



MAGNOLIA ISD
PURCHASING POLICIES & PROCEDURES

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SECTION 1: PURCHASING STATUTES, REGULATIONS, AND BOARD POLICY

- The Texas Education Code, Purchasing Contracts (Primarily sections 44.031 through 44.033). An electronic version of the Texas Education Code (TEC) can be obtained at the Texas Education Agency's (TEA) website: [Texas Education Code](#)
- The TEA Financial Accountability System Resource Guide Purchasing Module. The TEA Resource Guide can be accessed electronically at the TEA's website: [Financial Accountability System Resource Guide](#)
- Magnolia Independent School District's Board Policy. The MISD Board Policy can be accessed at the following website address: [MISD Board Policies](#)

SECTION 2: PURCHASING AUTHORITY

Under the Texas Education Code § 44.0312(a), the Board of Trustees of the District may, as appropriate, delegate its authority under this subchapter regarding an action authorized or required by this subchapter to be taken by a school District to a designated person, representative, or committee.

1. The following persons have been delegated authority to act as agents for MISD in carrying out the purchasing activities of the District:
 - a. Superintendent
 - b. Assistant Superintendent Of Operations
 - c. Director of Purchasing
2. Principals and directors have the authority to initiate and approve purchase requisitions (not purchase orders) within their authorized budget.
3. The District's credit card can be used to make purchases in accordance with statutes, regulations, Board policy, and this manual. All credit card purchases must be accompanied by a valid purchase order.
4. Every employee involved in procuring goods or services for MISD is responsible for earnestly working to attain the District's procurement goals and objectives.

Under Board policy CH (Local), the procurement function is assigned to the Superintendent or his/her designee (currently the Assistant Superintendent of Operations, and Director of Purchasing).

The Purchasing Department shall supervise the purchase of all materials, supplies, equipment, and services for the District.

The Purchasing Department shall develop appropriate procedures to assure:

- Purchases are made in accordance with appropriate statutes/regulations and Board policy.
- The existence of a list of approved vendors who have a record of quality products, services, and prices.
- Effective advertising for the procurement of products and services and for the sale of used, obsolete, and surplus materials, supplies, and equipment.
- The existence of a current specification file and expertise in developing meaningful product and service specifications.

Under Board policy CH (Local) Responsibility for Debts, the Board shall assume responsibility for debts incurred in the name of the District so long as those debts are for purchases made in accordance with adopted Board policy and current administrative procedures. **The Board shall not be responsible for debts incurred by persons or**

organizations not directly under Board control; persons making unauthorized purchases shall assume full responsibility for all such debts.

SECTION 3: PURCHASING ETHICS

Public purchasing and the expenditure of public funds require that ethical standards be incorporated into every aspect of the District's purchasing functions. The Purchasing Department faces the difficult task of developing good vendor relations and encouraging vendor competition while avoiding even the appearance of favoritism or other ethical misconduct. In an effort to get the job done successfully and on time, one may be tempted to circumvent policies, procedures, and laws, or make their own liberal "legal" interpretations of existing policies. Such activity, although well intentioned, will cause ethical problems.

In addition to the information provided in this section, please read the following Board Policy and Administrative Regulation:

- Board policy DH (Legal/Local), Employee Standards of Conduct. This policy resides on the District's web site.
- Board Policy CH (Legal): Purchasing and Acquisition. This policy resides on the District's web site.

The Texas Education Agency (TEA), *Financial Accountability System Resource Guide – General Ethical Standards and other documents*, prescribes common standards of ethics governing the conduct of employees involved in the purchasing function, which are incorporated in the procedures prescribed below.

Sequential Purchases – District employees shall not make purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Component Purchases – District employees shall not make purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

Separate Purchases – District employees shall not make purchases separately in order to circumvent board approval of items that in normal purchasing practices would be made in one purchase.

Conflict of Interest – In accordance with Board Policy DBD (Legal), employees who exercise discretion in connection with contracts, purchases, payments, claims, or other pecuniary transactions shall not solicit, accept, or agree to accept any benefit from a person the employee knows is interested in or likely to become interested in any such transactions of the District. *Penal Code 36.08(d)*. A conflict of interest is defined as any circumstance that could cast doubt on an employee's ability to act with total objectivity with regard to the District's interest.

Gifts - District employees shall not solicit, accept, or agree to accept any gifts or benefits from a person conducting or intending to conduct business with the District. The prohibition of accepting gifts does not apply to accepting an unsolicited item with a value of less than \$25, excluding cash or a negotiable instrument (Penal Code 36.10).

Financial Interest – MISD employees shall not participate directly or indirectly in procurement when the employee or the employee’s family member has a financial interest pertaining to the procurement.

Personal Use - District employees shall not make any commitment to acquire goods or services in the name of the District for personal use or ownership. All goods and/or services that are purchased with District funds are not to be removed from MISD at the time the employee leaves the District.

Equal Consideration - All employees shall grant all competitive suppliers equal consideration as state/federal laws and District policy permit (especially when evaluating bids and proposals).

Relatives - No District employee with purchasing authority may authorize the purchase of anything from any person or from any firm that is controlled, owned, or operated by that employee or from a relative within the second degree by blood or marriage of the employee.

Competition – Any procurement completed by the District must promote the fullest extent of competition, and must not include prospective contractors in the process of the creation of any bid or contract documents.

Under Texas Education Code § 44.032:

(b) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence makes or authorizes separate, sequential, or component purchases to avoid the requirements of Section 44.031(a) or (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(c) An officer, employee, or agent of a school district commits an offense if the person with criminal negligence violates Section 44.031(a) or (b) other than by conduct described by Subsection (b). An offense under this subsection is a Class B misdemeanor and is an offense involving moral turpitude.

(d) An officer or employee of a school district commits an offense if the officer or employee knowingly violates Section 44.031, other than by conduct described by Subsection (b) or (c). An offense under this subsection is a Class C misdemeanor.

(e) The final conviction of a person other than a trustee of a school district for an offense under Subsection (b) or (c) results in the immediate removal from office or employment of that person. A trustee who is convicted of an offense under this section is considered to have committed official misconduct for purposes of Chapter 87, Local

Government Code, and is subject to removal as provided by that chapter and Section 24, Article V, Texas Constitution. For four (4) years after the date of the final conviction, the removed person is ineligible to be a candidate for or to be appointed or elected to a public office in this state, is ineligible to be employed by or act as an agent for the state or a political subdivision of the state, and is ineligible to receive any compensation through a contract with the state or a political subdivision of the state. This subsection does not prohibit the payment of retirement benefits to the removed person or the payment of workers' compensation benefits to the removed person for an injury that occurred before the commission of the offense for which the person was removed. This subsection does not make a person ineligible for an office for which the federal or state constitution prescribes exclusive eligibility requirements.

