

SECTION D FISCAL MANAGEMENT

D-0050 **AUSD10** DA FISCAL MANAGEMENT GOALS / PRIORITY OBJECTIVES

The Governing Board recognizes that adequate financial support and sound business management are the foundations on which the educational program is based. To make the support as meaningful as possible, the Governing Board desires that:

- ♦ Thorough and exhaustive planning at all levels of the ~~school system~~ District be a continuous operation.
- ♦ The planning process be coordinated through budgetary procedures conforming to state law, regulations established by state agencies, and the policies of the Governing Board so that the maximum educational benefit is attained.
- ♦ All practical sources of financial support present within the community be utilized.
- ♦ The finances entrusted to the School District be properly accounted for and information made available through proper reporting procedures.
- ♦ The community's financial resources be utilized in the most efficient and economical manner so that the maximum educational benefits are achieved.

Adopted: date of ~~manual~~**Manual** adoption

**D-0150 © DB
ANNUAL BUDGET**

The Superintendent is directed to formulate the annual budget, considering at all times that resources must be utilized to produce the most positive effect on the student's opportunity to gain an education.

The Superintendent shall be responsible for reviewing budgetary requests, providing guidelines and limitations, and presenting the proposed budgets and documentation necessary for Board study, review, and action.

The Governing Board shall be informed if the proposed budget could require an increase in the primary property tax levy of the District over the preceding year's tax levy.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-821

15-905

15-905.01

15-910

15-919

15-2201

D-0300 © DBC
BUDGET PLANNING, PREPARATION, AND SCHEDULES

Each school year the Superintendent shall prepare and disseminate a budget preparation schedule to accomplish all required budgetary actions for the following school year. This schedule will, as a minimum, provide specific dates for the accomplishment of all state-mandated actions.

Adopted: date of ~~manual~~Manual adoption

LEGAL REF.: A.R.S. 15-481

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BUDGET PLANNING, PREPARATION, AND SCHEDULES

The associate superintendent will prepare a schedule of budget deadlines for presentation to the Superintendent each year. This schedule will cover all actions necessary to prepare the budget for the following school year.

The following items may be included in the recommended budget schedule:

- ♦• Specific date for receipt of unit budgets from administrators.
- ♦• Date for initial meeting with appropriate staff members on the budget.
- ♦• Dates for the **fortieth (40th)** day and **one hundredth (100th)** day attendance reports.
- ♦• Date(s) for estimates on the maintenance and operations and capital budgets.
- ♦• Date for completion of salary consideration(s).
- ♦• Date for publication of proposed budget.
- ♦• Date for notice of budget hearing to be published.
- ♦• Date(s) to submit reports or information to county and state school offices.
- ♦• Date(s) for override, if appropriate.
- ♦• Date for budget hearing on following year's budget.

Adopted: date of manual adoption
LEGAL REF.: A.R.S. 15-481 15-905

D-0550 © DBF
BUDGET HEARINGS AND REVIEWS / ADOPTION PROCESS

The Board shall prepare a notice fixing the time - not later than July 15 - and place at which a public hearing and Board meeting shall be held to present the proposed budget for consideration of the residents or taxpayers of the District. If a truth-in-taxation notice and hearing is required under A.R.S. 15-905.01, the Board may combine the budget notice and hearing with the truth-in-taxation notice and hearing.

The publishing of the proposed budget and notice of the hearing and meeting shall be in accordance with A.R.S. 15-905. If a truth-in-taxation notice and hearing is necessary, the notice shall be in accordance with A.R.S. 15-905.01. If the Board determines to combine the budget and truth-in-taxation hearings, publication of a combined notice must satisfy the requirements of both A.R.S. 15-905 and 15-905.01.

Immediately following the public hearing the President shall call to order the Board meeting for the purpose of adopting the budget. A Board member may, without creating a conflict of interest, participate in adoption of a final budget even though the member may have substantial interest in specific items included in the budget.

The Board shall adopt the budget and enter the budget as adopted in its minutes.

Filing of the budget shall be according to state law.

If the Governing Board receives notification that one (1) or more of the District's categorical budgets are in excess of its authorized limit, the Board shall revise the affected budget(s) in accordance with A.R.S. 15-905.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-905

15-905.01

15-911

15-915

15-948

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DBI BUDGET IMPLEMENTATION

A system of fiscal control shall be established to govern the administration of the budget and the expenditures of funds.

The Superintendent shall have responsibility for administering the operating budget of the School District after it has been adopted by the Governing Board. Expenditures of funds shall not exceed the major budget classification allowance against which the proposed expenditure is the proper charge. Budget controls shall be developed and operated for all schools and departments in conformity with legal requirements and the actions of the Governing Board.

Adopted: date of **manualManual** adoption
LEGAL REF.: A.R.S. 15-905

^D-0800 © DBJ
BUDGET TRANSFERS

Periodically throughout the year, the budget will be reconciled ~~with~~to the actual expenditures of the District.

The Governing Board may authorize the expenditure of monies budgeted within the maintenance and operation section of the budget for any subsection within the section in excess of amounts specified in the adopted budget only by action taken at a public meeting of the Governing Board and if the expenditures for all subsections of the section do not exceed the amount budgeted ~~as provided in this section.~~The Governing Board may authorize the expenditure of monies to exceed the budgeted expenditures of the capital outlay section of the budget only by action taken at a public meeting of the Governing Board and if monies are available in the reserve.

Adopted: date of ~~manual~~Manual adoption
LEGAL REF.: A.R.S. 15-905(G)

D-0950 © DD
FUNDING PROPOSALS, GRANTS, AND SPECIAL PROJECTS

The Governing Board is to be kept informed of possible sources of state, federal, and other funds for the support of the schools and/or for the enhancement of educational opportunities. The Superintendent is to apprise the Board of its eligibility for general or program funds and to make recommendations for Board action.

Adopted: **April 10, 2007** date of Manual adoption

LEGAL REF.: A.R.S. 15-206

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15-208

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15-210

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FUNDING PROPOSALS, GRANTS, AND SPECIAL PROJECTS

RESOLUTION

WHEREAS, participation in programs funded in whole or in part by federal funds requires that a participating district demonstrate that the district meets the requirement of comparability between schools that receive federal funding and those that do not receive such funding, and that the district provide for equivalency of access to district staffing, equipment, and materials by all district schools, based on student per-capita allocations and individual schools' needs analyses, and, in addition, that all schools and programs have equivalent access to district support operations including but not limited to maintenance, transportation, and warehousing operations support; and

WHEREAS, budgets for staffing, textbooks, equipment, supplies, and services for district schools will be provided for at all schools without supplanting special funding provided from any source with nonsupplanting requirements; and

WHEREAS, expenditures budgets for schools participating in Title I programs will be provided for on the same per-capita basis as budgets for schools not participating in the program; and

WHEREAS, the _____ School District No. ____ intends to participate in such programs and receive federal funds;

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the _____ School District No. ____ hereby directs the Superintendent to ensure that said district does in fact comply with such mandates for comparability and equivalency of access for the period of any grant under which such funds are received.

This resolution was moved, seconded, and passed at a meeting of the _____ Governing Board on _____, 20____.

ATTEST: _____ President

D-1000 AUSD10 DDA
FUNDING SOURCES OUTSIDE THE SCHOOL SYSTEM DISTRICT

The District may submit proposals to private foundations and other sources of financial aid for subsidizing such activities as innovative projects, feasibility studies, long-range planning, research and development, or other educational needs.

All grants Timelines permitting, grant proposals are to be approved by the Board prior to acceptance of before being submitted to the funding agency. The Superintendent shall establish administrative guidelines for the processing of proposal ideas to the Board for its approval.

The Governing Board may receive, hold, and dispose of any gift, grant, or bequest of property or equipment in accordance with state law and the intent of the instrument conferring title.

The Governing Board may also accept gifts, grants, or devises of money. The disposition of unused funds from these sources shall be in accordance with law.

Grants from Private Sources

The Governing Board may accept on behalf of and for the School District any bequest or gift of money or property for a purpose deemed by the Governing Board to be suitable, and to utilize such money or property so designated. The acceptance of gifts of real property shall be submitted to the electorate unless:

- The gift occurs in lieu of a purchase already authorized and funded by a bond election; *or*
- The gift is one that involves no hidden or indirect costs to the District and no other expenditure as a condition of acceptance of the gift.

The Superintendent shall set up a procedure for examining and evaluating offers of gifts to the school District and criteria to be met in the acceptance of gifts.

Every gift shall be given to the School District as a whole, and not to a particular school. At the discretion of the Superintendent, the gift may be used in a particular school.

If not inconsistent with the terms of the gifts, grants, and devises given, any balance remaining after expenditures for the intended purpose of the monies have been made shall be deposited in accordance with state law.

Adopted: April 10, 2007 date of Manual adoption
LEGAL REF.: A.R.S. 15-341

CROSS REF.: KCD - Public Gifts/Donations to Schools

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D-1011 **AUSD10** DDA-R
FUNDING SOURCES OUTSIDE THE SCHOOL SYSTEM
DISTRICT
(GRANTS FROM PRIVATE SOURCES)

Any gift presented to the School District must be accompanied by a letter from the donor for official action and recognition by the Governing Board.

