

**DA ©  
FISCAL MANAGEMENT GOALS**

The Governing Board recognizes that money and its management have foundational effects on School District operations. To make that fiscal management as effective as possible, the Board intends to:

- A. Ensure budget development aligns with the strategic direction/plan.
- B. Explore all practical and legal sources of revenue.
- C. Guide and monitor the expenditure of funds to achieve successful student outcomes.
- D. Require maximum effectiveness, efficiency and transparency in accounting and reporting procedures.
- E. Maintain, within budget limits, a level of per-student expenditure that provides for the needs of all students.

Adopted:

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**DB ©**  
**ANNUAL BUDGET: SCHEDULE, PREPARATION /**  
**PLANNING, FORMAT, AND**  
**POSTING / SUBMISSION**

**Schedule**

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, at a minimum, provide specific dates for the accomplishment of all state-mandated actions.

**Preparation and Planning**

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.

If the District receives desegregation funding, a desegregation budget shall be prepared and submitted using relevant forms from the Auditor General.

**Format**

The District shall utilize the budget format prepared and prescribed by the Superintendent of Public Instruction in conjunction with the Auditor General. The budget format is designed to allow school districts to plan and provide in detail for the use of available funds.

The budget format as specified in A.R.S. 15-903 shall contain the following information. The School District shall prominently post on its website home page, separately from its budget, Items B through E below:

- A. A statement identifying proposed pupil-teacher ratios and pupil-staff ratios relating to the provision of special education services for the budget year.
- B. The prominent display of the average salary of all teachers employed by the School District for the current year.
- C. The prominent display of the average salary of all teachers employed by the School District for the previous year.

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D. The prominent display of the dollar increase in the average salary of all teachers employed by the School District for the current year.

E. The prominent display of the percentage increase in the average salary of all teachers employed by the School District for the current year.

The District may want to include the additional categories of Instructional Support and Student Support alongside the dollars in the classroom number as the intention of the report is to provide a more comprehensive representation of the percentage of District dollars spent that directly impacted teaching and student learning.

### **Posting and Submission**

The District shall prominently post on its website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district from the most recent status report issued by the Auditor General.

The District shall submit this annual expenditure budget to the Arizona Department of Education (ADE) and shall utilize the relevant forms and instructions from the Auditor General.

Adopted:

LEGAL REF.:

A.R.S.

[15-271](#)

[15-302](#)

[15-481](#)

[15-824](#)

[15-903](#)

[15-905](#)

[15-905.01](#)

[15-910](#)

[15-977](#)

[15-991](#)

[41-1279.03](#)

CROSS REF.:

[CM - School District Annual Report](#)

[DB-R – Annual Budget: Planning, Preparation and Schedules](#)

[DBF – Budget Process, Adoption and Implementation](#)

[DIC - Financial Reports and Statements](#)

[DIE - Audits/Financial Monitoring](#)

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**DB-R©**

REGULATION

**ANNUAL BUDGET: SCHEDULE, PREPARATION /  
PLANNING, FORMAT, AND  
POSTING / SUBMISSION**

The business manager 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:

- A. Specific date for receipt of unit budgets from administrators.
- B. Date for initial meeting on the budget with appropriate staff members.
- C. Date(s) for student membership and attendance reports.
- D. Date(s) for estimates on the maintenance and operations and capital budgets.
- E. Date for completion of employee compensation consideration(s).
- F. Date for preparing financial projections for all categories and subcategories to be included in the proposed budget(s) for the ensuing fiscal year.
- G. Date for determining if the proposed budget(s) is (are) in excess of the District's Truth in Taxation base limit [A.R.S. [15-905.01](#)].
  - 1. When the base limit is exceeded, or the District plans to levy any amount for adjacent ways projects or liabilities in excess of the School District budget, a decision must be made whether to publish the truth in taxation notice separately or in combination with the proposed budget or budget summary.
  - 2. Either publication procedure requires publication of at least ten (10) days but not more than twenty (20) days prior to the truth in taxation hearing.
  - 3. The truth in taxation hearing may be held in conjunction with the proposed budget hearing.
- H. *Proposed Budget:* The Governing Board shall not later than July 5 and not less than ten (10) days before:

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1. Publish or mail to each household in the District a copy of the proposed budget or a summary of the proposed budget for consideration of the residents or taxpayers of the District, and a notice of the public hearing and Board meeting.

2. Furnish to the Superintendent of Public Instruction and County School Superintendent, in electronic format, the proposed budget and summary of proposed budget for the budget year.

3. Submit to the Department of Education the proposed budget which shall prominently display this information about the School District on the website maintained by the Department. If the School District maintains a website, the School District shall post a link to the website of the Department of Education where this information about the School District is posted.

I. *Budget Adoption:* The Governing Board shall not later than July 15 and not less than ten (10) days after posting or mailing the notice of the public hearing and Board meeting:

1. Conduct the public hearing and present the proposed budget to the persons attending the hearing, and

If a truth in taxation hearing is required it must be conducted prior to the budget hearing.

2. Immediately following the public hearing, the President shall call the Governing Board meeting to order for the purpose of adopting the budget.

J. *Adopted Budget:* Not later than July 18:

1. The adopted budget shall be submitted electronically to the Superintendent of Public Instruction.

2. The adopted budget shall be submitted to the Department of Education. The Department shall prominently display this information about the School District on the website maintained by the Department. If the School District maintains a website, the School District shall post a link to the website of the Department of Education where this information about the School District is posted.

K. *Publishing:* The Governing Board must do one (1) of the following and provide notice of the public hearing and Board meeting to adopt the budget no later than ten (10) days prior to the meeting to adopt the budget:

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1. Posting to ADE’s Website: Districts that have a website are required to follow the website requirements above and may choose to meet the publication requirement for the proposed budget by electronically uploading the Hearing Notification and Summary via the School Finance Budget System to ADE for posting on ADE’s website. If the budget or proposed budget and notice are posted on a website maintained by the department of education or mailed, the board shall file an affidavit with the Superintendent of Public Instruction within thirty (30) days after the mailing or the date that the information is posted on the website.