(f) A court may enjoin performance of a contract made in violation of this subchapter. A county attorney, a district attorney, a criminal district attorney, a citizen of the county in which the school district is located, or any interested party may bring an action for an injunction. A party who prevails in an action brought under this subsection is entitled to reasonable attorney's fees as approved by the court.

Employees involved in the purchasing process are exposed to more than ordinary temptations because they are involved with the expenditure of large amounts of public money. Strict adherence to the above standards are critical to the protection of the employee's and the District's reputation. Any violations to these standards should be reported immediately using the District's Fraud Disclosure Form found on the Business Office's website.

SECTION 4: LEGAL REQUIREMENTS

Under Texas Education Code 44.031 (a);(b), all contracts, except contracts for the purchase of produce or vehicle fuel, valued at \$50,000 (\$50,000 from Local Policy – can be found online at the District's website) or more in the aggregate, for each 12-month period shall be made by the method, or the following methods, that provides the best value for the district. Additionally, purchases that costs or aggregates to a cost of \$50,000 or more require formal district approval that may take place via one of the methods listed below:

1. Competitive bidding;
2. Competitive sealed proposals;
3. A request for proposals, for services other than construction services;
4. An interlocal contract;
5. The reverse auction procedure as defined by Section 2155.062 (d), Government Code.
6. The formation of a political subdivision corporation under Section 304.001, Local Government Code.
7. Any other procurement method as listed in 2 CFR 200.320.

Personal property includes, but is not limited to, any item or thing that can be moved from one location to another or is consumable and does not include real property, such as land, buildings, and repair or renovation to any building. The term "personal property" includes related classes or types of items, or consumable supplies, such as athletic supplies, automotive supplies, office supplies, cafeteria equipment, cafeteria commodities, gasoline, books, instructional supplies, insurance, and so forth. *Local Government Code 271.003 (8), Attorney General Opinion DM 418 (1996)*

Professional and Consulting Services - Under Texas Education Code 44.031 (f), this section does not apply to a contract for professional services rendered, including services of an architect, attorney, or fiscal agent. A school district may, at its option, contract for professional services rendered by a financial consultant or a technology consultant in the manner provided by Section 2254.003, Government Code, in lieu of the methods provided by this section. *NOTE: federally funded professional service contracts must be let on a competitive basis.*

Competitive bids shall not be solicited for professional services of any licensed or registered:

- Certified public accountant
- Architect
- Landscape architect
- Land surveyor
- Physician
- Optometrist
- Professional engineer
- State-certified or state-licensed real estate appraiser
- Registered nurse
- Interior Designer

Contracts for these professional services shall be made on the basis of demonstrated competence and qualifications to perform the services and for a fair and reasonable price. *Government Code 2254.002, 2254.003(a).*

Categories – Magnolia ISD has determined a set of categories that are grouped so that contracts for the purchases of these items can be awarded in a competitive process to assure that the schools and departments are receiving best value for their budget expenditures and comply with all statutes, policies, and procedures. These categories are assigned on a per vendor basis within the finance system.

Bids, Proposals and Quotes (General Funds) - The following applies to purchases less than \$50,000, and applies to the TOTAL requisition amount, not the cost of a particular item. Requisitions cannot be split to avoid obtaining quotes.

- Requisitions totaling \$0-\$499 only require one written quote and an approved purchase order number
- Requisitions totaling \$500-\$25,000 require at least two (2) written quotes attached to the requisition
- Requisitions totaling \$25,000-\$49,999 require three (3) different quotes when obtained from cooperative vendors, or when purchasing from a multi-award contract
- Requisitions totaling \$50,000 or more in the aggregate during a 12 month period, shall be made by a valid formal procurement method as listed above.

****All purchases are subject to the Purchasing Department’s review and request for further information.**

Emergency Procurements - Under Texas Education Code 44.031 text of subsection (h) as amended by Acts 1999, 76th Leg., Ch. 922, if school equipment, a school facility, or a portion of a school facility is destroyed, severely damaged, or experiences a major unforeseen operational or structural failure, and the board of trustees determines that the delay posed by the contract methods required by this section would prevent or substantially impair the conduct of classes or other essential school activities, then contracts for the replacement or repair of the equipment, school facility, or portion of the school facility may be made by a method other than the methods required by this section.

Sole Source Procurements - Under Texas Education Code 44.031 (j), without complying with Subsection (a), a school district may purchase an item that is available from only one source, including;

1. An item for which competition is precluded because of the existence of a patent, copyright, secret process, or monopoly;
2. A film, manuscript, or book;
3. A utility service, including electricity, gas or water; and
4. A captive replacement part or component for equipment.

Note: Sole source does not apply to mainframe data-processing equipment and peripheral attachments with a single item purchase price in excess of \$15,000. All sole source documents are to be original and notarized and sent to the Director of Purchasing in the business office. They will then be submitted to the TEA for approval.

It is incumbent upon MISD to obtain and retain documentation from the vendor which clearly delineates the reasons which qualify the purchase to be made on a sole source basis.

Cost/Price Analysis – Federal regulations require documentation of cost analysis or price analysis for every procurement action at or above \$250,000 as per 2 CFR 200.323. All documentation must be submitted and retained by the District Business Office.

Competitive Bidding Defined - Competitive bidding is a formal process consisting of procedures that may also be referred to as competitive sealed bidding, or more simply as sealed bidding or formal bidding. Competitive bidding is the preferred method of procurement. The request for bids contains the purchase description or specifications covering the item(s), work and/or services needed, the terms and conditions for the proposed bid contract, the time and place for opening bids and other provisions, as necessary. The advertisement for bids; and description in the request for bids of item(s), work and/or services needed, and specific terms and conditions must be done in a manner that accomplishes the primary purposes of competitive bidding - stimulate competition and obtain the lowest practical price for the work, service and/or item(s) needed.

The purpose and intent of competitive bidding is to help public schools secure the best work and materials at the lowest practical prices by stimulating competition. If a district advertises purchasing needs relating to large expenditures, purchasing in large quantities will probably result in lower costs either per unit item or in the aggregate.

Advertisement - Under Texas Education Code 44.033 (g), notice of the time by when and place where the bids or proposals, or the responses to a request for qualifications, will be received and opened shall be published in the county in which the district's central administrative office is located, once a week for at least two (2) weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications. Additionally, MISD utilizes the Business Office website to advertise bid/proposal opportunities and increase its competitive environment.

Bid Document Elements - The following items are necessary in the preparation of a bid document and in requesting bids. Note: It is important to note that each element must be appropriately structured to suit the items or services bid.