To be acceptable, a gift must satisfy the following criteria:

- ♦ It will have a purpose consistent with those of the school.
- ♦ It will be offered by a donor acceptable to the Governing Board.
- ♦ It will not add to staff load.
- ♦ It will not begin a program that the Governing Board would be unwilling to take over when the gift or grant funds are exhausted.
- ♦ It will not bring undesirable or hidden costs to the School District.
- ♦ It will place no restriction on the school program.
- ♦ It will not be inappropriate or harmful to the best education of pupils.
- ♦ It will not imply endorsement of any business or product.
- ♦ It will not be in conflict with any provision of the school code or public law.

Any gifts, grants, or bequests shall become School District property.

Before approval by the Governing Board, except in instances where the gifts are by will or similar disposition, all donors shall consult with the Superintendent and principal before gifts are presented to ensure usability of such gifts.

A letter of appreciation signed by the President of the Governing Board and by the Superintendent shall be sent to the donor.

^D-1250 © DEC
FUNDING FROM FEDERAL TAX SOURCES
(Impact Aid Program)

Regardless of any other law, if the District receives assistance pursuant to Title VIII of the Elementary and Secondary Education of 1965, as amended (Impact Aid Program), the District shall establish a local level fund designated as the Impact Aid Fund and deposit the Impact Aid monies received in the Fund.

The District shall separately account for monies in the Fund and shall not combine monies in the Fund with any other source of local, state, and federal assistance. Monies in the Fund shall be expended pursuant to federal law only for the purposes allowed by Title VIII and A.R.S. 15-905. The District shall account for monies in the Fund according to the Uniform System of Financial Records (USFR) as prescribed by the Auditor General.

If the District has established an Impact Aid Fund, the Superintendent of Public Instruction shall separately account for monies in the District's Impact Aid Fund in the annual report required by A.R.S. 15-255.

Monies in the Fund are considered federal monies and are not subject to legislative appropriation.

Adopted: date of **manual** Manual adoption

LEGAL REF.: A.R.S. 15-905 20 U.S.C. 7701, Title VIII - Impact Aid Program

CROSS REF.: IHBJ - Indian Education

KJGA - Relations with Parents of Children Educated Pursuant to
Federal Impact Aid Programs

D-1350 © DFA
REVENUES FROM INVESTMENTS

The Board will annually consider and vote on a request to the County **Supervisors****Treasurer** to authorize investments for the following fiscal year. The Superintendent shall ensure that this question is placed on an agenda for a Board meeting in June of each year.

Adopted: date of **manual****Manual** adoption

LEGAL REF.: A.R.S. 15-996

15-1024

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15-1026

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I82-090

D-1450 © DFB
REVENUES FROM SCHOOL - OWNED REAL ESTATE

Revenues collected from rental or lease of school-owned real estate shall be deposited in the Civic Center fund. Monies from sale of school-owned real estate shall be deposited as allowable under state statutes.

Adopted: April 10, 2007 date of Manual adoption

LEGAL REF.: A.R.S. 15-342

15-1102

15-1105

15-1106

D-1550 © DFD
GATE RECEIPTS AND ADMISSIONS

Admission receipts from school events shall be adequately controlled. The Superintendent is responsible for the proper collection, supervision, disbursement, and/or remittance of these fees.

Admission to school events for which an admission is charged ordinarily will be by purchased ticket or special pass only. Adequate records will be maintained for accounting purposes.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-1121 to 15-1126

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INCOME FROM SCHOOL SALES AND SERVICES

Vocational Activity Income

Through certain vocational activities, students may provide goods and services at a charge to the public. These activities are designed for educational purposes, not to make a profit or to be competitive with business in the community. The charges for work performed and goods sold through these activities will be kept current with costs for the particular service or item offered for sale.

Advertising Income

A District advertisement fund shall be established for the deposit of revenues if the District sells advertising.

MoniesAll revenues collected will be deposited and accounted for in accordance with the Uniform System of Financial Records. **Monies in the advertising funds are not subject to reversion.**

Adopted: date of **manual**Manual adoption
LEGAL REF.: A.R.S. 15-342 15-1121
CROSS REF.: KHB - Advertising in Schools

D-1750 © DG
BANKING SERVICES

The Board, **by majority vote**, shall designate one **(1)** or more banks as depository for the safeguarding of school auxiliary and revolving funds **by a majority vote of the Board**.

Each designated depository shall furnish proper security for such deposits in the amount designated by the Board and in accordance with law.

Each designated depository shall be advised not to cash checks payable to the District but to deposit checks only to the District auxiliary accounts.

Adopted: date of **manualManual** adoption

LEGAL REF.: A.R.S. 15-341**(21)(22)**

15-1126

**D-1800 © DGA
AUTHORIZED SIGNATURES**

Authorized signatures for all checking accounts shall be approved by the Board.
Accounts requiring two authorized signatures as On accounts required by statute
shall conform to such to have two (2) signatures, the signatories shall be as
specified by the statutes.

Adopted: date of *manual* Manual adoption

LEGAL REF.: A.R.S. 15-321(F)

15-1122(A)

15-1126

**^D-1950 © DGD
CREDIT CARDS
(Credit Cards and/or Procurement Cards)**

Use of Credit Cards/ Procurement Cards

The Governing Board acknowledges that instances may occur when ready payment for goods or services is in the District's best interest. Therefore, the Board authorizes the Superintendent to secure and assign controlled-limit credit/procurement cards to designated personnel. District-assigned credit/procurement cards may not be used for personal expenditures.

The use of credit/procurement cards is to be closely monitored and payment of statements for authorized purchases are to be made as promptly as possible to avoid fees and charges for the use of such cards.

The Superintendent is directed to develop regulations for the use of District-assigned credit/procurement cards. Such regulations are subject to Board review and approval.

The Board reserves the right to revise or rescind this policy at its sole discretion.

Definition of Credit/ Procurement Card

The District defines "credit card" and "procurement card" as a form of payment in lieu of cash, purchase order, or check. The credit/procurement card must bear the applicable Visa, Master Card, Discover, American Express or petroleum company logo.

Adopted: date of Manual adoption

LEGAL REF.: A.R.S. 15-342

38-621

38-622

38-623

38-624 38-625

Uniform System of Financial Records

CROSS REF.: DKC - Expense Authorization/Reimbursement

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CREDIT CARDS
(Credit Cards and/or Procurement Cards)

Purposes

The issuance and use of a credit/procurement card is to provide an alternative purchasing mechanism when traditional payment/procurement methods are not feasible.

A credit/procurement card may be used to facilitate the payment of travel expenses such as hotels, meals and registrations for training and education while conducting District business, including fuel for District-owned vehicles.

Authorized Card Holders

Persons designated as authorized credit/procurement card holders must agree to abide by the procedures described in this regulation.

The holders will be held liable for any unauthorized use of a District-assigned credit/procurement card, which may result in disciplinary action up to and including the loss of employment and other actions provided by law.

Except for business department personnel performing authorized office duties, no person other than a designated holder is to have access to or use of a District-assigned credit/procurement card.

Scope

The credit/procurement card is to be used only when the items and/or services to be purchased are for the official use of the District. *No personal use of a credit/procurement card is allowed.*

District-assigned credit/procurement cards may be used only when one (1) of the following conditions exists:

- When a vendor will not accept a purchase order or offer billing terms.
- When the purchase must be made during an "*emergency*." For the purpose of this regulation, *emergency* means payment for a purchase must be made before the next accounts payable check run. A memo bearing the Superintendent's signature of approval must be presented explaining the circumstances and nature of the emergency.
- When a revolving fund check cannot be used.

Credit/Procurement Card Purchasing Limitations

The following are District-established credit/procurement card purchasing limitations:

- A single purchase may not exceed a maximum of five thousand dollars (\$5,000).
- Cumulative purchases by a card holder may not exceed twenty-five thousand dollars (\$25,000) during a statement month.

A purchase made using a District-assigned credit/procurement card may not violate any District purchasing policy or regulation. All purchases must be appropriate and in the best interest of the District. Violation may result in termination of the employee's credit/procurement card privileges.

Credit/Procurement Card Transaction Requirements for Physical, Verbal, and Internet Orders

When a District-assigned credit/procurement card is required for a physical, verbal or internet purchase, the following steps must be taken:

- Prior to use of the credit/procurement card, the card holder is to submit a purchase order requisition form to the District business office accompanied by the following:
 - A detailed description of the items and/or services to be purchased using the credit/procurement card.
 - The date the purchase will be made.
 - The actual amount of the purchase. If the actual amount is not known an estimate may be stated, but *the amount of the purchase cannot exceed the stated amount.*
 - Proper account coding information.
 - Signatures of the requester and the approving authority.
- The holder must verify that a purchase order has been created and approved *before* a credit/procurement card transaction occurs.
- When a credit/procurement card is used the card holder must promptly submit all receipts and other related documentation to the business office. The documentation should clearly indicate the employee making the purchase and

the specific school purpose for the expenditure. Receipts for fuel or vehicle repairs are to include the vehicle license number.

Credit/Procurement card statements must be addressed directly to the business office and not to the card holder. All purchase transaction receipts must be reconciled to the monthly credit/procurement card statements prior to entry on an expense voucher. As credit/procurement card companies may charge fees and interest, payments must be made in a timely manner to avoid finance charges.