2. Publishing in a newspaper: Print the proposed budget or Summary and Hearing Notification in at least eight (8)-point type in a newspaper of general circulation within the District. The publisher’s affidavit of newspaper publication must be filed with the Superintendent of Public Instruction within thirty (30) days of the publication. To meet this requirement, districts should scan and e-mail the affidavit to [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov).

3. Mailing: Mail the proposed budget or Summary and Hearing Notification to each household in the District. An affidavit or other documentation of mailing must be filed with the Superintendent of Public Instruction within thirty (30) days of mailing. To meet this requirement, districts should scan and email the affidavit to [SFBudgetTeam@azed.gov](mailto:SFBudgetTeam@azed.gov)

*L. Override Election:*

1. When applicable, dates pursuant to A.R.S. [15-481](#)—[15-482](#), as applicable.
2. Date for budget hearing on following year's budget.
  - a. At least ninety (90) days before a proposed override election (first [1st] Tuesday following the first [1st] Monday in November, order override election to present proposed override budget to electors. Must also prepare alternate budget without override increase in event voters reject the proposed override budget.
  - b. At least thirty-five (35) days before override election, mail or distribute to households where qualified electors reside the informational report prepared by County School Superintendent.
  - c. When a determination is made to cancel the override election, the request must be made to the County School Superintendent at least eighty (80) days before the override election date.

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*M. Annual Financial Report:*

1. Not later than October 15 of each year the Governing Board shall:
  - a. Prepare and distribute the annual financial report for the prior fiscal year.
  - b. Provide a copy of the financial report to the County School Superintendent.
  - c. Electronically submit a copy of the financial report to the Superintendent of Public Instruction.
  - d. Submit a copy of the annual financial report for the prior fiscal year to the Department of Education. The Department shall prominently display this information about the School District on the website maintained by the Department. If the School District maintains a website, the School District shall post a link to the website of the Department of Education where this information about the School District is posted.
2. Not later than November 15 of each year the Governing Board shall publish the annual financial report:
  - a. In a newspaper of general circulation within the School District, or
  - b. In the official newspaper of the county as defined in A.R.S. [11-255](#), or
  - c. By mailing a copy to each household in the District, or
  - d. By electronic transmission of the information to the Department of Education for posting on the Department's website (if the Board chooses this option the School District shall post a link on the District's website to the report on the Department's website).

All forms and technical requirements for each respective form shall be as prescribed in A.R.S. [15-904](#).

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BUDGET PROCESS, ADOPTION  
AND IMPLEMENTATION**

**Process**

Within ten (10) days before and not later than July 5, the Governing Board shall publish notice of the public hearing and Board meeting to be held no later than July 15 to present the proposed budget for consideration of the residents or taxpayers of the District and shall submit the proposed budget to the Department of Education.

The Department shall prominently display the budget information on the website maintained by the Department. If the District maintains a website, the District shall post a link to the website of the Department of Education where this information about the District is posted.

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](#).

**Adoption**

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.

Not later than July 18, the Governing Board shall submit the adopted budget to the Department of Education. The Department shall prominently display the District budget information on the website maintained by the Department. If the District maintains a website, the District shall post a link to the website of the Department of Education where this information about the District is posted.

Filing of the budget shall be according to state law. [See Regulation DB-R]

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](#).

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## Implementation

To determine if budgeted expenditures are in keeping with the adopted budget, a monthly report of expenditures and revenues shall be presented to the Board. Variances within budget categories shall be a part of this report.

Adopted:

LEGAL REF.:

A.R.S.

[15-903](#)

[15-905](#)

[15-905.01](#)

[15-911](#)

[15-915](#)

CROSS REF.:

DB – Annual Budget: Schedule, Preparation/Planning, Format, and Posting/Submission

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BUDGET RECONCILIATION  
AND TRANSFERS**

**Reconciliation**

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

**Transfers**

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.

Adopted:

LEGAL REF.:

A.R.S.

15-905

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**BUDGET FUNDING SOURCES**

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.

**Funding Sources Outside  
the School System**

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.

Timelines permitting, grant proposals are to be approved by the Board 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.

**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](#).

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

Adopted:

LEGAL REF.:

A.R.S.

[15-206](#)

[15-207](#)

[15-208](#)

[15-209](#)

[15-210](#)

[15-341](#)

[15-905](#)

[15-991](#)

20 U.S.C. 7701, Title VIII - Impact Aid Program

CROSS REF.:

[KCD](#) - Public Gifts/Donations to Schools

[IHBJ](#) - Indian Education

[KJGA](#) - Relations with Parents of Children Educated Pursuant to  
Federal Impact Aid Programs

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**EXHIBIT**

**BUDGET FUNDING SOURCES**

**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

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REVENUES AND INCOME**

**Investments**

The Board will annually consider and vote on a request to the County 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.

**School-Owned Real Estate**

Revenues collected from rental or lease of school-owned real estate shall be deposited in the Civic Center fund. Excess rental/lease revenues may be used pursuant to A.R.S. 15-342(29). Monies from the sale of school-owned real estate shall be deposited as provided under state statutes.

**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 monies.

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.

**School Sales and Services**

***Student Activity Income***

Procedures shall be developed by the Superintendent to ensure compliance of all student activity funds pursuant to A.R.S. 15-1121-1124.

Student activity fund-raisers may not include: raffles; Bingo games; purchasing of classroom items.

Student activity fund-raisers may include: silent auctions; donations to other entities (i.e., Red Cross), with administrative approval.

The principal of each campus shall monitor the financial activities of the student body to ensure that fund raising complies with District guidelines and is in accordance with the provisions of A.R.S. Title 15.

