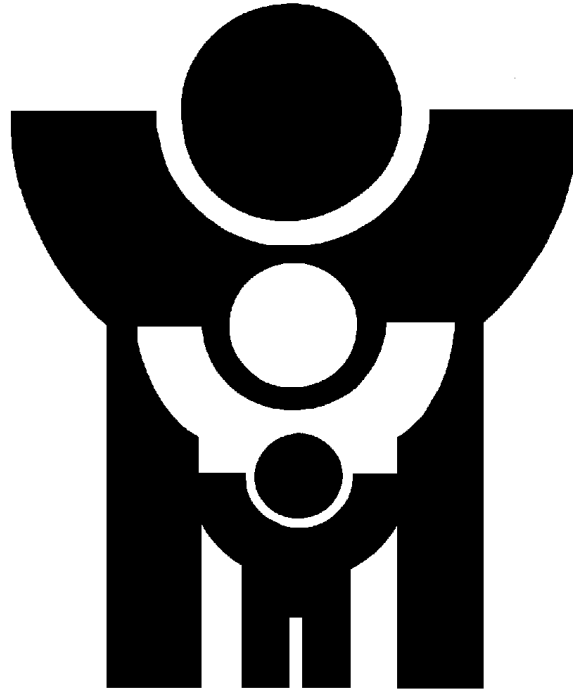


Boyle County Schools



Financial Management Manual

Boyle County Schools Financial Management Manual

The Primary function of the Finance Department of Boyle County Schools is to establish and maintain consistent fiscal procedures that allow students to have the greatest possible resources. The Finance Department oversees the purchasing process and monitors compliance with state and federal law, as well as board policy. The following financial management manual outlines procedures to be used but are not inclusive of all board of education policy. Please refer to the Boyle County Board of Education Policy manual for specific policy and procedures.

Boyle County Public Schools has adopted the Model Procurement Code (MPC) pursuant to KRS 45A. MPC provides the methods by which goods and services may be procured by the district.

This manual will outline the financial policy and procedure. All purchasing must be conducted in an ethical manner. No employee shall participate in the selection or administration of a contract or purchase order with a related party, or where a conflict of interest exists. Such a conflict would arise when the employee or any member of his/her immediate family, his/her partner, or an organization which employees or is about to employ one of the parties, has a financial or other interest in or tangible personal benefit from a vendor considered for a contract or purchase.

No employee shall solicit or accept gratuities, favors, or anything of monetary value from contractors, vendors, or parties to any awards, contracts, or agreements unless it is an unsolicited gift with a value of less than \$50 as defined in KRS 45A.445.

Model Procurement Code

BCPS has adopted the Model Procurement Code (MPC) pursuant to KRS 45A. The Model Procurement Policy as defined in the body of this document governs purchasing for Boyle County Public Schools. It is the responsibility of the purchaser to determine the proper method of procurement and provide any required documentation to finance. All representations made in a requisition are those of the originator and shall be their responsibility.

State/Federal Price Contracts

The school district is considered a political subdivision of the state and may purchase under the terms of state contracts. These contracts meet all bidding requirements of the Model Procurement Code and therefore no local bid is required for those items unless the board of education deems in the best interest of the school district.

Cooperative Bids

Cooperative groups of school districts bid items and receive vendors based on competitive catalog quotes on an annual basis. Boyle County Public Schools is a member of the Kentucky Purchasing Cooperative (KPC), Omnia Partners Purchasing Cooperative, Sourcewell and the Central Kentucky Educational Cooperative (CKEC). Cooperative bids (except catalog bids) for member districts meet all bid requirements per the Kentucky Model Procurement Code. Therefore, no local bid is required for those items unless deemed in the best interest of the school district. All items offered by these bids must be purchased through these vendors unless it meets an exception criteria. Catalog bids may be used under small purchase procedures up to \$20,000. By entering and approving requisitions as bid the person entering and approving is certifying that they have been awarded a bid either locally or through a solicitation from an approved Co-op or state master agreement.

Local Bids

BCPS may award local bids when a cooperative bid or state price contract etc. is not available and/ or the Superintendent and Board of Education feels it is in the best interest of the school district. All Local bids must be approved at a meeting of the Board of Education.

Competitive Sealed Bid

Any group of like items that total more than \$39,999 district wide in one fiscal year must be competitively bid. State Master contracts and Cooperative Contracts with contract numbers not listed as catalog are competitively bid unless one of the exceptions allowing noncompetitive negotiations applies. Artificially splitting an order to avoid the total is illegal and is punishable by fine and/or imprisonment. "Aggregate Amount" as defined in 45A.345 means the total dollar amount during a fiscal year of items of a like nature, function and use, which can be reasonably determined at the beginning of the fiscal year. The \$40,000 amount is that amount purchased by the total district (including activity funds) in a fiscal year, not just the purchases of one location.

Bids need not be evaluated on price alone but can be considered based on lowest evaluated bid. Pursuant to Kentucky Revised Statute 45A.345(8). "Evaluated bid Price" means the dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life, residual value, time of delivery and performance, or completion. When considering factors other than price the evaluation criteria and the relative importance of each must be communicated in the solicitation of bids. For services this may include experience, past performance, etc.

Other Competitive Negotiation

KRS 45A.370 allows school districts to purchase through other competitive negotiation, which may include a reverse auction, upon a written finding that:

- A. Specifications cannot be made sufficiently specific to award based on either the lowest bid or lowest evaluated bid (examples: developmental research, highly complex equipment).
- B. Sealed Bidding is inappropriate because the available sources of supply are limited, the time and place of performance cannot be determine in advance, the price is regulated by law, or a fixed price contract is not applicable; or
- C. The bid prices received through sealed bidding are unresponsive or unreasonable. The negotiated price must be lower than the rejected bid price.
- D. Other Competitive negotiation should always be used as a last resort.

Purchasing Bid Items

If a bid vendor offers the item, it must be purchased from the bid vendor unless the item meets applicable criteria for one of the exceptions to competitive negotiations.

There may be a number of reasons that an item may be cheaper to purchase from an alternative vendor. Nothing in this manual prevents the purchaser from purchasing from an alternate vendor if one of the exception criteria is applicable and proper documentation is provided. The item may be cheaper because the entity does not accept purchase orders or the employee would have to travel to get the product or potentially the store is cash and carry. Bid lists are set up to allow ease of purchasing and overall value to the consumer. The bid lists eliminate additional administrative time. While an individual price may be lower, the administrative time to procure the product will cause the price of the product to increase. Any like items purchased from a vendor exceeding \$40,000 must be competitively bid.

Boyle County Public Schools uses two cooperative bid lists (CKEC and KPC). State price contracts and agreements are also honored. All Finance materials along with links to available bid lists are located on the Boyle County Schools Finance Homepage located under Departments.

School Activity Funds

School Activity Funds are governed by Redbook law. Any transactions, reporting, etc. occurring in relation to school activity funds shall follow all applicable Redbook legislation. All funds derived from fundraising activities and fees sponsored under the auspices of the school by student clubs or student organizations are defined as student activity funds and must be accounted for at the school level. District activity funds are used to support co-curricular and extra-curricular activities, and are not raised and expended by student groups. If district activity funds are accounted for at the school level are subject to Redbook requirements. District activity funds are funds that are not raised or expended by student groups. Examples: Athletic gate, Book Fair, Lab, locker, parking fees, Picture sales, Yearbooks, etc.

Sweeping District Activity Funds

Funds to be swept to the district level should be kept in an account that is separate from student activity funds and district activity funds that are going to be kept at the school level. The account should be swept in its entirety on a monthly basis.