Use of a Credit/Procurement Card for Travel

Reservations must be made through the purchasing office. A completed professional leave form must be submitted along with the necessary information. The business office will provide the credit/procurement card information to the selected vendor.

D-1981 © DGD-E
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CREDIT CARDS

DISTRICT-ASSIGNED CREDIT/PROCUREMENT
CARD HOLDER AGREEMENT

By my signature I hereby acknowledge that I have read and understand the _____ School District's credit/procurement card policy and regulations. Furthermore, I affirm that I will not use the credit/procurement card for personal reasons. I understand that a violation of this agreement may result in disciplinary action up to and including termination, and possible legal action.

Signature Position

name Date signed

Printed

D-2050 © DH
BONDED EMPLOYEES AND OFFICERS

The Governing Board requires bonding of student activities treasurers and other school employees to cover fidelity and loss of money. The amount of bond will be prescribed by the Board, except that no revolving fund shall be established unless the designated custodian is bonded for an amount equal to twice the amount of the fund. In determining the amount and type of other bonds, the Board will consider the amount of money in accounts during the period of time covered by the bond. The cost of bonding shall be ~~defrayed~~paid by the District.

Adopted: date of ~~manual~~Manual adoption

LEGAL REF.: A.R.S. 15-1101

15-1122

15-1126

D-2150 © DI
FISCAL ACCOUNTING AND REPORTING

The Superintendent shall be ultimately responsible for receiving and properly accounting for all funds of the District.

The Uniform System of Financial Records developed by the State Department of Education and the Auditor General's Office shall be used to provide for the appropriate separation of accounts and funds.

The Superintendent shall provide to the Board periodic financial reports showing the financial condition of the District.

The Superintendent shall also be responsible for student accounting and shall report enrollment and attendance as required by the state.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-239

15-271

15-272

15-901

**^D-2200 © DIA
ACCOUNTING SYSTEM**

Records of all phases of the business operation shall be kept in strict accordance with the Uniform System of Financial Records, other applicable laws, and the policies of the Board.

The District may apply to the State Board of Education (SBE) to assume accounting responsibility, in which case the District shall develop and file with the SBE an accounting responsibility plan as specified in A.R.S. 15-914.01. An approval by the SBE for the District to assume accounting responsibility compels the District to contract with an independent certified public accountant for an annual financial and compliance audit.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-239
15-914.01
15-271
15-272

CROSS REF.: **DI - Fiscal Accounting and Reporting**
DIC - Financial Reports and Statements

D-2250 © DIB
TYPES OF FUNDS / REVOLVING FUNDS

General Purpose Revolving Fund

A general purpose revolving fund shall be established, pursuant to A.R.S. 15-1101, at a local bank in the account name of the Amphitheater Unified School District No. 10. Drafts drawn on the account shall be signed by the employee in charge of the fund or other designated person.. The fund shall be managed in the manner prescribed by the **U.S.F.R**Uniform System of Financial Records (USFR). No revolving fund may be established unless the designated employee in charge is bonded for an amount equal to twice the amount of the fund. The cost of the bond shall be a proper charge against the District.

Auxiliary Operations Fund

The auxiliary operations fund shall consist of monies raised with the approval of the Board in pursuance of and in connection with all activities of school bookstores and athletic activities.

Fund monies shall be accounted for in accordance with the requirements of the **U.S.F.R**USFR.

Fund monies shall be deposited afterAfter authorization by the Board, **fund monies shall be deposited** in a bank account designated as the auxiliary operations fund. Disbursements from the fund shall be authorized by the Board. Disbursements shall be made by check signed by two (2) employees of the District designated by the Board. Persons authorized by the Board to sign checks shall be bonded, and the cost shall be charged against the fund.

Auxiliary operations fund monies may be invested and reinvested by the Board. All monies earned by investment shall be credited to the auxiliary operations fund.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-1101

15-1124

15-1125

15-1126

15-1154

CROSS REF.: JJF - Student Activities Funds

^D-2300 © DIC
FINANCIAL REPORTS AND STATEMENTS

Prior to October 15 of each year, the Superintendent shall present to the Board the annual financial report for the previous fiscal year. The District annual financial report shall be published by November 15 either in a newspaper of general circulation within the District, by electronic submission to the Department of Education for publication on its web site, in the official newspaper of the county, or by mailing to each household in the School District. If published electronically as indicated above, a link shall be posted on the School District web site to the state department's web site.

The Superintendent shall also ensure that a report of expenditures of public funds and student activity funds is provided to the Board on a monthly basis.

Adopted: April 10, 2007 date of Manual adoption

LEGAL REF.: A.R.S. 15-271

15-302

15-904

15-919.06

15-977

15-991

CROSS REF.: CM - School District Annual Report

**^D-2350 © DID
INVENTORIES**

The Superintendent shall establish **procedures** a **program** to implement District inventory procedures, which shall include inventory of land, buildings, and equipment as required in the Uniform System of Financial Records (USFR).

The acquisition threshold for capitalizing items and entering them on the general fixed assets listing shall be five thousand dollars (\$5,000) or greater. Items having an acquisition cost greater than one thousand dollars (\$1,000) but less than five thousand dollars (\$5,000) shall be placed on the stewardship listing. General fixed assets and stewardship items shall be inventoried as specified by the USFR.

Adopted: **September 6, 2005** *date of Manual adoption*
LEGAL REF.: Uniform System of Financial Records

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INVENTORIES

The Finance Department has responsibility to assist the Superintendent in developing procedures for maintaining District inventories. The District will follow the prescribed minimum internal control policies and procedures provided by the Uniform System of Financial Records to meet compliance requirements for inventories.

A copy of **completed inventories**the **complete inventory** shall be on file in the Finance Department **Accounting Section**. **In order to comply with Governmental Accounting Standards Board (GASB) procedures, a fixed inventory system al all.** **A detailed listing of** capital assets such as land, buildings, machinery and equipment, vehicles, infrastructure, and easements must be established **as prescribed by the Governmental Accounting Standards Board (GASB)**. Assets, including lands and buildings, and improvements to land and/or existing buildings, having a total acquisition cost of five thousand dollars (\$5,000) **and above in value shallor more will** be tagged, marked, capitalized and included in the general fixed-assets inventory. To comply with the requirements of GASB Statement number 34, accurate, complete, and up-to-date documentation including, but not limited to, the following shall be maintained:

- An inventory record registering for each item the:
 - description;
 - year of acquisition;
 - method of acquisition;
 - funding source;
 - cost or estimated cost;
 - salvage value;
 - estimated useful life;
 - function(s) for which the asset is used.
- A depreciation schedule that:

- includes all exhaustible capital assets, by type, with examples;
 - excludes non-exhaustible capital assets and construction in process;
 - is based on locally-determined estimated useful life, typically in years;
 - projects residual value at the end of useful life;
 - identifies the method used for calculating depreciation;
 - identifies the selected averaging condition, where applicable.
- A disposal listing of items removed from the inventory, including at minimum the date and method of disposal.

The Straight-Line Depreciation method will be used. The Finance Department, in coordination with the Facilities Support Services Department, will determine useful lives of the assets. A physical inventory of all depreciable assets shall be conducted annually.

For the purposes of safekeeping, a stewardship inventory shall also be maintained for all equipment, including vehicles, costing between one thousand dollars (\$1,000) and four thousand nine hundred ninety-nine dollars (\$4,999), which shall be tagged, marked, and inventoried at least every three (3) years in compliance with the Uniform System of Financial Records (USFR) for Arizona school districts. A supply inventory shall be maintained for all supplies warehoused by the District. The inventory must identify each item's description, identification (tag) number, location, and the month and year of acquisition.

For insurance and other purposes, an inventory of items with an acquisition cost of less than one thousand dollars (\$1,000) may be maintained.

The District shall conduct a physical inventory of listed equipment:

- at least every two (2) years for items:
 - purchased with federal funds;
 - with an acquisition cost of five thousand dollars (\$5,000) or more.
- at least every three (3) years:
 - for all capital equipment;
 - for items on the stewardship list, where such list exists.

Facility administrators shall implement the procedures, maintain lists, and provide reports as requested on the contents of their buildings.

Each administrative unit shall assist in completing an annual inventory of all capital furniture and equipment, library media, and textbooks at its location. Facility administrators shall require any employee who desires to remove an item from one school or department for use in another to submit a written transfer request form to the business manager. Written approval must be obtained from the business manager prior to the relocation of an item.

Supply records shall be kept, which will show:

- The name of the individual receiving the supplies.
- The date received.
- The disposition of the supplies.

A perpetual inventory shall be maintained for all supplies warehoused by the District.

D-2400 © DIE
AUDITS / FINANCIAL MONITORING

The Governing Board directs the Superintendent to implement procedures that assure District compliance with all state and federal requirements for financial monitoring and audits. Contingent upon prescribed qualifying criteria, the District shall have its records and financial statements audited by a certified public accountant, appointed by the Board. Such audit(s) shall be subject to the requirements of the Single Audit Act Amendments of 1984/2003 and the State Auditor General for internal control procedures.

A certified public accountant shall be appointed by the Board pursuant to the Arizona Administrative Code requirement for the procurement of services. Audit fees shall be charged to the appropriate funds as required by law.