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To comply with District fund-raising guidelines and A.R.S. Title 15, the principal shall monitor all student activity finances.

### ***Advertising Income***

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

All revenues collected will be deposited in the Advertisement Fund and accounted for in accordance with the Uniform System of Financial Records. Monies in the Advertising Fund are not subject to reversion.

### ***Career and Technical Education (Vocational Education)***

The governing board of a school district may establish a permanent career and technical education projects fund in an amount of not more than one hundred thousand dollars (\$100,000). The fund consists of proceeds from the sale of items produced or services provided by career and technical education programs. Monies in the fund may be used for any purposes noted in 15-1231.

Adopted:

LEGAL REF.:

A.R.S.

15-342

[15-996](#)

[15-1024](#)

[15-1025](#)

[15-1102](#)

[15-1105](#)

15-1121 through 1124

15-1231

A.G.O.

I80-099

I82-090

I84-018

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**BANKING SERVICES AND**  
**AUTHORIZED SIGNATURES**

**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.

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.

**Authorized Signatures**

Authorized signatories for all checking accounts shall be approved by the Board.

On accounts required by statute to have two (2) signatures, the signatories shall be as specified by the statutes.

Adopted:

LEGAL REF.:

A.R.S.

15-321

15-341

15-1122

15-1126

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CREDIT CARDS**

**(Credit Cards and/or Procurement Cards)**

**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 company logo.

**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. The Superintendent is responsible for the implementation of all aspects of the District credit/procurement card program. 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 is 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.

Adopted:

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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**REGULATION**

**CREDIT CARDS**

**(Credit Cards and/or Procurement Cards)**

**Purposes, Conditions, and Limits**

The issuance and use of a credit/procurement card is to provide an alternative purchasing mechanism when traditional payment/procurement methods are not feasible. Cards shall be issued in the District's name and if applicable, the user's name. The employee issuing cards shall maintain a complete list of designated card users. Physical security of cards shall be maintained at all times. The District shall cancel or inactivate cards, or recover the cards, if possible, upon loss, theft, or misuse; when a card is no longer needed; and upon the card holder's separation from the District's employment when the card is in the user's name. For cards issued in the District's name a specific employee shall be designated by the Superintendent to track who has the cards and account for all card transactions.

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.

Purchasing control limits shall be based on single transaction limits and monthly purchase limits for each card holder. Purchase limits shall be established based on the types of transactions for which the card is being used. Personnel issued credit/procurement cards shall be determined by the Superintendent to have a legitimate need and whose use of the card is necessary for effective purchasing. Personnel designated to use credit/procurement cards shall be advised by the Superintendent of their purchasing control limits.

**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. All card users, including users of cards issued only in the District's name, shall sign a user agreement acknowledging receipt and understanding of the District's policies and regulations for the cards' use. The agreement shall authorize the District to withhold wages for the amount of any improper purchase;

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pursuant to the Fair Labor Standards Act. To the extent permitted by law, card users shall be held personally liable for card transactions that are contrary to laws, rules, policies and regulations, including applicable penalties and interest. The user agreement shall contain a statement expressing possible disciplinary actions for the misuse of a District credit/procurement card.

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.

Authorized card holders shall receive training on the use of the card that addresses purchase limitations, advanced purchasing approval, necessary purchase documentation, and the District's payment process regimen.

### **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:

- A. When a vendor will not accept a purchase order or offer billing terms.
- B. 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.
- C. When certain purchases could be made more efficiently and cost effective.
- D. When a revolving fund check cannot be used.

### **Credit/Procurement Card Purchasing Limitations**

District-established credit/procurement card purchasing limitations shall be established by the Superintendent. The Superintendent shall establish card user and single transaction limits and monthly purchase limits for each card. Such limits shall be established based on the type of transactions for which the card is to be used.

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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:

A. 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:

1. A detailed description of the items and/or services to be purchased using the credit/procurement card.
2. The date of the purchase will be made.
3. 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.*
4. Proper account coding information.
5. Signatures of the requester and the approving authority.

B. The holder must verify that a purchase order has been created and approved *before* a credit/procurement card transaction occurs.

C. 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.

**Supporting Purchase Documentation**

Employees using cards shall submit all supporting documentation to the District monthly. Supporting documentation shall include:

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- A. Purchasing requisition, purchase order, invoice, packing slip, receiving report, and transaction receipt, as applicable. If original receipts are not available because they are lost or illegible, the card user shall request a copy of the receipt from the vendor or complete an affidavit detailing the purchase date, vendor, product, cost, tax and other charges, and reason the receipt is not available.
- B. A description of the item(s) purchased and the specific District purpose for the expenditure.
- C. The card user's signature and date the document was submitted to the District.
- D. Documentation of the purchase of fuel or vehicle repair, the license number of the vehicle, and odometer reading of the vehicle.
- E. Transactions, such as Internet, phone, and fax transactions may result in card charges before goods or services are received. Such transactions allow purchases that are normally prepaid in order to procure the item or to receive a discounted price. In such instances the District shall ensure that all relevant aspects of Uniform System of Financial Records (USFR) VI-G are adhered to for each purchase.

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.

#### **Payment Process Regimen**

The Superintendent shall ensure that approval, verification, and payment duties are separated among different employees. A copy of the billing statement shall be sent directly to the District. Electronic statements may be accepted if provided to card users by the financial institution or the District. Upon receipt of the billing statement the card user should complete the transaction log and submit the log, billing statement, and all other supporting documentation for review and approval. The reviewer shall:

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- A. Confirm that all supporting documentation is complete and was submitted in a timely manner.
- B. Verify that each purchase transaction appearing on the card user's billing statement is an appropriate, legitimate District purchase that was approved, and within the individual's authorized purchase limits.
- C. For travel expenses, verify the expenses do not exceed allowable reimbursement amounts as prescribed by USFR and are supported by a properly approved travel claim.
- D. Initial and date the reconciliation document for review.
- E. Submit reconciled statements and supporting documentation.

