

## **SECTION D: FISCAL MANAGEMENT**

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## FISCAL MANAGEMENT GOALS

The Board recognizes that money and money management compose the fundamental support of the whole school program. To make that support as effective as possible, the Board intends:

1. To encourage advance planning through the best possible budget procedures;
2. To explore all practical sources of dollar income;
3. To guide the expenditure of funds so as to extract the greatest educational returns;.
4. To expect top-quality accounting and reporting procedures; and
5. To maintain a level of expenditure needed to provide high quality education without imposing an excessive tax burden on the community.

<b><u>Policy Reference</u></b>	<b><u>Description</u></b>
DBDA	GENERAL FUND BALANCE

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Review Date: 06/15/2020

## BUDGET

The district is required to adopt an annual budget setting forth revenues and expenditures.

The annual operating budget for the schools will be prepared and presented in line with state policy and will be developed and refined in accordance with these same requirements.

The school district budget will be prepared by the Superintendent and the Business Manager, and presented to the Board for the Board's consideration, review, and adoption subject to any modifications approved by the Board. The Board will establish a time line for the preparation of the budget.

### A. BUDGET PLANNING:

Budget planning for the district will be an integral part of program planning so that the annual operating budget may effectively express and implement all programs and activities of the school system. The School Board, Superintendent, and business manager, will have overall responsibility for budget preparation, including the construction of, and adherence to, a budget calendar. Principals will submit budget requests for their particular schools. The budget request will reflect the principal's judgment as to the most effective way to use resources in achieving progress toward educational objectives of the school.

### B. BUDGET ADOPTION:

Adoption of the budget is solely the responsibility of the Board. The Board will adopt the budget following the public hearing for the proposed budget. The proposed budget will be published in the official newspaper at the time notice of the budget hearing is given. If, as a result of the public hearing, it should be determined that certain changes in the budget are necessary, these changes will be made before the budget is adopted. Following the adoption of the budget by the Board, the school district shall report the amount budgeted to the county auditor before October first on forms prescribed by the county auditor. The county auditor shall raise additional revenue, for the general fund and special education funds, from real property taxes to compensate for a tax abatement, a tax increment financing district, or a discretionary formula. For the general fund and special education fund, the school district may report the levy in dollars or dollars per one thousand dollars of taxable valuation.

### C. BUDGET DEADLINES AND SCHEDULES:

Preparation of the annual budget will be scheduled in stages throughout the school year with attention to certain deadlines established by law and Board policy.

Date	Description
January	Budget preparation begins.
March	Annual audit is requested. Review of proposed budget.
May	The proposed budget for the next fiscal year will be considered at the regular Board meeting.
July 15	Deadline for publishing proposed budget and notice of hearing in the official newspaper.
July 31	Deadline for budget hearing.

September 30	Deadline for Board approval of budget for the anticipated obligations of each fund (except Custodial Accounts) for the fiscal year. By resolution the School Board will adopt a budget
September 30	Deadline for reporting to the county auditor the budget adopted by the Board, on the forms prescribed by the county auditor.

In accordance with law, any changes in the proposed budget incorporated into the final budget, will be published in the minutes within 30 days after the final adoption of the budget.

Subsequent to final adoption of the budget, the school board may supplement the budget upon adoption of a resolution setting forth the source of funds and the intended purpose for their use, and amend the budget pursuant to SDCL 13-11-3.2 utilizing available unobligated resources.

#### **D. BUDGET TRANSFER:**

Transfer of funds among the major classifications of the budget or within a major classification of the budget, as authorized by law, are subject to Board approval.

The following shall apply to the transfer of funds:

1. The Board may not transfer any funds, except federal funds, from the general fund to the capital outlay fund, bond redemption fund, or capital projects fund.
2. The Board shall not transfer any part of the special education fund to any other school district fund.
3. Any unused portion of money that has been transferred into the special education fund may be transferred from the special education fund within the current fiscal year to the fund from which it originated.
4. The Board may transfer, from its capital outlay fund to its general fund, not more than 45% of the total tax revenues deposited in the capital outlay fund during the current school fiscal year.
5. Any money that is transferred from the bond redemption fund must be transferred to the general fund or the capital outlay fund. However, no money in the bond redemption fund may be transferred unless a sufficient amount of money is retained in this fund to retire all outstanding bonds together with all interest that will accrue on the bonds.
6. As the Board is prohibited by law from making expenditures out of the Title VIII of the Elementary and Secondary Education Act fund, transfers out of the fund shall be made at the discretion of the Board.
7. In any fiscal year in which the District is allocated federal IDEA funds greater than the allocation received in the prior fiscal year, the District may transfer local special education funds in an amount not greater than fifty percent (50%) of the annual increase in the federal IDEA allocation to any other fund to carry out activities that could be supported with funds under the Elementary and Secondary Education Act of 1965.
8. The Board may transfer contingency funds to any budget category except to the capital outlay category.
9. All or any part of any school district fund may be loaned to any other school district fund for a term not to exceed twenty-four months.

#### **State Reference**

SDCL 10-12-29  
SDCL 10-12-42  
SDCL 10-12-43  
SDCL 10-12-44  
SDCL 13-11-2  
SDCL 13-11-2.1  
SDCL 13-11-3

#### **Description**

Annual school district levy report  
Annual levy for general fund  
Excess tax levy authorized  
County auditor authorized to raise additional revenue  
Adoption of annual school budget  
Contingency line item in budget  
Report of levy amount to county auditor

SDCL 13-11-3.2	Amendment of budget to utilize unobligated resources
SDCL 13-16-14	Restriction on transfers from bond redemption fund
SDCL 13-16-19	Custodial Funds - Stewardship
SDCL 13-16-20	Custodial Funds - Disbursements authorized
SDCL 13-16-21	Custodial Funds - Reports and Audits
SDCL 13-16-26	Transfers between school district funds
SDCL 13-16-26.2	Transfer from general fund prohibited
SDCL 13-16-26.4	Transfer from special education funds prohibited
SDCL 13-16-3	General fund defined
SDCL 13-16-31	Transfers from Title VIII fund
SDCL 13-16-6	Definition and use of capital outlay fund

**Policy Reference**

DBDA  
DIE

**Description**

GENERAL FUND BALANCE  
AUDITS

Adopted Date: 05/14/2007  
Revised Date: 06/11/2018  
Reviewed Date: 06/15/2020  
Revised Date: 11/09/2020

**FISCAL YEAR**

The fiscal year for all school funds will be July 1 through June 30. Financial reports for all funds will be presented for Board approval at the July meeting.

**State Reference**

SDCL 13-26-1

**Description**

School fiscal year

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Review Date: 06/15/2020

## GENERAL FUND BALANCE

The School Board is committed to operating the district in a fiscally responsible manner while balancing student needs and the district's financial obligations.

To ensure the district has the resources necessary to meet ongoing and routine financial commitments, the district shall maintain a general fund balance at a level sufficient enough to cover the cash-flow needs of the district. The district may also hold in reserve a portion of the district's general fund that may be necessary to address long-term district financial plans or unanticipated emergency expenditures.

At least once per school year, the superintendent shall provide the board with recommendations regarding the management of the district's general fund balance, including financial information detailing the district's cash-flow and reserve needs.

Before the first day of August the Board shall file an annual report with the Department of Education. The report shall contain all the educational and financial information and statistics of the school district as requested in a format established by the Department of Education. The report shall also contain, for each month of the fiscal year, the month-end cash balances of the school district's general fund, capital outlay fund, pension fund, and special education fund. The report shall also contain the following information related to certified instructional staff in the district for the preceding fiscal year:

1. Total teacher compensation, which is defined as the total amount spent on instructional salaries and benefits for certified instructional staff;
2. The total amount spent on instructional salaries for certified instructional staff;
3. The total amount spent on benefits for certified instructional staff
4. The total number of certified instructional staff employed by the school district; and
5. Any other information necessary to comply with law.

Certified Instructional staff are defined as individuals who are assigned the professional activities of instructing pupils in self-contained classes or courses, or in classroom situations. The number of certified instructional staff is usually expressed in full-time equivalents.

The following categories of teachers meet the definition of certified instructional staff:

- Elementary School teachers
- Middle School / Junior High teachers
- High School teachers
- Gifted Education teachers
- Kindergarten and Junior Kindergarten teachers
- English Learner (EL) Teachers
- Title I teachers
- Special Education teachers

The following categories do not meet the definition of classroom instructional staff:

- Pre-K teachers
- Long-term substitutes
- Counselors
- Administrators
- Librarians
- Speech Therapists
- Technology Coordinators

The business manager, with the assistance of the secretary of the Department of Education, shall make the annual report, and it shall be approved by the Board. The business manager shall sign the annual report and file a copy with the Department of Education.

Reports not filed before August 30th are considered past due and are subject to the past-due penalties set forth in SDCL 13-13-38.

**State Reference**

SD DOE

SD DOE

SDCL 13-13-10.1

SDCL 13-13-38

SDCL 13-16-3

SDCL 13-8-47

**Description**

Guidance and Clarification on Reporting Teacher Compensation

Policy: Establish consistent guidance to school districts for reporting data for Teacher Compensation Accountability

Definition of terms

Penalty for late reporting

General fund defined

Annual report to DOE

**Policy Reference**

DA

DB

**Description**

FISCAL MANAGEMENT GOALS

BUDGET

Adopted Date: 10/11/2016

Revised Date: 06/11/2018

Reviewed Date: 06/15/2020

Revised Date: May 8, 2023



## **TAXING AND BORROWING AUTHORITY/LIMITATIONS**

### **Taxing**

State law establishes the district's taxing authority. The district establishes levies in accordance with South Dakota Property Tax Law, which may change annually. The governing body of the school district may impose an excess tax levy with an affirmative two thirds vote of the governing body on or before July fifteenth of the year prior to the year taxes are payable. The decision may be referred upon a resolution of the governing body of the school district or by a petition signed by at least five percent of the registered voters in the school district.

For capital outlay funds, the tax levy cannot exceed 3 dollars per thousand dollars on the taxable valuation of the district, and for special education funds, the tax levy cannot exceed one dollar and forty cents per thousand dollars on taxable valuation. For taxes payable in 2011, 2012, 2013, 2014, and 2015, the levy limitation of one dollar and forty cents per thousand dollars of taxable valuation does not apply to any school district.

### **Borrowing**

By law, the board is permitted to borrow money in anticipation of the collection of taxes for the purpose of securing funds for school operations. The amount of money borrowed cannot exceed the sum of 95 percent of the amount of uncollected taxes levied for the current school fiscal year, plus other uncollected receivables (including state or federal money, not yet received, but) owed to the district.

### **State Reference**

### **Description**

SD Constitution Article 13 §5	Irrepealable tax to repay debt of municipality
SDCL 10-12-29	Annual school district levy report
SDCL 10-12-42	Annual levy for general fund
SDCL 10-12-43	Excess tax levy authorized
SDCL 10-13-36	Excess tax levy authorized
SDCL 13-10-6	Tax levy for school retirement system
SDCL 13-15-12	Financing of interstate joint facilities
SDCL 13-15-13	Location of Interstate joint facilities
SDCL 13-16-10	Annual levy to pay district bonds
SDCL 13-16-11	Levy of annual tax for district bonds
SDCL 13-16-12	Refunding bond proceeds in bond redemption fund
SDCL 13-16-13	Tax proceeds paid into bond redemption fund
SDCL 13-16-14	Restriction on transfers from bond redemption fund
SDCL 13-19	School district bonds and notes
SDCL 13-37-16	District tax levy for special education

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

## FEDERAL AND STATE GRANTS

The Superintendent will apprise the Board of district eligibility for federal, state and foundation grants. The Board will seek and use all funding that is consistent with the advancement of the educational program of the district and the policies of the Board.

The preparation of these proposals will be supervised by the Superintendent and will be coordinated with the budgetary practices and capital improvement program of the district.

<u>State Reference</u>	<u>Description</u>
SDCL 13-39-13	Agreements with federal & state agencies

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

## **GIFTS AND DONATIONS TO DISTRICT**

The District may accept, own, manage, and dispose of any grant, gift, devise, bequest of money, real property or personal property. The Board may enter into an agreement for the receipt thereof upon such terms as shall be to the best interest of the District, and make such rules and regulations as it may deem best for the ownership, management, and control of the property.

The Board may authorize one or more private, nonprofit benevolent organizations, independently of the control of the school district, to accept and solicit donations, gifts, grants, or other private financial resources for the ultimate benefit of the educational or interscholastic activities of the school district. Funds collected pursuant to this authorization shall be offered to the District, and if accepted by the Board, the funds shall be placed in the general fund and used for:

- expansion and enhancement of academic curricula,
- support of interscholastic activities,
- initiation or support of musical, forensic, civic, technologic, or similar extracurricular instruction or programs,
- special trips or activities supporting core school activities,
- other programs or activities of substantial benefit to the educational environment of the school district.

None of the funds received from gifts and donations may be used for capital acquisition, debt retirement, or ordinary expenditures or expenses.

The private, nonprofit benevolent organization may propose, advocate, or suggest to the Board that the funds offered by the organization be utilized with regard to various curricula, activities, or other programs. However, the Board is not obligated to accept or expend any funds, nor is the organization obligated to provide any funds, unless both mutually agree as to terms and purposes.

