010

Date Adopted: 2-22-2010

Last Revised: 12-15-2014

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.

Date Adopted: 2-22-2010

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 weeks¹ 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: 11-15-2010

Last Revised:

7.19 – SERVICE ANIMALS IN DISTRICT FACILITIES

In accordance with the provisions of the Americans with Disabilities Act, service dogs and trained miniature horses¹ (hereinafter referred to as service animals) are permitted for use by individuals with disabilities on district property and in district facilities provided the individuals and their animals meet the requirements and responsibilities covered in this policy.

When an individual with a disability seeks to bring a service animal into a district facility, the district is entitled to ask the individual if the animal is required because of a disability and what work or task the animal has been trained to perform.² The district is not entitled to ask for documentation that the animal has been properly trained, but the individual bringing the animal into a district facility will be held accountable for the animal's behavior.

Any service animal brought into a district facility by an individual with a disability must have been trained to do work or perform tasks for the individual. The work or tasks performed by the service animal must be directly related to the handler's disability. Examples of work or tasks include, but are not limited to, assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing non-violent protection, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine, providing physical support and assistance with balance and stability to individuals with mobility disabilities, and helping persons with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors.

The crime deterrent effects of an animal's presence and the provision of emotional support, well-being, comfort, or companionship do not constitute work or tasks for the purposes of this policy.

Individuals with disabilities shall be permitted to be accompanied by their service animals in all areas of a public entity's facilities where members of the public, participants in services, programs or activities, or invitees, as relevant, are allowed to go.

A service animal shall be under the control of its handler. A service animal shall have a harness, leash, or other tether, unless either the handler is unable because of a disability to use a harness, leash, or other tether, or the use of a harness, leash, or other tether would interfere with the service animal's safe, effective performance of work or tasks, in which case the service animal must be otherwise under the handler's control by means of voice control, signals, or other effective means.

District staff (is there a better word) may ask an individual with a disability to remove a service animal from the premises if:

- (1) The animal is out of control and the animal's handler does not take effective action to control it; or
- (2) The animal is not housebroken.

If the district excludes a service animal due to the reasons listed above, the district shall give the individual with a disability the opportunity to participate in the service, program, or activity without having the service animal on the premises.

The District and its staff are not responsible for the care or supervision of a service animal brought onto district property or into district facilities by an individual with a disability.

The District shall not ask or require an individual with a disability to pay a surcharge, even if people accompanied by pets are required to pay fees, or to comply with other requirements generally not applicable to people without pets.³

Legal References: 28 CFR § 35.104
 28 CFR § 35.136

Date Adopted: 5-16-2011
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. ¹

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: 10-15-2012

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: 12-15-2014

Last Revised:

7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS

The Superintendent, or designee, may negotiate for the private sponsorship of an event to take place during the time allotted for a half-time break of any of the District's interscholastic activities. The amount of time for a half-time break shall not be extended for the event.

The school district shall not discriminate against potential sponsors based on political affiliation, religion, or perceived message. The superintendent, or designee, may decline sponsorship for any of the following reasons:

- The sponsored event would conflict with school or school group presentations;
- The proposed event would be logistically impracticable due to the estimated time, required materials for the event, or for other reasons associated with the implementation of the event;
- The proposed event would make continuation of the interscholastic activity impracticable due to residual mess/trash resulting from the activity; or
- The proposed event would present an unacceptable safety risk to students or viewing audience.

The superintendent's, or designee's, decision to accept or decline the proposed sponsored event shall be final.

Any potential sponsor shall be required to demonstrate proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that would cover the event. The sponsor must also agree to indemnify the school against any damages to school property, school employees, students, or bystanders that arise as a result of the sponsored event as well as from any law suits that are filed in response to such damages.