All receipts shall be reconciled and reviewed monthly and if possible, prior to payment of the monthly bill. Payments shall be made in a timely manner to avoid late fees and finance charges. Card balances shall be paid in full each billing cycle. Should the reconciliation or review identify any items that were not a valid purchase, it shall be reported to the Superintendent and disputed.

### **Periodic Review**

The District shall periodically compare budget and actual expenditures to ensure purchases remain within budget limits, or available cash balance, as applicable and shall monitor the types of purchases and vendor usage to ensure compliance with District procurement policies and regulations, and USFR purchasing guidelines.

The review process shall include strategies that are employed to detect improper or fraudulent transactions.

### **Rebates and Incentives**

Credit cards or procurement cards may contain provisions for the District to receive cash rebates or incentives in the form of rebates. Should this occur the District shall treat rebates as miscellaneous revenue or as a deduction of expenditures

Should a rebate be received in the same fiscal year as the original expenditure, including the encumbrance period, the rebate may be recorded as a reduction of the original expenditure. Otherwise, the District shall record the rebate as miscellaneous revenue in the original expenditure or in the Auxiliary Operations Fund.

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**EXHIBIT**

**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, and that I have been provided sufficient opportunity to ask questions related to the District's credit/procurement card policy and regulation. Furthermore, I affirm that I will not use the credit/ procurement card for personal reasons and that I have been advised of the purchase limitations associated with the use of the card. I understand that a violation of this agreement may result in disciplinary action up to and including termination, and possible legal action.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Position

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Date signed

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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 paid by the District.

Adopted:

LEGAL REF.:

A.R.S.

[15-1101](#)

[15-1122](#)

[15-1126](#)

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**FISCAL ACCOUNTING AND REPORTING**

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

**Uniform System of Financial  
Records (USFR)**

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.

**Reporting**

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.

**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 an accounting responsibility plan with the Arizona Department of Education (ADE) and the county school superintendent of the county in which the school district is located as specified in A.R.S. [15-914.01](#).

Before January 1 of the fiscal year preceding the fiscal year of implementation and before applying to assume accounting responsibility the District must apply for evaluation by the Auditor General and by the County Treasurer of the county in which the school district is located, as specified in A.R.S. 15-914.01.

If the SBE approves for the District to assume accounting responsibility, the District must contract with an independent certified public accountant for an annual financial and compliance audit.

Adopted:

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LEGAL REF.:

A.R.S.

[15-239](#)

[15-271](#)

[15-272](#)

[15-901](#)

15-914.01

Uniform System of Financial Records

CROSS REF.:

[DIC](#) - Financial Reports and Statements

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**DIB ©  
REVOLVING AND AUXILIARY 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 \_\_\_\_\_ School District No. \_\_\_\_\_. 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 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 USFR.

After 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:

LEGAL REF.:

A.R.S.

[15-1101](#)

[15-1124](#)

[15-1125](#)

[15-1126](#)

[15-1154](#)

CROSS REF.:

[JJF](#) - Student Activities Funds

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FINANCIAL REPORTS  
AND STATEMENTS**

**Financial Reports**

Prior to October 15 of each year, the Superintendent shall present to the Board the annual financial report for the previous fiscal year and the Governing Board shall submit the annual financial report for the previous fiscal year to the Department of Education, which shall prominently display this information about the District on the website maintained by the Department.

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 website, 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 website to the state department's web site.

**Financial Statements**

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:

LEGAL REF.:

A.R.S.

[15-271](#)

[15-302](#)

[15-904](#)

[15-977](#)

[15-991](#)

CROSS REF.:

[CM](#) - School District Annual Report

DB-R – Annual Budget: Schedule, Preparation/Planning, Format, and  
Posting/Submission

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INVENTORIES**

The Superintendent shall establish 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 Capital Assets List shall be five thousand dollars (\$5,000) or greater. Items having an acquisition cost greater than one thousand dollars (\$1,000) but less than the district's adopted capitalization threshold shall be placed on the Stewardship List. Capital assets and stewardship items shall be inventoried as specified by the USFR. The District shall also maintain Equipment Inventory and Supplies inventory lists as specified by the USFR.

Adopted:

LEGAL REF.:

Uniform System of Financial Records

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**REGULATION**

**INVENTORIES**

The business manager 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 the complete inventory shall be on file in the office of the business manager.

**Capital Assets**

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) or 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:

A. An inventory record registering for each item the:

1. description;
2. year of acquisition;
3. method of acquisition;
4. funding source;
5. cost or estimated cost;
6. salvage value;
7. estimated useful life;
8. function(s) for which the asset is used.

B. A depreciation schedule that:

1. includes all exhaustible capital assets, by type, with examples;

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2. excludes non-exhaustible capital assets and construction in process;
3. is based on locally determined estimated useful life, typically in years;
4. projects residual value at the end of useful life;
5. identifies the method used for calculating depreciation;
6. identifies the selected averaging condition, where applicable.

C. A disposal listing of items removed from the inventory, including at minimum the date and method of disposal.

### **Stewardship Inventory**

A stewardship inventory shall also be maintained for all equipment, including vehicles, with a cost of one thousand dollars (\$1,000) or more but less than the capital asset threshold. The inventory must identify each item's description, identification (tag) number, location, and the month and year of acquisition.

### **Other Inventory (less than \$1000)**

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

### **Physical Inventory**

The District shall conduct a physical inventory of listed equipment:

A. at least every two (2) years for items:

1. purchased with federal funds;
2. with an acquisition cost of five thousand dollars (\$5,000) or more.

B. at least every three (3) years:

1. for all capital equipment;
2. 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.