During each school year the Board may authorize any portion of the admission fees collected at a single event in each activity recognized by the SD High School Activities Association to be used by a local organization that supports local interscholastic activities. The portion of the admission fees provided to the local organization shall be used for a local endowment fund that is dedicated to assisting the District with its educational needs. The local organization shall maintain complete records of the admission fees it receives, and shall annually provide a report to the Board detailing the specific use of the admission fees.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-14-13	Gifts from nonprofit benevolent organizations
SDCL 13-14-14	No obligations for funds without agreement
SDCL 13-14-5	Acceptance of gifts and donations to school districts
SDCL 13-16-35	Use of admission fees for interscholastic activities

Adopted: 11/09/2020

## REVENUES FROM TAX SOURCES

In an attempt to provide the best education possible within the financial resources available, the Board will:

1. Request adequate local funds for the operation of the school district.  
The amount of the financial support requested will yield sufficient revenue for the total expenses of the school district.
2. Accept all available state funds to which the district is entitled by law or through state regulations.
2. Accept all federal funds that are available providing there is a specific need for them and matching funds that are required are available.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-11-7	Monthly payments to school districts
SDCL 13-13	General state aid to schools – Sections 1-41
SDCL 13-14	Grants and donations to schools – Sections 1-5)

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

**REVENUES FROM INVESTMENTS**

School district funds not in use will be invested in savings accounts, time deposits or in bonds or securities issued and guaranteed by the United States government. Interest earned on such investment will be credited to the respective fund or to the general fund.

In accordance with law, money in any bond redemption fund, may be invested in any of the above-mentioned securities, provided the bonds become due and payable before the payment date of the bonds.

The Board will approve the investment of all funds, and this approval will be filed and recorded by the business manager.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-16-18	Deposit and investment of fund accumulations
SDCL 4-5-11	Supplemental authority for investment of public funds
SDCL 4-5-5	Investment of political subdivision funds
SDCL 4-5-6	Investment in securities
SDCL 4-5-6.1	Investment of public funds not needed for current operating expenses
SDCL 4-5-6.2	Investment in direct obligations
SDCL 4-5-8	Investment policies for local funds
SDCL 4-5-9	Custody or deposit of investments

Adopted Date: 10/11/2016

Reviewed Date: 06/15/2020

## INVESTMENT POLICY

### 1. SCOPE

This policy applies to the investment of all funds of the Platte-Geddes School District #11-5, Platte, South Dakota. The Platte-Geddes School District will consolidate the balances from all funds to maximize investment earnings and meet the liquidity requirements of the Platte-Geddes School subject to the primary objective of providing security of principal. Investment income will be allocated to the various funds based on their respective participation of capital in the overall portfolio in accordance with generally accepted accounting principles.

### 2. POLICY

Pursuant to SDCL 4-5-8 it is the policy of the Platte-Geddes School District to invest idle public funds in a manner to meet the daily cash flow demands of the school district with the primary objectives, in priority order, being: a) Safety of Principal b) Liquidity and c) Return on Investments.

#### A) Safety of Principal

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate the following risks.

##### 1. Credit Risk

The Platte-Geddes School District will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer, by limiting the portfolio to the types of investments listed in section 5. Authorized and Suitable Investments of this policy and diversifying the investment portfolio to diminish the impact of potential losses from any one type of investment or from any one individual issuer.

##### 2. Custodial Credit Risk

The Platte-Geddes School District will minimize Custodial Credit Risk for deposits, which is the risk that in the event of the failure of a depository financial institution the deposits or collateral securities that are in the possession of an outside party would not be able to be recovered, as addressed in section 6. Collateralization.

#### B) Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

#### C) Return

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of the portfolio is limited to relatively low risk investments in anticipation of earning a fair return relative to the risk being assumed.

### 3. DELEGATION OF AUTHORITY

Authority to manage the investment program is granted to the Business Manager, who shall refrain from personal business activity that could impair his/her ability to make impartial decisions. The Business Manager acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual investment's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of investments are carried out in accordance with the terms of this policy.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

In case of extended leave of absence, the Governing Board shall appoint a replacement Officer.

#### 4. AUTHORIZED FINANCIAL DEALER AND INSTITUTION

The Governing Board authorizes the placement of cash resources in the following financial institutions:

- First Fidelity Bank, Platte, SD
- Bank of the West, Platte, SD
- BankWest, Geddes, SD
- Ft. Randall Credit Union, Platte, SD
- 1<sup>st</sup> Dakota National Bank, Platte, SD
- South Dakota Public Funds Investment Trust (FIT)

#### 5. AUTHORIZED AND SUITABLE INVESTMENTS

The Platte-Geddes School District is empowered by statute to invest in the following instruments:

- Interest bearing checking accounts
- Savings accounts
- Certificates of Deposit (CDs) (SDCL 13-16)  
Certificates of Deposit (CDs) purchased through CDARS® (Certificate of Deposit Account Registry Service) (SDCL 4-5-6.1)
- Local Government Investment Pool (SD FIT)

When investing in Certificates of Deposit (CDs) public funds will be invested at the highest rate of interest possible after attempting to secure three (3) quotes.

The above listed authorized deposits will be kept in banks in South Dakota as required by SDCL 13-16-15.

Also review SDCL 13-16-18.

#### 6. COLLATERALIZATION

In accordance with the SDCL 4-6A and 51A-10-9 Qualified Public Depositories will furnish collateral in the sum equal to one hundred percent (100%) of the public deposit accounts that exceed deposit insurance. The financial institution shall submit a copy of their collateralization report to the Business Manager.

SDCL 4-6A-3 requires that collateral be segregated by each depository in such manner as approved by the South Dakota Public Deposit Protection Commission. Collateral may not be held in any safety deposit vault owned or controlled either directly or indirectly by the pledging financial institution but must be deposited for safekeeping in a financial institution that is a member of the Federal Reserve.

#### 7. REPORTING

The Business Manager shall prepare an investment report not less than quarterly that provides a clear picture of the status of the current investments.

- Percent invested in each security type
- Listing of investments by maturity date
- Percent held by each financial institution

#### 8. INTEREST EARNED

The interest earned from investments shall be credited to the respective fund, except Agency and Trust funds. At year end all investment income will be transferred to the General Fund. (SDCL 4-5-9)

Exceptions: Capital Projects Fund

Adopted Date: 01/10/2011  
Revised Date: 10/11/16  
Review Date: 06/15/2020

**REVENUES FROM SCHOOL-OWNED REAL ESTATE**

In accordance with state law, the Board may approve the leasing of any of its real estate for the exploration of oil and gas and its development. Property leased will not interfere with the purposes of the school district. Revenues received from the leasing of such property will be directed into the school district general fund.

**State Reference**

SDCL 13-24-10

SDCL 13-24-5

SDCL 13-24-6

SDCL 13-24-7

SDCL 13-24-8

SDCL 5-2-12

SDCL 5-2-13

**Description**

Maximum term of leases of school property

Oil and gas exploration and leases authorized

Unitization of oil and gas development authorized

Oil &amp; gas leases not to interfere with school purposes

Oil and gas proceeds paid into district general fund

Mineral reservation in leases

Proceeds from sale or lease of reserved minerals

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020



### INSUFFICIENT FUNDS & NO ACCOUNT CHECKS

The District shall conspicuously post a notice at all locations on school property where a personal check may be written to the District as payee that a fee will be assessed against returned checks for insufficient funds or no account and the maker of the check is liable for all reasonable costs and expenses of collection. The fee assessed against returned checks shall not exceed \$40.

The District, before presenting the insufficient funds check or no account check to the state's attorney for prosecution, shall serve a notice of dishonor upon the writer of the check, by registered or certified mail, return receipt requested, or by first class mail, supported by an affidavit of mailing sworn and retained by the sender, in the United States mail and addressed to the recipient's most recent address known to the sender. If the notice is mailed, and not returned as undeliverable by the United States Postal Service, notice is conclusively presumed to have been given on the date of mailing. The District, shall, upon return of the receipt, hold the check insufficient funds check or no account check for a period of at least thirty days if notice is given by first class mail. Upon the expiration of that period the District, within six months after the District receives notice of its dishonor, may present the check with the attached bank return, return receipt or affidavit of mailing and copy of the dishonor notice to the state's attorney for prosecution.

The notice of dishonor required by this policy shall be in substantially the following form:

Date \_\_\_\_\_  
 Name of issuer \_\_\_\_\_  
 Bank on which drawn \_\_\_\_\_  
 Date of check \_\_\_\_\_  
 Amount of check \_\_\_\_\_  
 Holder of the check \_\_\_\_\_

You are hereby notified that your check described above has been dishonored and is now being held by the District for a period of thirty days from the date of the mailing of this notice.

Full restitution for a check returned due to insufficient funds or no account check (including an insufficient fund charge of \$40.00) must be received within thirty days of the mailing of this notice of dishonor to you, your check may be delivered to the state's attorney for criminal prosecution for theft, and you may be liable to the District for an additional civil penalty of an amount equal to twice the amount of the check in addition to the amount of the check and the costs and expenses.

#### **State Reference**

SDCL 22-30A-32  
 SDCL 22-30A-34  
 SDCL 57A-3-421

#### **Description**

Notice of dishonor required before prosecution for theft by insufficient funds  
 Contents of notice of dishonor  
 Collection costs and expenses

#### **Policy Reference**

JN  
 JNB

#### **Description**

STUDENT FEES, FINES, AND CHARGES  
 DELINQUENT STUDENT FEES, FINES AND CHARGES

Adopted: 11/09/2020

## DEPOSITORY OF FUNDS

As provided by law, the Board will designate a bank depository or depositories for the funds of the school district. It will be the responsibility of the business manager to deposit the money belonging to the school district in the designated bank depository or depositories.

The county auditor and county treasurer will be notified by the business manager as to the designated depositories. The county treasurer will be responsible for transferring all money received during the prior month on behalf of the school district to the depository by the twentieth of the month.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-11-7	Monthly payments to school districts
SDCL 13-16-15	Designation of depositories for school district
SDCL 13-16-15.1	Savings and loan associations as depositories
SDCL 13-16-18	Deposit and investment of fund accumulations
SDCL 13-8-10	Meetings of board
SDCL 4-6A	Insurance of Public Deposits

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

## **AUTHORIZED SIGNATURES**

The business manager will draw and sign all checks or warrants for the payment of verified vouchers approved for payment by the Board. Every check or warrant will be countersigned by the president or any Board member designated by the Board. The check or warrant will specify the person, firm or corporation to whom paid.

No check or warrant will be drawn by the business manager except for the indebtedness incurred prior to its issue and upon the presentation of an itemized invoice, duly verified. The invoice and verification will be retained by the business manager and placed on file in his/her office.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-18-2	Contents and signing of checks and warrants
SDCL 13-18-8	Business manager's check register
SDCL 13-8-26	Duties of president of school board

<b><u>Policy Reference</u></b>	<b><u>Description</u></b>
DJ	PURCHASING PROCEDURES

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

## **CREDIT CARD USE AND ELECTRONIC TRANSACTIONS**

The District is committed to using its financial resources wisely. The board recognizes that credit cards and electronic transactions may provide school employees with a convenient payment option and may also improve business office efficiency.

**Credit Cards:** The board authorizes the use of credit card or electronic payment for official district purchases and acquisitions. The business manager is responsible for authorization and control of the use of credit cards, subject to the final School Board approval of payments.

Authorized use of the credit card is limited to the person in whose name the card is issued and may not be loaned to another person. The Business Manager may authorize use of the general Staff or Administration credit cards on a case-by-case basis.

The credit card is for business-related purposes only. It may not be used for personal purchases. The credit card is District property and should be used only for authorized District purchases. Only the Business Manager is authorized to use the credit card when scheduling travel by District employees and/or consultants retained by the District as speakers, presenters, etc., including registration fees, lodging and airline tickets. The Business Manager is authorized to use a District credit card to purchase items online that cannot be reasonably purchased elsewhere or when purchasing or paying for items online results in significant savings. The Business Manager is also authorized to use the credit card for prepayment of items/services when required by a vendor or in instances of savings to the District.

The items listed below are School Board authorized purchases. All other credit card purchases require prior approval from the Business Manager.

### **Authorized Credit Card Purchases:**

Maintenance/repair/operations, facilities maintenance expenses, office supplies, stationery, forms, printing, books, periodicals, subscriptions, DVD'S, CD's, computer supplies and maintenance, safety equipment or supplies, catering or small dining services, medical supplies, screen printing, repetitive/consistent purchases, lodging, gasoline or diesel for school-owned vehicles, car rentals (mileage, lodging and car rentals must be pre-approved by the employee's supervisor and Business Manager) mileage, car rentals (mileage, lodging and car rentals must be pre-approved by the employee's supervisor and Business Manager)

The card users shall submit charge card receipts to the Business Manager no later than the date established by the Business Manager.

The Business Manager shall audit the charge card receipts, reconcile the charge card statement and process the charges for payment.

Cardholders, with the exception of the Business Manager, are not allowed to use the credit card for purchases greater than \$1,000 without prior school board authorization. The Business Manager is not authorized to use the credit card for purchases greater than \$5,000 each.

Any cardholder benefits or revenue generated from the use of district-issued credit or purchase cards shall be for the exclusive use of the district. Employees shall reimburse the District for any charges that are disallowed by the employee's supervisor, the Business Manager or the Board. Employees must return the credit card to the Business Manager or School Board upon being directed to do so by the Business Manager or School Board.

Electronic Transfers: The Business Manager is authorized to electronically transfer funds for such purposes as may be specifically authorized by the Board.

**State Reference**

SDCL 4-3-27

**Description**

Credit card use for purchases

Adopted Date: 05/14/2007

Revised Date: 10/11/2016

Revised Date: 06/15/2020

## **BONDED EMPLOYEES AND OFFICERS**

School district business managers must be bonded for an amount determined by the School Board. The bond of the business manager will not be less than the amount that may come into his or her/her possession at any one time during the school fiscal year.