BCPS Model Procurement

1. **Bid** – If you are purchasing from an approved bid vendor (KPC, CKEC, State Master, Sourcewell, Omnia).
Over \$39,999 aggregate may require formal bidding. Unless the need could not be easily anticipated or bidding is not feasible.
2. **Small purchase** – see purchasing manual for complete details
\$0 - \$1,000 Purchases in aggregate do not require any price quotes if not competitively bid.
\$1,000 - \$2,999 Purchases require three documented quotes
\$3,000 - \$39,999 requires signed purchase order and three written quotes from vendors
\$40,000 and over requires formal bidding.
3. **State Price Contract** – Number from Participating State vendor
4. **Emergency** – Declaration from Superintendent required and attached to purchase order.
5. **Single Source** – Item available from one vendor (determined by features, not brand)
6. **Replacement Parts** – To repair item, parts available only from manufacturer
7. **Professional Services** – contract for licensed professional (artist, psychologist, physician, etc)
8. **Travel/Conference Registration** – Registration, travel, lodging, etc.
9. **Competitive Negotiations** – See purchasing manual for documentation
10. **Significant savings** – documentation must be attached to purchase requisition to verify savings. Over \$2,999 must have written quotes.

Exceptions to Competitive Negotiations

Emergency – “Emergency” shall result in public harm as a result of the delay caused by competitive negotiation procedures. An Emergency exists only when declared so by the Superintendent or his designee. This exception is very rarely applied.

Single Source – There is only one source from which the product can be reasonably procured. Must have a single source letter attached to the requisition.

Licensed Professional – The purchase is for the services of a licensed professional such as an attorney, physician, psychiatrist, psychologist, certified public accountant, registered nurse, or educational specialist; a technician such as a plumber, electrician, mechanic; an artist such as a painter or musician; this provision does not apply to architects or engineers providing construction management services.

Perishable items – A purchase of perishable items purchased on a weekly or more frequent basis such as fresh fruits, vegetables, fish, or meat. This is to be used primarily by Food Service.

Replacement parts – A purchase of replacement parts for which the need cannot reasonably be anticipated and stockpiling is not feasible. Must be from the OEM manufacturer.

Items for Resale – A purchase of proprietary items for resale; purchases in an enterprise in which the buying or selling by students is part of the educational experience.

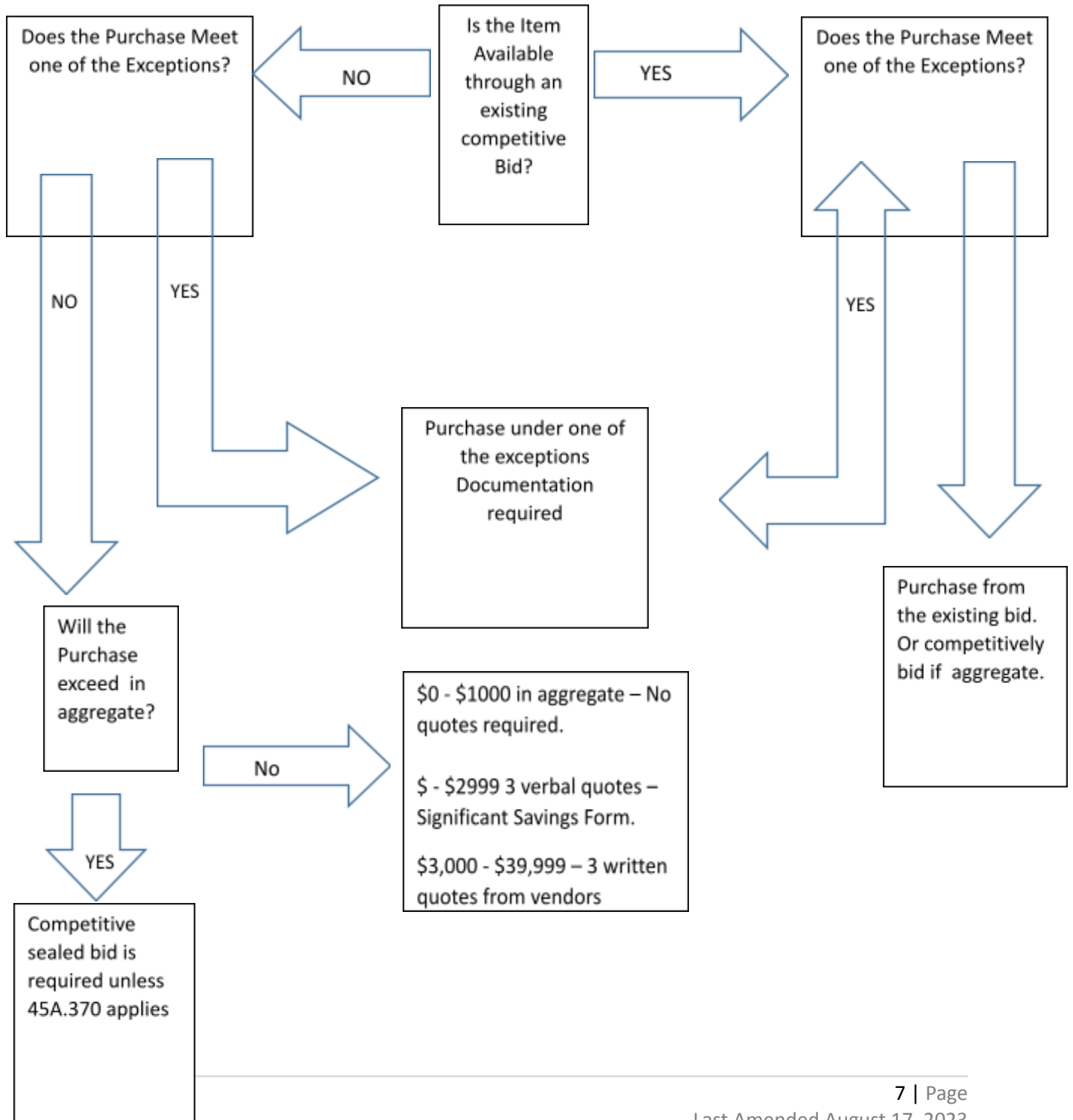
Travel – Approved trips outside the boundaries of Boyle County

Insurance – A purchase of group life insurance, group health and accident insurance, group professional liability insurance, workers' compensation insurance or unemployment insurance.

Sale at Reduced Price – A purchase at a reduced price which will afford a purchase savings to the district. Documentation of the savings must be provided if this method is used. (Significant savings form).

1. Bid Vendor refers only to those vendors who are on approved bid lists (CKEC, KPC, Omnia Partners Purchasing Cooperative, Sourcewell, State Master Contracts) and any bid list approved in conjunction with grants or specialty programs.
2. Small purchase guidelines require that all purchases be evaluated to produce the greatest possible savings. Please see flowchart for purchasing. Bid vendors and Formal bidding are always evaluated. Nothing prevents alternative vendors from being used if there is appropriate documentation.

Boyle County Public Schools Purchasing under Model Procurement code
 All purchases require a converted purchase order



Travel Reimbursement

The Board shall reimburse school personnel for school-related travel when such travel is required as part of the job duties. (See Policy and Procedure Manual for complete travel policy.)

Allowable expenses are

Mileage – Board approved mileage rate when the employee uses his/her own vehicle.

Tolls and Fees – All tolls and parking fees incurred must be substantiated by a ticket or receipt.