- Newspaper Advertisement
- Notice to Bidders
- Standard Terms and Conditions
- Special Terms and Conditions
- Evaluative Criteria and Relative Weights (*mandatory for construction services*)
- Specifications
- Scope and Intent
- Definitions and Applicable Documents
- Requirements
- Quality Assurance
- Felony Conviction Notice
- Non-Resident Bidder's Certification
- Non-Collusion Statement
- Conflict of Interest Questionnaire
- Compliance with HB 1295
- Compliance with HB 89 and SB 252
- Note: additional forms to comply with 2 CFR 200 are required when using federal funds

Vendor Award Criteria - Under Texas Education Code 44.031 (b), except as provided by this subchapter, in determining to whom to award a contract, the district may consider:

1. The purchase price;
2. The reputation of the vendor and of the vendor's goods or services;
3. The quality of the vendor's goods or services;
4. The extent to which the goods or services meet the district's needs;
5. The vendor's past relationship with the district;
6. The impact on the ability of the district to comply with laws and rules relating to historically underutilized businesses;
7. The total long-term cost to the district to acquire the vendor's goods or services; and
8. Any other relevant factor specifically listed in the request for bids or proposals.

The District should always choose one or more criteria that will best meet the needs of MISD.

Cooperative Purchasing

A centralized purchasing function can also be performed on a regional level through a cooperative/interlocal agreement among districts or the regional education service center. Cost savings through a regional centralized purchasing function are achieved through both discounted prices and administrative cost savings to individual districts. If the district participates in a cooperative purchasing program, it satisfies any law requiring it to seek competitive bids. *Local Government code 271.102; Atty. Gen. Op. JC-37 (1999)*

Magnolia ISD is a member of the following cooperatives: EPIC6, ESC XX, Allied States Cooperative, TASB BuyBoard, OMNIA, TIPS USA, H-GAC, Choice Partners, Sourcewell, E&I Cooperative, TXSmartBuy, School Purchasing Alliance, 1GPA, CTPA, and DIR.

Reverse Auctions

The District is currently exploring the monetary advantages allowed under Texas Education Code, Section 44.031 and plans to utilize the reverse auction procedures defined by Section 2155.062 (d), Government Code. In this section, “reverse auction procedure” means:

1. A real-time bidding process usually lasting less than one (1) hour and taking place at a previously scheduled time and Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services; or,
2. A bidding process usually lasting less than two (2) weeks and taking place during a previously scheduled period and at a previously scheduled Internet location, in which multiple suppliers, anonymous to each other, submit bids to provide the designated goods or services.

Model for the Competitive Procurement Process

The competitive procurement process is lengthy and adequate time must be allowed to complete the tasks identified below. For this reason, the purchasing department seeks to complete the competitive procurement process prior to a District need arising.

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Whose Responsible
Evaluate Purchasing Needs & Confirm Availability of Approved Budgeted Funds.	Establish the minimum acceptable requirements that the product/service must meet and ensure that funds are available to procure such products/services needed.	User department/campus
Prepare Bid/Proposal Specifications	Prepare detailed written specifications to define the product/service the district is seeking/soliciting. Specifications must contain adequate technical descriptions to clearly identify the type of material, equipment, or services required. Descriptions must include quantitative data such as size, weight, or volume and qualitative data such as commercial grade, texture, finish, strength, chemical analysis, or composition where required. The specifications must also include;	Purchasing in collaboration with end-user

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Whose Responsible
	<ul style="list-style-type: none"> • Detailed description of the item/service that specifies the minimum acceptable requirements the user department/campus will accept. Industry standards should be utilized whenever possible. • Evaluation/award criteria in addition to the required criteria mentioned above. • Quantity required. • Required delivery date and/or period of performance for the contract. • Any relevant prints, diagrams, and/or samples of the item requested. • Suggested source(s) of supply. Vendor name, address, phone number, email, etc. <p>Specifications must be provided to the Business Office electronically (via email preferred) in Microsoft Word format.</p>	
Review Bid/Proposal Specifications	Review the item/service specifications to determine if competitive bids/proposals can be obtained and to ensure that Board policies and state laws are followed.	Purchasing
Advertise	Ensure bid/proposals are published once per week for at least two weeks before the deadline for receiving bids, proposals, or responses to a request for qualifications. Additionally, bids/proposals are published on the MISD Purchasing Website @ www.magnoliaisd.org .	Purchasing
Pre-Bid/Proposal Conference	Optional procedure as needed. This conference is used to allow vendors to meet with District personnel to	User department/campus and Purchasing

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Whose Responsible
	clarify specification requirements or to conduct site visits. <ul style="list-style-type: none"> • Document all attendees • Collection of all questions and answers and posting as an addendum is recommended. 	
Open Bid/Proposal	Bids/proposals will be opened at the date, time, and place specified in the request for bids or proposal.	Purchasing
Evaluate Bid/Proposal	Review bids/proposal responses and evaluate responses using established Vendor Award Criteria.	User department/campus and Purchasing
Prepare Written Recommendation	Prepare a written recommendation containing the following information and forward to the Business Office. <ol style="list-style-type: none"> 1. Description of supply, product, or service 2. Evaluation results (list criteria used to evaluate) 3. Name of recommended vendor 4. Justification for recommendation: <ol style="list-style-type: none"> a. If the best value bid is not recommended, list the reason(s) for rejection b. Explain how best value was determined (price, quality, delivery, etc.?) 5. Annual estimated cost/expenditures 6. Fund source: General Fund or other 	User department/campus and Purchasing

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES

Task	Description	Whose Responsible
	<p>7. Signature of appropriate approval authority for award recommendation. If the purchase exceeds \$50,000 the Assistant Superintendent of Operations signature is required.</p> <p>8. Any purchases exceeding \$300,000 require Board Approval.</p> <p>If all bids/proposals are rejected and a re-bid process will take place, the letter must contain:</p> <ol style="list-style-type: none"> 1. Description of supply, product or service. 2. Justification for recommendation to reject all bids, listing reasons for rejection of every bid. 3. Request to re-bid. 4. Estimated cost/ expenditures. 5. Fund code, fund name, and budget owner. 6. Signature of appropriate approval authority for award recommendation and/or board letter. 	
Appeal letters	Prepare appeal letters for each unsuccessful best value bid listing the reason(s) their bid was not recommended. The bidder/proposer has five business days to appeal the District's decision.	Purchasing

MODEL COMPETITIVE BIDDING/PROPOSAL PROCESS FOR PERSONAL PROPERTY AND SERVICES		
Task	Description	Whose Responsible
Obtain Board of Trustees Approval	Board approval is required before the successful bidder/proposer is notified of the award. (Note: Board meetings are normally held on the second Monday of each month).	Purchasing
Award Bid/Proposal	Notify successful bidder(s)/proposer(s) via award letters or properly executed purchase order.	Purchasing
Monitor Performance	Monitor the vendor's performance and ensure they comply with all specifications regarding the product to be delivered or service to be performed, including the condition of product upon delivery, and whether the service was performed or product was delivered within the stated delivery/performance period. Document performance when creating receiving records.	User department/campus

Other Legal Requirements

Regarding Terrorist Organizations - Pursuant to Sections 2252.151-.154 of the Texas Government Code, the Contractor hereby certifies that it is not a company identified on the Texas Comptroller's list of companies known to have contracts with, or provide supplies or services to, a foreign organization designated as a Foreign Terrorist Organization by the U.S. Secretary of State under federal law.