School personnel, other than the Business Manager, authorized to be in charge of custodial accounts must also be bonded.

The Board may purchase a blanket bond, blanket crime coverage, an insurance policy, or an individual bond, issued to the District as the insured, covering the faithful performance of each officer, member, and employee. If the Board purchases a blanket bond, blanket crime coverage, or an insurance policy that is equal to or exceeds the individual bond requirements established in law, no officer, member, and employee of the District is required to furnish an individual bond to qualify for office.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-16-19	Custodial Funds - Stewardship
SDCL 13-16-20	Custodial Funds - Disbursements authorized
SDCL 13-16-21	Custodial Funds - Reports and Audits
SDCL 13-8-18	Amount of business manager's bond
SDCL 13-8-19	Approval and filing of bonds
SDCL 13-8-20	New or additional bond required
SDCL 13-8-21	Action on bond after default
SDCL 3-1-5	Oath of office for civil officers
SDCL 3-1-8	Acting as officer without qualifying – misdemeanor
SDCL 3-19-1	Payment or indemnity allowed for claims against officers
SDCL 3-19-2	Maximum payment or indemnity
SDCL 3-19-3	Determination of payment
SDCL 3-5-14	Purchase of bonds or insurance coverage

<b><u>Policy Reference</u></b>	<b><u>Description</u></b>
CGA	BUSINESS MANAGER JOB DESCRIPTION

Adopted Date: 05/14/2007  
 Revised Date: 10/11/16  
 Review Date: 06/15/2020  
 Revised Date: 11/09/2020

## INTERNAL CONTROLS AND PROCEDURES

### **GENERAL**

The Platte-Geddes School District #11-5 has established procedures to maintain internal control over assets. The purpose of establishing internal controls is to provide a reasonable assurance that the District will accomplish its objectives of safeguarding assets, providing reliable financial information, promoting operational efficiency and ensuring compliance with laws, regulations and established district policies and procedures.

### **CONTROL FRAMEWORK**

The Platte-Geddes School District #11-5 has implemented an internal control system and framework based on its internal and external needs. It is the policy of the district to ensure that its control framework provides for strong administrative governance. The district's internal control system is a relevant evaluation tool for internal control over financial reporting.

It is the policy of the district that its own internal control framework and review evaluations:

- Be free from bias;
- Permit reasonably consistent qualitative and quantitative measurements of the district's internal control system;
- Are sufficiently complete so that those relevant factors that would alter a conclusion about the effectiveness of the district's internal controls are not omitted.

### **ETHICS STATEMENT**

The Platte-Geddes School District makes every effort to set an honest and ethical tone for the district that is demonstrated at every level. The district operations reflect the overall attitude, awareness, and actions of the school board, management and others concerning the importance of how the district views internal controls and the management of these controls.

### **COMMUNICATION AND TRAINING**

The Platte-Geddes School District makes every effort to maintain communication with all employees regarding the policies and procedures of the district including, but not limited to, periodic training for personnel, both at school sites and central office, and regular meeting of the school board. The district's Board Policies and meeting agendas are maintained on the district web site along with other information necessary to the requirements for safekeeping of various assets and transparency of financial operations for both employees and taxpayers. Supervisory hierarchies are maintained to insure proper approvals and processes are in place.

### **PERSONNEL**

The recruitment of competent, honest individuals is administered through the services of the principals and Superintendent. The training of staff regarding the established policies and procedures governing all financial transactions is administered through the Business Office.

- **Segregation of Duties.** The assignment of duties to staff members who have access to the Financial Management System is done with the intent of limiting their ability to cause and conceal errors or irregularities. Working within certain limitations, including staff size, incompatible functions are not assigned to any staff member. Details of incompatible staff assignments are specifically addressed for focal points, such as accounts payable and receiving, or posting cash receipts and reconciling the bank accounts. Continued monitoring and oversight must take place daily to ensure secure business operations.
- **Transaction Authorization.** The budget is allocated to each school site and program area and the authorization or expending of funds is assigned to the principal for monitoring. The individual school principal is responsible for his/her budget and for assuring that each request is appropriate and necessary. The district requires all purchase orders to be processed with all necessary signatures including the staff member, principal, superintendent, and business manager.
- **Transaction Recording.** Transactions are recorded at the time of payment. The business office staff is responsible for verifying the amounts, the classification to the appropriate account codes, and the proper authorization of all transactions prior to posting to the school accounting system. All source documents used to record transactions are official district forms and are sequentially numbered by the accounting system or on pre-numbered forms for accountability. All voided check warrants are marked VOID and kept on file for the auditor's review. All voided Purchase Orders are marked VOID and are kept on file in the business office.
- **Safekeeping Assets.** The access to assets is limited by assigning primary custodians for the assets at each building or department. The primary custodian at each location is responsible for monitoring the access of building, vehicles, cash, and other assets.
- **Record Reconciliation.** The business office administers the comparison of actual assets on hand with the amounts recorded in the school accounting system. Monthly reconciliation of bank statements and other financial records are prepared and verified during the monthly closing process. All discrepancies found during the reconciliation process are researched and corrected at the time they are detected. These

closeout procedures are administered as a joint effort by the business office staff. Reconciliation of the bank accounts is handled by the business manager and verified by the Superintendent. The fixed asset listing is maintained by the administrative assistant and verified by either the business manager or Superintendent.

### **RISK ASSESSMENT**

The Platte-Geddes School District analyzes all processes and applies a risk assessment evaluation to determine inherent risks in each of its accounting processes. Emphasis is on communication to ensure that each employee is aware of necessary processes to meet certain objectives. The district holds meetings several times a year with key personnel to ensure that employees involved with the acquisition and disposal of assets are thoroughly trained and informed of proper procedures. At the same time, the district must weigh the costs of certain requirements to make sure that the benefits derived do not outweigh the cost of implementing, maintaining, and monitoring the system.

### **CONTROL ACTIVITIES**

#### **Budget**

The Platte-Geddes School District prepares and adopts an annual budget in accordance with South Dakota Codified Law requirements. The budget is prepared by the business manager under the supervision of the superintendent. A budget committee, consisting of building principals and department managers, is formed and makes recommendation regarding budgetary issues, including site based allocations and staffing. The Superintendent monitors all staffing and compares all positions to student class loads. The budget committee is designed to ensure representation from instructional, program, parent, and administrative perspectives. These decisions are reviewed by the Superintendent, business manager, and School Board Finance Committee before being finalized by the entire School Board. The budget is then presented to the Board of Education for approval and adoption at the September board meeting. Upon approval, the budget is entered into the school accounting software. South Dakota Codified Law allows schools to expend funds for the new fiscal year beginning July 1 prior to the approval and adoption of the official budget.

#### **FINAL CASH BALANCES**

Upon completion of the final close for each fiscal year, the district determines the actual cash balances and fund balances for all funds and reports them to the Board of Education. The budget is then adjusted by the adoption of a Supplemental Budget. Upon approval by the Board of Education the district will adjust the budget and incorporate the changes into the school accounting system.

#### **BUDGET MAINTENANCE**

The budget is maintained in the Business Office using the school accounting system to ensure that all spending is in accordance with budget authority. While budget objects and functions may be overspent, overall budget funds may not be overspent.

All budget increases, decreases, and adjustments are presented to the Board of Education for approval. Budget adjustments, which do not alter the total amount of the budget, are processed as follows:

**Intra-budget transfers**-Transfers between expenditures account codes within the same function are prepared and presented to the Board of Education for approval at the monthly scheduled board meetings. Once approved, the adjustments are recorded into the school accounting system.

**Inter-budget transfers**-Transfers between expenditure account codes outside of the same function are presented to the Board of Education for approval. Once the approvals are in place, the change is recorded to the school accounting system as an adjustment to the budget.

#### **PAYROLL**

The Superintendent is responsible for monitoring the hiring of personnel, authorizing salaries, initiating employment contracts, and maintaining staffing levels approved in the annual budget. The business manager verifies that the budget is available for any staffing increases. All payrolls are processed from the approved employment contracts. All additional payrolls are processed by exception and only with proper authorization from the Superintendent. These payroll payments can include substitutes, non contracted personnel, and/or payment for additional services provided, such as summer school.

#### **Sick Leave**

*Absences for sick leave:*

Employees must notify the building principal when requesting sick leave. An absence form must be completed either before the leave is taken or immediately upon the employees return to work for accurate recording of leave taken.

#### **Other types of leave:**

Other types of leave which require prior approval must be submitted on a printed blue "request for leave" form signed by the building principal. The blue forms, which are turned into the business office, are used to verify absences. They are also used to make deductions for leave and are used to dock pay when leave is taken with a sufficient leave balance. The pay docks are deducted from the employee's pay on the next scheduled check.

All department heads are responsible for monitoring time worked and appropriate date for his/her hourly employees. Any hourly employee falsifying date is subject to dismissal.

The business manager is responsible for maintenance of employee insurance, tax sheltered annuities, and other voluntary and mandatory payroll deductions. After the payroll data is entered into the school accounting system, a pro forma payroll is run to verify data for accuracy. A payroll register generated from the accounting software is



used for the verification process prior to the generation of the payroll checks. The information systems department backs up the school accounting system nightly.

A payroll check register is generated to document all payments made for each payroll run. Additional reports are available for review and verification, and for audit purposes. A payroll summary sheet is produced from the school accounting software and is reviewed by the business manager before processing the checks, direct deposits, and federal tax payments.

All blank check stock is stored in a locked cabinet in the office of the business manager. Access to this office and locked cabinet is limited. All payroll checks are sequentially pre-numbered and direct deposit stubs are numbered sequentially by the school accounting system. Payroll checks have an original signature by the business manager and a stamped signature by the School Board President.

All certified contract employees are paid once a month. Employees can choose to receive their contracted salary in 9, 10 or 12 monthly payments.

The Business Office maintains all employee earnings, deduction, and leave records according to the regulations. Monthly, quarterly, and annual payroll tax-benefit reports required by the Federal, State, and local governmental agencies are prepared by the business manager and are verified monthly by the administrative assistant or the Superintendent.

### **PURCHASING**

The building principals, Superintendent, and business manager are responsible for assuring that all purchases against budgets are appropriate and necessary. The administrative assistant primarily initiates the purchasing process. Requisitions are the initial document submitted to the building principals. Once approved by the building principal, Superintendent, and business manager the document is assigned a purchase order number by the administrative assistant. Orders are then placed by either the staff member or administrative assistant.

### **RECEIVING**

The merchandise ordered is delivered directly to the high school building. The high school secretary and/or administrative assistant verify each receipt and indicate this on a copy of the Purchase Order. Once this document has been received by the business manager, payment can be made to the vendor.

### **ACCOUNTS PAYABLE**

All vendor invoices are mailed to the business office. The vendor invoice is matched to the receiving copy of the Purchase Order. Once the documents are matched, the items invoiced are checked back to the items listed on the approved copies of the purchase order. The administrative assistant checks each invoice carefully to verify amounts due, shipping and handling costs, and any other applicable discounts, etc. After these verifications are in place, payment can be processed.

The business manager generates a detail invoice listing and schedule of checks to be written to verify the accuracy before checks are written. Once checks have been printed, they are signed by the business manager. A listing of all checks written is created from the school accounting system and is presented to the board of education for approval. Once approved, the school board president places his/her signature or stamp on all checks. (Authorized signature cards reside at each banking institution handling district accounts.) Payment vouchers are also generated from the school accounting software and signed by the business manager, Superintendent, and a board member. These include vendor name, check number, date, and account number(s) to which the item is expensed. Vouchers are attached to the corresponding invoice.

### **BANK RECONCILIATIONS**

All bank accounts are reconciled on a monthly basis. The Superintendent approves the bank reconciliation and approves any adjustments necessary to the general ledger. The business manager cancels all checks as the checks clear the bank (as indicated on each bank statement) in the bank reconciliation option of the school accounting software and locates any discrepancies in the balances, and makes any journal entries necessary for correction. The monthly check registers, transaction journals, and general ledgers are generated monthly and are stored in the Business Office and may be accessed from the school accounting software for review by the superintendent and other interested parties. All journal entries needed for correction are detailed on the Manual Journal Entries report from the school accounting software.

### **PER DIEM & MILEAGE**

Employees and Board members of the district are entitled to reimbursement of registration fees, mileage, per diem, and other costs associated with authorized trips for official school business.

**In-State Travel** – All in state trips must have administrative approval, prior to traveling. This approval is requested on the leave request form. The business purpose of the trip must be justified and all costs associated with the trip must be itemized, if reimbursement is expected. The business office will process the reimbursement travel form only with sufficient approvals and required documentation such as invoices attached to the reimbursement request.

**Out-of-State Travel** – All out of state travel requires prior approval by the Superintendent and the building principal, as applicable. The travel reimbursement form will be processed with sufficient documentation only and personnel will follow the same procedures as listed with in-state travel. If, in the event, personal vehicles are utilized, proof of insurance will be required and submitted to the business office prior to the trip. All receipts for out-of-pocket expenditures for transportation, registration, and miscellaneous expenses are required for reimbursement. Any meals and/or lodging costs included in the registration fee will not be reimbursed.

All district employees are eligible for reimbursement of travel related expenses upon return from their approved trip, but must submit reimbursement requests within 60 days of returning from the trip. Any requests for reimbursement not made within this time frame are forfeited. The school board must approve actual expenses.

## **CASH RECEIPTS**

All operational monies received are receipted in the business office. All monies are receipted using pre numbered receipts and are deposited into the district bank account. The Superintendent verifies all receipts posted as being deposited as part of the reconciliation of the bank account.