Food – Meals will be reimbursed per policy. Meals will only be reimbursed if employee stays overnight and accompanied by the completed overnight travel request and lodging receipt; an overnight form must be filled out 2 weeks prior to the event and attached to the travel reimbursement.

Forms are available online or in each school office. Fill out forms completely and attach original receipt to the back of the travel expense voucher. Give the completed travel expense form to the budget coordinator who authorized your travel. The budget coordinator will process for payment with the finance office.

Documentation of Compliance with MPC

Compliance Item	Model Procurement Method	Documentation Required
Competitive Sealed Bid	Formal Bidding	Bid Tabulation
Cooperative Bid	Coop-State Bid	Board Approved Cooperative
State or Federal Price Contract	Coop-State Bid	Inclusion on the State Master Agreement or State contract number
Small Purchase < \$40,000	See small purchase procedures	Significant Savings Form
Emergency KRS 45A.380(1)	Emergency	Declaration of emergency – Approved by Superintendent
Single Source within KRS	Single Source	Single Source Letter
Licensed Professional	Other Professional Services	Written Determination
Replacement Parts	Replacement Parts	Written Determination

Approved Vendors

Purchases may only be made from approved vendors which are those active vendors in Munis. If a department wishes to purchase from a vendor who is not listed as active in Munis, the following process must be followed to request BCPS approve that vendor.

Submit the Request for Vendor Approval to Finance via email. All information must be completed and a W-9 must accompany the request. Finance will perform random verification tests of information on the form. A search will be conducted of all vendors in Munis to determine if the requested vendor already exists in the system. In addition, Finance will ensure the requested vendor has not been suspended or debarred by the federal government. If all information can be verified, the vendor will be added as an active vendor in Munis by the Finance Department.

Account Coding

Account coding of POs and invoices is critical to the accuracy and reliability of financial data generated by the district. The account code used to requisition funds must be the account code which is appropriate for the expenditure being made. Refer to the Chart of Accounts on the KDE website (with segment descriptions) to determine the appropriate code to use. Account coding will be reviewed by Finance during the requisition approval process.

The account shall be selected based on the actual expenditure being made, not based upon where there is available budget. Budget administrators have the ability to request budget amendments to move funds among line items.

All transactions in Munis require an organizational code and object code. All Fund 2 and select Fund 1 accounts will also have a project code.

The organizational code describes who the transaction is for. The Org has three sections: the unit, the fund, and the key code.

The first three digits represent the location. The fourth digit represents the fund used and the last three numbers represent the specific functions or program.

The object code represents what is being purchased. For example, 0610 is supplies. Registering for a conference would be coded to 0338 registration and not supplies.

Purchase Orders

Purchase orders are critical in the procurement process. **No purchase should be made without a purchase order.** Any purchase made by an individual without appropriate approval will result in that person being personally responsible for the purchase. Purchase orders protect against overspending by ensuring that funds are available. A PO is a legally binding document, committing BCPS to purchase from a vendor.

When a PO is approved those funds are encumbered and no longer available for purchasing.

Federal Purchasing

Purchases for federal programs shall fall under Uniform Federal Guidance and Model Procurement.

Micro-Purchase: Purchases where the aggregate dollar amount does not exceed \$3,500 in Federal Programs.

Small – Purchase: Aggregate amounts range from \$3,500 - \$150,000. Model Procurement procedures are acceptable, but price or rate quotes must be obtained from an adequate number of sources.

Sealed Bids – Over \$150,000. Formal Solicitation required.

Micro-Purchasing shall be followed under the more stringent district purchasing procedures as adopted by the Boyle County Board of Education under model procurement.

Small Purchase procedures will follow all model procurement procedures and additional federal guidelines as defined by following the model program of federal purchasing and child nutrition

guidelines. Catalog bids may be an acceptable quotation but does not constitute a formal solicitation.

Sealed Bids – Competitive sealed bidding will fall under the more stringent model procurement code adopted by the Boyle County Board of Education. The competitive sealed bid will be awarded based on an attached rubric that does not unduly restrict competition. Requests for Proposals will be evaluated based on an attached Rubric, but will also be evaluated on proposed elements that could substantially enhance or degrade the bid.

The federal programs will retain records, requests for transfer of records, methods of collection.

Termination for Convenience and non-performance under Uniform Federal Guidance. The district reserves the right to terminate contracts for convenience or non-performance as described under Uniform Federal Guidance.

If the school district has reason to believe the contractor will be unable to perform under the contract, it may make a demand for reasonable assurances. If the contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of contract.

The School District will do the following in accordance with Uniform Federal Guidance:

- (1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.
- (2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in § 200.327 Financial reporting and § 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a sub recipient to establish an accrual accounting system and must allow the sub recipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.
- (3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303 Internal controls.

(5) Comparison of expenditures with budget amounts for each Federal award.

(6) Written procedures to implement the requirements of § 200.305 Payment.

(7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this part and the terms and conditions of the Federal award.

As required in 200.305 the school district will request reimbursement of Federal funds monthly. Payment methods are net 30 for all vendors and payroll expenditures are specifically identified on the payroll schedule.

Budgets

Each budget coordinator is responsible for monitoring each spending unit's budget to which they are assigned and if each purchase is allowable. All purchases made by the BCPS check must meet an "educational purpose" in accordance with the Kentucky constitution. All purchases made with grants or donated funds must also comply with the restrictions placed by the grantor or donor. Allowable purchases for many state and federal grants are detailed in the funding matrices on the KDE website. All purchases should be checked to make sure they are allowable before submitting the requisition.

Budget Amendments can only be entered after being fully approved.

Determination of Worker Status for purchased Professional Services

The internal Revenue Service requires employers to make appropriate determination of worker status between independent contractor and employee. All determinations of worker status will be made by the Finance Department. The principal or director shall recommend independent contractors to the finance department. Workers determined to be employees will follow the same procedures as any other district employee. In the event a clear determination cannot be made, the worker will be designated as an employee.

Game officials assigned by the Kentucky High School Athletic Association (KHSAA) are always paid as independent contractors and are exempt from the determination process described above.

Consultants

The Board may contract for consulting services to provide specialized advice or assistance to the school system concerning educational, management, or administrative matters.

Any proposed contracts with consultants shall be submitted to the Board for Approval and shall be accompanied by figures showing the estimated cost of the consulting project to the district.

Approval of Purchase Orders

In accordance with Board Policy a purchase order is required for every purchase in advance of ordering or receiving goods or services except the following: salaries and benefits, district utility payments, bond payments, board approved contracts and bids and reimbursements to employees for approved travel. Lodging must be encumbered through the PO process.

Receiving

When the goods are received, it is the responsibility of the requesting department to verify the items and sign the document as proof of receipt and send to finance in a timely manner. If some items were not received, indicate the missing items on the receiving document. If items were received damaged or otherwise unacceptable, it is the responsibility of the requesting department to work with the vendor to resolve the situation. Finance shall not pay any invoice without documentation that the goods or services were received in acceptable condition.

To indicate partial liquidating of a PO or to indicate a partial shipment of items, submit a copy of the electronic purchase order each time. When the original purchase order is received in Finance it will be an indication that the entire remaining amount of the encumbrance should be liquidated.

Payment of Invoices

Original invoices or receipts are required to process a payment. Payments shall not be made from statements. Requesting department should not accept backorders on items.

Invoices Greater than the Purchase Order Amount

Because a purchase order is created before the purchase is made, the amount on the PO is estimated and will not always match the invoice amount. If the amount of the invoice is less than the PO, the entire amount of the PO will be liquidated when the invoice is posted, making

those excess funds available in the budget to re-obligate. If the invoice amount is greater than the PO, keep in mind that the amount recorded as expenditure will be more than what had shown in Munis as encumbrance, reducing the amount of available funds. If the invoice amount is greater than the amount of the PO by \$100 or 10% (whichever is lower), A standard invoice must be attached stating the reason why and all approvers must re-sign the standard invoice.