Regarding Boycotting of Israel - Pursuant to Sections 2271.002 of the Texas Government Code, the district may not enter into a contract with a company for goods or services unless the contract contains a written verification from the company that it does not boycott Israel and will not during the term of the contract.

The requirement above applies only to a contract that:

- Is between a district and a company with ten or more full-time employees; and
- Has a value of \$100,000 or more that is to be paid wholly or partly from public funds of the district

Conflict of Interest Questionnaire (CIQ) - On May 23, 2005 the Texas Senate passed HB 914, adding Chapter 176 to the Local Government Code, and imposed new disclosure and reporting obligations on vendors (current and potential) to local government entities beginning on January 1, 2006.

During the 80th Legislative Session, HB 914 was updated with HB 1491. For more information on this topic you can visit the Texas Ethics Commission website.

Magnolia Independent School District will not provide any further interpretation or information regarding CIQ law. Compliance is the individual responsibility of each individual, business, and agent who is subject to the law's filing requirement.

Please see the Texas Ethics Commission website www.ethics.tx.us/ for additional information.

SECTION 5: VENDOR RELATIONS

In centralized purchasing, the purchasing department is primarily responsible for vendor relations, contact, and communication. However, school campuses, departments, and staff must also communicate with vendors in order to obtain information necessary to properly prepare requisitions. Therefore, every employee involved in procuring goods or services for the District is responsible for fostering good vendor relations. It must be understood that contact and communication with vendors by school campuses, departments, and staff are not to represent a commitment to purchase; only authorized personnel as stated in Section 2 are authorized to make purchase commitments.

Approved Vendor List - An "approved vendor" is a vendor that has been awarded a Bid/Proposal through the MISD competitive procurement process or through an Interlocal Agreement. These vendors may be viewed on the awarded vendor list provided by the Purchasing Department.

Approved vendors are required because they have competed for business through the competitive procurement process and normally provide greater savings than non-awarded vendors.

If unclear from whom to purchase a good or service, please contact the Purchasing Department prior to contacting a vendor. If an approved vendor is unable to supply the goods required or pricing may be more advantageous with another vendor, the Purchasing Department must complete the formal procurement process.

New Vendors - New vendors can start doing business with the District through the competitive procurement process which begins with a need arising from the end-user. The competitive procurement process is the long term method of doing business with the District. The vendor can obtain "approved vendor" status only if a procurement method has been satisfied (all others will be added to the "bidder list").

Bidder List - The purpose of the bidder list is to notify vendors of advertised bids and proposals. Bids and proposals are posted on the Purchasing Department's website. Vendors will also be notified through the Bonfire system of all Bid/Quote opportunities in relation to their NIGP commodity code.

Vendor Application Form - Often vendors contact schools and departments and offer goods and services. If a school or department would like to purchase goods or services from a vendor not currently in the ERP system, they will have to request that the vendor complete a Vendor Application Form. The campus and department personnel cannot complete the Vendor Application Form for vendors. The application does not add the vendor automatically to the approved vendor's list, just to our database for bid invitational purpose.

Vendor Performance Evaluation - Evaluation of vendor performance is an important aspect of de-centralized purchasing. Problems encountered by a particular school or department can be avoided by other District entities when these occurrences are communicated to the Purchasing Department by the use of the Vendor Complaint Form found on the Purchasing Department website. Factors to consider when dealing with vendors:

- Timeliness of deliveries
- Service availability
- Completeness and accuracy of the order
- Quality of products or services received

Whenever problems are encountered with a vendor, (i.e., a vendor fails to deliver certain items or delivery does not meet specifications) it is important to document the problem, noting the date and an accurate description of the problem. In addition to contacting the Purchasing Department, the vendor should be contacted. Keep a record of all phone calls, including the dates and what was discussed and send a copy to the Purchasing Department preferably by email along with a Vendor Complaint Form.

If the problem is not resolved, coordinate with the Director of Purchasing to prepare written correspondence stating the problem, the corrective action required and the vendor's failure to correct the problem.

If a significant problem continues, legal counsel will be obtained regarding the removal of the vendor from the vendor list and discontinuing business with the vendor.

Visits from Vendors - Under Board Policy (CHE Local) solicitors, vendors, collectors, or salespersons shall not be permitted to confer with students or employees during school hours without the prior approval of the Superintendent or designee (Assistant Superintendent of Operations, Director of Purchasing).

Under no circumstances shall such persons be permitted to interrupt classes or conduct personal business with employees.

Local managers of school facilities shall be responsible for compliance with this procedure within the confines of their facilities.

Vendors desiring to visit schools for educational purposes must:

1. Obtain notification from the principal or director of the date/time of a meeting; and
2. Agree to a name-based security check.

Gifts from Vendors - School district officials and employees cannot accept anything of value from a vendor, such as personal gifts or gratuities, which may be construed to have been given to influence the purchasing process. Although such practices are legitimate and generally accepted in the private sector, there is a substantial possibility that both the giving and receiving of such “hospitality” constitutes a Class A misdemeanor offense of “Gift to a Public Servant” if the recipient is a government employee who exercises some influence in the purchasing process of the governmental body. Additional information of gifts and gratuities can be found in Board policy BBFB (Legal).

SECTION 6: PASSING OF TITLE OPTIONS

Delivery and receipt of goods/services is the goal of the requisition and purchase order process. Carefully checking deliveries and insuring that the end user(s) that ordered the goods/services actually obtain them is a critical part of the purchasing process. MISD utilizes de-centralized receiving through the finance software to ensure end users receive goods/services.

Freight Options

Title and control of goods can be passed by the following methods:

F.O.B. Point of Origin, Freight Collect: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; buyer bears and pays freight charges.

F.O.B. Point of Origin, Freight Prepaid: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; seller pays and bears freight charges.

F.O.B. Point of Origin, Freight Prepaid & Charged Back: buyer assumes risk of transportation and buyer assumes title the moment the carrier signs the bill of lading; seller pays and invoices buyer for freight charges.

F.O.B. Destination, Freight Collect: seller retains title and control of goods and selects the carrier and is responsible for the risk of transportation; title passes to buyer upon delivery and ownership by the buyer; buyer pays and bears the freight charges.