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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**

Supply records shall be kept, which will show:

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

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

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AUDITS / FINANCIAL MONITORING**

The Governing Board directs the Superintendent to implement procedures that assure District compliance with all state and federal requirements for audits and financial monitoring. Contingent upon prescribed qualifying criteria, such requirements may include, but are not limited to, procedural reviews by the Office of the Auditor General and the federal Single Audit Act Amendments and Office of Management and Budget (OMB) Compliance Supplement June 2016.

**Necessary Services**

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).

**Board Presentation**

A final report of each separate fiscal management review shall be presented to the Board for examination and discussion. After a report has been presented to the Board, it will become a matter of public record, and its distribution will not be limited. Copies of a final report shall be filed with appropriate state and other authorities.

The Governing Board shall publicly accept all audits and compliance questionnaires by roll call vote.

**Posting**

The District shall prominently post on its website home page a copy of its profile pages that displays the percentage of every dollar spent in the classroom by that school district from the most recent status report issued by the Auditor General.

Adopted:

LEGAL REF.:

A.R.S.

[15-213](#)

[15-239](#)

[15-914](#)

[15-2111](#)

[41-1279.03](#)

[41-1279.04](#)

[41-1279.05](#)

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[41-1279.07](#)

[41-1279.21](#)

[41-1279.22](#)

A.A.C.

[R7-2-902](#)

USFR - Audit Requirements

2 CFR Part 200 Appendix XI, Compliance Supplement

CROSS REF.:

DB - Annual Budget: Schedule, Preparation/Planning, Format,  
and Posting/Submission

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**REGULATION**

**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.

**Requirements for Proper Management**

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:

A. Whenever the District's expenditure of federal financial assistance is less than seven hundred thousand dollars (\$700,000) 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:

1. 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.

2. 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.

B. Whenever the District's combined expenditure from all sources of federal financial assistance is seven hundred and fifty thousand dollars (\$750,000) 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).

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To the extent permitted by federal law, the District:

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

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

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PURCHASING ETHICS**

**Governing Board**

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.

The Governing Board may provide food and beverages at School District events, including official school functions and trainings, as allowed by the Arizona Constitution, laws pertaining to travel and subsistence, gifts, grants (including federal grants), or devises, and policies of the Department of Education.

**Personal Gift or Benefit**

A person who supervises or participates in contracts, purchases, payments, claims or other financial transactions, or a person who supervises or participates in the planning, recommending, selecting or contracting for materials, services, goods, construction, or construction services of a school district or school purchasing cooperative is guilty of a Class 6 felony if the person solicits, accepts or agrees to accept any personal gift or benefit with a value of three hundred dollars (\$300) or more from a person or vendor that has secured or has taken steps to secure a contract, purchase, payment, claim or financial transaction with the school district or school purchasing cooperative. Soliciting, accepting or agreeing to accept any personal gift or benefit with a value of less than three hundred dollars (\$300) is a Class 1 misdemeanor.

Any person or vendor who has secured or has taken steps to secure a contract, purchase, payment, claim or financial transaction with a school district or school purchasing cooperative that offers, confers or agrees to confer any personal gift or benefit with a value of three hundred dollars (\$300) or more on a person who supervises or participates in contracts, purchases, payments, claims or other financial transactions, or on a person who supervises or participates in planning, recommending, selecting or contracting for materials, services, goods, construction or construction services of a school district or school purchasing cooperative, is guilty of a Class 6 felony. Offering, conferring or agreeing to confer any personal gift or benefit with a value of less than three hundred dollars (\$300) is a Class 1 misdemeanor.

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## Definitions

For the purpose of this policy, a *gift or benefit* means a payment, distribution, expenditure, advance, deposit or donation of monies, any intangible personal property or any kind of tangible personal or real property. A *gift or benefit* does not include an item of nominal value such as a greeting card, t-shirt, mug or pen. A *gift or benefit* does not include food or beverage, or expenses or sponsorships relating to a special event or function to which individuals involved in procurement and purchasing are invited.

## Reprisals

A District employee who has control over personnel actions may not take reprisal against a District employee or that employee's disclosure of information that is a matter of public concern, including a violation of District policy or laws/regulations governing the District.

Adopted:

LEGAL REF.:

A.R.S.

[15-213](#)

[15-323](#)

15-341

15-342

38-501-38-511

[38-503](#)

[38-504](#)

A.A.C.

R7-2-1001-R7-2-1003

R7-2-1308

Article IX, section 7, Constitution of Arizona

Policies adopted by the Department of Education

CROSS REF.:

[DJE](#) - Bidding/Purchasing Procedures

[GBEAA](#) - Staff Conflict of Interest

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**DJE @**  
**BIDDING / PURCHASING PROCEDURES**

The Superintendent shall be responsible for all purchasing, contracting, competitive bidding, 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. District purchases shall also be in accordance with 2 C.F.R. 200 (Code of Federal Regulations Title 2).

The Superintendent shall ensure that all aspects of bidding and purchasing procedures conform to federal and state laws, rules and regulations, including A.R.S. 38-503(C). The Superintendent shall establish administrative regulations to ensure the District is in full compliance, including contracting with small and minority businesses, women's business enterprises, veteran-owned businesses, and labor surplus area firms. (2 C.F.R. 200.321).

**Bidding**

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](#).

The District is not required to obtain bid security for the construction-manager-at-risk method of project delivery.

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### ***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](#).

Except as otherwise provided below, only purchases of ten thousand dollars (\$10,000) or more are subject to competitive bidding requirements.

### **Purchasing**

#### ***Purchases from District Employees***

Districts are required to follow the School District Procurement Rules for all purchases of goods or services from District employees regardless of dollar amount. A.R.S. 38-503(C) prohibits public employees from providing their employers with any equipment, material, supplies, or services unless provided under an award or contract let after public competitive bidding. Districts must follow the School District Procurement Rules, regardless of the expenditure amount, when purchasing goods or services from District employees. This applies to any purchase using District monies, including extracurricular activities fees tax credit contributions and monies held in trust by the District, such as student activities monies. Although the School District Procurement Rules exempt expenditures of student activities monies from the Rules, that exemption does not apply to purchases in which a District employee acts as a vendor.