Products approved for Purchase

Only products approved on the purchase order shall be purchased. No additional purchases may be added even if the amount indicated on the purchase order has been reached.

The Boyle Co Board of Education and the Kentucky Model Procurement Code

The Boyle County Board of Education has adopted the Kentucky Model Procurement Code as of July 1, 2000 as prescribed in Chapter 45A of the Kentucky Revised Statutes.

a. Conditions and procedures for delegation of purchasing authority:

Bids (which shall be initiated only by Office of the Superintendent) on all items, which have been advertised for competitive sealed bids, shall be submitted to the Board at its next regular or special meeting together with recommendations of the superintendent after evaluation of the bids concerning the award of the contract to the lowest bidder or lowest evaluated bidder.

The superintendent is hereby designated as the chief purchasing officer for the Boyle County School District. The superintendent recommends the treasurer/finance officer to act as purchasing officer with authority to enter into and administer contracts after Board approval, if applicable and make written determinations and findings with respect thereto. Budget coordinators, principals and assistant principals for all schools in the district have authority to make purchases related to their individual and specific areas of responsibility.

The superintendent will make recommendations to the Board as to additional staff members authorized to approve the issuance of purchase orders for procurement of goods and services.

b. Prequalification, suspension, disbarment, and reinstatement of prospective bidders.

The Board or their designee may elect to prequalify suppliers/bidders based on experience, proven ability to perform or supply, availability to service and/or repair, and other qualifications appropriate to ensure quality performance or supplies/equipment.

The Board may elect to suspend or disbar a supplier/bidder from providing services if it finds that contract agreements have been violated and/or inferior services, supplies or equipment have been provided as part of the contract.

The Board may elect to reinstate a supplier/bidder after certain conditions have been met as outlined by the Board.

c. Modification and termination of contract:

Any contractor who is designated by the superintendent to be in breach of any of the terms and conditions of a contract with the school district held by such contractor, shall, at the discretion of the school Board, be declared in default, and such contract may be terminated as a result of such default.

A default in performance by a contractor for which a contract may be terminated shall include, but shall not necessarily be limited to, failure to perform the contract according to its terms, conditions and specifications; failure to make delivery within the time specified or according to a delivery schedule fixed in the contract; late payment or nonpayment of bills for labor, materials, supplies, or equipment furnished in connection with a contract for construction services as evidenced by mechanics' liens filed pursuant to the provisions of KRS Chapter 376 or letters of indebtedness received from creditors by the superintendent or failure to diligently prosecute the work under a contract for construction services.

The school district shall not be liable for any further payment to a contractor under a contract terminated for the contractor's default after the date of such default as determined by the

Board of education except for commodities, supplies, equipment or services delivered and accepted on or before the date of default and for which payment had not been made as of the date.

The contractor, and/or his surety, if a performance or payment bond has been required under the contract, shall be jointly and severally liable to the Board of Education for all loss, cost, or damage sustained by the school district as a result of the contractor's default; provided, however, that a contractor's surety liability shall not exceed the final sum specified in the contractor's bond.

All changes or modification to contracts for the purchase of commodities, supplies, equipment and construction services shall be effected by an advice of change to the contract which shall be supported by a written determination by the purchasing official documenting the reason and the basis for the change or modification to the contract. Any change or modification of contract which involves a cost increase or decrease of 10% of the total contract price or \$2,500, whichever is less, shall be submitted to the Board for approval prior to being implemented. A copy of the documentation relative to any change or modification to a contract shall be filed and maintained in the contract file by the superintendent.

d. Rejection of bids, consideration of alternate bids and waiver of informalities in offers:

The conditions for bidding shall be applicable to and incorporated in all invitations for bids. Failure to comply with such conditions shall be cause for rejection of the bid. The Board retains the right to waive any informality in offers.

e. Multiple awards:

The purchasing officer is hereby authorized, when feasible, to advertise for bids at a discount from a price list or catalog. The conditions shall state that multiple awards may be made. When such multiple awards are made, purchases at the contract discount may be made from such price lists or catalogs without further negotiation.

f. Limited Supplies or Unresponsive/Unreasonable Bidding - The Board or its designee may enter into competitive negotiations for the purchase of goods and services as outlined in KRS 44A.370 when specifications cannot be made sufficiently specific to permit an award or supplies are limited; or the bid prices received through sealed bidding are unresponsive or unreasonable.

g. Insurance Contracts - The Board may elect to authorize the superintendent to negotiate insurance contracts to include but not be limited to bus insurance, general property insurance, etc.

h. Purchasing officers are authorized to acquire goods, services or construction through non-competitive negotiation. An indication will be made on the requisition that competitive negotiation is not feasible and a further determination is made that at least one of the following conditions has been met:

an emergency exists which will cause public harm as a result of the delay in competitive procedures;

there is a single source within a reasonable geographical area of the product or service to be procured;

the contract is for the services of a licensed professional, such as attorney, physician, psychiatrist, psychologist, certified public accountant, registered nurse, or educational specialist; a technician such as a plumber, electrician, carpenter, or mechanic; or an artist such as a sculptor, aesthetic painter, or musician provided, however, that this provision shall not apply to architects or engineers providing construction management services rather than professional architect or engineer services;

the contract is for the purchase of perishable items purchased on a weekly or more frequent basis, such as fresh fruits, vegetables, fish or meat;

the contract is for replacement parts where the need cannot be reasonably anticipated and stockpiling is not feasible;

the contract is for proprietary items for resale;

in school districts the contract relates to an enterprise in which the buying or selling by students is a part of the educational experience;

the contract or purchase is for expenditures made on authorized trips outside of the boundaries of the local public agency;

the contract is for the purchase of supplies which are sold at public auction or by receiving sealed bids;

the contract is for group life insurance, group health and accident insurance, group professional liability insurance, worker's compensation insurance, or unemployment insurance, or

the contract is for a sale of supplies at reduced prices that will afford a purchase at savings to the district.

Small Purchase Procedure Policy

Some confusion exists as to the extent that small purchase procedures can be utilized. The General Assembly authorized small purchase procedures to save governmental agencies from spending valuable resources and staff time on bidding incidental items and services. The term “aggregate amount” indicates that all like items with a total cost of \$40,000 or more should be bid, however, 45A.345 states that “items the need for which could not reasonably be established in advance or which were unavailable because of a failure of delivery need not be included in the aggregate amount.” Staff members should check all other procurement options before authorizing the small purchase procedure.

Purchases shall not be fragmented or artificially divided to avoid use of appropriate procurement methods. The contract may be for any period of time that will provide the most beneficial market price to the local school district provided no time period shall be fixed for the sole purpose of avoiding the requirements of competitive sealed bidding. In determining whether supplies, services or construction is normally supplied as a unit, the test is not whether a particular vendor does furnish such supplies, services or construction, but rather whether supplies, services or construction are closely related in their function and use.

The purchase of copy paper from four (4) different supplies @ \$10,000 each is an obvious violation. However, it is conceivable that the Director of Maintenance may purchase more than \$40,000 worth of material without bidding because of the many separate unforeseen repair projects, which must be completed within such a time frame that bidding is not practical.

The superintendent or designee should not use the small purchase procedure to bypass state price contracts, bids, etc., or to bypass conflict of interest regulations.