F.O.B. Destination, Freight Prepaid: seller retains title and control of goods and selects the carrier and is responsible for the risk of transportation; title passes to buyer upon delivery and ownership by the buyer; seller pays and bears the freight charges.

Receiving

District standard terms are F.O.B. Destination, Freight Prepaid. (This is the best method to use.)

De-centralized Receiving - Principals and directors should assign the receiving responsibility to an individual trained in receiving procedures. Procedures regarding the receipt of goods should be in place at each school/department.

Monitoring the delivery and receipt of purchase orders is the end user's responsibility. This ensures that the district actually receives what it purchases.

Inspection Procedures - Inspect the shipment for concealed damage. Concealed damage is damage that was not evident at the time of delivery. If damages are discovered after unpacking the shipment, notify both the carrier and the vendor in writing by email or facsimile.

After the shipment is unpacked, check the following against the Purchase Order:

- Compare the quantity received with the quantity ordered.
- Check for:
 - Over-shipments: An over-shipment is a shipment that contains more of an item than you ordered. Contact the vendor to resolve the issue.
 - Under-shipments: Only pay for the actual items received.
- Compare the brand name and model number received with the brand name and model number on the Purchase Order.
- Compare the shipment with the physical descriptions on the Purchase Order.
- Compare the packaging, labeling, marking, etc. with those on the Purchase Order.
- Make certain that "used" items are reflected as such on the Purchase Order.
- Retain copies of all shipping documentation until all discrepancies are resolved.

SECTION 7: UNAUTHORIZED CHARGES/PURCHASES

The following guidelines are applicable to all employees:

- Any commitment to acquire goods or services from budgeted funds prior to securing a legitimate purchase order or without prior approval from the Assistant Superintendent of Operations, Director of Purchasing, or designee is **prohibited. Anyone creating or authorizing such a commitment prior to securing a purchase order or obtaining authorization may be personally liable for payment of such agreement.**
- The only official authorized to obligate or commit the district involving the acquisition of goods or services from budgetary funds is the Assistant Superintendent of Operations, Executive Director of Financial Services, Director of Purchasing, or designee.

- Anyone creating or authorizing such a commitment prior to securing a purchase order will be held personally liable for payment of such agreement and/or may be liable to prosecution under the Texas Penal Code Chapter 39 Abuse of Office, Section 39.01.
- No goods or services are to be ordered or repairs made without a Purchase Order (P.O.) number having been issued prior to placing the order with the vendor. The individual placing an order without a P.O. number will be responsible for payment of the invoice.

SECTION 8: PURCHASES FOR INDIVIDUALS

Any commitment to acquire goods or services in the name of Magnolia Independent School District for personal use or ownership is prohibited. Any individual making such a commitment may be liable to prosecution under the Texas Penal Code Chapter 39, Abuse of Office, and Section 39.01.

Staff members or their designees are requested to NOT call in purchase order numbers to vendors upon receipt of said document without the expressed approval of the Assistant Superintendent of Operations or designated representative. This will avoid duplicate orders and duplicate billings.

SECTION 9: TAX EXEMPTION

The Magnolia Independent School District is exempt from payment of taxes under Chapter 20, Title 122A, Article 20.04. Revised Civil Statutes of Texas, for the purchase of tangible personal property. The District is exempt from sales tax because it is a public, free school, is tax supported, and operated under the Texas Education Agency.

Any use of the District's tax exemption certificate for personal purchase is prohibited. Anyone using the District's tax exemption certificate for personal purchases may be liable to prosecution under the Texas Penal Code, Chapter 39, Abuse of Office, Section 39.01.

All purchase orders notify vendors of the District's tax exempt status. When placing a confirming purchase order with a vendor, the school or department should indicate to the vendor that the District holds this exempt status and should not be charged tax.

SECTION 10: PURCHASE ORDER PROCESS

The requisition and purchase order process can be viewed as having four (4) distinct steps:

1. The requisition process
2. The purchase order process

3. Delivery and Receipt of goods or services
4. Invoice and Payment

The requisition and purchase order process begins when a need is determined by an end user and is not completed until payment is made for the goods and/or services.

Note: In order for the requisition and purchase order process to be effectively utilized, it is imperative that all end users and Business Office employees be fully aware of their role in this process and the process followed by all the above rules and regulations included in this manual.

Small Purchases - In the event that a small, infrequent purchase in an amount of \$150.00 or less is required on short notice in order to conduct a group meeting or similar District-related activity, such a purchase may be made by a District employee using his or her personal funds. Such a purchase, properly receipted and authorized, shall be reimbursed by the Business Office. Under no circumstances may these exceptional procedures be used to circumvent normal purchasing procedures and practice, and must be approved by the Principal/Director prior to purchase. Purchases made with a personal gift card, purchases of gift cards, and purchases made with existing vendors will not be reimbursed.

Furniture Purchases – Any furniture purchases must be submitted to the Purchasing Department via email. The Buyer will then assist in ensuring that the furniture being purchased meets the quality and standards necessary, and will ensure that the best value purchase is made.

Note: Before any new furniture purchases are made, the department/campus must ensure that there are no alternative options throughout the District. All replacement purchases are subject to inspection by the Purchasing Department

Requisition Process - A requisition is an internal document by which a campus or department of the district requests the Business Office to initiate a purchase order. It is a request generated electronically (through the use of the automated system) for the purchase of supplies, services, equipment, etc. A requisition is an **un-approved** purchase order. No purchasing commitment shall be made without an approved purchase order.

NOTE: All end users must keep in mind the following purchasing prime directives:

- Approval of purchases must be made prior to a purchase.
- Request for payment without a purchase order approved by the Business Office will become the responsibility of the **person ordering** the material or service.
- **Goods and/or services should not be ordered or accepted (written or verbal) until an official MISD purchase order has been issued.** Any individual placing an order without a P.O. number will be responsible for payment of the invoice.

Requisitions are initiated by those having proper authority, as defined in Section 2. After a requisition is in the finance system it must then be approved by the appropriate principal or director. **Requisitions which require expenditures from a Special Revenue Fund must be approved by the program administrator (i.e. Federal Programs, etc.) and the Grant Request Form should accompany the requisition.**

Unless state law or Board policy specifically requires the Board to make or approve a purchase, authorized District employees in charge of a department or school budget may purchase items included in their approved budget, in accordance with administrative procedures.

A Trustee, employee, or agent shall not, with criminal negligence, make or authorize separate, sequential, or component purchases to avoid the purchasing requirements set out in Education Code 44.031. An officer or employee shall not knowingly violate Education Code 44.031 in any other manner. [See Board Policy CH (Legal) and Section 4].

"Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase.

"Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase.

"Sequential purchases" means purchases, over a period, of items that in normal purchasing practices would be made in one purchase.

Violation of this provision is a Class B misdemeanor and an offense involving moral turpitude, conviction of which shall result in removal from office or dismissal from employment. A Trustee who is convicted of a violation of this provision is considered to have committed official misconduct and for four (4) years after the date of final conviction, the removed person is ineligible to be appointed or elected to public office in Texas, is ineligible to be employed by or act as an agent for the state or a political subdivision, and is ineligible to receive any compensation through a contract with the state or a political subdivision. [See Board Policy CH (Legal)].

Section 44.052 Texas Education Code states that a superintendent that approves any expenditure of school funds in excess of the amount appropriated for that item(s) in the adopted budget commits a Class C misdemeanor offense. Consequently, close supervision and monitoring of the availability of budget dollars and of the approval process for requisitions are important elements of the District's purchasing process.

NOTE: Principals, directors and employees are responsible for complying with statutory requirements, Board policies, and the procedures established in this manual when purchasing goods or services for the District.

Requisition Format - In order to avoid delays in processing, requisitions should include all information necessary to clearly define the needs of the user department or campus. The information required includes the following:

- Complete and accurate description of items to be purchased
- Quantity needed
- Vendor name and address (should be from the district's approved vendor list)

- Account code(s) to be charged
- Price (per unit and in total)
- Payment terms
- Discounts, if any
- Transportation arrangements (shipping/freight costs, if any)
- Three (3) quotes (if purchasing from an unapproved or cooperative vendor)
- Supporting evidence (quote, itemization of items to be purchased, etc.)
- Delivery destination (warehouse, school campus, department)
- Required delivery date, if any
- Any special instructions intended for the Business Office (must be written in the body of the requisition. Do not use the vendor notes for internal note of any special instructions)

Please contact the Purchasing Department if you have any questions about requisitions.

Requisitions received by the Purchasing Department are reviewed for the following items prior to approval of a purchase order:

- Accuracy
- Availability of funds
- Proper approvals
- Adequate description
- Proper account coding
- Overall completeness
- Does not conflict with administrative regulations or practice
- Compliance with competitive procurement as established on Education Code 44.031.

Purchase Orders - There are two (2) types of purchase orders and they are as follow:

1. Standard Purchase Orders
 - a. Purchase orders are to be input by commodity (i.e. office supplies, teaching supplies, etc.)
 - b. Can only be used once
 - c. Order must be placed within 45 calendar days thereafter
2. Blanket Purchase Orders
 - a. Maintenance and Transportation
 - i. List a minimum of three (3) examples
 - ii. A timeframe for the purchase order to cover
 - iii. The total amount not to be exceeded
 - b. Professional or Contracted Services
 - i. A timeframe for the purchase order to cover
 - ii. The total amount not to be exceeded
 - iii. A signed contract
 - c. All Other Supplies or Services
 - i. Blanket purchase orders are rarely given for any other type of transaction. All requests should be directed to the Purchasing Department for a blanket or open purchase order.

Field Trips - All field trips must include the correct cost per student and the principal or director should verify that the budget will allow for the transportation chargeback cost (please contact the Purchasing Department for estimated amount).

- Meal money can be provided to students and faculty (subject to per diem thresholds established in the Employee Travel Guidelines).
- Requisitions should be prepared well in advance of the field trip to ensure that any and all checks are processed prior to event.
- Field trips by student clubs or organizations are subject to this manual.

Professional and Consulting Services - The Board recognizes that special expertise is often required in a variety of areas. For this reason, the Board encourages staff to search out and attract highly qualified persons in order that their special skills may be used on a consultative basis. However, it is imperative that the District perform all necessary steps to verify that the relationship with the potential consultant is in fact a contract service. Quite often the working relationship that a campus or department has with a consultant is in fact that in which should be accounted for as an employee.

Please contact the Internal Revenue Service (IRS) when you are not certain, or have any question, that an individual is in fact a consultant (see the Business Office for contact information and related forms).

The following guidelines shall apply to the use of consultants:

- Expenditures for Consultants: Any expenditure for a consultant or group of consultants that is \$50,000 or more must be brought to the Board for approval.
- Contract labor:
 - Routine Assignments: All other consultative assignments, either to individuals or firms, shall be assigned by the Superintendent or designee, provided appropriate funds have been allotted.
 - Short-Term, Part-Time: Part-time clerical employees, substitutes, and certain technical substitutes, i.e., trades persons, data processing persons, etc., are not considered consultants, and are not subject to the provisions of this policy.

NOTE: The requisition for professional and consulting services must include the rate (price per hour or per day) and the number of days for the service necessary to obtain Board approval.

Vendor Selection Prohibition - When selecting a vendor, remember that nothing shall be purchased from any person related by blood or marriage within the second degree to any person holding the position of director or above or to any employee in the purchasing department. Nothing shall be purchased from any firm that is controlled, owned, or operated by a District employee who has purchasing decision authority, a Board member, or from any person related as described here.

SECTION 11: FEDERAL FUNDS AND EDGAR

Guidelines Related to Specific Costs - Funds must be expended for reasonable and necessary costs in conducting grant activities. Reasonable means a cost is consistent with prudent business practice and comparable to current market value. Necessary means the cost is essential for you to accomplish the objectives of the project. Your organization must comply with the applicable Federal cost principles in expending grant funds. This document addresses certain specific costs only and is not intended to be all-inclusive.

Advertisements - Advertisements are allowed for recruiting grant personnel only as long as the advertisement is not in color and not excessively large. Advertisements are allowed for communication with the public and press when the costs are considered necessary as part of the outreach effort for the grant.

Alcoholic Beverages - Alcoholic beverages are not allowable under any circumstances.

Audit Fees - Audit fees are allowable in accordance with the following: Audit fees and expenses may not be charged to State-funded grants. Audit fees and expenses are allowable only when the audit is required by and performed in accordance with OMB Circular A-133, Audits. Audit fees and expenses may not be charged as a direct cost when such audit-services costs are part of your organization's indirect cost pool.

Awards for Recognition and Incentives for Participation - Minimal-cost certificates, plaques, ribbons, small trophies, or instructionally-related items to be used in the classroom (such as pens and pencils) are acceptable incentives for participation in program activities or awards for recognition. The following items may be donated by others but may not be purchased with grant funds:

- gifts or items that appear to be gifts
- souvenirs, memorabilia, or promotional items, such as T-shirts, caps, tote bags, imprinted pens, and key chains
- "door prizes," movie tickets, gift certificates, passes to amusement parks, and so on
- food of any kind (snacks, beverages, refreshments, meals, and so on)

Calendars and Calendaring Systems - Calendaring systems to manage personal calendars—whether paper calendars, personal digital assistants (PDAs), or electronic or software calendars—are not allowable costs.