The procurement of the necessary services shall be consistent with the District's policy on bidding and purchasing procedures. Any allocation of costs for the services shall conform to the requirements of the Uniform System of Financial Records (USFR).

The completed auditA final report of each separate fiscal management review shall be presented to the Board for examination and discussion. The audit report shall be aAfter a report has been presented to the Board, it will become a matter of public record, and copiesits distribution will not be limited. Copies of a final report shall be filed with theappropriate state and other appropriate authorities.

Adopted: date of manualManual adoption

LEGAL REF.: A.R.S. 15-239

15-914

15-2111

41-1279.04

41-1279.05

41-1279.07

41-1279.21

41-1279.22

A.A.C. R7-2-902

USFR Audit Requirements

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AUDITS / FINANCIAL MONITORING

Each program, instructional unit, and department shall prepare and maintain such financial records as are directed by the Superintendent. The documents shall be accurate and of essential sufficiency to enable the District to comply with all requirements for financial monitoring and audits, both internal and external.

In addition to special reviews that may be conducted as necessary, the District will comply with the following minimum requirements to demonstrate proper management of and accountability for its fiscal resources:

- Whenever the District's expenditure of federal financial assistance is less than five hundred thousand dollars (\$500,000) during a fiscal year, the District shall be subject to a procedural review conducted by the Office of the Auditor General at times determined by the Auditor General, subject to the following provisions:

- Districts that have adopted a Maintenance and Operations Fund (M&O) budget of two million dollars (\$2,000,000) or more shall contract with an independent certified public accountant to conduct an annual financial statement audit in accordance with generally accepted governmental auditing standards.

- Districts that have adopted a Maintenance and Operations Fund (M&O) budget between seven hundred thousand dollars (\$700,000) and two million dollars (\$2,000,000) shall contract with an independent certified public accountant to conduct a biennial financial statement audit in accordance with generally accepted governmental auditing standards.

- Whenever the District's combined expenditure from all sources of federal financial assistance is five hundred thousand dollars (\$500,000) or more during a fiscal year, the District shall contract with an approved independent auditor to conduct an annual financial audit. The audit shall be performed in accordance with generally accepted auditing standards in compliance with the requirements of the federal Single Audit Act Amendments of 2003 and any implementing regulations of the Office of Management and Budget (OMB).

To the extent permitted by federal law, the District:

- may convert to a biennial audit schedule when the previous annual audit contained no *significant negative findings*, defined as the District having received a letter of noncompliance issued by the auditor general;

- shall convert back to an annual audit whenever an audit produces significant negative findings;
- may convert back to a biennial audit schedule when the two (2) previous audits have not contained and significant negative findings.

The Superintendent shall be promptly informed of any material deficiency that is discovered during a monitoring or auditing process.

D-2450 © DJ
PURCHASING
(Purchasing Ethics Policy)

The District's Governing Board members and employees shall not use their offices or positions to receive any valuable things or benefits that would not ordinarily accrue to them in the performance of duties if the things or benefits are of such value or character as to manifest a substantial and improper influence upon the performance of their duties. **It is the duty of the District's Governing Board members and employees to maintain professional ethics at all times.**

This policy should not be construed to prohibit District Governing Board members and employees from accepting inexpensive novelty advertising items and holiday gifts or occasional business **lunches** **meals**.

Adopted: date of **manual** **Manual** adoption *Revised:* **April 9, 2002**

LEGAL REF.: A.R.S. 15-213

15-323

38-503

38-504

D-2550 © DJB
BIDDING / PURCHASING PROCEDURES

Refer to Policy DJE.

**^ & ^D-2750 AUUSD10 DJE
BIDDING / PURCHASING PROCEDURES**

The Superintendent shall be responsible for all purchasing, contracting, competitive bidding **and sealed proposals**, and receiving and processing of all bid protests, in accordance with the Arizona school district procurement rules, including A.A.C. R7-2-1141 *et seq.* **A contract shall not be awarded to an entity that does not verify employment eligibility of each employee through the E-verify program in compliance with A.R.S. 23-214 subsection A. Each contract shall contain the warranties required by A.R.S. 41-4401 relative to the E-verify requirements.**

The Superintendent shall prepare regulations to assure the District conforms to proper procedures and practices.

Purchases Not Requiring Bidding

Purchases of five thousand dollars (\$5,000) or less may be made at the discretion of the Superintendent. **Such procurements are not subject to competitive purchasing requirements, however reasonable judgment should be used to ensure the purchases are advantageous to the District.**

Verbal price quotations will be requested from at least three (3) vendors for a transaction in excess of five thousand dollars (\$5,000) but less than **fifteentwenty-five** thousand dollars (**\$15,00025,000**). The price quotations should be shown on, or attached to, the related requisition form. If three (3) verbal quotations cannot be obtained, documentation showing the vendors contacted that did not offer price quotations, or explaining why price quotations were not obtained, shall be maintained on file in the District office.

Written price quotations will be requested from at least three (3) vendors for transactions of at least **fifteentwenty-five** thousand dollars (**\$15,00025,000**) but not more than **the amount established by the State Board of Education for requiring sealed bids for procurement of construction, materials, or services** **fifty thousand dollars (\$50,000)**. If three (3) written price quotations cannot be obtained, documentation showing the vendors contacted that did not offer written price quotations, or explaining why written price quotations were not obtained, shall be maintained on file in the District office.

The District is not required to engage in competitive bidding in order to place a student in a private school that provides special education services if such placement is prescribed in the student's individualized education program and the private school has been approved by the Department of Education Division of

Special Education pursuant to A.R.S. 15-765. The placement is not subject to rules adopted by the State Board of Education before November 24, 2009 pursuant to A.R.S. 15-213.

The District may, without competitive bidding, purchase or contract for any products, materials and services directly from Arizona Industries for the Blind, certified nonprofit agencies that serve individuals with disabilities and Arizona Correctional Industries if the delivery and quality of the goods, materials or services meet the District's reasonable requirements.

Intergovernmental agreements and contracts between school districts or between the District and other governing bodies as provided in A.R.S. 11-952 are exempt from competitive bidding under the procurement rules adopted by the State Board of Education pursuant to A.R.S. 15-213.

The District is not required to engage in competitive bidding to make a decision to participate in insurance programs authorized by A.R.S. 15-382.

Online Bidding

Until such time as the State Board of Education adopts rules for the procurement of goods and information services by school districts and charter schools using electronic, online bidding, the District may procure goods and information services pursuant to A.R.S. 41-2671 through 2673 using the rules adopted by the Department of Administration in implementing 41-2671 through 2673.

Purchases Requiring Bidding

Sealed bids **will and proposals shall** be requested for transactions to purchase construction, materials, or services costing more than **thirty thousand dollars (\$30,000), or the annual revision of the amount calculated by the State Board of Education and made applicable for the year in which the transaction will occur ("the Annual State Board Limit" fifty thousand dollars (\$50,000)**. All transactions must comply with the requirements of the Arizona Administrative Code and the Uniform System of Financial Records.

The Superintendent, the chief financial officer, or purchasing manager may award individual contracts in amounts not exceeding the annual State Board limit. Exceptions to this limitation may be made for contracts for the following which may be awarded for the amount(s) necessary to satisfy the requirements of the District:

- U.S. Postal Service postage;
- Utilities, including telephone, water and sewage, electric and natural gas;

- National School Board Association; and
- Arizona School Board Association.

The authority granted by this section cannot be further delegated or expanded without Governing Board approval.

Competitive Sealed Proposals

The Governing Board delegates authority to the Superintendent or chief financial officer to determine when it is in the best interest of the District to solicit competitive sealed proposals for the supply of materials and/or services and to subsequently solicit the sealed proposals if necessary. The Superintendent or chief financial officer may delegate this authority to the purchasing manager. Determinations made pursuant to this delegated authority shall be made in accordance with the following procedures. Solicitations of proposals and awards of contracts following receipt of proposals shall be made in accordance with Arizona Department of Education Procurement Rules.

If it is determined in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive sealed proposals.

Contracts in excess of the annual State Board limit which occur as a result of competitive sealed proposals shall be awarded through Governing Board action.

Cooperative Purchasing Agreements

Bidding/proposal requirements are waived if purchases or services are obtained through the Arizona State Procurement Office, the Mohave Educational Services Cooperative, or through another purchasing cooperative or cooperative purchasing agreement among public procurement units.

Further Delegations and General Terms of Delegation

The Superintendent or chief financial officer are delegated authority to make determinations as required by the Arizona Department of Education Procurement Rules prior to issuing solicitations for multi-step sealed bidding, multi-year contracts (not to exceed five [5] contract years) or nonconstruction contracts requiring bonds or security. The delegation of authority for these three (3) determinations may be further delegated to the purchasing manager.

The chief financial officer shall serve as the District representative for protests and claims on solicitations and contracts.

No further delegation of any delegation of authority by the Board which is contained in this policy is authorized unless expressly stated herein.

The several delegations of authority set forth in this policy shall be in effect from the date of adoption of this policy until such time as the Governing Board may, in a public meeting, revoke or otherwise modify the delegations.

No person delegated authority by this policy may participate in any aspect of a specific procurement if that person would receive any benefit directly or indirectly from a contract for such procurement.