KRS 45A.445 through KRS 45A.455 are applicable to all small purchases and are incorporated herewith for specific notice to small purchasing agents, vendors, and the general public.

Written documentation must be maintained to justify small purchases. Schools shall maintain a small purchase file for purchases from school activity account. Documentation must include the following information: Any requisition that has a small purchase selected as a procurement method must be pre-approved by the finance officer. Examples would be Purchasing from the school system (Example: Lamination, Lettuce from FFA, etc.). Example: Purchasing food for a meeting. Best use of resources and time may indicate the need for food at a meeting. The Superintendent must pre-approve this allocation if students are not involved. (See Food Policy). We may use small purchases to buy food without having to obtain bids from multiple sources. This is extremely rare and should only be done with the appropriate pre-approval.

Copy of purchase order form.

Written justification. May be written on the purchase order form if purchase is not significant. Attach price quotes if obtained.

Any other documentation that justifies the purchase.

Copy of any contract.

The Model Procurement Law and the Board's Model Procurement Policy allows for the purchase of supplies at reduced prices that will afford a purchase at savings to the district. Purchase of items at reduced costs will be treated in the same manner as small purchase items, and written justification and documentation will be maintained in the small purchase file.

The determination as to the level of savings, which allows a staff member to purchase outside bid prices contract, etc., is subjective. If it is difficult to determine to what extent 45A.380, which authorizes purchases at reduced prices/savings, supersedes 45A.345 aggregate amount, which refers to like items with a cost of \$40,000 or more. Attorney General Opinion 90 75 states that "a local public agency may enter into contracts by noncompetitive negotiations and without bidding, if it simply makes a written documentation that competitive negotiations is not feasible and the contract is for a sale of supplies at reduced prices that will afford a purchase at savings to the local public agency."

Bidding Information (State, Coop, Local)

The Boyle Co Board of Education uses three types of bids in its purchasing process. State price contracts, cooperative bids and local bids.

When a contract is in effect for specific items and no emergency has been declared in writing then employees of the district shall purchase from the vendor(s) who holds the contract with no exceptions until such time as the contract expires.

Current listings of all active bids are available in the Office of the Superintendent.

State/Federal Price Contracts

The school district is considered a political subdivision of the state and therefore can purchase under the terms of many state, GSA and other multi-agency contracts. These contracts, when in place, meet all bidding requirements of the Kentucky Model Procurement Code and therefore no local bid is required for those items unless deemed in the best interest of the school district. A copy of applicable State, GSA and other contracts are available in the Superintendent's Office. State agency price contract awards are made on hundreds of items annually and school systems are afforded the right to purchase under the terms of the contract. Vendors must be notified in writing of our wishes to be included in the contract in order to receive state contract pricing.

State/Federal Price Contracts are contracts that have been established by state or federal agencies to ensure that goods and services are being acquired at a rate that in the aggregate is in the best interest of the Commonwealth. These contracts ensure that common products are being acquired at a favorable price. They are established for goods and services that are likely to be purchased universally by agencies or sub-units of governments. KRS 156.076 permits local Boards of Education to purchase from vendors who have contracts with the state. Items such as computer equipment, typewriters, chairs, and file cabinets are products for which state/federal contracts are established.

State Price Contracts may be accessed through the Kentucky Department of Education Homepage by clicking on the “For Districts” category, then choosing the Division of Purchases Homepage. Any questions may be forwarded to the Division of Purchases (502) 564-4510.

Cooperative Bids

Cooperative groups of school districts also bid items, typically on an annual basis in an attempt to obtain better pricing. The Boyle Co Board of Education currently belongs to Central Kentucky Educational Cooperative and The Kentucky Purchasing Cooperative.

(CKEC), Kentucky Purchasing Cooperative (KPC, Omnia Partners Purchasing Cooperative, Sourcewell).

Cooperative bids provide cost savings for its member school districts. Cooperative bids for member districts meet all bid requirements only if competitive bid contracts are awarded under Kentucky Model Procurement Code and therefore no local bid is required for those items unless deemed in the best interest of the school district. All items offered by these bids must be purchased through these vendors unless it meets the following criteria:

Local bid award is in place for like items.

State, GSA or other multi-agency contract is available for similar items that would afford savings to the district.

Significant savings to the district.

A list of all applicable Cooperative contracts is available in the Office of the Superintendent.

Local Bids

The Boyle County School District may award local bids when a cooperative bid or state price contract etc. is not available and the superintendent feels it is in the best interest of the school district. A copy or listing of all local bid awards is available in the district finance office. All such bids must be approved at a meeting of the Board of Education. The Board at its discretion may award multiple bids.

The length of the contract will be determined by the Office of the Superintendent as deemed in the best interest of the district, never to exceed three years. If a determination is made that it is no longer in the best interest of the school district to purchase under the terms of these contracts, then the contract can be considered null and void 30 days after the vendor receives written notice.

What must be bid?

Any item that aggregates to more than \$40,000 district wide must use one of the approved purchasing methods. Artificially splitting an order to avoid the aggregate total is illegal and is punishable by fine and/or imprisonment.

Aggregate amount means the total dollar amount during a fiscal year for an item of like nature, function and use, which can be reasonably determined at the beginning of the fiscal year. Items that could not reasonably be determined in advance do not have to be included in the aggregate amount. The \$40,000 amount is that amount purchased by the total District (including activity funds) in a fiscal year, not just the purchases of one location.

If a bid vendor offers the item it must be purchased from them unless it meets applicable criteria. Many times the same item may appear to be cheaper from another source but they have not followed the guidelines to offer their lower price at the time of bidding. Bidding is meant to ensure fairness in the marketplace and to produce the least expensive price for the length of the contract. The item may be cheaper because of cash and carry or a discount store who does not provide ordering, delivery, and/or billing. If you consider employee time to make purchase and travel cost, the cost of the item has experienced inflation.

Emergency Procedures

Emergency must be documented in writing and documentation attached to the invoice and purchase requisition and retained in the paid invoice file. The Superintendent or designee may declare these emergencies upon receiving a request from an employee of the district. Emergency Declaration may be used for things like a boiler explosion or waterline break. If the service being provided to students is interrupted, it is safe to say that an emergency declaration could be used to forego the procurement bidding process. Such an action shall be declared by the superintendent or designee and adequately documented.

The following are not required to be bid under the terms of the Kentucky Model Procurement code but may be bid if it is determined by the local district that it is in the best interest to do so.

Non-competitive Negotiations

An emergency exists as determined by the Office of the Superintendent.

Single-source item- an item from sole manufacturer. (single source not by brand but by features)

Professional services – Psychiatrist, psychologist, certified public account, education specialist, physician, nurse, artist (musician, painter, etc.)

Perishable items – food such as vegetables

Replacement parts

Items for resale – bookstore sales

The contract is for life, health, accident, liability, workers compensation and unemployment insurance.

Purchase will afford significant savings to the district. (significant savings form must be attached to purchase order)

Purchasing Process

1. Employee fills out purchase requisition.
2. Purchase requisition approved by Principal or Budget Coordinator
3. Purchase requisition assigned a purchase order number by Finance Office
4. Purchase order returned to employee for ordering process with vendor

Receiving and Paying for purchases

Sign your invoice indicating that you received the items.

1. If you picked up your purchase from the vendor, the documentation they gave you is likely the only invoice to be printed (i.e. Walmart, Kroger, Lowe's). Sign the invoice and give it to your bookkeeper or secretary as soon as you return to work so it may be processed for payment. The invoice and purchase order must be returned to the finance office together for payment.
2. If you received a shipment, there should be a packing list enclosed. Review this packing list indicating that you received the merchandise and give the signed invoice to your bookkeeper or secretary the day you receive your shipment. The invoice and purchase order must be returned to the finance office together for payment.
3. If you receive an invoice in the mail, sign the invoice indicating that you received the merchandise and give it to your bookkeeper, secretary or budget coordinator the day you receive it. The invoice and purchase order must be returned to the finance office together for payment.

Please process your paperwork for purchases quickly. A vendor cannot be paid until you do your part of processing the packing slip and/or invoice. The longer you take to send it in the longer the vendor has to wait for their money. If the vendor must call on a past due invoice this is time consuming for the bookkeeper or secretary to track down your bills. We need to pay our invoices in a timely manner, this is just good business.

Travel

The Boyle County Board of Education has adopted the following policy for certified staff (Board policy 03.125) and classified staff (Board policy 03.225).

The Board shall reimburse school personnel for school-related travel when such travel is required as part of the duties of the employee or for school-related activities approved by the

Superintendent and the School Council when appropriate. Travel expenses of school-based personnel in SBDM schools shall be paid from council funds. The Board will be responsible only for actual expenses. Allowable expenses are:

- Mileage – Actual mileage between official work stations within the school system and actual mileage for trips outside the school system which have been approved by the superintendent and the council in SBDM school will be reimbursed at the board approved rate per mile when the employee used his/her own vehicle.
- Gasoline – Actual cost of gasoline and oil purchased and placed in a Board-owned vehicle by an employee while engaged in school-related travel. A receipt showing total gallons and total charges must substantiate purchase.
- Tolls and Fees – All tolls and parking fees incurred in school-related travel. Parking fees must be substantiated by a ticket or receipt.
- Car Rental – Car rental charges when approved by the Superintendent and the council in SBDM schools. A receipt must substantiate charges.
- Common Carriers – All charges or fares for necessary travel on common carriers (plane, bus, train, subway, taxi, ferry, etc.). Sightseeing and pleasure tours are not reimbursable.
- Out-of-State Travel – Reimbursement for out-of-state travel by privately owned vehicles shall be made on the basis of airplane coach fare or mileage rate, whichever is the lesser amount.
- Food – based on per diem established by the board.

Travel Expense Forms – Mileage and Meal Per Diem will be paid at the board approved rate and will not be encumbered by PO. Lodging and Registration shall be encumbered with an approved purchase order. In order to be eligible for meal reimbursement the proof of stay (hotel receipt) and approved overnight trip request must be submitted with the travel expense form.

702 KAR 3:030. Insurance Requirements

RELATES TO: KRS 160.105

STATUTORY AUTHORITY: KRS 156.070, 160.105

NECESSITY AND FUNCTION: KRS 160.105 directs the State Board for Elementary and Secondary Education to require by regulation that each school district provide for fire and extended insurance coverage on non-surplus buildings, at not greater than replacement cost but allowing for coinsurance and deductible features. This regulation implements that function by providing for a level of insurance coverage on school districts and any school revenue bond holders, as their interest may appear.

Section 1. Each local Board of education shall submit to the chief state school officer for his approval, not less than sixty (60) days nor more than 120 days prior to the date of awarding insurance coverage, a schedule of values which reflects the estimated replacement cost, actual cash values, and the amount of fire and extended insurance coverage provided for each building and its contents owned by the local Board of education which is not surplus to its needs as shown by the approved facilities plan. Each such building and its contents shall be insured for an amount equal to 100 percent of the replacement cost thereof as shown on the schedule of values, and each policy covering such buildings and contents shall provide an agreed amount endorsement. The replacement cost of the building shall include the increased cost of construction brought about by code changes that have occurred since the original structure was built and which would be required to be incorporated within the rebuilt structure. Despite the required insuring of individual buildings and contents at 100 percent of replacement cost, a blanket limitation on an insurance carrier's liability per occurrence may be approved by the chief state school officer if an individual district's schedule of values exceeds \$100,000,000 and if the blanket limitation equals at least \$100,000,000 and, in addition, at least fifty (50) percent of total replacement costs as reflected by the approved schedule of values.

Section 2. Insurance on property specified in Section 1 shall be provided by carriers licensed to do business in the State of Kentucky and shall have features that provide for a minimum of eighty percent (80%) coinsurance, a per occurrence deductible on all perils not to exceed five percent (5%) of the prior year's capital outlay allotment or \$10,000, whichever amount is smaller, and a replacement cost endorsement.

Section 3. Buildings requiring insurance and containing steam boilers shall have a boiler and machinery coverage having a limit of liability equal to the total value of the real and personal property in the building in which the steam boiler is located.

Section 4. School districts may cover property in a self-insurance pool providing coverage at least equal to the standard of coverage specified in Sections 2 and 3 of this regulation. Such a self-insurance pool shall be adequately reinsured by a carrier approved to do business in the State of Kentucky and shall provide facilities for insuring all of the property of an individual district to which this regulation applies.

Section 5. In the event a school building cannot be insured on a replacement cost basis, the policy insuring the building shall carry an agreed amount endorsement, and a certification signed by the local superintendent and Board chairperson shall be attached to the policy stating that it would not be fiscally responsible to provide replacement cost coverage for the building being insured.

Section 6. Insurance coverage provided for in Sections 2 and 3 of this regulation shall be obtained by local school districts by bids submitted on standard bid forms provided by the chief state school officer after having advertised for bids, where bids are required by KRS Chapter 45A or 424 as applicable.

Donation Acceptance

Monetary gifts, donations or local grants and scholarships to the school may be maintained at the school level when the amount is less than \$1,000 or otherwise approved by the Superintendent in writing. All funds when received shall follow school and District accounting procedures.

SOLICITATION OF GIFTS

No school employee or school organization shall solicit for the use of the school any gifts or funds from individuals or groups without the recommendation of the Superintendent and the prior approval of the Board.

Credit Card Purchases

Boyle County Public Schools has the following Credit cards available for purchase as of 6-30-17:

All credit card purchases require a previously approved purchase order. See Credit Card Procedure in appendix for full details.

Boyle County Public Schools:

Walmart Cards – 5 cards

Hobby Lobby – 2 cards

Kroger – 2 cards

Lowe's – 3 cards

Farmers National Bank Visa – 1 card – Superintendent pre-approved use only

Boyle County High School

Walmart – 2 cards – Lowe's – 1 cards – Kroger – 3 cards

Boyle County Middle School

Walmart 2 cards – Kroger 1 cards

Woodlawn Elementary School

Walmart – 2 cards

Junction City Elementary

No credit cards

Perryville Elementary School – Walmart – 1 card

Credit Card Procedure

Principles of use

1.1 The use of credit cards is restricted to Boyle County Board of Education business only.

1.2 The credit card holder is responsible for the security of the card.

1.3 The credit card can be used for purchases up to a maximum limit of \$999 per purchase unless expressly approved by the Superintendent.

1.4 Technology may not be purchased with the use of a school credit card.

1.5 A listing of all credit cards held at the school level must be supplied to the Finance Director.

1.6 No additional credit card may be obtained without express written permission of the Superintendent.

1.8 An employee shall not make personal purchases using the school credit cards.

1.9 Credit cards must be safeguarded and kept under lock and key to protect against unauthorized use.

2.0 Sign-In/Out Log (Form F-SA-13). There shall be separate identification for each type of credit card.

- 2.1 Each card shall have a separate Credit Card Sign-In/Out Log (Form F-SA-13).
- 2.2 All charges on the card require a prior-approved purchase order and a signed itemized store receipt.
- 2.3 Employees shall be responsible for reimbursing any charges made without prior approval.
- 2.4 The card approved purchase orders and itemized store receipts shall be submitted no later than the close of the next business day. Return of the Card shall be on the next business day.
- 2.5 Loss of cards shall be reported immediately to the appropriate district office and the district finance officer.
- 2.6 Only store based credit cards may be held at the school level.
- 2.7 No cash transactions are allowed with any credit card.
- 2.8 Schools with credit card transactions during the year will be subject to a full audit by the Finance Director.

Principles used in this procedure

It is both the card holder's and the Authorizing Officer's responsibility to ensure the card is used for legitimate BCBOE business and within BCBOE policies and procedures. If a card holder or Authorizing Officer has any doubt as to the correctness of credit card use, they must contact the Finance Officer (Credit Cards) before the transaction is processed.

Transactions must be within the limit as per policy. Splitting a transaction into smaller transactions to avoid exceeding the transaction limit is prohibited.

Cards held at the district level may only be used for purchases using district funds. No activity purchases may be made using a district credit card. School cards may be used for activity purchases.

Payment methods

It is the Principals responsibility to ensure the card is paid within 14 days. The card statement should be paid within 14 days of the statement date. Late payments may result in the cancellation of the card. No statement amount may be paid without the corresponding invoice (receipt).

The authorizing officer (Principal) must ensure all supporting documentation is complete and adequate.

Payments to Cash

At no time will a check be made payable to “cash” or the bank for the purpose of obtaining cash. Instead, a check will be made payable to the responsible party (teacher or sponsor, for example) and follow the procedures detailed in the cash advance section of Redbook.

Reimbursements

The district maintains purchasing procedures to facilitate the purchase of supplies and services for district staff. For proper internal control, all expenditures of the district must be made through administrative channels. In an event an employee makes a purchase using personal funds, for whatever reason, the district is not obligated to reimburse the employee unless no other means for the purchase is available and the item is not available from another source. Should an employee make a purchase or charge any item(s) on behalf of the District, determination for reimbursement will be made as follows: The purchase must have been preapproved by the Director of Finance. The expenditures must be appropriate and supported by the appropriate original, itemized receipt. Personal purchases of equipment, including technology, will not be reimbursed, unless approved in writing prior to the purchase by an approved purchase order listing the employee as the vendor. The requisition should not be initiated without first contacting the finance department. The employee can only request reimbursement by submitting an approved purchase order listing the employee as the vendor, attaching the appropriate documentation and submitting to Finance.

Payments of Personal Bills

The only situation in which it is allowable to pay an individuals’ personal bills is the payment of utility bills or other bills on behalf of students through the FRYSC program. When submitting the requisition, include documentation proving the owner of the account being paid. Attach the student demographic information from Infinite Campus to show the student address matches that of the owner.

Purchases of Food

See meal and refreshment procedure. Food purchased by schools from school funds must comply with Redbook. All food purchases regardless of funding source, must adhere to all other purchasing procedures described in this manual. All district purchases must have an “educational purpose” in accordance with the Kentucky constitution.

Commodity Codes

When purchasing an item which is technology related, The appropriate commodity code must be used. Please indicate code 310 in General Commodity to include a more specific commodity code in workflow.

Purchasing Fixed Assets

In addition to the procedures outlined above, if a fixed asset is being purchased, it is the responsibility of the requesting department to ensure the asset is properly tagged when received. Be sure to use object code series 07XX for purchases of fixed assets that exceed the capitalization threshold of \$5,000. If the purchase does not meet the capitalization threshold, use object code series 06XX to record the purchase. Apply capitalization threshold to individual assets (a single device) rather than bulk purchases.

Disposal of Property

See Board Policy 04.8 for detailed procedures for the disposal of property.

Delinquent payment or Returned Checks:

Notice must be given to those who have delinquent payments or returned checks. At least two notices must be given. A final notice must be sent certified mail. Any potential collection issues must be turned over to finance for a final determination before being sent to collections. The summary and record of notices must be sent to finance when requesting collections services.

Unauthorized Purchases

All purchases shall require prior approval through a converted purchase order or a declaration of Emergency signed by the Superintendent or their designee.

The invoice date shall not be prior to the approved purchase order date

Invoices received for which there is no approved purchase order may be the responsibility of the purchaser.

Annual Cut-Off dates

District purchase orders must be approved by the cut-off date established by Finance each fiscal year. After that date, only purchase orders expressly approved by the Finance Director and Superintendent will be allowed. Nothing in this manual prevents directors from setting earlier cut off dates for their programs. Cut-off dates for school activity funds will be at the discretion of each principal. This deadline facilitates the close out process and helps ensure that funds in any given fiscal year are spent for the benefit of students in that same year. Requisitions may be entered in June for the following year but PO’s will not be converted for distribution until July 1.

Purchasing Departments

Department Code	Description	Data Entry/Originator
005	Boyle County High School	BCHS Bookkeeper
003	Boyle County Middle School	BCMS Bookkeeper
050	Woodlawn Elementary School	WES Bookkeeper
080	Perryville Elementary School	PES Bookkeeper
040	Junction City Elementary School	JCES Bookkeeper
930	FRYSC	FRYSC Director
901	Bus Garage	Bus Garage Bookkeeper
001-000	District	CO Admin Asst/Secretaries
004	Alternative School	Alt School Principal/Couns.
060	Transition Building	CO Admin Asst/ Secretaries
051	Food Service	Food Service Director/Asst
920	Maintenance	CO Admin/Secretaries
960	Early Learning Center	Director of Early Learning Ctr

Project Codes

* indicate the year – State and Federal Project Codes – A = FY15; B = FY16; C=FY17, etc

079X	SBDM
128*H	HS FRYSC
128*	BCMS FRYSC
129*W	WES FRYSC
129*	JCES/PES FRYSC
041D	BCHS FRC DONATED
042D	BCMS FRC DONATED
043D	JCES/PES DONATED
044D	WES DONATED

120*	ESS
140*	PD
160*	INSTRUCTIONAL RESOURCE
168*	SAFE SCHOOLS
310*	TITLE I
337*	IDEA B
155*	VOCATIONAL REHABILITATION
401*	TITLE II
110*	COMMUNITY EDUCATION
348*	CARL PERKINS
343*	FEDERAL PRESCHOOL
135*	KERA PRESCHOOL
130*	GIFTED AND TALENTED
048X	COMMUNITY EDUCATION
081A	MEDICAID
045T	PRESCHOOL TUITION
112*	DAY TREATMENT
103*	KECSAC
103X	ALT SCHOOL GF
313*	TITLE I PART D
313*T	TITLE I PART D TRANSITIONAL
197*	KDE MOA
096X	DRAMA
097X	DANCE
098X	STRINGS
099X	BLACK AND GOLD
101X	BOYLE COUNTY MATH ACADEMY
002X	PLTW-GF
019*	HUDSON ELLIS
002C	BORN LEARNING
162*	KETS
182*G	READ TO ACHIEVE
70**D	DISTRICT ACTIVITY

Records Destruction

Records may not be destroyed without completing and submitting the Records Destruction Certificate according to the Kentucky Public School District Records Retention Schedule. The

Records Destruction Certificate must be filed with the Kentucky Department for Libraries and Archives, Public Records Division. See Records Destruction Certificate Instructions in Appendix.

Request of Federal Funds

The designee (Finance Officer) and backup (Payroll director) shall request federal funds based on actual and/or estimated expenditures within 15 days following the end of the prior month.

Bidding

All bidding procedures shall conform to the Model Procurement Code, KRS 45A.345-KRS 45A.460. The main purpose of bid evaluation is to determine the best responsive bid, in accordance with evaluation and selection methodology specified in the solicitation document, among the bids submitted before the bid closing time on the date specified in the bid solicitation.

The responsive bid may or may not necessarily be the one with the lowest price. In order to accurately determine best value an evaluation procedure must be in place.

Before starting the actual technical and financial evaluation of bids, it is necessary to ensure that all information required at bid closing is available. An Incomplete bid packet may result in disqualification of the bid and the bid being declared non-responsive.

The following items are required in each bid:

- The required certifications or required securities are included.
- Bids are properly signed
- The bidder is properly identified (Joint ventures must be properly identified)
- Acceptance of the terms and conditions of the bid solicitation and resulting contract, such as bid validity period;
- Ability to meet clearly specified critical delivery schedule;
- Whether the bid is conditional
- All supporting documents, required by the bid solicitation have been submitted.

Evaluation of bids must be in accordance with stipulations in the bid solicitation. The bid solicitation may use a variety of factors to determine best available bid. Factors may include but are not limited to: price, experience, reference checks, performance, completion, etc.

Request for Proposals (RFP)

The (RFP) process is used to purchase complex products and/or services when the price and qualifications are not the only factor to be considered in the evaluation criteria. The RFP process involves writing and RFP document which clearly outlines everything a potential supplier would need to know to respond with a viable proposal.

Time and Effort Reporting

Classified Employee timesheets are completed indicating time worked, sick, personal, non-work days, Holidays, etc. The secretary shall collect the time cards and send over the time sheets. All time sheets will be secured in one department (Finance). Time sheets shall be sent to Finance by the 10th of each month. The payroll schedule will be posted each year on the Boyle County Public Schools website under departments and finance.

Federal employees are allocated based on the amount of time they are working in that program. Time and effort for those employees are being retained by Federal Program Coordinators. Time Sheet employees will always be kept in a central location. (Payroll Department)

Time and Effort Documentation

You must ensure that state-funded and federally funded grants bear their fair share of cost. To support charges to payroll for personnel who spend time on a grant, time and effort documentation requirements must be satisfied.

Any grant applied for must have permission of the Superintendent before pursuing. All Grants Must be approved and accepted by the board of education.

State-Funded Grants

For state-funded grants with personnel salaries prorated between or among different funding sources, you must do the following:

- Maintain personnel activity reports that confirm services provided by each funding source.
- Adjust payroll records and expenditures based on this documentation.

Federally Funded Grants

For federally funded grants, time and effort documentation must conform to the federal cost principles applicable to the grantee organization, as follows:

- Charges to payroll must be documented according to federal requirements.
- Employee job descriptions for each employee must be current and must delineate all program or cost objectives under which the employee works. Job descriptions should be updated as new assignments are made.
- Daily class schedules for teachers and instructional aides may be used in lieu of time and effort reports for these personnel.
- Salaries and wages of employees used to meet cost share or matching requirements must be supported with time and effort records in the same manner.

Quarterly certification

A report of personnel costs charged to the federal program will be printed on a regular basis (quarterly) and sent to the Grant Director or Supervisor for review. The Grant Director will sign the statement and attest:

The personnel costs are reasonable based on the time spent on the grant by each person. It should be signed and dated.

The system above may be used as a substitute system for time and effort and semi-annual employee certifications.

Cost objective means a function, organizational subdivision, contract, grant, or other activity for which cost data are needed and for which costs are incurred. A Title I, Part A, school-wide program funded from multiple funding sources is considered a “single cost objective.”

Time and Effort

Time and effort applies to employees who do one of the following:

- Do not work 100% of their time in a single grant program
- Work under multiple grant programs
- Work under multiple cost objectives

These employees are required to maintain time and effort records or to account for their time under a substitute system. Employees must prepare time and effort reports at least monthly to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100 percent of the actual time spent on each activity and must be signed by the employee. Charges

to payroll must be adjusted to coincide with preparation and submittal of the interim expenditure report required for TEA discretionary grants.

Here are a couple of examples:

■ Employees who work partially on administering programs included in NCLB consolidated administrative funds and work partially on administering other programs must maintain time and effort or account for their time under a substitute system.

■ Employees who work partially on administrative activities (paid from administrative funds) and work partially on program activities (paid from program funds) must maintain time and effort or account for their time under a substitute system.

Substitute Systems in Lieu of Time and Effort Reports

Substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include but are not limited to random-moment sampling, case counts, or other quantifiable measures of employee effort. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to OMB Circular A-87 for detailed requirements.

Documentation of rationale and calculations for allocating salaries and wages must be maintained for audit purposes. It is recommended that a copy of a certified public accountant's approval of a substitute system be kept on file for documentation. An unacceptable or invalid substitute system could result in an audit finding and the return of grant dollars

Cafeteria Benefits and Section 125 Plan

The approved section 125 3rd party provider for Boyle County Schools is AFPlanserv from American Fidelity. Solicitation to enter the 125 is prohibited by Boyle County Schools. Boyle County Schools will seek proposals for any products or services that may be included in the section 125 plan. No payroll deduction will be initiated without board approval and minimum participation per policy. The only exception is our 403B plan with Aspire and Ameriprise. Our plan #2088 is currently limited to approved vendors on file at the Boyle County Central Office.

Student Accident Insurance

All student accidents requiring attention should be reported on an incident form(see appendix). The student incident form and student insurance claim form should be submitted to the current insurance provider as soon as possible. A copy of the forms should be sent to Finance.

Workers Compensation Insurance

All employee injuries should be reported as soon as possible to Workman's Compensation. The first report should be completed and filed with personnel as soon as possible after the injury. The report should be filed even if medical attention is not immediately necessary. Volunteers are not eligible for Worker Compensation.

More detailed information can be found on the Kentucky Department of Education Website under Financial Management Manual.

<http://education.ky.gov/districts/finrept/pages/financial%20management%20calendar,%20financial%20management%20manual,%20insurance%20guidelines,%20who%20does%20what%20in%20dds,%20finance%20newsletters.aspx>

Boyle County Public Schools Meals and Refreshments Procedure

Meals and Refreshments Guidelines

Meals and refreshments, including beverages, are only allowable when in conjunction with a meeting having a clearly defined educational purpose.

Limited exceptions may occur and must be approved **in advance** by the Superintendent

Staff generated funds are exempt from these Guidelines.

1. Staff morning or afternoon meetings – refreshments are not an allowable expense.
2. Staff lunch or dinner meetings – lunch and dinner are not an allowable expense.
3. Staff meetings after regular work hours – for meetings lasting at least two hours, healthy snacks are available through School and Community Nutrition Services or may be purchased elsewhere – limited to \$4.00 per person.
4. Refreshments during meetings involving parents, community or students – Grants or Activity Funds only –
 - \$4.00 per person

6. Food provided to students – Grants, Activity Funds or General Fund, if the following restrictions are met: (FCS Exempt). If a student is off campus participating in a field trip food may be purchased with principal or superintendent approval.

- No food may be served until 30 minutes after the last lunch.
- Permitted after school, weekends or days when school is not in session
- Contact School & Community Nutrition Services for healthy options
- Snacks – \$4.00 per student

- It is always best practice to contact food service for healthy options.

Payroll

Documentation must be provided to payroll according the payroll schedule released at the beginning of each school year.

The District Financial management manual is a guide to proper procedure within the Boyle County Public School System. This manual will in no way contradict any federal, state or local law and shall not bypass any current or future policy or procedure in the Boyle County Public School System.