#### ***Purchases from District Board Members***

Districts are required to follow the School District Procurement Rules for all purchases of services from District Board members regardless of dollar amount. A.R.S. 38-503(C) prohibits governing board members from providing their district with any services, unless provided under an award or contract let after public competitive bidding. However, for purchases of supplies, materials, and equipment from district board members, districts are required to follow the School District Procurement Rules only if the purchase exceeds one hundred thousand dollars (\$100,000). Purchases below the one hundred thousand dollar (\$100,000) threshold must comply with the guidelines for written quotes. For districts with three thousand (3,000) or more students, statutes limit purchases of supplies, materials, and equipment from board members to three hundred dollars (\$300) per transaction and one thousand dollars (\$1,000) total within any twelve (12)-month period and require that the governing board adopt a policy authorizing such purchases within the preceding twelve (12) months. Districts with fewer than three thousand (3,000) students may purchase supplies, materials, and equipment from governing board members in any amount, provided each purchase is approved by the governing board and the amount of the purchase is included in the board's meeting minutes.

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### ***Purchases Requiring Bidding***

For transactions of at least ten thousand dollars (\$10,000) and less than one hundred thousand dollars (\$100,000), written price quotations will be requested from at least three (3) vendors. 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.

For transactions to purchase construction, materials, or services costing more than one hundred thousand dollars (\$100,000), sealed bids and proposals shall be requested.

All transactions must comply with the applicable requirements of the Arizona Revised Statutes, the Arizona Administrative Code and the Uniform System of Financial Records.

### ***Purchases Not Requiring Bidding***

Except as otherwise provided above, purchases of less than ten thousand dollars (\$10,000) 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.

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](#) (A.A.C. R7-2-1002(C)(2)).

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](#).

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## **Contract Requirements**

### ***Contract Duration***

Unless otherwise provided by law, contracts for materials or services and contracts for job-order-contracting construction services may be entered into if the duration of the contract and the conditions of renewal or extension, if any, are included in the invitation for bids or the request for proposals and if monies are available for the first fiscal period at the time the contract is executed. The duration of contracts for materials or services and contracts for job-order-contracting construction services shall be limited to no more than five (5) years unless the Board determines that a contract of longer duration would be advantageous to the District. Once determined, the decision should be memorialized in meeting minutes and in the contract/bid file. Payment and performance obligations for succeeding fiscal periods are subject to the availability and appropriation of monies. The maximum dollar amount of an individual job order for a job-order-contracting construction service shall be one million dollars (\$1,000,000) or as determined by the Board.

### ***Public Inspection and Rationale for Awarding a Contract***

The Governing Board shall make available, for public inspection, all information, all bids, proposals and qualifications submitted, and all findings and other information considered in determining whose bid conforms to the District's invitation for bids. The documentation provided will include information regarding the most advantageous, with respect to price, conformity to the specifications, and other factors, or whose proposal for qualifications are to be used to select and award the bid. Included in this information will be the rationale for awarding a contract for any specified professional services, construction, construction service or materials to an entity selected from a qualified select bidders list or through a school purchasing cooperative. The invitation for bids, request for proposals or request for qualifications shall include a notice that all information and bids, proposals and qualifications submitted will be made available for public inspection.

### **Requirement: 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:

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**Registered Sex Offender Restriction.** Pursuant to this order, the named vendor agrees by acceptance of this order that no employee or subcontractor of the vendor, who is required to register as a sex offender, pursuant to A.R.S. [13-3821](#), 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.

Adopted:

LEGAL REF.:

A.R.S.

[11-952](#)

[15-213](#)

[15-213.01](#)

[15-213.02](#)

[15-239](#)

[15-323](#)

[15-342](#)

[15-382](#)

[15-765](#)

[15-910.02](#)

[23-214](#)

[34-101](#) et seq.

[35-391](#) et seq.

[35-393](#) et seq.

[38-503](#)

[38-511](#)

[39-121](#)

[41-2632](#)

[41-2636](#)

[41-4401](#)

A.A.C.

[R7-2-1001](#) et seq.

[R7-2-1023](#)

[R7-2-1029](#)

A.G.O.

[I83-136](#)

[I87-035](#)

[I06-002](#)

Uniform System of Financial Records: [VI-G-8](#) et seq.

[2 C.F.R. 200](#)

[2 C.F.R. 200.321](#)

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CROSS REF.:

[BCB](#) - Board Member Conflict of Interest

[DJ](#) – Purchasing Ethics

[DJG](#) - Vendor/Contractor Relations and Sales Calls Requirements

[GBEAA](#) - Staff Conflict of Interest

[JLIF](#) - Sex Offender Notification

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**REGULATION**

**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](#), [23-214](#) subsection A, [38-503](#), and [41-4401](#)), and the Arizona school district procurement rules set out in the Arizona Administrative Code (A.A.C.) [R7-2-1001](#) through [R7-2-1195](#). District purchases shall also be in accordance with 2 CFR 200 (Code of Federal Regulations Title 2).

**Definitions**

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](#).

**Preparations of Specifications**

Specifications for goods, services, and construction items are to be prepared in the manner prescribed by rules R7-2-1010 through R7-2-1017.

**Procurement of Services**

***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 and Arizona Administrative Code Title 7, Chapter 2, Parts XIV and XV. 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.