Emergency Purchases

An exception to the above procedures for price competition may be made in the event of an emergency involving the health, safety, or welfare of school personnel or students, or in the event of a condition which seriously threatens the functioning of the School District or the preservation or protection of property. In such an emergency, declared by the Superintendent in consultation with the Board President or any other available Board member, emergency purchase action may be taken without price competition, if necessary. The Superintendent shall report the emergency to the Board as soon as possible. When possible, an emergency meeting of the Governing Board shall be held to determine whether an emergency exists and to authorize an emergency purchase. Even under emergency conditions, price competition should be sought if it will not unacceptably delay the correction of the condition requiring emergency procedures. If emergency purchases are made without price competition, a complete written description of the circumstances should be maintained on file in the District office.

Registered Sex Offender Prohibition

All purchase orders, agreements to purchase, and contracts for services to be provided by personnel other than District employees must include the following statement on the document:

***Registered Sex Offender Restriction.** Pursuant to this order, the named vendor agrees by acceptance of this order that no employee of the vendor or a subcontractor of the vendor, who has been adjudicated to be a registered sex offender, will perform work on District premises or equipment at any time when District students are, or are reasonably expected to be, present. The vendor further agrees by acceptance of this order that a violation of this condition shall be considered a material breach and may result in a cancellation of the order at the District's discretion.*

Required Scrutinized Business Operations Clause

All contracts for District purchase of goods or services shall include a clause requiring the contractor offering the goods or services to certify that the contractor does not have scrutinized business services in Sudan nor in Iran. The District through the Superintendent shall:

- Verify that the offeror does not appear on the most recent list prepared by the Arizona Central Procurement Officer of parties excluded from Arizona contracts.
- Notify the State Central Procurement Officer of any contractor the District suspects has submitted a false certification.

Adopted: January 13, 2009 date of Manual adoption

LEGAL REF.: A.R.S. 15-213

23-214

11-952

15-323

15-213

15-342

15-213.01

15-382

15-213.02

15-765

15-239

15-910.02

23-214

34-101 *et seq.*

38-503

39-121

35-391 *et seq.*

35-393 *et seq.*

38-511

41-2632

41-2636

41-4401

A.G.O. I83-136

I87-035

I06-002

A.A.C. R7-2-1001 *et seq.*

U.S.F.R. USFR VI-G-8 *et seq.*

CROSS REF.: BCB - Board Member Conflict of Interest

DJG - Vendor/Contractor Relations

GBEAA - Staff Conflict of Interest

JLIF - Sex Offender Notification

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BIDDING / PURCHASING PROCEDURES

All District purchases shall be in accordance with the relevant sections of the Arizona Revised Statutes (including, but not limited to 15-213, 15-323, and 38-503), the Arizona school district procurement rules set out in A.A.C. R7-2-1001 through 1195, and with the following.

Requesting Quotations

Requests for price quotations are to include adequate details and be issued with sufficient lead time to enable vendors to effectively respond. When a contract is to be awarded on the basis of price and additional factors those factors are to be included in the request for quotations. Such factors should include, but are not limited to, the following:

- Submittal requirements including:
 - Date and time due;
 - Type and manner by which quotations may be received (e.g., telephone, written, fax, e-mail, prepared form);
 - Physical or digital address to which quotations are to be delivered.
- Specific information the quotation must include.
- Whether or not negotiations may be held.
- Options that may be made pursuant to a purchase contract, i.e., extensions and renewals.
- Uniform terms and conditions included in the request by text or reference.
- Such additional terms, conditions, and instructions as are applicable to the purchase under consideration.

All requests for written quotations shall be at the direction of the Superintendent or a person designated by the Superintendent.

When a vendor is selected on the basis of factors other than lowest price, the reasons shall be documented and filed with the price quotations. Documentation of the quotations process and details including vendor names, persons contacted,

telephone numbers and identification of other communication procedures, price results, and determinations are to be documented and retained by the District in a procurement file that includes the pertinent requisition form and purchase order.

A written contract or purchase order must be approved prior to a purchase being made.

Cumulative and Like Item Purchases

An analysis shall be performed annually to determine the extent of the District need to purchase like items. Prior year purchases and applicable demographic, program, and planning data are to be utilized for projecting quantity and cost of like items to fulfill the anticipated need. The outcomes of calculating the projected quantity and cost factors to acquire like items shall inform the determinations as to the appropriate procurement processes to be applied. The proper competitive purchasing strategies must be applied to assure District compliance with the procurement laws and rules. Splitting of orders or other purchasing practices devised to circumvent allowable procurement practices are prohibited. The cumulative costs of purchasing like items by any and all means of acquisition are to be tracked to assure that no purchases are permitted that will result in violation of Governing Board policies and lawful procurement practices.

Multiple Year Purchases Totaling Less Than Fifty Thousand Dollars

The District may enter into contracts of less than fifty thousand dollars (\$50,000) for a period up to five (5) years, as follows:

- When the terms and conditions of renewal or extension are included in the solicitation for bids;
- When monies are available for the first fiscal year at the time of contracting;
- When the competitive purchasing method is appropriate to the projected cumulative cost over the term of the multiple year contract.

Multiple Year Purchases Totaling More Than Fifty Thousand Dollars

The District may enter into contracts for more than fifty thousand dollars (\$50,000) for a period up to five (5) years, as follows:

- The Governing Board has determined in writing that:
 - The estimated requirements cover the contract period and are reasonable and continuing;

- A multi-term contract will serve the District's best interest by encouraging competition or promoting economies in procurement;
- If monies are not appropriated or available in future years the contract will be cancelled.

If multiple-year quotations are used, the District shall:

- Document the time period that the pricing is valid;
- Determine the vendor will honor the pricing for the multi-year period;
- Written affirmation with the vendor that, although it is the District's intent to purchase certain quantities, all purchases are subject to the availability of funds.

Multiple Awards to More Than One Contractor

Generally, the District should not use multiple awards allowing more than one (1) vendor to supply the same goods or service. However, there are instances in which the District may make multiple awards. If that instance arises, the request for proposals or invitation for bids should clearly state whether multiple awards may be used so bidders can consider that information when pricing their proposals or bids.

A multiple award to more than one (1) vendor should be made only when the District has determined and documented in writing that a single award is not advantageous to the District. The award should also be limited to the least number of suppliers necessary to meet the District's requirements.

Bidding Methods

All District purchases shall be in accordance with the Arizona school district procurement rules and with the following.

Sealed bids or proposals will be requested when an award is to be made for a transaction to purchase construction, materials, or services costing more than thirtyfive thousand dollars (\$30,000), or any revision of the amount calculated by the State Board of Education and made applicable for the year in which the transaction will occur50,000). The Superintendent must review the expenditure and make a recommendation to the Board for final action. The Board reserves the right to waive any informalitiesinformality in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids.

The bidder to whom the award is made may be required to enter into a written contract with the District.

Pursuant to the procurement code, contracts can be let for a period not to exceed five (5) years.

Definitions

Construction is defined as physical changes to land or buildings that materially alter the previous structure or physical condition, i.e., new construction, including fixed physical additions to land such as concrete, fencing, etc., structural remodeling, major renovations that are not merely maintenance in nature, and major demolitions. All such construction shall be identified, and the estimated aggregate total cost of goods and services for the project shall be made before undertaking the project. This estimated total cost shall determine which of the quoting/bidding methods as outlined is to be utilized.

A transaction for materials or services as used in this policy is determined by application of these three (3) conditions:

A. Items or services that are so alike in nature that they might likely or reasonably be available from a certain type of vendor are grouped together; and

B. The items or services being considered for the grouping in "A" above are to be purchased at a given point in time with no intent to split groupings in order to lower group totals and thereby avoid bidding; and

C. If the composite estimated total cost of the items grouped in "A" and "B" above exceeds the amount established by the State Board of Education for requiring sealed bids, sealed competitive bids shall be sought; if the amount is less, bidding will not be required.

The definition of a term used in this regulation shall be interpreted as being synonymous with the definition of that term listed at R7-2-1001.

Prospective Bidders' Lists

The District shall compile and maintain a prospective bidders' list. Inclusion of the name of a person shall not indicate whether the person is responsible concerning a particular procurement or otherwise capable of successfully performing a District contract.

Persons desiring to be included on the prospective bidders' list shall notify the District. Upon notification, the District shall mail or otherwise provide the person with the District procedures for inclusion on the bidders' list. Within thirty (30) days after receiving the required information, the District shall add

the person to the prospective bidders' list unless the District makes a determination that inclusion is not advantageous to the District.

Persons who fail to respond to invitations for bids for two (2) consecutive procurements of similar items may be removed from the applicable bidders' list after mailing a notice to the person. This notice shall not be required if the two (2) invitations for bids which were not responded to both contained the notice that bidders' names may be removed from the bidders' list if they fail to respond to invitations for bids for two (2) consecutive procurements of similar items. Persons may be reinstated upon request.

Prospective bidders lists shall be available for public inspection, unless the District makes a written determination that it is in the best interest of the District that they should be confidential or private and should not be open for inspection pursuant to A.R.S. 39-121.