Business office personnel record all funds received in the business office to the school accounting system. Each receipt has a description of payment and has sufficient documentation for review by the independent auditor. These entries include the source, date, amount, fund, receipt number, and description of the payment. For monies received by mail, the business office staff assigned to mail duty reviews the incoming mail and delivers the monies to the business manager who receiptes the funds and records the amount to the appropriate fund. For monies received by ACH transfer and/or electronically, the same process is utilized, but the accompanying documents are generated by the bank and/or electronic notification from sender, and attached as appropriate. The receipts are posted and recorded into the school accounting software.

Monies received by the building secretaries are receipted using pre –numbered receipts. Each school secretary is responsible for submitting timely collections to the business office for reconciliation, receipt, and deposit. The administrative assistant prepares deposits for money received from the school secretaries for deposit.

## **ACCOUNTS RECEIVABLE**

The accounts receivable system is maintained centrally. Each department is responsible for forwarding all information about receivables to the business office on a timely basis. The responsibility for the collection rests with the Business Office under the supervision of the Superintendent.

## **PETTY CASH**

In accordance with law, a petty cash fund will be established under the authorization of the business manager and Superintendent. A petty cash fund will be intended for small purchases and set up utilizing the procedures set forth in School Board Policy DJB, Petty Cash Accounts.

## **INVESTMENTS**

The Platte-Geddes School District accounts for all monies placed in interest bearing accounts by fund. Excess cash balances in the bank accounts generate interest which is credited by the financial institution on a monthly basis. The amount of interest earned is receipted and recorded to the school accounting system when the credit is received. Investments are made by issuing a check or by ACH transfer. A paper trail is automatically produced with this procedure and the transaction is entered into the school accounting software through the Accounts Payable System by the business manager. An investment register is maintained by the business manager and updated monthly. The register itemizes the type of investment, investment date, maturity date, investment institution, and the amount of investment. Correspondence with each banking institution is documented periodically and available for review. When investing district funds, the business manager utilizes the investment procedure outline in School Board Policy DFAA, Investment Policy.

## **INVENTORY**

All district equipment and items of tangible value are identified in a permanent way using bar-coded tags. It is the responsibility of each staff member to ensure that all equipment delivered to their room or department is appropriately marked.

The administrative assistant maintains faxed asset inventory records in the Business Office. The inventory database includes the inventory tag number, a description of the item, the serial number, the acquisition date, the location and the building room/department and the site code.

Annually, school district staff are required to conduct an inventory of personal property and file it with the business manager by July 10<sup>th</sup>.

## **DEBT SERVICE**

All authorized debt principal and interest payments are accounted for in the Capital Outlay Fund and Capital Outlay Certificates Fund. A record of indebtedness is maintained by the business manager and reconciled by the Superintendent. This schedule lists the date of each outstanding long term debt, the original amount of the issue, principal and interest payments, and the total outstanding balance for each issue.

All debt statement payments issued are verified by the business manager for payment. Checks are issued from the district's bank account and forwarded to the authorized paying agent as applicable on or before the due date.

## **REPORTING**

Monthly reports are prepared and maintained by the district. The Superintendent reviews bank statements and a monthly reconciliation is performed by the business manager. Each fund's activities are then reconciled on a year to date basis to determine if all adjustments have been made to the school accounting system correctly. The Superintendent is responsible for ensuring the reports are prepared accurately and timely. Any discrepancies are reported immediately to the appropriate business office staff member for correction. Access to the school accounting system is limited and initiated by a password procedure established by the business manager. This limited access was established in an effort to ensure records will not be altered and accountability can be maintained. Reports are then filed and maintained as per the Schedule of Retention and Disposition of Records. A copy of the district's audit report is forwarded to the South Dakota Department of Legislative Audit. The Superintendent, the Platte-Geddes School District's Board of Education, and the business manager receive hard copies of this report. This report can also be accessed through the South Dakota Department of Legislative's webpage at <http://legislativeaudit.sd.gov/default.aspx>.

Adopted: 8/14/17

Reviewed Date: 06/15/2020

Revised Date: 11/09/2020

**FISCAL ACCOUNTING AND REPORTING**

The Business Manager is designated by the Board to be responsible for receiving and properly accounting for all funds of the district.

The District will follow the Governmental Accounting Standards Board (GASB) requirements for recording receipts and disbursements of the District.

The Business Manager will report all financial information to the SD Department of Education as required. The Board will receive monthly financial reports from the business manager that will include a statement of operating receipts and expenditures, and balance on hand in the several funds, a budget position report, and any other financial information that should be brought to the Board's attention.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-16-19	Custodial Funds - Stewardship
SDCL 4-11-6	Accounting manual

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

Revised Date: 11/09/2020

## E-RATE RECORDS RETENTION

Pursuant to the SD Bureau of Administration, Records Retention Division, SCL-53, E-Rate Federal Funding Files 14-012, information is retained for audit purposes. The information to be retained includes applications, invoices, financial reports, and correspondence. That information is to be retained for one (1) year, then transferred to storage for 9 years, and may be destroyed after ten (10) years provided all litigation, claims, and audit findings involving the records have been resolved and final action has been taken.

Pursuant to 47 CFR 54.516(a), the School District shall retain all documents related to the application for, receipt, and delivery of E-Rate supported services for ten (10) years after the last day of the applicable funding year or the service delivery deadline for the funding request, whichever is later. Any other document that demonstrates compliance with the statutory or regulatory requirements for the schools shall be retained as well. The District shall maintain asset and inventory records of equipment purchased as components of supported category two services sufficient to verify the actual location of such equipment for a period of 10 years after purchase.

Pursuant to 47 CFR 54.516(b) and (d), the School District shall produce such records at the request of any representative (including any auditor) appointed by the South Dakota Department of Education, the Universal Service Administrative Company, the FCC, or any local, state or federal agency with jurisdiction over the District, and the District shall permit such representative to enter the District's premises to conduct E-rate compliance inspections.

Pursuant to 47 CFR 54.516(c), the School District shall be subject to audits and other investigations to evaluate its compliance with the statutory and regulatory requirements for the school district service support mechanism, including those requirements pertaining to what services and products are purchased, what services and products are delivered, and how services and products are being used. The District must provide consent before a service provider releases confidential information to the auditor, reviewer, or other representative.

According to Federal Communications Commission FCC 04-190, August 4, 2004, par. 47, the FCC did not believe that an exhaustive list of documents which must be retained for the recordkeeping requirement is possible due to the diversity that exists among program schools and libraries and descriptive titles or names of relevant documents will vary from entity to entity. The FCC provided for illustrative purposes (FCC 04-190 par. 48) the following description of documents that program beneficiaries such as the School District must retain pursuant to the recordkeeping requirement.

The School District Board of Education adopts the FCC guidelines as the E-Rate Records Retention Policy for the School District as set forth below:

- *Pre-bidding Process.* The District shall retain the technology plan and technology plan approval letter. If consultants are involved, The District shall retain signed copies of all written agreements with E-rate consultants.
- *Bidding Process.* The District shall retain all documents used during the competitive bidding process. The District shall retain documents such as: (a) Requests for Proposals, including evidence of the publication date; (b) documents describing the bid evaluation criteria and weighting, as well as the bid evaluation worksheets; (c) all written correspondence between the beneficiary and prospective bidders regarding the products and service sought; (d) all bids submitted, winning and losing; and (e) documents related to the selection of service providers.
- *Contracts.* The District shall retain executed contracts, signed and dated by both parties, and all amendments and addendums to the contracts, as well as other agreements relating to E-rate between the District and service provider, such as up-front payment arrangements, if any.
- *Application Process.* The District shall retain (a) all documents relied upon to submit Form 471, including National School Lunch Program eligibility documentation supporting the discount percentage sought; (b) documents to support the necessary resources certification pursuant to section 54.505 of the Commission's rules, including budgets; and (c) documents used to prepare the Item 21 description of services attachment.
- *Purchase and Delivery of Services.* The District shall retain all documents related to the purchase and delivery of E-rate eligible services and equipment. The District shall retain (a) purchase requisitions, (b)

purchase orders, (c) packing slips, and (d) delivery and installation records showing where equipment was delivered and installed or where services were provided.

- *Invoicing.* The District shall retain all invoices and records proving payment of the invoice, such as accounts payable records, service provider statement, beneficiary check, bank statement or ACH (electronic payment) transaction record. The District shall also be able to show proof of service provider payment to the beneficiary of the BEAR (Billed Entity Applicant Reimbursement), if applicable.
- *Inventory.* The District shall retain asset and inventory records of equipment purchased and components of supported internal connections services sufficient to verify the location of such equipment. The District shall also retain detailed records documenting any transfer of equipment within three years after purchase and the reasons for such a transfer.
- *Forms and Rule Compliance.* All program forms, attachments and documents submitted to the Administrator (USAC, Universal Service Administrative Company) must be retained. The District shall retain all official notification letters from USAC, as applicable. The District shall retain FCC Form 470 certification pages (if not certified electronically), FCC Form 471 and certification pages (if not certified electronically), FCC Form 471 Item 21 attachments, FCC Form 479, FCC Form 486, FCC Form 500, FCC Form 472. The District shall also retain any documents submitted to USAC during program integrity assurance (PIA) review, Selective Review and Invoicing Review, or for SPIN change or other requests.

**State Reference**

SD BOA, SCL-53

**Description**

E-Rate Federal Funding Files 14-012

**Federal Reference**

CFR Title 47 Part 54

CFR Title 47 Part 54 §54.516

FCC 04-190

FCC 14-189

FCC 14-99

**Description**

E-Rate Program - Modernization of the Schools and Libraries

E-Rate Program - Auditing and Inspections

Report and Order 8/4/2004 paragraphs 47, 48, and 49

Report and Order and Order on Reconsideration 12/11/2014, Paragraph 144

Report and Order 7/11/2014, Paragraph 262

Adopted Date: 06/15/2020

## TYPES OF FUNDS

School District revenue will be deposited in one of the funds authorized by law.

Sources for School District revenue:

- income from school property;
- borrowing through bonds, capital outlay certificates, or promissory notes;
- local property taxes;
- funds received from federal, state or other political subdivisions;
- funds received from individuals or organizations through paid admission or facility use;
- funds received from fines and penalties;
- funds held in a trustee capacity for others; and
- funds received by the District from any other source.

The following are the primary funds of the School District:

- **General Fund** - The general fund is the fund to meet all the operational costs of the District, excluding capital outlay fund and special education fund expenditures, and to redeem all outstanding warrants against the general fund. The general fund may be used to purchase or lease computer hardware and software.
- **Capital Outlay Fund** - The capital outlay fund is used to pay for:
  - acquisition of land or facilities
  - construction of new facilities
  - additions to and remodeling of current facilities
  - improvement of grounds
  - purchase or lease of equipment
  - installment or lease-purchase payments for the purchase of real property facilities, or equipment, which have a contracted terminal date not exceeding twenty years from the date of the installment contract or lease-purchase
  - payment of the principal of and interest on capital outlay certificates
  - purchase of textbooks
  - purchase or renewal of instructional software
  - purchase of warranties on capital assets if the warranties do not include supplies
  - bussing contracts, not to exceed fifteen percent of the contract amount, if the District contracts for student transportation
  - mileage reimbursements, not to exceed fifteen percent of the reimbursement costs, if the District reimburses for mileage instead of providing transportation.

Out of the total tax revenues deposited into the capital outlay fund during the current school fiscal year, the Board may transfer up to forty-five percent from the District's capital outlay fund to the District's general fund.

- **Special Education Fund** - The proceeds derived from the special education levy shall be placed in the special education fund and used to pay for the special education of children in need of special education or special education and related services. Money in the special education fund may be expended for the purchase or lease of any assistive technology that is directly related to special education and specified in a student's individualized education plan.
- **Impact Aid Fund** - Funds received from the federal government under the provisions of Title VIII of the Elementary and Secondary Education Act for basic support shall be deposited into the Title VIII of the Elementary and Secondary Education Act (Impact Aid) fund. Transfers shall be made to other District funds authorized by law, and made at the discretion of the Board.
- **Bond Redemption Funds** - Payment of interest and principal on all bonded indebtedness must be paid from bond redemption funds.

- **Enterprise Funds** – Funds from any activity for which a fee is charged are deposited into enterprise fund accounts. Examples of enterprise fund accounts are Food Service Fund, Daycare, Before and After School Programs, Preschool, and other non-credit activities for which students or parents pay a fee.
- **Fiduciary Funds** - Fiduciary fund accounts are used when the District holds funds in a trustee capacity for others. Examples include: Custodial funds (such as class, booster club and post prom accounts) and Private Purpose Trust Funds (such as scholarship funds).

**State Reference**

**Description**

SD DLA	Department of Legislative Audit – Funds – Listing and definitions
SDCL 13-16-1	Sources of school district funds
SDCL 13-16-13	Tax proceeds paid into bond redemption fund
SDCL 13-16-2	Types of funds enumerated
SDCL 13-16-3	General fund defined
SDCL 13-16-30	Title VIII of the Elementary and Secondary Education Act fund
SDCL 13-16-31	Transfers from Title VIII fund
SDCL 13-16-4	Lease payments from general fund in federally affected areas
SDCL 13-16-6	Definition and use of capital outlay fund
SDCL 13-28-5	Public school privileges free to children of legal age
SDCL 13-30-3	Mileage allowance in lieu of transportation for students
SDCL 13-37-16	District tax levy for special education
SDCL 13-8-39.2	Authority to provide day-care for children of enrolled students
SDCL 13-8-50	Before or after school programming for school children - Fee

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

Revised Date: 11/09/2020



## CUSTODIAL FUNDS

The Custodial Fund is a school district fiduciary fund that the District maintains for the benefit of individuals or organizations while not having substantial administrative or financial involvement with raising the funds or control over the expenditure of those funds. The Custodial Fund may have been referred to in the past as the Agency Fund or the Trust and Agency Fund. Because the money in the fund are private funds and not school district funds, the Governmental Accounting Standards Board (GASB) substituted the term “custodial” for “agency” in order to emphasize that the District does not have ownership and control of the funds.

The entity for which the District is maintaining the custodial fund account is solely responsible for fund-raising and the depositing of funds into the custodial account.

A request for disbursement by an authorized person of the entity shall be given in writing to the Business Manager on a form provided by the District. Disbursements do not require prior approval by any school district employee or the Board, nor does the disbursement require the signature of the presiding officer of the Board or the Business Manager.

The Business Manager shall:

- be in charge of each custodial fund;
- be authorized to issue checks from custodial fund accounts for disbursements, pay all claims upon the presentation of an itemized verified claim, and authorize the expenditures upon the entity’s prior approval and direction;
- record all receipts of revenue placed in custodial accounts;
- keep accurate records of all receipts, expenditures, and balances of the custodial fund, and provide such information to the Board on a monthly basis;
- issue receipts in duplicate for all money received, except money received from the sale of printed serial number admission tickets;
- keep on file a memorandum record of all serially numbered tickets for sale at events, which record must be signed by the person selling such tickets; and
- submit annual Custodial Fund Account reports to the Board.

The Custodial Fund Account shall be audited as part of the regular audit of the District.

### **State Reference**

SDCL 13-14-13	Gifts from nonprofit benevolent organizations
SDCL 13-14-14	No obligations for funds without agreement
SDCL 13-14-5	Acceptance of gifts and donations to school districts
SDCL 13-16-19	Custodial Funds - Stewardship
SDCL 13-16-20	Custodial Funds - Disbursements authorized
SDCL 13-16-21	Custodial Funds - Reports and Audits
SDCL 13-16-35	Use of admission fees for interscholastic activities

### **Federal Reference**

GASB	Governmental Accounting Standards Series
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Adopted Date: 11/09/2020

## **FINANCIAL REPORTS AND STATEMENTS**

It will be the responsibility of the business manager to prepare monthly financial reports for the Board's review. Reports will include budget, custodial accounts, and special accounts.

An annual report will be filed with the Department of Education.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-16-21	Custodial Funds – Reports and Audits
SDCL 13-8-47	Annual report to DOE

Adopted Date: 05/14/2007

Revised Date: 06/11/2018

Reviewed Date: 06/15/2020

Revised Date: 11/09/2020

## INVENTORIES

School employees designated by the Board shall annually conduct an inventory of school district property for which they are responsible, to be given to the business manager by June 30<sup>th</sup>.

General fixed assets are divided into five main classes: land, buildings, improvements (other than buildings), equipment, and construction work in progress. Fixed assets may be marked by a permanent method of identification. Periodic inventories should be taken by personnel designated by the superintendent. Generally accepted accounting principles require that each school adopt a dollar value indicating which fixed assets should be capitalized. Equipment with an initial cost in excess of \$5,000.00 and an expected life exceeding one year shall be included on the District's capital assets inventory listing for depreciation purposes. Buildings, building improvements and improvements other than buildings shall be recorded as capital asset when the initial cost exceeds \$25,000.00. Subscription-based information technology arrangements or SBITAs which do not exceed \$25,000.00 will be considered immaterial and will not require capitalization.

In the acquisition of or additions to real property, plant, or equipment, any expenditure of one thousand dollars (\$1,000) or more shall be paid from the capital outlay fund. The \$1,000 limitation shall apply to the total of each asset type on an invoice. Equipment purchases per invoice of less than \$1,000 may be acquired from either the general or capital outlay fund.

### **State Reference**

ARSD 10:02:01:01

SDCL 13-16-6

SDCL 5-24-1

SDCL 5-24-3

### **Description**

Public personal property requiring inventory

Definition and use of capital outlay fund

Annual inventory of personal property

Place of filing of duplicate inventories

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

Revised Date: 06/12/2023

## AUDITS

For any necessary reason an audit of the books of any school district may be called at any time by the Board or the electors of the district by petition signed by 20 percent of the resident taxpayers of the district as shown by the assessment roles of the preceding year, or the Auditor General.

The Board shall have financial and compliance audits, including audits of custodial accounts, performed at least every two years. The audits may be done by the Department of Legislative Audit or by a private firm authorized by law to audit financial records of school districts.

The Department of Legislative Audit or the private auditing firm, whichever made the audit, shall furnish a copy of the report of the audit to the Business Manager. The Business Manager shall give a copy of the audit report to each school board member.

The Department of Legislative Audit or the private auditing firm, whichever performed the audit, shall publish twice in the District's legal newspaper, a brief statement of the fact that the audit was made, where the audit may be found on file for public inspection, and a brief recital of the substantial items of error, irregularity, or loss which were discovered, but with enough detail so that the public is informed of the important findings of the audit. The expense of the publication shall be paid at the legal rate by the District.

If the Board receives an independent audit, the District shall make the audit report available on the District's website.

As required by SDCL Ch. 4-2, the District shall submit the audit report to the Department of Legislative Audit.

### **State Reference**

SDCL 13-16-21	Custodial Funds - Reports and Audits
SDCL 13-16-28	Special audit of school district books required
SDCL 4-11-12	Publication of notice
SDCL 4-11-13	Copies of audit reports received in evidence
SDCL 4-11-14	Civil action to recover misappropriated funds
SDCL 4-11-15	Notice to attorney general of civil actions
SDCL 4-11-16	Attorney general to oversee civil actions
SDCL 4-11-17	Attorney general to assist and supervise prosecutions
SDCL 4-11-18	Costs of audits
SDCL 4-11-19	Deposit and crediting of reimbursed amounts
SDCL 4-11-5	Special audit of local accounts
SDCL 4-11-7.1	School district audit by private auditing firm
SDCL 4-11-7.2	Publication of school district audit results
SDCL 4-11-9	Reports of audits
SDCL 4-2-16	Penalty for failure to submit timely audit report
SDCL 4-2-17	Timely audit

### **Description**

### **Policy Reference**

DB	BUDGET
DJBA	INCIDENTAL ACCOUNTS
IGDG	STUDENT ACTIVITIES FUNDS MANAGEMENT

### **Description**

Adopted Date: 05/14/2007  
 Revised Date: 10/11/16  
 Reviewed Date: 06/15/2020  
 Revised Date: 11/09/2020

## **PURCHASING PROCEDURES**

### **DEFINITIONS:**

Supplies - any property, including equipment, materials, and printing.

Services - furnishing of labor, time, or effort by a contractor not involving the delivery of a specific end product other than reports which are merely incidental to the required performance.

Public Improvement - the process of building, altering, repairing, improving, or demolishing any structure, building, or other improvements of any kind to real property owned by the District.

### **GENERAL RULES:**

Unless otherwise authorized by law, each contract for supplies, services, and construction shall be awarded by one of the following methods:

1. Purchases for less than \$50,000 for supplies or services;
2. Contract for public improvement for less than \$100,000;
3. Competitive sealed bids for supplies or services having a purchase price over \$50,000, and for contracts for public improvement exceeding \$100,000;
4. Competitive sealed proposals for supplies or services having a purchase price over \$50,000, and for contracts for public improvement exceeding \$100,000;
5. Sole source procurement;
6. Emergency procurement.
7. Use of federal grant funds for procurement.

The Business Manager will serve as the purchasing agent. The Business Manager will develop and administer the purchasing program for the schools with the assistance of the Superintendent within the legal requirements and the adopted school budget.

All materials to be ordered by the school district staff must be requisitioned through the Principal, Superintendent, and the Business Manager for processing by the business office. Principals and the Superintendent will examine carefully all requisitions submitted by teachers, custodians and other employees for supplies, equipment and services and are responsible for verifying that items requested are needed before signing the requisition and sending it to the Business Manager.

All requisitions must include the name and address of the supplier as well as the purchase price.

School purchases will be made only on official purchase orders approved for issuance by the appropriate unit head and signed by the Business Manager, with such exceptions as may be made by the latter for emergency purchases and those made with petty cash funds.

The business office will maintain a central record system for the purpose of combining orders, avoiding duplication of purchases, taking full advantage of lowered prices for bulk purchasing, to follow up on delayed orders of delivery and to reconcile deliveries to orders before payment is made. This delivery control will be applied to all purchases, regardless of point of delivery.

If any person orders materials without going through the Business Manager's office, the person ordering the materials will be individually responsible for the payment of the materials.

#### **1. PURCHASES OF SUPPLIES OR SERVICES FOR LESS THAN \$50,000**

If the District intends to purchase services or supplies, the total of which is less than \$50,000, neither competitive sealed bids nor competitive sealed proposals are required.

#### **2. CONTRACT FOR PUBLIC IMPROVEMENT FOR LESS THAN \$100,000**

If the District intends to contract for a public improvement, the total of which is less than \$100,000, neither

competitive sealed bids nor competitive sealed proposals are required.

### 3. **COMPETITIVE SEALED BIDS**

Contracts shall be awarded by utilizing the competitive sealed bid process except as otherwise provided in law (i.e., competitive sealed proposals, sole source procurements, emergency procurements, and procurements exempt from the bid process). The procedures for using competitive sealed bids are set forth in SDCL 5-18A-5.

### 4. **COMPETITIVE SEALED PROPOSALS**

A contract may be entered into by competitive sealed proposals if the Board determines in writing that the use of the competitive sealed bids is either not practicable or not advantageous. The procedures for using competitive sealed proposals are set forth in SDCL 5—18A-7.

### 5. **SOLE SOURCE PROCUREMENT**

A contract may be awarded for supplies or services without competition if the Board determines in writing that the supplies or services are of such a unique nature that the contractor selected is clearly and justifiably the only practicable source to provide the supplies or services. The determination that the contractor selected is justifiably the sole source shall be based on either the uniqueness of the supplies or services or the sole availability at the location required. In such cases, the Board shall conduct negotiations, including price, delivery, and quantity to obtain the most advantageous price and shall include the written verification of the sole source in the contract file. This provision does not apply to construction services or construction equipment.

The District shall maintain a record listing each contract made under sole source procurement for a minimum of five years. The record shall contain:

- Each contractor's name;
- The amount and type of each contract; and
- A listing of the supplies and services procured under each contract.

### 6. **EMERGENCY PROCUREMENT**

The Board may make or authorize others to make an emergency procurement without advertising the procurement if rentals are not practicable and there exists a threat to public health, welfare, or safety or for other urgent and compelling reasons. Failure to abide with the bid provisions in a timely manner as required by law is not an emergency. An emergency procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file.

The District shall maintain a record listing each contract made under emergency procurement for a minimum of five years. The record shall contain:

- Each contractor's name;
- The amount and type of each contract; and
- A listing of the supplies, services, and public improvements procured under each contract.

### 7. **USE OF FEDERAL GRANT FUNDS FOR PROCUREMENT**

The following are acceptable methods of procurement per the federal uniform grant guidance:

- a. **Micro-purchases** of products costing \$10,000 or less do NOT require quotes to be received and effort should be made to distribute evenly these purchases to qualified suppliers. The micro-purchase threshold for services is \$2,500 (Service Contract Labor Standards—formerly the Service Contract Act of 1965), and is \$2,000 for construction services (Construction Wage Rate Requirements Statute—formerly the Davis-Bacon Act).
- b. **Small purchases** from supplies or other property and services in excess of \$10,000 and do not exceed \$250,000 do require quotes but NO pricing analysis. If used, price or rate quotations must be obtained from an adequate number of qualified sources.

- c. **Sealed bids** are required for purchases of \$250,000 or greater. Firm fixed price is awarded and must include at least two responsible bidders.
- d. **Competitive proposals** may be used for projects over \$250,000.
- e. **Noncompetitive proposals** (sole source) Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when certain circumstances apply.

All contracts must be approved by the Board in order to be binding on the school district. Each contract shall be in writing, shall have the printed name of any individual signing the contract, and shall be signed on behalf of the School District by an authorized official. Failure to comply with the requirement for a printed name does not void the terms or purpose of the contract.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SD DLA	Department of Legislative Audit - Bid Booklet - Local government guide for acquisitions, disposals & exchanges
SDCL 5-18A-3	Methods of awarding contracts
SDCL 13-16-24	Unlawful contracts and warrants void
SDCL 13-20-1	Board approval required for contracts
SDCL 13-20-3	Contracts let in accordance with public agency procurement law
SDCL 5-18A	Public Agency Procurement
SDCL 5-18A-10	Record of sole source and emergency procurement contracts
SDCL 5-18A-14	Public Improvement Contracts – Supplies and Services
SDCL 5-18A-22	Exempt procurements
SDCL 5-18A-4	Competitive sealed bids required
SDCL 5-18A-5	Procedures for competitive sealed bids
SDCL 5-18A-6	Competitive sealed proposals
SDCL 5-18A-7	Procedures for competitive sealed proposals
SDCL 5-18A-8	Unique supplies or services
SDCL 5-18A-9	Emergency procurement
<b><u>Policy Reference</u></b>	<b><u>Description</u></b>
DGA	AUTHORIZED SIGNATURES
FEFB	BONDS FOR PUBLIC IMPROVEMENT CONTRACTS

Adopted Date: 05/14/2007  
 Revised Date: 10/11/16  
 Revised Date: 06/15/2020  
 Revised Date: 09/14/2021  
 Revised Date: 10/09/2023

## PETTY CASH ACCOUNTS

In accordance with law, the Board may establish petty cash accounts for the schools in the district, not to exceed the amount of \$100 in each account. This account may be used to facilitate refunds and minor purchases of the school district.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After a budget item is exhausted, no expenditures against the item may be made from petty cash.

The Board designates the Business Manager to be accountable for the petty cash account. Disbursements from the account will not require Board approval or the signature of the Board president.

<u>State Reference</u>	<u>Description</u>
SDCL 13-18-16	Petty cash account

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020



## INCIDENTAL ACCOUNTS

The Board establishes an incidental account in the amount of \$5,875.00 on an imprest basis, money from the general fund. This fund may be used for advanced payment or for claims requiring immediate payment, not to exceed the amount established by the board.

Expenditures against this account must be itemized, documented with receipts, and will be charged to the applicable fund. After the budget item is exhausted, no expenditures against the item may be made from the incidental account. The board designates the Business Manager to be accountable for the incidental account.

A detailed account of the expenditures from the incidental account shall be presented with other bills at the regular monthly school board meeting, with verified vouchers, itemized and supported by receipted bills or other information as general evidence of payment, which shall be subject to audit.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-18-17	Incidental account

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

## BIDDING REQUIREMENTS

Compliance with the bid laws is required, unless exempt by law, when a purchase for supplies or services exceeding \$50,000 is anticipated, or if the contract is for the construction of a public improvement in excess of \$100,000.

### Definitions:

- “Services” refers to the furnishing of labor, time, or effort by a contractor not involving the delivery of a specific end product other than reports which are merely incidental to the required performance;
- “Supplies” refers to any property, including equipment, materials, and printing;
- “Public Improvement” refers to the process of building, altering, repairing, improving, or demolishing any public infrastructure facility, including any structure, building, or other improvements of any kind to real property, the cost of which is payable from taxes or other funds under the control of the School District, including any local improvement for which a special assessment is to be levied.

The District may enter into contracts with vendors selected by a purchasing cooperative, of which the District is a member, if the intergovernmental purchasing cooperative is utilizing a procurement process authorized by South Dakota law.

**Competitive Sealed Bids:** Contracts shall be awarded by utilizing the competitive sealed bid process except as otherwise provided in law (i.e., competitive sealed proposals, sole source procurements, emergency procurements, and procurements exempt from the bid process). The procedures for using competitive sealed bids are set forth in SDCL 5-18A-5.

**Competitive Sealed Proposals:** A contract may be entered into by competitive sealed proposals if the Board determines in writing that the use of the competitive sealed bids is either not practicable or not advantageous. The procedures for using competitive sealed proposals are set forth in SDCL 5—18A-7.

**Advertising for Bids or Proposals:** The District shall advertise for bids or proposals. The advertisement shall appear as a legal notice in the appointed legal newspaper. The advertisement shall be printed at least twice, with the first publication at least ten days before opening of bids or the deadline for the submission of proposals. The first publication shall be in each official newspaper of the District, and the second publication may be in any legal newspaper of the state chosen by the Board. The advertisement shall state the time and place where the bids will be opened or the deadline for the submission of proposals. In each notice, the Board shall reserve the right to reject any or all bids or proposals.

**Award of Contract:** After receiving notice of a contract award, the successful vendor shall enter into a contract with the District within the time specified in the invitation for bids or request for proposals. If the vendor who is awarded the contract fails to enter into a contract within the time specified, the contract may be awarded to the next lowest responsive and responsible vendor for the same kind of work and material, unless all bids or proposals are rejected. The defaulting vendor shall be responsible for the difference in price.

### Contracts Exempt from Bidding:

1. Any contract for the purchase of supplies from the United States or its agencies or any contract issued by the General Services Administration;
2. Any purchase of supplies or services, other than professional services, by the District from any active contract that has been awarded by any government entity by competitive sealed bids or competitive sealed proposals or from any contract that was competitively solicited and awarded within the previous twelve months;
3. Any equipment repair contract;
4. Any procurement of electric power, water, or natural gas; chemical and biological products; laboratory apparatus and appliances; published books, maps, periodicals and technical pamphlets; works of art for museum and public display; medical supplies; communications technologies, computer hardware and software, peripheral equipment, and related connectivity; tableware or perishable foods;
5. Any property or liability insurance or performance bonds;
6. Any purchase of surplus property from another purchasing agency;
7. Any animals purchased;
8. Any purchase by the District of perishable food, raw materials used in construction or manufacture of products for resale, or for transportation of students;

9. Any contract for asbestos removal in emergency response actions and any contract for services provided by individuals or firms for consultants, audits, legal services, ambulance services, architectural services and engineering, insurance, real estate services, or auction services;
10. Any purchase of supplies or services from a contract established through a Midwestern Higher Education Compact group purchasing program by a competitive sealed bid or a competitive sealed proposal;
11. A contract may be awarded for supplies or services without competition if the Board determines in writing that the supplies or services are of such a unique nature that the contractor selected is clearly and justifiably the only practicable source to provide the supplies or services, based on either the uniqueness of the supplies or services or the sole availability at the location required;
12. An emergency procurement without advertising the procurement if rentals are not practicable and there exists a threat to public health, welfare, or safety or for other urgent and compelling reasons. The basis for the emergency and for the selection of the particular contractor will be in writing.

**State Reference**

SD DLA

**Description**

Department of Legislative Audit - Bid Booklet - Local government guide for acquisitions, disposals & exchanges

SDCL 1-33B-9

Contracts not subject to Chap 5-18A

SDCL 13-16-6.1

Bidders agreement to state rate and schedule

SDCL 13-20

School district purchases and contracts

SDCL 5-18A-11

Purchases of supplies and services under fifty thousand dollars

SDCL 5-18A-14

Public improvement contracts involving fifty thousand dollars or more

SDCL 5-18A-15

Time for entering into contract

SDCL 5-18A-22

Exempt procurements

SDCL 5-18A-37

Cooperation and agreements with other state and federal purchasing agencies

SDCL 5-18A-5

Procedures for competitive sealed bids

SDCL 5-18A-7

Procedures for competitive sealed proposals

SDCL 5-18A-8

Unique supplies or services

SDCL 5-18A-9

Emergency procurement

SDCL 5-18B

Procurement of Public Improvements

SDCL 5-18C

Procurement by Local Government Units

SDCL 5-18D

Procurement by State Agencies

**Policy Reference**

FEFB

**Description**

BONDS FOR PUBLIC IMPROVEMENT CONTRACTS

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

Revised Date: 11/09/2020

Revised Date: 10/09/2023

## **LOCAL PURCHASING**

In awarding a contract, if all things are equal, including the price and quality of the supplies or services, the school district shall give preference:

1. to a public or private nonprofit corporation geographically located in the State of South Dakota that provides services for persons with disabilities and is certified by the Department of Human Services, if the other equal low bid or proposal was submitted by a business that was not a qualified agency;
2. to a resident business if the other equal low bid or proposal was submitted by a nonresident business;
3. to a resident manufacturer if the other equal low bid or proposal was submitted by a resident business that is not a manufacturer;
4. to a resident business whose principal place of business is located in the State of South Dakota, if the other equal low bid or proposal was submitted by a resident business whose principal place of business is not located in the State of South Dakota; or
5. to a nonresident business providing or utilizing supplies or services found in South Dakota, if the other equal low bid or proposal was submitted by a nonresident business not providing or utilizing supplies or services found in South Dakota.

In computing price, the cost of transportation, if any, including delivery, shall be considered.

A resident bidder shall be allowed a preference on a contract against the bid of any bidder from any other state or foreign province that enforces or has a preference for resident bidders. The amount of the preference given to the resident bidder shall be equal to the preference in the other state or foreign province.

### **State Reference**

SDCL 5-18A-25

SDCL 5-18A-26

SDCL 6-1-2

### **Description**

Preferences for services

Resident bidder preference

Conditions which contract with local officer permitted

### **Policy Reference**

FEFB

### **Description**

BONDS FOR PUBLIC IMPROVEMENT CONTRACTS

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Revised Date: 06/15/2020

**PROCUREMENT PLAN  
FOR CHILD NUTRITION PROGRAMS**

**SECTION I- Procurement Plan Requirements**

The plan for the Platte-Geddes School District #11-5 is to procure items for use in the Child Nutrition Programs and is as follows:

- a. The procurement plan provides for free and open competition, transparency in transactions, comparability, and documentation of all procurement activities.
- b. Regardless of procurement method, the following factors will be determined regarding the allowability of costs:
  - a. Be necessary and reasonable for proper and efficient administration of the program(s)
  - b. Be allocable to federal awards applicable for the administration of the program(s)
  - c. Be authorized and not prohibited under state and local law.
- c. Purchasing will be conducted at the most restrictive procurement threshold:

	<b>Federal Procurement Threshold</b>	<b>Platte-Geddes School District Procurement Threshold</b>
<b>Micro-Purchase</b>	Less than \$10,000	Less than \$10,000
<b>Small Purchase</b>	Less than \$250,000	Less than \$250,000
<b>Formal Purchase</b>	Greater than \$250,000	Greater than \$250,000
<b>Formal Purchase/Services and Supplies</b>	Greater than \$25,000	Greater than \$25,000
<b>Capital Equipment/Not on Pre- Approved List</b>	Greater than \$5,000	Greater than \$5,000

- d. All staff conducting purchasing will be trained on the procurement procedures.
- e. All purchasing records must be maintained no less than the current year plus three additional years.

f. **Buy American Provision**

Section 104(d) amended Section 12(n) of the National School Lunch Act (NSLA) (42 U.S. 1760) to require SFAs participating in the NSLP and SBP in the United States to purchase for those programs, to the maximum extent practicable, domestic USDA Foods or products. For purposes of this provision, the term domestic food commodity or product means an agricultural commodity produced in the United States, including Guam, American Samoa, the Virgin Islands, Puerto Rico, and the Northern Mariana Islands, and food products processed in the United States SUBSTANTIALLY using agricultural USDA Foods that are produced in the United States. For products procured by SFAs for use in the Child Nutrition Programs, the food component of the product is the agricultural commodity. FNS defines food component as one of the food groups which comprise reimbursable meals. The food components are: meats/meat alternates, grains, vegetables, fruits, and fluid milk.

All solicitations that involve the purchasing of a food component shall include a requirement that the SFA purchase domestic commodities to the maximum extent practicable and shall include procedures for limited exceptions. The SFA shall include following language in solicitations:

The Platte-Geddes School District #11-5 participates in the National School Lunch Program and School Breakfast Program and is required to use the nonprofit food service funds, to the maximum extent practicable, to buy domestic commodities or products for Program meals. A domestic commodity or product' is defined as one that is either produced in the U.S. or is processed in the U.S. substantially using agricultural commodities that are produced in the U.S. as provided in 7 CFR 210.21(d).

Exceptions to the Buy American provision are very limited; however, an alternative or exception may be approved upon request. To be considered for an alternative or exception, the request must be submitted in writing to a designated official, prior to the delivery of the product to the school district. The request must include the:

- (1) Alternative substitute(s) that are domestic and meet the required specifications:
  - (a) Price of the domestic food alternative substitute(s); and
  - (b) Availability of the domestic alternative substitute(s) in relation to the quantity ordered.
- (2) Reason for exception: limited/lack of availability or price (include price):
  - (a) Price of the domestic food product; and
  - (b) Price of the non-domestic product that meets the required specification of the domestic product.

g. **Geographic Preference**

The use of statutorily or administratively imposed in-state or local geographic preferences for procurements under USDA entitlement programs is prohibited, except for unprocessed locally grown or locally raised agricultural products. The Food, Conservation, and Energy Act of 2008 (Public Law 110- 246, Section 4302) amended Section 9(j) of the NSLA to allow institutions receiving funds through CNP to apply a geographic preference when procuring unprocessed locally grown or locally raised agricultural products. When geographic preference is used, an SFA must still get quotes from several suppliers when procuring unprocessed locally grown or locally raised agricultural products so that competitors have an opportunity to compete for the bid.

h. **Protest Procedures**

Protest procedures are required. The Platte-Geddes School District will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protester must exhaust all administrative remedies with the Platte-Geddes School District before pursuing a protest with a federal agency. Reviews of protests by the federal agency will be limited to:

- a. Violations of federal law or regulations and the standard of 2 CFR 200.318(k) (violations of state or local law will be under the jurisdiction of state or local authorities).
- b. Violations of the Platte-Geddes School District's protest procedures for failure to review a complaint or protest. Protests received by the federal agency other than those specified previously will be referred to the Platte-Geddes School District.

The Platte-Geddes School District shall include the following written protest procedures in all solicitations:

Any bidder, person, or entity may file a bid protest with the Platte-Geddes School District. The protest shall specify the reasons and facts upon which the protest is based and shall be filed, in writing, to the Platte-Geddes School District no later than 10 business days after the date of the bid award or notice of unsuccessful bid. Platte-Geddes School District will investigate the basis for the bid protest and analyze all facts. The Platte-Geddes School District will notify the Bidder whose Bid is the subject of the bid protest of evidence found as a result of the investigation and afford the Bidder an opportunity to rebut such evidence and permit the Bidder to present any evidence that the bid and/or contract award was done in an unfair or biased manner. Any protest of the proposed award must be submitted in writing to Joel Bailey, Superintendent of Schools, 400 Illinois Avenue, Platte, SD 57369.

The Platte-Geddes School District will issue a written decision within 10 calendar days following receipt of the Bid protest, unless factors beyond the Platte-Geddes School District reasonable control prevent such a resolution, in which event such decision will be issued as expeditiously as circumstances reasonably permit. The decision will state the reasons for the action taken by Platte-Geddes School District. A copy of this decision will be furnished to the protestor and any other parties affected.

The procedure and time limits set forth in this policy are mandatory and are the bidder's sole and exclusive remedy in the event of a bid protest. The bidder's failure to fully comply with these procedures shall constitute a waiver of any right to further pursue the bid protest.

i. **Minority and Women's Businesses**

The Platte-Geddes School District will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps shall include:

- a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- c. 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;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

- e. 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
- f. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

## SECTION II – PURCHASING EQUIPMENT

If the amount of purchases for equipment is greater than \$5,000 the following procedure will be used.

1. Determine if the equipment purchase is allowable and if the equipment is on the South Dakota Child Nutrition Program Approved Equipment List.
  - a. <https://doe.sd.gov/cans/documents/CNPEquipment-Memo2.pdf>
  - b. If the equipment is less than the \$5,000 **and** on the South Dakota Child Nutrition Program Approved Equipment List, the SFA may purchase the equipment and **does not** need further approval. The price quotes will receive appropriate confidentiality before award.
2. If the equipment is over the \$5,000 OR is **not** on the Approved Equipment List, Child and Adult Nutrition Services (CANS) must approve the equipment before it can be purchased. The Platte-Geddes School District will contact CANS for approval.
3. The Platte-Geddes School District shall keep documentation of approval and all documentation related to the procurement of capital equipment.

**Capital Equipment** is defined by Federal regulations as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the Platte-Geddes School District for financial statement purposes, or \$5,000.00.

## SECTION III – MICROPURCHASING

**Name and Title of those responsible for Micro-Purchase Procedures:** Food Service Management Company, Joel Bailey, Superintendent, or Kathy Holter, Business Manager

If the amount of purchases for items is less than \$10,000 the following procedure will be used.

1. The aggregate dollar value of each transaction shall be less than the micro-purchase threshold above. Purchases will not be separated into 2 or more purchases to meet or be below the threshold.
2. Purchase prices shall be reasonable.
3. Micro-purchases shall be spread equitably among qualified suppliers. If the Platte-Geddes School District is unable to spread purchases equitably, it shall document the reason why.

### Micro - Purchase Procedures Table

Store & Category	Justification	Duration/ Frequency
Platte Food Center	Emergency food/supply purchases.	As needed
Dollar General	Emergency food/supply purchases.	As needed
Konechne Plumbing & Heating	Emergency or Minor Repairs, service and parts	As needed
Kuip's Corner Hardware	Emergency or Minor Repairs, service and parts	As needed

## SECTION IV – SMALL PURCHASE PROCUREMENT

**Name and Title of those responsible for Small Purchase Procedures:** Food Service Management Company

If the amount of purchases for items less than \$250,000 Small Purchase Procedures must be followed. Quotes documented from an adequate number of qualified sources will be required.

1. Written specifications will be prepared and given to a minimum of two vendors.
2. The Food Service Management Company will be responsible for contacting potential vendors when price quotes are needed.
  - a. Clear and accurate descriptions of the technical requirements provided for the product, or service being procured shall be provided.
  - b. The Food Service Management Company shall not restrict competition in any way, including unreasonable requirements, excessive bonding, or specifying a brand name without allowing an equal product to be bid.
  - c. Buy American requirements shall be included when applicable.
3. Quotes will be awarded by the Food Service Management Company. An award will be made to the responsive and responsible vendor whose quote is lowest in price.
4. The Food Service Management Company will be responsible for documentation of records to show selection of vendor, reasons for selection, names of all vendors contacted, price quotes from each vendor, and written specifications.
5. The Food Service Management Company will be responsible for documentation that the actual product specified is received at the documented price.
6. Any time an accepted item is not available, the Food Service Management Company will select the acceptable alternate. Full documentation will be made available as to the selection of the acceptable item. Substituted items will not be made at the vendor's discretion.

## SECTION V – FORMAL PROCUREMENT

**Name and Title of those responsible for Formal Procurement Procedures:** Joel Bailey, Superintendent, or Kathy Holter, Business Manager

1. If the amount of purchases is above \$250,000, or a Food Service Management Contract, formal procurement procedures will be used as required by 2 CFR Part 200.318-326.
  - a. When a formal procurement method is required, the following ***COMPETITIVE SEALED BID or an Invitation for Bid (IFB) or COMPETITIVE PROPOSAL in the form of a Request for Proposal (RFP)*** procedures will apply: Time allowed for an Invitation for Bid will be 45 days and time allowed for a Request for Proposal will be 60 days from the time the information is given to vendors until the time of bid opening.
  - b. An announcement of an **Invitation for Bid (IFB) or a Request for Proposal (RFP)** will be placed in The Platte Enterprise, the Charles Mix County News, and the Platte-Geddes School District website (<http://www.platte-geddes.k12.sd.us>) to publicize the intent to purchase needed items. The advertisement for bids/proposals or legal notice will be run for two weeks.

The public advertisement will include:

- A general description of items to be purchased.
  - The deadline for submission of questions and the date written responses will be provided including an agenda to bid specifications, terms and conditions as needed.
  - A date of pre-bid meeting, if applicable, and if attendance is a requirement for bid award.
  - A deadline for submission of sealed bids or proposals, and address of location where complete specifications and bid forms may be obtained.
- c. Any person who develops written specifications or descriptions for procurements will be ***prohibited*** from



- d. submitting bids or proposals for such products or services.
- e. The IFB or RFP will clearly define the purchase conditions. The following list includes requirements, not exclusive, to be addressed in the solicitation document:
- LEA information
  - Description of the goods and services to be procured
  - Contract period
  - The Platte-Geddes School District is responsible for all contracts awarded (statement).
  - Date, time, and location of bid/ proposal opening. (IFB requires a public opening)
  - How a vendor will be informed of bid/proposal acceptance or rejection.
  - The terms and conditions which bidder/proposer must fulfill.
  - Statement assuring efforts will be made to involve minority and small business.
  - Protest procedures
  - Technical requirements, specifications, and forecasted quantities
  - Proposal withdrawal procedures
  - Options for “piggybacking” or adding new products if applicable
  - Type of contract to be awarded (IFB- fixed price only, RFP- fixed price or cost- reimbursable)
  - Criteria for award and method for evaluating cost
  - (Cost-reimbursable contracts only) Statement regarding the return of purchase incentives, discounts, rebates, and credits to the non-profit Child Nutrition account.
  - All required federal contract provisions (as applicable) outlined in 2CFR200 Appendix II.

f. Invitation for Bid

In awarding an Invitation for Bid (IFB) a firm fixed price is awarded to the bidder that is most responsive and responsible and is the lowest in price. An IFB must result in a fixed fee/firm fixed price contract.

g. Request for Proposals

In awarding a competitive negotiation (RFP) a set of award criteria in the form of a weighted evaluation sheet will be provided to each bidder in the initial bid document materials. **Price** alone is not the sole basis for award but remains the **primary** consideration when awarding a contract. Price does not have to be 51% of points but must be the highest weighted criteria.

Evaluation Criteria the Platte-Geddes School District may use to award an RFP.

<i>Weight (points)</i>	<i>Criteria</i>
20	Cost
14	Experience, References
14	Financial, Condition/Stability, Business Practices
10	Personnel Management
9	Service Capability Plan
9	Accounting & Reporting Systems
9	Promotion of the School Food Service Program
8	Innovation
7	Involvement of Students, Staff, and Patrons
100 points	TOTAL

- h. Specifications and estimated quantities of products and services prepared by the Platte-Geddes School District and provided to potential contractors desiring to submit bids/proposals for the products or services requested.
- i. If any potential vendor ask questions regarding the specifications or purchase conditions, interpretation will be provided in writing to all potential bidders by the Platte-Geddes School District.

- j. The Platte-Geddes School District will be responsible for securing all bids or proposals.
- k. The Platte-Geddes School District will be responsible to ensure all SFA/Sponsor procurements are conducted in compliance with applicable Federal, State, and local procurement regulations.

### Formal Purchase Procedures Table

Category	IFB/RFP	Award Type	Evaluation Used	Duration/ Frequency
Contracted Meals	RFP	Fixed Price Contract based on CPI	State Agency Prototype	1 year with option to renew once a year for 4 additional years

## 2. Required Contract Provisions

### a. Contractual Procedures

Contracts for **more than \$250,000** for perishables, **\$25,000** for services or supplies, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

### b. Termination Clause

**All agreements in excess of \$10,000** must address:

- Termination for cause and for convenience by the non-Federal entity, and
- The manner in which it will be affected and the basis for settlement.

The Platte-Geddes School District may use the following sample language in solicitations as applicable:

#### Termination for Cause:

Except as may be otherwise provided by this document, the awarded contract may be terminated in whole or in part by either party to the awarded contract in the event of failure by the other party to fulfill its obligations under the awarded contract through no fault of the terminating party; provided that no such termination may be implemented unless and until the other party is given:

- a. at least thirty (30) days written notice (delivered by certified mail, return receipt requested) of intent to terminate, and
- b. an opportunity for consultation with the terminating party, followed by a reasonable opportunity, of not more than ten (10) business days or such other reasonable amount of time as may be required under the circumstances, to rectify the defects in products or performance, prior to termination.

#### Termination for Convenience

The Platte-Geddes School District may terminate an award prior to the expiration of the term, without cause and without penalty, upon thirty (30) days written notice to the selected Vendor.

### c. Equal Employment Opportunity

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

- **Federally assisted construction contract** means any agreement or modification thereof between any applicant and a person for construction work which is paid for in whole or in part with funds obtained from the U.S. Government or borrowed on the credit of the U.S. Government pursuant to any federal program involving a grant, contract, loan, insurance, or guarantee, or undertaken pursuant to any federal program involving such grant, contract, loan, insurance, or guarantee, or

any application or modification thereof approved by the U.S. Government for a grant, contract, loan, insurance, or guarantee under which the applicant itself participates in the construction work.

- **Construction work** means the construction, rehabilitation, alteration, conversion, extension, demolition, or repair of buildings, highways, or other changes or improvements to real property, including facilities providing utility services. The term also includes the supervision, inspection, and other onsite functions incidental to the actual construction.

The Platte-Geddes School District shall include the following sample language in solicitations as applicable:

The vendor certifies it is an Equal Opportunity Employer, a provider of services and/or assistance, and is in compliance with the 1964 Civil Rights Act, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, as amended, and Executive Orders 11246 and 11375. The vendor assures compliance with the Americans with Disabilities Act of 1990 (Public Law 101-336), all amendments to, and all requirements imposed by the regulations issued pursuant.

d. **Davis-Bacon Act**

When required by Federal program legislation, all **prime construction contracts in excess of \$2,000** awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

- In addition, contractors must be required to pay wages not less than once a week.
- The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation.
- The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination.
- The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States").

- The Act provides that each contractor or sub-recipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.
- The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

e. **Contract Work Hours and Safety Standards Act**

Where applicable, all contracts awarded by the nonfederal entity in **excess of \$100,000 that involve the employment of mechanics or laborers** must include a provision for compliance with 70 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market or contracts for transportation or transmission of intelligence.

- **Laborers and mechanics.** This chapter applies to all laborers and mechanics employed by a contractor or subcontractor in the performance of any part of the work under the contract—
  - including watchmen, guards, and workers performing services in connection with dredging or rock excavation in any river or harbor of the U.S., a territory, or the LEA of Columbia; but
  - Not including an employee employed as a seaman.

f. **Rights to Inventions Made Under a Contract or Agreement**

If the Federal award meets the definition of "**funding agreement**" under 37 CFR §401.2 (a) and the recipient or sub recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that

“funding agreement,” the recipient or sub recipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

**Notes:** reference following definition of terms for this section:

- 37 CFR § 401.2 Definitions. As used in this part— (a) The term **funding agreement** means any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the federal government. This term also includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as defined in the first sentence of this paragraph.
- 2 CFR §200.86 **Recipient**. Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include sub recipients. See also 2 CFR §200.69 Non-Federal entity.
- 2 CFR §200.93 **Sub recipient**. Sub recipient means a non-Federal entity that receives a sub award from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A sub recipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

g. **Clean Air Act**

Contracts **in excess of \$250,000** shall contain provision that require compliance with all applicable standards, orders, or requirements issued under Section 306 of the *Clean Air Act* (42 U.S.C. 1857[h]), Section 508 of the *Clean Water Act* (33 U.S. C. 1368), Executive Order 11738, and *Environmental Protection Agency (EPA) Regulation* (40 CFR §15), which prohibit the use of nonexempt federal contracts, grants, or loans of facilities included on the EPA list of violating facilities. The provision shall require reporting of violations to the grantor agency and to the EPA Assistant Administrator for Enforcement (EN-329). The contract must recognize mandatory standards and policies relating to energy efficiency that are contained in the State Agency conservation plan issued in compliance with the Energy Policy and Conservation Act (Public Law 94-163).

h. **Debarment and Suspension Certification**

An SFA is prohibited from contracting with an individual or company that has been debarred or suspended in accordance with 2 CFR § 180, as adopted and modified by USDA regulations at 2 CFR §417. There are three methods that may be used to verify that vendors have not been debarred, suspended, or excluded or otherwise ineligible for participation in Federal programs:

1. Check <https://www.sam.gov/portal/SAM/##11>
2. Collect certification from vendor
3. Add clause/condition to transaction with vendor

The Platte-Geddes School District will use the following sample language when adding a clause to a solicitation/contract with a vendor:

The Vendor certifies that neither the Vendor or its principals; the sub-recipients or their principals; or the subcontractors or their principals are suspended, debarred, proposed for debarment, voluntarily excluded from covered transactions, or otherwise disqualified by any federal department or agency from doing business with the Federal government pursuant to Executive Orders 12549 and 12689. The Vendor specifically covenants that neither the Vendor nor its principals; the subcontractors or their principals; nor the sub-recipients or their principals are included on the Excluded Parties List System ("EPLS") maintained by the General Services Administration ("GSA"). By responding to this solicitation the Vendor is certifying they are in "Good Standing".

i. **Lobbying Certification**

The Byrd Anti-Lobbying Amendment requires a lobbying certification to be obtained for procurement contracts of more than \$100,000. Any vendor whose contract award is for more than \$100,000 must complete a Certification Regarding Lobbying form. The Platte-Geddes School District will keep this signed certification statement on file with a copy of the vendor's contract.

## SECTION VI - NON-COMPETITIVE NEGOTIATION

**Name and Title of those responsible for Non-Competitive Negotiations:** Food Service Management Company, Joel Bailey, Superintendent, or Kathy Holter, Business Manager

Non-competitive (sole source) procurement are purchases of a specific item which is available from only one contractor who is the sole manufacturer and distributor of the item. The school food service department must document its justification for needing the item and why only this specific item will meet this need.

When faced with a sole source procurement, the Food Service Management Company must go directly to the one source to negotiate terms, conditions, and prices.

If the Food Service Management Company receives an inadequate number of responses to its solicitation and it is determined the procurement resulted in a lack of competition, the Food Service Management Company must review the solicitation document to ensure no overly restrictive requirements or specification were used, an inadequate number of contractors were solicited, or not enough time was provided for contractors to respond to the solicitation document.

If items are available only from a single source ***when the award of a contract is not feasible under small purchase, sealed bid or competitive negotiation***, **NON-COMPETITIVE NEGOTIATION** procedures will be used:

1. Written Specifications will be prepared and provided to the vendor.
2. The Food Service Management Company will be responsible for the documentation of records to fully explain the decision to use the non-competitive negotiation. The records will be available for audit and review.
3. The Food Service Management Company will be responsible for reviewing the procedures to be certain all requirements for using single source or non-competitive negotiation are met.
4. Non-competitive negotiations shall be used for one-time purchases of a new food item in order to determine food acceptance by students and for samples for testing purposes. A record of non-competitive negotiation purchase shall be maintained by the Food Service Management Company. The record of non-competitive purchases shall include, at a minimum, the following:
  - item name
  - dollar amount
  - vendor
  - reason for non-competitive procurement

## SECTION VII – EMERGENCY PURCHASING

1. If it is necessary to make a one-time emergency procurement to continue service or obtain goods, the purchase shall be made, and a log of all such purchases shall be maintained by the Food Service Management Company. The following emergency procedures shall be followed. All emergency procurements shall be approved by Joel Bailey, Superintendent of Schools. At a minimum, the following emergency procurement procedures shall be documented:
  - item name
  - dollar amount
  - vendor
  - reason for emergency
2. If the emergency purchasing need requires a contract, all books, records and other documents relative to the award of the contract must be retained for three (3) years (or until a procurement audit has been completed) after final payment. Specifically, the Food Service Management Company shall maintain, at a minimum, the following documents:
  - Written rationale for award cost or price;
  - A copy of the original solicitation;
  - The bidding and negotiation history and working papers;

- The basis for contractor selection;
- Approval from the State agency to support a lack of competition when competitive bids or offers are not obtained;
- The terms and conditions of the contract;
- Any changes to the contract and negotiation history;
- Billing and payment records;
- A history of any contractor claims;
- A history of any contractor breaches

## **SECTION VIII – RESOURCES AND APPENDICIES**

### **Additional Resources:**

- South Dakota Dept. of Education Child and Adult Nutrition Services Procurement Webpage:  
<https://doe.sd.gov/cans/>
- South Dakota Farm to School Resource Guide Webpage:  
<https://extension.sdstate.edu/south-dakota-farm-school-resource-guide>
- School Nutrition Association Procurement Zone:  
<https://schoolnutrition.org/learning-center/procurement/>
- Institute of Child Nutrition Procurement in the 21<sup>st</sup> Century Resources:  
<https://doe.sd.gov/cans/documents/ICN-procurement.pdf>

Adopted Date: November 18, 2019  
Review Date: 06/15/2020

## FOOD SERVICE CODE OF CONDUCT

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

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal, State, or local award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Officers, employees, and agents of the Platte-Geddes School District may neither solicit nor accept gratuities, favors, or anything of more than \$25.00 value from contractors or parties to subcontractors.

All employees of the Platte-Geddes School District should behave with the utmost integrity, be fair in all aspects of the procurement process, be alert to conflicts of interest, and avoid any compromising situations.

Violations of such standards by officers, employees, or agents of the Platte-Geddes School District are subject to disciplinary action. Based on the severity of the infraction, the penalties could include a written reprimand to the personnel file, a suspension with or without pay, or termination.

The district administrative office may be contacted for questions and concerns regarding procurement solicitations, contract evaluation, and award.

### **Legal Reference**

7 CRF 3016.36(b)

7 CFR 3019.42

### **Description**

Procurement Standards

Codes of Conduct

Adopted Date: October 14, 2019

Review Date: 06/15/2020

## **VENDOR RELATIONS**

The School Board wishes to maintain good working relations with vendors who supply materials, supplies and services to the district. Constructive efforts by the administration to seek the advice and counsel of vendors about how to improve such relationships are encouraged, subject to the limitations of the district's policies.

School officials involved in the selection or purchase of materials and services shall abide by district conflict of interest policies and avoid situations that could interfere, or appear to interfere, with the ability to make free and independent decisions regarding purchases on behalf of the district.

Each purchase shall be made with a commitment to the ethical expenditure of district resources and on the basis of quality, price and delivery, with past service being a factor if all other considerations are equal. Vendors have no obligation to contribute to solicitations from schools and any contributions on behalf of vendors shall be accepted according to applicable district policies with the expectation that the district shall not extend favoritism to any vendor.

No employee shall endorse any product of any type or kind in such manner as will identify him/her in any way as an employee of the District.

### **SOLICITATIONS**

Suppliers are encouraged to submit information about their products to the District's purchasing supervisor. The purchasing supervisor will meet with vendors to discuss their products as time and schedule allow.

### **VENDOR RELATIONS WITH SCHOOLS, STAFF AND STUDENTS**

No agent or salesperson shall be permitted to discuss business propositions, to distribute business propositions, or to canvass students and/or employees on district property unless approved by the Superintendent or a designee.

School officials shall not accept gifts from suppliers, contractors and others doing or seeking to do business with the school system if the gift serves no ethical business purpose or would create an actual or perceived embarrassment to the school district upon public disclosure.

Any employee receiving a gift from a vendor, contractor, or supplier with an estimated value in excess of \$50 shall report such gift to the business manager where a record of such gifts shall be maintained.

### **State Reference**

### **Description**

SDCL 13-20	School district purchases and contracts
SDCL 13-20-2.1	Interest in sale of school equipment unlawful
SDCL 5-18A	Public Agency Procurement
SDCL 5-18B	Procurement of Public Improvements
SDCL 5-18C	Procurement by Local Government Units
SDCL 5-18D	Procurement by State Agencies
SDCL 6-1-1	Local officer's interest in public purchase or contract unlawful

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Review Date: 06/15/2020



## PAYMENT PROCEDURES

All claims for payment from district funds will be processed by the business manager. Payment will be authorized against invoices properly supported by approved purchase orders, against properly submitted vouchers, or in accordance with salaries and salary schedules set by the Board.

List of accounts payable, including payroll lists, will be certified by the superintendent and approved by the Board. Each registered warrant will be signed by the Board president and the business manager will sign the endorsement statement. Actual invoices, statements and vouchers will be available for Board inspection.

The business manager will assume responsibility for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

The school principals will be responsible for observing budget allocations in their respective schools. Each will also serve as custodian of the activity accounts in his or her respective school and will be responsible for their proper handling and expenditures.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 13-18-10	Checks for federal tax payments as preferred obligation
SDCL 13-18-11	Register of warrants not paid for want of funds
SDCL 13-18-12	Validation of registered warrants and refunding bonds
SDCL 13-18-13	Call of registered warrants for payment
SDCL 13-18-9	Registered warrant prenumbered and issued when funds insufficient

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

## **PAYDAY SCHEDULES**

The School Board has established that all employees will be paid for their services on the twentieth day of each month. If the 20<sup>th</sup> fall on a holiday or weekend, the payment will be made on the last working day preceding the 20<sup>th</sup>.

Employees will normally be paid on a twelve (12) month schedule.

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Review Date: 06/15/2020

## **SALARY DEDUCTIONS**

Deductions will be made from the paychecks of all employees for federal income tax, for retirement in keeping with state requirements and for OASI (Social Security).

### **ADDITIONAL DEDUCTIONS**

In addition, the Board authorizes the following types of deductions from employee salaries, provided the employee has filed the proper permission or payroll withholding:

1. Employee contributions to the health and life insurance programs and any other similar programs that are or may be approved by the Board.
2. Deductions for tax-sheltered annuity programs.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 3-10	Voluntary salary deductions
SDCL 3-11	Social security coverage
SDCL 3-12	SD retirement system

Adopted Date: 05/14/2007  
Revised Date: 10/11/16  
Reviewed Date: 06/15/2020

## EXPENSE REIMBURSEMENTS

Personnel and officials who incur expenses in carrying out their authorized duties will be reimbursed by the district upon submission of a properly filled out and approved voucher and such supporting receipts as required by the business manager. Reimbursement will be in accordance with Board approved travel allowance, which will comply with the limits established by the State Board of Finance.

Only expenses essential to the purpose of the trip will be reimbursed. Expenditures for telephone calls, entertainment and similar expenses are personal in nature and are not reimbursable.

Such expenses may be approved and incurred in line with budgetary allocations for the specific type of expense.

The use of district vehicle vehicles is encouraged. However, if a district vehicle is not available, mileage payment will be made at the rate currently approved by the Board, and in accordance with the State Board of Finance.

School district employees will be reimbursed at one-half of the rate approved by the Board if a personal vehicle is used when a district vehicle is available.

<b><u>State Reference</u></b>	<b><u>Description</u></b>
SDCL 3-9	Travel Expenses and Allowances (§§ 1, 2, 5, 5.1, 5.2, and 8 thru 17)
SDCL 4-7-10.4	Budgeting and appropriations for compensation of board members

Adopted Date: 05/14/2007

Revised Date: 10/11/16

Reviewed Date: 06/15/2020

## **CASH IN SCHOOL BUILDINGS**

Money collected by school district employees and by student treasures will be handled with good and prudent business procedures both to demonstrate the ability of school system employees to operate in that fashion, and to teach such procedures to the students.

All moneys collected will be receipted and accounted for and deposited properly.

The amount of money retained overnight in schools will be limited to that needed for day to day operation. All depositories used by the school district will provide for making bank deposits after regular banking hours in order to avoid leaving large sums of money in the building overnight.

Cafeteria receipts, other than moneys needed for daily operations, will be deposited daily.

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## **SURPLUS PROPERTY**

### **Personal Property:**

The Board may sell property of the school district that it considers no longer necessary, useful or suitable for school purposes. No board action is required to sell, trade, destroy, or dispose of consumable school supplies, printed text, or subscriptions. All personal property sold must be appraised by three real property owners of the school district unless that property is to be traded for other property, destroyed, transferred to another political subdivision, was created as result of an educational program, or is to be sold at public auction. The governing board may employ a person or persons licensed by the state to do fee appraisals in lieu of property owners.

Property appraised for less than \$500 may be sold without advertising for bids. Property, including property created as a result of an education program, appraised for more than \$500 will be advertised for sale in the official newspaper for two consecutive weeks, the first publication may not be less than 10 days before the sale. The notice of sale will describe the property to be sold and the time when the Board or its representative will open bids. Sealed bids will be filed with the business manager and opened at the Board meeting as specified in the notice.

The Board will sell the property to the highest bidder. However, the board may reject any or all bids.

In lieu of the acceptance of bids, school property may be sold at public auction. The auction will be advertised by posting notices and newspaper advertising as described above. Personal property sold at public auction need not be appraised. The Board may establish auction minimum sale prices.

Any school district library may discard over-duplicated, outdated, inappropriate or worn library materials in accordance with state laws. Such discarded materials may be given to other libraries or to nonprofit agencies, destroyed, offered for public sale or traded to a vendor for future library material purchasing credits.

### **Real Estate:**

The school district may sell real property through sealed bids, at public auction or by listing the property with one or more licensed real estate brokers. The Board may accept any offer for purchase of real property. If the District sells real property by public auction or through a real estate broker, the Board shall give notice of the sale of the real property and the appraised value of the real property from the appraisal report on file with the Business Manager.

### **Transfer of Property to another Political Subdivision:**

Pursuant to SDCL Ch. 6-5, the Board may exchange or transfer property to another political subdivision without offering the property for sale and without requiring the political subdivision or nonprofit corporation to pay for the property. The governing boards of the respective jurisdictions will determine the terms and conditions of this exchange or transfer.

**State Reference****Description**

SDCL 13-15-7	Conveyance of district property to US for ed. purposes
SDCL 13-24-4	Exchange of property
SDCL 13-24-9	Board power over school buildings
SDCL 6-13	Disposal of Surplus Government Property
SDCL 6-5	Exchanges of property and work

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