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### ***Procurement of Services by Certain Other Classes of Providers***

Except as authorized pursuant to R7-2-1002, R7-2-1053, or R7-2-1055, 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](#). Except as authorized in R7-2-1033, R7-2-1053, R7-2-1055, and R7-2-1122, 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](#) through R7-2-1123. Procurement procedures related to purchasing services from the professional providers are to conform to [R7-2-1119](#) through R7-2-[1122](#).

### ***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 [R7-2-1100](#) through R7-2-[1115](#).

### ***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 determination of the basis for the sole-source procurement and any cost or pricing data 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.

### ***Due Diligence***

The District is responsible for ensuring that all procurements are done in accordance with applicable law and school district procurement rules whether the procurement is done independently or through a cooperative purchasing agreement. The appropriate amount and complexity of due diligence to be performed by a district will vary based on the procuring entity with which the district is participating. A.R.S. 15-213(F) requires school districts and school purchasing cooperatives, in connection with any audit conducted by a certified public accountant, to have a systematic review of purchasing practices. The Office of the Auditor General has prescribed the guidelines for performing these reviews as part of the Procurement Compliance Questionnaire for cooperatives and the Expenditures section of the USFR Compliance Questionnaire for districts.

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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 procurement 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 Questionnaires 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.

### **Contract Requirements**

Care is to be exercised to assure the District's procurement practices conform to the general contract requirements set out in R7-2-1072 through R7-2-1087 and the accompanying conditions described in R7-2-1092 through R7-2-1093, as applicable.

### **Quotations**

#### ***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:

- A. Submittal requirements including:
  - 1. Date and time due;
  - 2. Type and manner by which quotations may be received (e.g., telephone, written, fax, e-mail, prepared form);
  - 3. Physical or digital address to which quotations are to be delivered.
- B. Specific information the quotation must include.
- C. Whether or not negotiations may be held.
- D. Options that may be made pursuant to a purchase contract, i.e., extensions and renewals.

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E. Contracts for job-order-contracting services shall be limited to no more than five (5) years unless the Board determines that a contract of longer duration would be advantageous to the District and has provided for such duration as a part of bid documents and conditions of renewal or extension within contract language. Such determination should be memorialized in writing and kept in the meeting minutes and contract/bid file.

F. Uniform terms and conditions included in the request by text or reference.

G. 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.

## **Bidding**

### ***Bidding Methods***

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 one hundred thousand dollars (\$100,000). The Superintendent must review the expenditure and make a recommendation to the Board for final action. The Board reserves the right to waive any informality 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.

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### ***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.

### ***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](#). 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](#).

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**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.

***Bid Call for Construction Projects***

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 ten 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.

***Sealed Bids***

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

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outside professional services in excess 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.

### ***Multistep Sealed Bidding***

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

- A. 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;
- B. Definite criteria exist for evaluation of technical offers;
- C. More than one (1) technically qualified source is expected to be available; and
- D. A fixed-price contract will be used.

The District may hold a pre-technical offer conference with bidders as provided in R7-2-1136(C).

The multistep sealed bidding method may not be used for construction contracts.

When the multistep sealed bidding method is determined to be authorized, the procedures set out in [R7-2-1036](#) and R7-2-[1037](#) shall be followed.

### ***Restrictions***

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.

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## 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:

- A. Use a contract other than a fixed-price type;
- B. Conduct oral or written discussions with offerors concerning technical and price aspects of their proposals;
- C. Afford offerors an opportunity to revise their proposals;
- D. Compare the different price, quality, and contractual factors of the proposals submitted; or
- E. 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 R7-2-[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:

- A. The type of services required and a description of the work involved;
- B. The type of contract to be used;
- C. An estimate of the duration the service will be required;
- D. That cost or pricing data is required;
- E. That offerors may designate as proprietary portions of the proposals;
- F. That discussions may be conducted with offerors who submit proposals determined to be reasonably susceptible of being selected for award;

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- G. The minimum information that the proposal shall contain;
- H. The closing date and time of receipt of proposals; and
- I. 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\(C\)](#).

## **Awards**

### ***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 and the request for proposals shall include the criteria the School District will use for selecting vendors for each contract under the multiple award, including as applicable, whether contracts will be awarded by individual line items, groups of line items, or categories, whether contracts will be awarded incrementally, and whether contracts will be awarded by designated regions or locations.

A multiple award to more than one (1) vendor should be made only when the District has determined in writing that a multiple award is necessary and advantageous to the District. Before making the award, the District shall establish procedures for the use of the multiple awarded contracts to ensure that purchases are made from the contracts determined by the School District to offer the lowest cost in satisfying the School District's requirements.

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The award shall also be limited to the least number of suppliers necessary to meet the District's requirements.

## **Purchasing**

### ***Cumulative and Like Item Purchases***

An analysis shall be performed annually to determine the extent of the District's 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 One Hundred Thousand Dollars***

The District may enter into contracts of less than one hundred thousand dollars (\$100,000) for a period up to five (5) years, as follows:

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

Contracts for materials or services and contracts for job-order-contracting construction services may be entered into for more than 5 years if, before the procurement solicitation is issued, the governing board determines in writing that a contract of longer duration would be advantageous to the district. Payment and performance obligations for succeeding fiscal years are subject to the availability and appropriation of monies.

### ***Multiple Year Purchases Totaling More Than One Hundred Thousand Dollars***

The District may enter into contracts for more than one hundred thousand dollars (\$100,000) for a period up to five (5) years, as follows:

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The Governing Board has determined in writing that:

1. The estimated requirements cover the contract period and are reasonable and continuing;
2. A multi-term contract will serve the District's best interest by encouraging competition or promoting economies in procurement; and
3. If monies are not appropriated or available in future years the contract will be cancelled.

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

- A. Document the time period that the pricing is valid;
- B. Secure and maintain written affirmation that the vendor will honor the pricing for the multi-year period;
- C. Secure and maintain 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.

### ***Cooperative Purchasing Agreements***

Procurements in accordance with intergovernmental agreements and contracts between the District and other governmental entities as authorized by Arizona Revised Statute are exempt from competitive bidding requirements pursuant to A.A.C. R7-2-1002(C)(2). Inspection of and payment for materials and services acquired under a cooperative purchasing agreement are the obligation of the District.

### ***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, emergency purchase action may be taken without price competition, if necessary. 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 pursuant to A.A.C. [R7-2-1055](#) shall be included in the procurement file and maintained in the District office.

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## **Federal Regulations for Suspension and Debarment Verification**

If a requisition involves the expenditure of funds received from Federal assistance, these procedures must include a process that confirms and documents verification of vendor suspension and debarment, per 2 CFR § 200.214 (Code of Federal Regulations Title 2). This verification can be done by accessing [www.sam.gov/sam/](http://www.sam.gov/sam/) where names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or other regulatory authority can be found. Federal regulations restrict awards, sub-awards, and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs and activities. A covered transaction includes a contract for audit services (that is federally required) and contracts for goods or services in the amount of at least, twenty-five thousand dollars (\$25,000), including subcontracts. Evidence and documentation of this verification process should be maintained by the Superintendent.

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**EXHIBIT**

**BIDDING / PURCHASING PROCEDURES**

**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.

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.

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VENDOR / CONTRACTOR AND  
SALES CALLS REQUIREMENTS**

**Fingerprinting Requirements**

A contractor, subcontractor or vendor, or any employee of a contractor, subcontractor or vendor, who is contracted to provide services on a regular basis at an individual school 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 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.

**Contract Provisions Requirements**

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 shall contain the warranties indicated below:

A. 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.

B. 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.

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## **Sales Calls and Demonstrations Requirements**

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:

LEGAL REF.:

A.R.S.

15-341

15-342

[15-512](#)

23-214

41-1758 et seq.

41-4401

A.A.C.

R7-2-1001

R7-2-1003

R7-2-1004

R7-2-1010

Public Law 92-544

CROSS REF.:

[DBF](#) - Budget Process, Adoption and Implementation

[DIC](#) - Financial Reports and Statements

[DJE](#) - Bidding/Purchasing Procedures

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**REGULATION**

**VENDOR / CONTRACTOR AND  
SALES CALLS REQUIREMENTS**

**Request for 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.

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## PAYMENT AND PAYROLL PROCEDURES

### 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 orders 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.

### Payroll Procedures

The District will establish two (2) or more days in each month, not more than sixteen (16) days apart, 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.

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.

Notwithstanding A.R.S. 23-351 and 23-353, 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 [A.R.S. 15-502].

Adopted:

LEGAL REF.:

A.R.S.

[15-304](#)

[15-321](#)

15-502

[15-906](#)

23-351

23-353

CROSS REF.:

[GCQF](#) - Discipline, Suspension, and Dismissal of Professional Staff Members

[GDQD](#) - Discipline, Suspension, and Dismissal of Support Staff Members

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EXHIBIT

**PAYMENT AND PAYROLL 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](#).

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

ATTEST:

\_\_\_\_\_  
President

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EXHIBIT

**PAYMENT AND PAYROLL PROCEDURES**

**DEFERRED WAGE PAYMENT ELECTION FORM**

By my signature I hereby acknowledge that I have read and understand the School District's policy on deferred/annualized 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

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SALARY DEDUCTIONS**

The Superintendent shall establish procedures that conform to all requirements of the law and all policies of the District, that ensure 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:

- A. Insurance premiums for staff members or dependents who are being covered under Board-approved Section 125 cafeteria programs.
- B. Direct deposits of net payroll with financial institutions.
- C. Tax-sheltered annuities for companies approved by the District.
- D. Credit union deposits.
- E. U.S. Savings Bonds.
- F. Professional dues.
- G. Contributions to qualified charitable organizations.
- H. Contributions to a public school for the support of extracurricular activities or character education programs of the public school.

Adopted:

LEGAL REF.:

A.R.S.

[15-121](#)

[15-135](#)

[23-352](#)

[42-2001](#)

[43-401](#)

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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 maximums established pursuant to A.R.S. 38-624.

Adopted:

LEGAL REF.:

A.R.S.

[15-342](#)

[38-621](#) *et seq.*

38-624

USFR: VI.I.

CROSS REF.:

[EEB](#) - Business and Personnel Transportation Services

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**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 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:

LEGAL REF.:

A.R.S.

[15-341](#)

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**DN @  
SCHOOL PROPERTIES DISPOSITION**

**Sale or Lease of Property**

The Board may sell or lease to the state, a county, a city, another school district or a tribal government agency any school property required for public purpose provided the sale or lease of the property will not affect the normal operation of a school within the District and the District is in compliance with Policy FCB, Retirement of Facilities, and A.R.S. [15-342](#).

**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 or private school before attempting to sell or dispose of the equipment by other means.

**Auctions**

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.

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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.

### **Donation of Surplus**

The Board may donate surplus or outdated learning materials, educational equipment and furnishings to nonprofit community organizations where the Board determines the anticipated cost of selling the learning materials, educational equipment or furnishings equals or exceeds the estimated market value of the materials.

### **Offer to Sell**

The Board may offer to sell outdated learning materials, educational equipment or furnishings at a posted price commensurate with the value of the item to pupils who are currently enrolled in the District before those materials are offered for public sale.

Adopted:

#### **LEGAL REF.:**

A.R.S.

[15-341](#)

[15-342](#)

15-727

15-729

A.A.C.

[R7-2-1131](#)

A.G.O.

I80-036

I80-189

U.S.F.R. Sec. III-J-5(10); App. B(6)

#### **CROSS REF.:**

[BCB](#) - Board Member Conflict of Interest

[FCB](#) - Retirement of Facilities

[GBEAA](#) - Staff Conflict of Interest

[IJJ](#) - Textbook/Supplementary Materials Selection and Adoption

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