Notice of Competitive Sealed Bidding

If the intended procurement is for construction to cost less than one hundred fifty thousand dollars (\$150,000), the rules established for the simplified school construction procurement program described at R7-2-1033 may be followed. In all other cases, adequate public notice of the invitation for bids shall be given as provided in R7-2-1022 or as provided in R7-2-1024, which are outlined below, and shall indicate that any bid protest shall be filed with the District representative, who shall be named therein.

If notice is given pursuant to R7-2-1024, notice also may be given as provided in R7-2-1022. If fewer than five (5) prospective bidders are included on the bidders list, the notice must also be given as provided in R7-2-1022. **If**When the invitation for bids is for the procurement of services other than those described in R7-2-1061 through R7-2-1068 and R7-2-1117 through R7-2-1123, Specified Professional Services, notice also shall be given as provided in R7-2-1022.

R7-2-1022:

In the event there are four (4) or less prospective bidders on the bidders' list, the notice shall include publication in the official newspaper of the county within which the school district is located for two (2) publications which are not less than six (6) nor more than ten (10) days apart. The second publication shall not be less than two (2) weeks before bid opening. The time of publication may be altered if deemed necessary pursuant to R7-2-1024.A.

R7-2-1024:

Invitation for bids shall be issued at least **fourteen** (14) days before the time and date set for bid opening in the invitation for bids unless a shorter time is deemed necessary for a particular procurement as determined by the school district.

The school district shall mail or otherwise furnish invitation for bids or notices of the availability of invitation for bids to all prospective bidders registered with the school district for the specific material, service or construction being bid.

The time and date at which a bid is called due shall be during regular working hours at a regular place of school business or during a public meeting of the Governing Board at its regular meeting place.

Invitations to bid will be sent to all vendors who have requested to bid or who have applied to be placed on a bid list appropriate to the items being sought. A bid call relating to "construction projects" must describe the nature of the work to be performed and where complete plans, if necessary, may be obtained. Deposits may be required for plans and specifications in good order. A certified check, cashier's check, or surety bond for **10ten** percent (10%) of the bid must accompany each bid, but will be returned to unsuccessful bidders. The successful bidder must present performance and payment bonds for one hundred percent (100%) of the bid within five (5) working days after notification of the award.

Each sealed bid must be submitted in a sealed envelope, addressed to the District, clearly marked on the outside of the envelope, "Sealed Bid for _____." The bids shall be opened publicly and read aloud at the time and place stated in the invitation. Awards shall be made with reasonable promptness to the lowest responsible, qualified vendor, taking into consideration all factors set forth in policy. Price shall not be the sole factor in making the bid award. When out-of-state bidders are not to pay sales/use tax, the amount of such tax shall not be a consideration in determining the low bidder. All proposed contracts for outside professional services in excess of **thirty thousand dollars (\$30,000), or any revision** of the amount calculated by the State Board of Education and made applicable for the year in which the transaction will occur, may be reviewed by the attorney for the District prior to entering into the contract. The policies relating to outside professional services apply only to services required by law to be placed on bid, and even those policies may be set aside if a state of emergency is declared. If a state of emergency is declared, a memorandum will be issued justifying such a declaration, which will be filed in the District's records. The use of bidding, contracting, or purchasing specifications that are in any way proprietary to one (1) supplier, distributor, or manufacturer is prohibited unless no other resource is practical for the protection of the public interest.

The Board reserves the right to reject any or all bids and to accept the bid that appears to be in the best interest of the District. The Board reserves the right to waive informalities in any bid or to reject any bid, all bids, or any part of any bid. Any bids may be withdrawn prior to the scheduled time for the opening of the bids. Any bids received after the opening begins shall not be accepted. Opening of bids shall not be delayed to accommodate late bid responses. Submitted bids shall be honored for at least thirty (30) days or as otherwise stated in the

invitation. All information relating to a bid shall be retained and made available for public inspection after the bids are awarded, and prospective bidders shall be notified of this in the invitation or specifications relating to the bid call.

A "bidder file" shall be maintained, and a "bidder application" may be used for placing names in the file. Reference data will be kept relating to bad experiences with vendors, contractors, etc. If a bidder defaults on either price or performance, the Governing Board shall be notified and, if the Board permits, the bid will be offered to the next-lowest bidder who will still accept the order, as far as it is pragmatic to do so. The Board may ask that the county attorney be notified of the initial bidder's failure in order to consider action against that bidder. Written documentation of all such situations noted in this paragraph shall be kept in the defaulting bidder's file.

For transactions requiring written quotations, at least three (3) shall be obtained, and, if less than three (3) are obtained, an explanation must be provided and approved by the Superintendent. Prospective quoters shall be given a reasonable time following the mailing of the quotation request in which to respond. All requests for written quotations shall be at the direction of the Superintendent. The details of a request for written quotations, including names of all bidders to whom the requests were sent, the dates of mailing, all responses, reasons for selection if other than lowest price, etc., shall be made and retained in the District's records.

Multistep Sealed Bidding

The multistep sealed bidding method may be used if the Governing Board determines that:

- Available specifications or purchase descriptions are not sufficiently complete to permit full competition without technical evaluations and discussions to ensure mutual understanding between each bidder and the District;
- Definite criteria exist for evaluation of technical offers;
- More than one (1) technically qualified source is expected to be available; and
- A fixed-price contract will be used.

The District may hold a conference with bidders before submission or at any time during the evaluation of the unpriced technical offers.

The multistep sealed bidding method may not be used for construction contracts. When the multistep sealed bidding method is determined to be advantageous to the District, the procedures set out in R7-2-1036 and 1037 shall be followed.

Competitive Sealed Proposals

If, pursuant to R7-2-1041, the Governing Board determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the District, a contract may be entered into by competitive sealed proposals. The Governing Board may make a class determination that it is either not practicable or not advantageous to the District to procure specified types of materials or services by competitive sealed bidding. The competitive sealed proposal method may not be used for construction contracts. The Governing Board may modify or revoke a class determination at any time.

If competitive sealed bidding is neither practicable or advantageous, competitive sealed proposals may be used if it is necessary to:

- Use a contract other than a fixed-price type;
- Conduct oral or written discussions with offerors concerning technical and price aspects of their proposals;
- Afford offerors an opportunity to revise their proposals;
- Compare the different price, quality, and contractual factors of the proposals submitted; or
- Award a contract in which price is not the determining factor.

Procedures to be applied subsequent to the issuance of an invitation for bids are to be consistent with the requirements set out in R7-2-1025 through 1032.

Competitive sealed proposals shall be solicited through a request for proposals. The request for proposals shall set forth those factors listed above for competitive sealed bids that are applicable and shall also state:

- The type of services required and a description of the work involved;
- The type of contract to be used;
- An estimate of the duration the service will be required;
- That cost or pricing data is required;
- That offerors may designate as proprietary portions of the proposals;
- That discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award;
- The minimum information that the proposal shall contain;

- The closing date and time of receipt of proposals; and
- The relative importance of price and other evaluation factors.
- Procurement of information systems and telecommunications systems shall include, as criteria in the request for proposal, evaluation factors of the total life cycle cost and application benefits of the information systems or telecommunication systems.
- Procurement of earth-moving, material-handling, road maintenance and construction equipment shall include, as criteria in the request for proposal, evaluation factors of the total life cycle cost including residual value of the earth-moving, material-handling, road maintenance and construction equipment. A request for proposals shall be issued at least fourteen (14) days before the closing date and time for receipt of proposals unless a shorter time is determined necessary by the District.

Notice of the request for proposals shall be issued in accordance with R7-2-1022. Before submission of initial proposals, amendments to requests for proposals shall be made in accordance with R7-2-1026. After submission of proposals, amendments may be made in accordance with R7-2-1036(C).

Specified Professional Services and Construction Services

When the procurement of construction services or services to be provided by certain professionals are under consideration, designated District personnel shall become fully familiar with and informed on the requirements established in Arizona Revised Statutes Title 34. The assigned District personnel are to seek assistance from qualified consultants, attorneys, and bond counsel as is necessary and applicable to the projects being considered, including but not limited to determinations of the training, qualifications, experience, fitness, licensure, prior performance, and bonding of potential providers. Procurement activities, including securing the services of persons to assist District personnel as referenced above shall be in accordance with all relevant requirements prescribed by federal and state law and the rules of federal, state, county, and municipal agencies for the acquisition, performance and reporting of the services being sought and acquired.

Procurement of Services by Certain Other Classes of Providers

The purchase of services to be provided by clergy, certified public accountants, physicians, dentists, and legal counsel shall be as specified in R7-2-1061 through R7-2-1068. The procurement of services by an architect, engineer, land surveyor, assayer, geologist, or landscape architect is to be accomplished in compliance with R7-2-1117 and 1118. Procurement procedures related to purchasing

services from the professional providers are to conform to R7-2-1119 through 1122.

Contract Requirements

Care is to be exercised to assure the District's procurement practices conform to the general contract requirements set out at R7-2-1068 through 1086 and the accompanying conditions described in R7-2-1091 through 1093.

Preparation of Specifications

Specifications for goods, services, and construction items are to be prepared in the manner prescribed by rules R7-2-1101 through 1105.

Construction Procurement Procedures

Preparation for inviting bids for construction and the steps to be followed in the construction procurement process shall be guided by and consistent with R7-2-1109 through 1116.

Emergency Purchases

An exception to the above procedures for price competition may be made in the event of an emergency involving the health, safety, or welfare of school personnel or students. In such an emergency, declared by the Superintendent **in consultation with the President or vice president of the Governing Board**, emergency purchase action may be taken without price competition, if necessary. **When possible, an emergency meeting of the Governing Board shall be held to determine whether an emergency exists and to authorize an emergency purchase.** Even under emergency conditions, price competition should be sought if it will not unacceptably delay the correction of the condition requiring emergency procedures. If emergency purchases are made without price competition, a complete written description of the circumstances **should be pursuant to A.A.C. R7-2-1057 shall be included in the procurement file and maintained on file** in the District office. **In the event neither the President nor the vice president is available to consult with regarding the declaration of an emergency, any Governing Board member may be consulted.**

Sole-Source Procurements

A contract may be awarded for a material, service, or construction item without competition if the Governing Board determines in writing that there is only one (1) source for the required material, service, or construction item. The District may require the submission of cost or pricing data in connection with an award pursuant to A.A.C. R7-2-1053. Sole-source procurement shall be avoided, except when no reasonable alternative source exists. A copy of the written evidence and

determination of the basis for the sole-source procurement shall be retained in the procurement file by the District.

The District shall, to the extent practicable, negotiate with the single supplier a contract advantageous to the District.

State Purchasing Contract

Bidding/quoting requirements are waived if purchases are made through the Arizona State Purchasing Contract.

Bidding/quoting requirements are also waived if purchases are made through the Mohave Educational Services Cooperative (MESOC).

The Governing Board shall be notified of all purchases in excess of thirty thousand dollars (\$30,000) made through these means.

Adopted: date of manual adoption *Revised:* February 27, 2001

Cooperative Purchasing Agreements

Procurements in accordance with intergovernmental agreements and contracts between the District and other governing bodies as authorized by A.R.S. 15-952 are exempt from competitive bidding requirements under A.R.S. 15-213. Inspection of and payment for materials and services acquired under a cooperative purchasing agreement are the obligation of the District.

Due Diligence

The District is responsible for ensuring that all procurements are done in accordance with school district procurement rules whether the procurement is done independently or through a cooperative purchasing agreement. The District shall develop and follow a clear plan prescribing the purchasing practices to be followed. The plan will describe the elements of internal control and auditing to assure the District's procedures are sufficient to confirm the adequacy of the procurements practices and that the accountability of all personnel engaged in procurement practices is regularly evaluated and corrective measures taken when necessary. The due diligence activities shall include the use of the applicable sections of the Uniform System of Financial Records (USFR) Compliance Questionnaire for school districts when assessing the quality of the procurements procedures and the competence of the persons performing the procedures. Day-to-day and periodic formal checks of due diligence performance are to be documented and retained in a procurement file.

BIDDING / PURCHASING PROCEDURES

Required Contract Content

Each contract for the procurement of goods or services shall include a clause requiring the Contractor to certify that the contractor does not have scrutinized business operations in Sudan nor scrutinized business operations in Iran.

The following language is suggested:

- In accordance with A.R.S. Sections 35-391 *et seq.* and 35-393 *et seq.*, the offeror hereby certifies that the offeror does not have scrutinized business operations in Sudan nor scrutinized business operations in Iran. (Added to Offer/Acceptance Form Certification)

Cancellation of Contracts

Within three (3) years after the execution of any contract made by the District, the District may cancel such contract if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the District is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

Such cancellation by the District shall be effective when written notice from the Board is received by all other parties to the contract unless the notice specifies a later time.

Such cancellation by the District shall be effective when written notice from such party is received by all other parties to the contract unless the notice specifies a later time.

In addition to the right to cancel a contract, as provided above, the District may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the District from any other party to the contract arising as the result of the contract. Notice of this provision shall be included in every contract to which the District is a party. Such notice could read:

In accordance with A.R.S. 38-511, if a person significantly involved in a District contract becomes an employee, agent, or consultant to any other party of the contract with respect to the subject matter of the contract, the District may

cancel the contract within three (3) years of execution and recoup any fee or commission paid to such person.

^ & ^D-2850 © DJG
VENDOR / CONTRACTOR RELATIONS

Fingerprinting Requirements

Each contractor, subcontractor or vendor, if required or any employee of a contractor, subcontractor or vendor, who is contracted to provide services at least five (5) times during a month on a regular basis at an individual school property, shall submit a full set of fingerprints to the school district of each person or employee who may provide such service. Alternatively, the school district may fingerprint those persons or employees. A fingerprint check shall be made in accord with A.R.S. 41-1750 and Public Law 92-544 of all contractors, subcontractors or vendors and their employees except those who are not likely to have direct unsupervised contact with students, as determined by the Superintendent. Charges for such fingerprint checks may be made as a part of the contractual arrangement or to the shall obtain a valid fingerprint clearance card pursuant to A.R.S. 41-1758 *et seq.* The Superintendent, or a principal subject to approval by the Superintendent, may exempt from the requirement to obtain a fingerprint clearance card a contractor, subcontractor, or vendor or individual employee as determined by the whom the Superintendent or principal has determined is not likely to have independent access or unsupervised contact with students as part of their normal job duties while performing services to the school or to the School District. The exemption shall be given in writing and a copy filed in the District office.

The Superintendent shall develop uniform District criterion for making a determination of whether or not an exemption will be granted.

Required Contract Provisions

Each District contract shall contain the provisions of statute paraphrased below and the Superintendent shall implement procedures to randomly verify the records of contractor and subcontractor employees to ensure compliance with these warranties.

The contract or agreement with each contractor, subcontractor or vendor shall contain the warranties indicated below:

- Each contractor shall warrant compliance with all federal immigration laws and regulations that relate to their employees and that they have verified employment eligibility of each employee through the E-Verify program. The contractor shall acknowledge that a breach of this warranty shall be deemed a material breach of the contract subject to penalties up to and including termination of the contract.

- The contractor further acknowledges that the School District retains the legal right to inspect the papers of any contractor or subcontractor employee who works on the contract to ensure compliance by the contractor or subcontractor.

The contractor shall facilitate this right by notice to his employees and supervisors.

The Superintendent shall implement procedures to randomly verify the records of contractor and subcontractor employees to ensure compliance with these warranties.

Adopted: September 23, 2008 date of Manual adoption

LEGAL REF.: A.R.S. 15-512

23-214

41-1758 *et seq.*

41-4401 Public Law 92-544

CROSS REF.: DBF - Budget Hearings and Reviews/Adoption Process

DIC - Financial Reports and Statements

DJE - Bidding/Purchasing Procedures

^D-2861 © DJG-R
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VENDOR / CONTRACTOR RELATIONS

A District appointed contract liaison shall at random times request contractor and subcontractor employment records. Intermittently and without prior notice, the District appointed liaison to each contractor shall request from the individual contractor and subcontractor employees the information required on the I-9 form. Such information shall be used to verify the employee's right to work status and the contractor and subcontractor compliance with contract warranties. A report of the result of this inquiry shall be made to the Superintendent.

D-2900 © DJGA
SALES CALLS AND DEMONSTRATIONS

Sales representatives for school services, supplies, or other materials are not permitted to call on teachers or other school staff members except with prior authorization from the Superintendent.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-341

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SALES CALLS AND DEMONSTRATIONS

When appropriate, ~~principal~~the principal may give permission to sales representatives of educational products to see members of the school staff at times that will not interfere with the educational program.

Adopted: date of manual adoption

D-2950 © DK
PAYMENT PROCEDURES

In order to receive appropriate discounts and maintain good vendor relations, the Board directs the prompt payment of salaries and bills, but only after due care has been taken to assure that such amounts represent proper obligations of the District for services and/or materials received.

The Superintendent will implement procedures for the review of purchase invoices to determine that items or services are among those budgeted, itemized goods or services have been satisfactorily supplied, funds are available to cover payment, and invoices are in order and for the contracted amounts.

Adopted: date of **manual**Manual adoption

LEGAL REF.: A.R.S. 15-304

15-321(F)

15-906

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PAYMENT PROCEDURES

RESOLUTION AUTHORIZING THE EXECUTION OF WARRANTS BETWEEN BOARD MEETINGS

WHEREAS, A.R.S. 15-321 sets forth the procedures for execution of warrants drawn on the District, and

WHEREAS, said statute provides that an order for salary or other expense may be signed between Board meetings if a resolution to that effect has been passed prior to the signing and that order is ratified by the Board at the next regular or special meeting of the Governing Board;

NOW, THEREFORE, BE IT RESOLVED, that said statutory procedure be, and herein is, ordered for use in the District in accordance with the provisions of A.R.S. 15-321(F).321.

This resolution was moved, seconded, and passed at a meeting of the _____ Governing Board on _____, 1920_____.

ATTEST:

_____ President

Adopted: date of manual adoption

^D-3000 © DKA
PAYROLL PROCEDURES / SCHEDULES

Salary checks will be issued biweekly during the term of contract or agreement with the District.

The District will establish two (2) or more days in each month as fixed paydays for payment of wages in accord with Arizona Statute. Employees may choose to have their salaries paid in full upon the last pay date following completion of their assignments or may annualize their pay. Employees who choose to receive payment of wages beyond the period in which the wages were earned (deferred payment) will be subject to Internal Revenue Service (IRS) penalties unless they provide a written election of such deferral prior to the first duty day of the year of deferral. Forms for such deferral shall be made available. Any change to the election must be made prior to the first duty day of the fiscal year of the deferment.

An employee who quits the service of the District shall be paid all wages due on the regular payday for the pay period during which termination occurs. Such wages may be paid by mail if requested.

An employee who is discharged from service of the District shall be paid all wages due within ten (10) calendar days from the date of discharge.

Adopted: April 10, 2007 date of Manual adoption

LEGAL REF.: A.R.S. 15-502

23-351

23-353

CROSS REF.: GCQF - Discipline, Suspension, and Dismissal of
Professional Staff Members
GDQD - Discipline, Suspension, and Dismissal of
Support Staff Members

^D-31003031 © DKA-E
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PAYROLL PROCEDURES / SCHEDULES

DEFERRED WAGE PAYMENT ELECTION FORM

By my signature I hereby acknowledge that I have read and understand the School District's policy on deferred wages. Furthermore, by my signature on this form I am electing to defer payment of my wages on an annualized basis consisting of twenty-six (26) payments. I understand that any change from an annualized election of payment requires that I notify the District prior to the beginning of duty for the fiscal year in which the change is being given.

Signature Position

Printed name Date signed

^D-3100 © DKB
SALARY DEDUCTIONS

The Superintendent shall establish **payroll** procedures that conform to all requirements of the law and all policies of the District, **and** that ensure **that** employees receive paychecks not later than the stated payroll dates, **and that ensure all amounts withheld from employee compensation are remitted and reported appropriately, correctly, and timely.**

Involuntary Deductions (Public Record)

Federal and Arizona income taxes, Social Security (OASI/FICA), and employee contributions to the Arizona **State** Retirement System (**ASRS**) will be deducted as mandated by state and federal statutes. All other deductions must be authorized by the Board and the employee unless ordered by a court of competent jurisdiction.

Voluntary Deductions and Redirections (Not Public Record)

The following deductions **and redirections** have been authorized by the Board:

- Insurance premiums for staff members or dependents who are being covered under Board-approved Section 125 cafeteria programs.
- Direct deposits of net payroll with financial institutions.
- Tax-sheltered annuities for companies approved by the District.
- Credit union deposits.
- Professional dues.

Adopted: **April 10, 2007** date of Manual adoption

LEGAL REF.: A.R.S. 15-121

15-135

23-352

42-2001

43-401

D-3150 © DKC
EXPENSE AUTHORIZATION / REIMBURSEMENT

School employees who incur expenses in carrying out their authorized duties shall be reimbursed by the District upon submission of allowable supporting receipts, provided that prior authorization has been granted by the Superintendent.

Reimbursement amounts shall not exceed the **maximum amounts** established **by the Department of Administration of the State of Arizona** pursuant to A.R.S. 38-624.

Adopted: **April 10, 2007** *date of Manual adoption*

LEGAL REF.: A.R.S. 15-342

38-621 *et seq.*

38-624

Uniform System of Financial Records

CROSS REF.: EEB - Business and Personnel Transportation Services

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D-3181.1 ©
EXPENSE AUTHORIZATION / REIMBURSEMENT

Arizona Office of Department of Education the Auditor General

U S F R MEMORANDUM NO. 119

TO: County School Superintendents; School District Administrators

FROM: Robert A. Alexander, Office of the Auditor General LeAnn Burns,
Arizona Department of Education

DATE: July 6, 1995

SUBJECT: Reimbursement of Travel Expenses (Supersedes USFR
Memorandum No. 101)

Arizona Revised Statutes (A.R.S.) §15-342.5 requires school district Governing Boards to prescribe procedures and amounts for reimbursing lodging and per diem expenses incurred for district purposes. Reimbursement must not exceed the maximum amounts established by the Director of the Department of Administration and approved by the Joint Legislative Budget Committee pursuant to A.R.S. §38-624.C.

In accordance with A.R.S. §§ 15-342 and 38-623, districts must reimburse employees and board members for mileage at the standard rate established by the Arizona Department of Revenue. The mileage reimbursement rate for privately owned motor vehicles will be 30 cents per mile. The mileage reimbursement rate for private aircraft will be 42 cents per mile, based on the shortest air route from origin to destination. Landing and parking fees are reimbursable except at the location where the aircraft is normally based.

Reimbursement rates for lodging and meals will be based on the Federal Per Diem Rates, which provide a more comprehensive listing of locations than the current Lodging Cost Index and provide for four different meal reimbursement rates for out-of-state locations. To obtain the lodging and per diem reimbursement rates for Alaska and Hawaii, contact the General Accounting Office of the Department of Administration at (602) 542-6225.

Although the lodging reimbursement rate may not exceed the listed maximum, there is an exception for conference lodging. For employees staying at a conference-designated hotel, the Department of Administration guidelines authorize reimbursement at the conference-lodging rate. However, the conference brochure indicating lodging rates must accompany the lodging receipt, and reimbursement may not exceed those rates.

If you have any questions or need assistance concerning this memorandum, please call the School Finance Operations Unit of the Arizona Department of Education at (602) 542-3652, or the Accounting Services Division of the Office of the Auditor General at (602) 553-0333, from which a copy is available.

Adopted: date of manual adoption

D-3300 © DM
CASH IN SCHOOL BUILDINGS

Monies collected by school employees and by student treasurers shall be handled in accordance with prudent business procedures as outlined by the **U.S.F.R** Uniform System of Financial Records (USFR). All monies collected shall be receipted, accounted for, and directed without delay to the proper location of deposit.

In no case shall money be left overnight in school buildings, except in safes provided for safekeeping of valuables.

Adopted: date of **manual** Manual adoption
LEGAL REF.: A.R.S. 15-341(21)(22)

^D-3350 © DN
SCHOOL PROPERTIES DISPOSITION

Disposition of Surplus Materials

The School District shall determine the fair market value of excess and surplus property. Except as provided in A.R.S. 15-342, surplus materials, regardless of value, shall be offered through competitive sealed bids, public auction, established markets, trade-in, posted prices, or state surplus property. If unusual circumstances render the above methods impractical, the District may employ other disposition methods, including appraisal or barter, provided the District makes a determination that such procedure is advantageous to the District. Only United States Postal Money Orders, certified checks, cashier's checks, or cash shall be accepted for sales of surplus property unless otherwise approved by the District or for sales of less than one hundred dollars (\$100).

Exceptions for Disposition of Learning Materials and Equipment

The Board authorizes the Superintendent to establish regulations for the disposal of surplus or outdated learning materials to nonprofit community organizations when it has been determined that the cost of selling such materials equals or exceeds estimated market value of the learning materials.

The Board may sell used equipment to a charter school before attempting to sell or dispose of the equipment by other means.

Competitive Sealed Bidding

Notice of the sale bids shall be publicly available from the District at least ten (10) days before the date set for opening bids. Notice of the sale bids shall be mailed to prospective bidders, including those on lists maintained by the District pursuant to A.A.C. R7-2-1023. The notice of the sale bids shall list the materials offered for sale; their location; availability for inspection; the terms and conditions of sale; and instructions to bidders, including the place, date, and time set for bid opening. Bids shall be opened publicly pursuant to the requirements of A.A.C. R7-2-1029.

The award shall be made, in accordance with the provisions of the notice of the sale bids, to the highest responsive and responsible bidder, provided that the price offered by such bidder is acceptable to the District. If the District determines that the bid is not advantageous to the District, the District may reject the bids in whole or in part and may resolicit bids, or the District may negotiate the sale, provided that the negotiated sale price is higher than the highest responsive and responsible bidder's price.

Auctions shall be advertised at least two (2) times prior to the auction date in a newspaper of the county as defined in A.R.S. 11-255. Advertisements must be at least seven (7) days apart. All of the terms and conditions of any sale shall be available to the public at least twenty-four (24) hours prior to the auction date.

Before surplus materials are disposed of by trade-in to a vendor for credit on an acquisition, the District shall approve such disposal. The District shall base this determination on whether the trade-in value is expected to exceed the value realized through the sale or other disposition of such materials.

An employee of the District or a Governing Board member shall not directly or indirectly purchase or agree with another person to purchase surplus property if said employee or Board member is, or has been, directly or indirectly involved in the purchase, disposal, maintenance, or preparation for sale of the surplus material.

State Surplus Property Manager

Except as provided in A.R.S. 15-342, the District may enter into an agreement with the State Surplus Property Manager for the disposition of property pursuant to Article 8 of the Arizona Procurement Code [A.R.S. 41-2601 *et seq.*] and the rules promulgated thereunder.

Obsolete Equipment

From time to time the Superintendent shall furnish the Governing Board with detailed lists of obsolete equipment determined to be of no value in the operation of the schools. Upon approval, said equipment shall be sold for the highest salvageable value.

Adopted: April 10, 2007 date of Manual adoption

LEGAL REF.: A.R.S. 15-189

15-341

15-342

U.S.F.R. USFR Sec. III-J-5(10); App. B(6) A.A.C. R7-2-1131

A.G.O. I80-036

I80-189

CROSS REF.: BCB - Board Member Conflict of Interest

GBEAA - Staff Conflict of Interest

IJJ/IJK - Textbook/Supplementary Materials Selection and Adoption