There shall be no live or recorded speech, music, or other media provided by the sponsor used during the sponsored event.² A member of the school's administration shall announce the name of the sponsor of the event and shall be present to assist in conducting the event. The school administrator shall be a neutral participant and shall only make content neutral statements during the event. To meet this standard, the administrator shall not promote or act in a manner that creates the appearance, or that could give the impression, that the District sponsors, endorses or otherwise agrees with the product, person/group, or event being promoted by the sponsor. No school employee may act as the representative of a sponsor or wear attire/apparel that is provided by the sponsor or that could be interpreted as promoting the sponsor's interests. Employees or representatives of/affiliated with the sponsor may be present at the event and stand with the member of school administration who is announcing and conducting the event; such employees/representatives of the sponsor may wear clothing identifying them as sponsors of the event.

The superintendent, or designee, shall have the authority to regulate the time, place, and manner of the distribution of promotional materials by the event sponsor. "Promotional materials" includes, but is not limited to, pamphlets, pens/pencils, sports equipment (whether miniature or full sized), or clothing. The event sponsor shall provide the superintendent, or designee, with a complete list of the types of promotional materials the event sponsor intends to distribute at the event so that the superintendent, or designee, may make an informed decision on the time, place, and manner of distribution that would result in the least amount of disturbance with the interscholastic activity.

The superintendent, or designee, should take the following into account when determining the best time, place, and manner of distribution of promotional materials:

- Whether the promotional materials could be a distraction to participants in the interscholastic activity due to the promotional material emitting light or noise;

- Whether the promotional materials have a high possibility of being able to be used against participants of the interscholastic activity to attempt to alter the outcome of the activity;
- The possibility that the promotional materials would be left by recipients to become litter; and
- The possibility that the promotional materials would divert the attention of the audience from the interscholastic activity.

The superintendent, or designee, shall limit the distribution of promotional materials to audience members when they are entering the school building/arena, during the sponsored half-time event, and/or when they are leaving the school building/arena. The superintendent's, or designee's, restrictions on the time, place, and manner of promotional materials shall be final.³

Any funds received through private sponsorship shall be placed in the District's Activity Account. The superintendent, or designee, should follow the policy for receiving public gifts or donations when negotiating the sponsorship amount, as set forth in policy 6.3—Public Gifts and Donations to the Schools.

Cross Reference: Policy 6.3 —Public Gifts and Donations to the Schools

Legal Reference: ADE Rules Governing Athletic Revenues and Expenditures for Public School Districts

Date Created: 12-15-2014

Last Modified:

7.22F—EVENT SPONSOR AGREEMENT

The Clarksville School District (hereafter “District”) and _____ (hereafter “Sponsor”) agree that Sponsor shall be permitted to sponsor an event to take place during the half-time break of the interscholastic activity that is scheduled on _____.

Sponsor promises to pay to District the amount of _____ for the privilege of being announced as the sponsor of the above event.

Sponsor agrees to abide by District’s time, place, and manner restrictions on the distribution of all promotional materials related to the above sponsored event.

Sponsor has provided District proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that will cover the above event.

I, _____, acting as a lawful an authorized representative of Sponsor, certify that I have the authority to enter into this agreement, and authorize payment to District. I understand that the half-time event will not be scheduled until this agreement is fully executed and full payment under this agreement has been received by District.

Indemnification Agreement

Sponsor promises to indemnify, hold harmless, and defend District, its agents and employees from any lawsuits, causes of action, claims, liabilities, and damages of any kind or nature, including, but not limited to: attorney’s fees and costs arising from this contract, whether such attorney’s fees and costs are attributable in whole or in part to any act, omission, or negligence of District, it’s agents or employees, and including, but not limited to, any and all lawsuits, causes of action, claims, liabilities and damages, as provided above which District, its agents or employees may sustain by reason of any failure by Sponsor to indemnify as provided herein, or any failure by Sponsor to otherwise perform its obligations pursuant to this Contract, or by reason of the injury to or death of any person or persons or the damage to, loss of use of or destruction of any property resulting from this agreement.

I, _____, acting as a lawful an authorized representative of Sponsor, certify that I have read, understood, and accept the above indemnification agreement.