Cellular Telephones for Personal Use - A cellular telephone for personal use is not an allowable cost.

Ceremonies, Banquets, or Celebrations - Costs associated with ceremonies, banquets, or celebrations are not allowable.

Conflict of Interest - Any purchase or expenditure that would pose a conflict of interest, real or perceived, is not allowable.

Construction, Remodeling, or Renovation - These costs are not allowed unless specifically authorized in the authorizing program statute and unless specifically approved by TEA in the applicable grant application.

Consultants - You shall not use or pay any consultant in the conduct of this application if the services to be rendered by such consultant could have been rendered by your employees. You must select consultants based on demonstrated competence, qualifications, and experience and on the reasonableness of the proposed fee.

Employee Service Awards - Employee service awards cannot be paid from grant funds.

Employer Contributions to Voluntary Retirement Plan - Employer contributions to an employee's voluntary retirement plan, such as a 401k or 403b, are not allowable.

Entertainment, Recreation, Social Events - Costs associated with any type of entertainment, recreation, or social event are not allowable.

Field Trips - If specified in the grant program, educational field trips are allowable under certain circumstances if allowed in the grant program. Educational field trips are approved, planned instructional activities that involve students in learning experiences that are difficult to duplicate in a classroom situation. These field trips should provide hands-on activities that encourage students to experiment and ask questions. The field trip must support Texas Essential Knowledge and Skills (TEKS), must be reasonable in cost, and must be necessary to accomplish the objectives of the grant program. The field trip must also appear as a part of the teacher's lesson plans, which should include activities that prepare students for the trip and follow-up activities that allow students to summarize, apply, and evaluate what they learned from the trip. Costs for the field trip must be reasonable. Any entrance fees and transportation costs must be reasonable in comparison to the intended objectives of the trip. For audit purposes, your organization must maintain documentation of the field trip and must provide clear evidence of how the expense ties back to an instructional objective. Documentation should include the following:

- destination of each field trip
- costs associated with each field trip
- objectives to be accomplished from conducting the field trip
- teacher's lesson plan and follow-up activities

If the supplement-not-supplant requirement applies to the grant program in question, documentation must demonstrate the supplementary nature of the field trip as well.

Examples of appropriate educational field trips include the following:

- curricular academic activities focused on math, science, and technology, such as service learning, internships, UIL competitions (robotics, math), or science and technology fairs
- laboratory and field investigation instruction, used to improve students' understanding of science TEKS objectives
- trips to a river, archaeological site, or nature preserve that might include contracting with local science centers, museums, zoos, and horticultural centers for visits and programs
- trips to the local library to increase access to high-interest reading materials
- visits to colleges and universities to encourage interest in the pursuit of higher education

Unallowable Costs Related to Field Trips

The following costs are not allowable:

- field trips for social, entertainment, or recreational purposes
- field trips that supplant and do not supplement local or state expenditures or activities
- field trips that are not part of a teacher’s lesson plan or that do not meet the instructional objectives of the grant program
- field trips that are not reasonable in cost or are not necessary to accomplish the objectives of the grant program
- field trips that are not properly documented (as described above)

Food and Beverage Costs - Expenditures on food must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program. If TEA determines that you expended grant funds on food costs that are not reasonable or necessary to meet the intent and objectives of the grant, TEA reserves the right to restrict you from expending any funds on food costs or to disallow expenditures on food costs.

Food Costs for Participant Meetings/Training - Unless otherwise specified by TEA, a limited amount of funds may be expended on meals for participant meetings or training events. The use of grant funds for this purpose is specifically limited to light working lunches for participants when the working lunch is noted on an agenda, is clearly described, and is mandatory. The purpose of a working lunch should be to shorten the overall meeting or training time and to facilitate accomplishing the objectives of the meeting or training and the overall program.

Specifically, grant funds may be expended for the following costs provided that the grantee maintains adequate and sufficient documentation that the costs were necessary and reasonable to further the intent and objectives of the grant.

- **Light Lunch during an All-Day Meeting or Training Session:** Light lunch for participants who are cloistered in an all-day (at least six-hour) meeting or training session. You must document that it was impractical for participants to obtain lunch on their own (for example, because of an isolated location or distance to eateries) and that their attendance at the meeting or training session was essential to accomplishing the objectives of the grant. You must maintain an agenda that clearly identifies the topics discussed during the meeting or training session and the time allocated to each topic, including the lunch period. Only a nominal amount of grant funds may be used per participant.
- **Working Lunch during an All-Day Meeting or Training Session:** Light meals during a “working lunch.” A working lunch is defined as an activity in which staff or participants are engaged in exercises or activities during the normal meal time. You must maintain an agenda that shows that no other opportunity for a meal was provided and that clearly identifies the exercise or activity the participants were engaged in. You should also retain a representative sample of the work product, if any, that was generated as a result of the working session. Only a nominal amount of grant funds may be used per staff or participant. No other food costs, including beverages and other refreshments, breaks, or snacks, are permitted.

Allowable Food Costs for Parents and/or Students

The following food costs are allowable for parents or students:

- nutritional snacks for students in extended day (after-school) programs
- nutritional snacks for children in child care while parents are participating in grant activities

- food necessary to conduct nutrition education programs for parents
- parent involvement activities in which refreshments are necessary to encourage participation or attendance by parents, such as in low-income areas, and thus meet program objectives.

Full meals for parents or students are not allowable for these purposes under any circumstances. Expenditures must be reasonable in cost, necessary to accomplish program objectives, and an integral part of the instructional program.

Unallowable Food Costs

The following costs are not allowable:

- refreshments of any kind, including beverages, breaks, and snack foods except as necessary for parent involvement activities to encourage attendance
- refreshments or meals at an awards banquet or functions
- any food costs that is not necessary to accomplish the objectives of the grant program
- any food cost associated with an event in which a guest speaker or other individual conducts a presentation
- breakfast

Fund-Raising Activities - Costs of organized fund raising, including solicitation of gifts and bequests, endowment drives, financial campaigns, and similar expenses incurred to raise capital or obtain contributions are not allowable. Costs associated with training on fund-raising are not allowable.

Gifts - Gifts or items that appear to be gifts are not allowable.

Interest Paid - Interest paid in a prior grant period may not be charged retroactively to this grant period.

Land Purchase and Improvements - Land purchase and improvements to land are not allowable costs, unless specifically authorized in the grant program statute and specifically approved by TEA in the grant application.

Legal Fees - Legal fees and expenses are allowable only as necessary for the administration of the grant program. Retainer fees are not allowable costs.

Membership in Civic and Social Organizations or Lobbying Organizations - Memberships in civic and social organizations and in organizations that are substantially engaged in lobbying are not allowable costs.

Printing Costs - Printing costs are allowable when documentation demonstrates that they are reasonable and necessary. Any multi-color printing must be reasonable in cost and must be necessary to carry out the objectives of the grant program. Documentation must be maintained demonstrating that any such costs are reasonable and necessary.

Professional or Individual Liability Insurance - Professional liability insurance for individual employees is not an allowable cost.

Promotional Items, Memorabilia, or Souvenirs - Promotional items, memorabilia, or souvenirs are not allowable costs.

Renovation, Remodeling, or Construction - Renovation, remodeling, or construction is not allowable unless specifically designated as allowed in the authorizing statute and specifically approved by TEA in the applicable grant application.

Social Events - The costs associated with social events of any kind are not allowable.

Substitute Pay for Private Nonprofit Schools - Substitute pay for private nonprofit school teachers is not allowable under any circumstances.

Training or Technical Assistance on Grant Writing - Funds may not be used for training or technical assistance on grant writing or for costs associated with obtaining funds from another grant.

Transportation Costs - The cost of transporting students (or parents, if appropriate for the particular grant program) to or from extracurricular grant activities is an allowable expenditure. You may not charge the grant for costs incurred in transporting students to and from the regular school day.

Travel Costs - Amounts authorized for maximum recovery for travel and per diem costs against the grant are restricted to those that are approved in the State of Texas Appropriation Bill in effect for the particular funding period. Any amount over this limit must come from local funds. If local policy restricts travel, per diem, and other travel expenses to a rate less than State law, the applicant must budget and request reimbursement at the lesser rate. Travel allowances are not allowable expenditures in Texas.

Travel generally means a destination outside the city or town in which the individual works (i.e., duty point). Travel can also mean transportation from one duty point to another within the same city or town, such as with an itinerant teacher or counselor who visits multiple campuses in the same work day.

Travel allowances, in which the per diem is paid to the employee regardless of the amount actually expended, are not allowable.

Travel Costs for Executive Director, Superintendent, or Board Members - Travel costs for executive directors, superintendents, or board members or directors are allowed only when they are specifically related to carrying out the objectives of the grant project and only with specific TEA approval.

Allowable Travel Expenses

The following travel expenses are allowable:

- Mileage reimbursement is allowable for travel necessary to carry out the objectives of the grant project. When an employee is on travel for the purposes of the grant, mileage reimbursement cannot exceed the rate established by the Texas Comptroller. (Effective January 1, 2009, reimbursement for mileage is not to exceed 55.0 cents per mile.) If local organization policy reimburses at a lower rate, you must claim that lower rate.

- Airfare is allowable at the lowest fare available and must be documented with a receipt. First-class airfare is not allowable.
- Car rental fee (at destination) is not allowable unless other transportation such as taxi or shuttle is not available for performing official business or unless you document that car rental is more cost effective than alternate modes of travel. (The car rental must be documented with a receipt.)
- Airport parking is allowable.

In-State Per Diem (meals and lodging) for overnight travel in Texas is reimbursed at actual cost not to exceed the maximum amount allowed by State law, or local policy, whichever is less. Beginning September 1, 2005, the maximum allowable lodging is \$85.00 per night, not including taxes. Meals are allowable at actual cost not to exceed \$30.00 per day. (Lodging must be documented with a receipt.) Any amount over the allowable amount must be paid from local funds. Tips for meals cannot be reimbursed.

Out-Of-State Per Diem (meals and lodging) is reimbursed at actual cost not to exceed the maximum amount allowed by the Federal government, or local policy, whichever is less. All other guidelines apply. Out-of-state meal and lodging rates are available on the comptroller's website at: <https://fm.cpa.state.tx.us/fm/index.php>. Select State of Texas Travel Information under PAGE 60 TEXAS EDUCATION AGENCY BS6004 SCHEDULE INSTRUCTIONS REVISION 2.4 the Travel heading. Select Out-of-State Meal and Lodging Rates under the Resources heading. Select the Domestic Maximum Per Diem Rates link, then select the state to which you will be traveling.

- Taxi fares for official business are allowable. Tips cannot be reimbursed.
- Itemized miscellaneous business expenses (such as business phone calls, printing, or materials) for carrying out official business of the meeting, conference, or workshop are allowable.
- Registration fees to attend workshops or conferences are allowable. Social events or recreational events available at a cost above the basic registration fee may not be paid from grant funds.

Unallowable Travel Expenses

The following travel expenses are not allowable:

- first-class airfare
- Per Diem (meals and lodging) for meeting, conference, or workshop participants who live in the same city where the event is held. (Automobile mileage is allowable.)
- tips or gratuities (including service charges) of any kind
- alcoholic beverages
- entertainment, recreation, or social events
- any expense for other persons
- automobile mileage or taxi fares for other than official business
- personal accident insurance or personal effects coverage for rental cars
- rental car for personal use or for purposes not associated with the official business of the meeting, conference, or workshop
- travel allowances (i.e., per diem paid regardless of participant's actual expenses)
- non-instructional field trips (see guidance under "Field Trips")

Travel Documentation - Travel costs must be properly documented to be reimbursable. The employee must document travel costs with a travel voucher or other comparable documentation. Documentation must include the following at a minimum:

- name of the individual claiming travel reimbursement
- destination and purpose of the trip, including how it was necessary to accomplish the objectives of the grant project
- dates of travel
- actual mileage (not to exceed reimbursement at the maximum allowable rate)
- actual amount expended on lodging per day, with a receipt attached (may not exceed the maximum allowable)
- actual amount expended on meals per day (may not exceed the maximum allowable; tips; gratuities are not reimbursable)
- actual amount expended on public transportation, such as taxis and shuttles
- actual amount expended on a rental car, with receipt attached and justification for why a rental car was necessary and how it was more cost effective than alternate transportation
- actual amount expended on incidentals, such as hotel taxes, copying of materials, and other costs associated with the travel
- total amount reimbursed to the employee

Tuition fees, either paid directly to an institution or on a reimbursement basis to an employee, are allowable only for courses directly related to the grant program and where authorized in the grant program as an allowable use of funds.

Equipment

The following section applies to all equipment purchased utilizing Federal funds:

Equipment must be used for its original purpose in association with the federally funded program or project. Once the equipment is no longer needed for the original program or project, the District may utilize the equipment for any other activity approved by the Federal awarding agency.

Records of the equipment must be maintained that include the following:

- Description of the property
- A serial number or other ID number
- Source of funding
- Who holds the title
- Acquisition date
- Cost of property
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired
- Location
- Use and Condition
- Ultimate disposition data including the date of disposal and sale price of the property

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

Any loss, damage, or theft must be investigated thoroughly, and safeguards must be put in place.

When disposing of or replacing federally funded equipment, the District must follow all rules and regulations relating to 2 CFR 200.313 (b).