Sponsor Representative’s Signature

Date

I, _____, acting as a lawful and authorized representative of District certify that Sponsor has tendered the promised amount and has met all the requirements to be a sponsor as set forth in District Policy 7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS.

District Representative’s Signature

Date

7.23—HEALTH CARE COVERAGE AND THE AFFORDABLE CARE ACT

Definitions

“Dependant”, for purposes of this policy, means an employee’s child(ren) and/or spouse who are enrolled by the employee in health care coverage through the District’s health care plans.

“Full-time employee”, for purposes of this policy, means an employee in a position requiring on average thirty (30) hours of actual performance per week during the annual school year.

“Responsible individual” means a primary insured employee who, as a parent or spouse, enrolls one or more individual(s) in health care coverage through the District’s health care plans.

"Variable hour employee", for the purposes of this policy, means an individual who has no base minimum number of hours of performance required per week.

Health Insurance Enrollment

All full time District employees are eligible to enroll themselves; their spouse, so long as the spouse is not otherwise eligible for insurance through his/her employer's sponsored plan; and their child(ren) in one of the insurance plans through the Public School Employee Life and Health Insurance Program (PSELHIP). Variable hour employees are not eligible to enroll in a PSELHIP plan. If a variable hour employee’s measurement period finds that the employee averaged thirty (30) or more hours per week, then the employee is treated as a full time employee rather than a variable hour employee and is eligible for health insurance. New full time employees have sixty (60) days following the start date of the employee’s contract to elect to enroll in a PSELHIP plan; all new employees shall be informed in writing of the start date of the employee’s contract and that the employee has sixty (60) days from that date to elect PSELHIP coverage. Coverage for new employees who choose to enroll in a PSELHIP plan shall take effect on the first of the month following the date on the enrollment application. Coverage shall be in effect until the end of the calendar year. Employees who experience a Qualifying Status Change Event have sixty (60) days from the date of the Qualifying Status Change Event to file an application to change coverage information. All employees who continue to be eligible may elect to continue coverage and make changes to their PSELHIP plan for the following plan year during the yearly open enrollment period.

The District shall ensure all employees are provided education annually on the advantages and disadvantages of a consumer-driven health plan option and effective strategies of using a Health Savings Account (HSA). Any employee who enrolls in a PSELIP consumer driven health care plan is required to establish an HSA unless the employee is ineligible for an HSA.

District Contribution to Premiums

At a minimum, the District shall distribute the statutorily required contribution rate to all employees who are enrolled in one of the PSELHIP plans. The Clarksville School District contribution towards PSELHIP plans is currently up to \$170.00 per month per participating employee. The Clarksville School District contribution towards PSELHIP plans beginning January 1, 2015 will be up to \$180.00 per month per participating employee.

Measurement Method of Employee Hours

The District uses the look-back method for determining if an employee qualifies as a full-time employee.

W-2

For all full-time employees who are enrolled in a PSELHIP plan, the District shall indicate in box twelve (12) of the employee's Form W-2 the cost of the employee's health care coverage by using code "DD".

Statement of Return

The District shall send to each full-time employee a Statement of Return (Statement) regarding the IRS Return⁹ filed on the employee. The Statement shall contain: The District's name, address, and Employer Identification Number (EIN) as well as a copy of the IRS Return filed on the employee. The District shall send a copy of the Statement to the employee on or before January 31 of the calendar year following the calendar year the information in the Statement covers. The District shall send only one Statement to the household of an employee who meets the definition of a responsible individual that will include all requisite information for both the responsible individual and the responsible individual's dependant'(s). The Statement will be mailed to the employee's address on record.

Record Retention

The District shall maintain copies of the Statements sent to employees in accordance with the requirements for documents transmitted to the IRS in Policy 7.15-Record Retention and Destruction.

Cross Reference: 7.15—RECORD RETENTION AND DESTRUCTION

Legal References: A.C.A. § 6-17-1117 A.C.A. § 21-5-401 et seq.

26 C.F.R. § 54.4980h-0 et seq. 26 C.F.R. § 31.6001-1

Date Adopted: October 29,2014

Last Revised: