

## Policy 620

# NORTH CAPE SCHOOL DISTRICT

## ANNUAL OPERATING BUDGET

The School Board shall consider and adopt an annual operating budget for the District in accordance with state law. The budget serves as the financial plan for the operation of the District. It provides the framework for both expenditures and revenues for the year and translates into financial terms the approved educational programs, goals and priorities for the District.

The Board delegates to the District Administrator the authority to establish procedures and processes necessary to prepare the annual operating budget. The District Administrator may delegate aspects of both the preparation and presentation of the budget to other qualified personnel in the District. In addition, the Board places responsibility for administering the annual operating budget, once adopted, with the District Administrator. The budget shall be administered in accordance with state law and applicable District policies.

The Board shall do all of the following in the development, approval, and implementation of the annual operating budget:

1. Set goals and parameters that advise budget preparation.
2. Confirm the Board's agreement with a tentative timeline for key process steps that is proposed to the Board by the District Administrator. The administration's proposal for the tentative timeline shall coordinate with the dates that important input data (such as the state budget and reasonable estimates of revenue and aid) are expected to be available.
3. Approve the proposed budget that will be forwarded for public review in connection with a budget hearing.
4. Issue appropriate notice of, hold, and attend the annual public budget hearing in conjunction with the District's annual meeting of electors. The proposed budget, the Board's annual budget report, and the treasurer's statement of annual receipts and expenditures shall be presented to the District's electors.
5. After the annual meeting and budget hearing, and no later than the date designated in state law for determining the District's tax levy, adopt the final annual operating budget in light of the Board's goals, any feedback received from the public, and applicable financial constraints.
6. Determine the District's final tax levy in light of the final budget, with the Board Clerk timely certifying the tax levy to the appropriate municipalities.
7. Monitor and evaluate the implementation of the budget periodically throughout the year, using reports prepared by the District Administrator or his/her designee.

During the period between July 1st and the Board's adoption of a final annual budget, the District may spend funds as needed to meet the immediate expenses of operating and maintaining the District's educational programs. As to such expenditures made prior to final adoption of the annual budget, the District's standard procedures for obtaining approval of

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purchasing decisions and payments shall apply, with added consideration given to temporarily deferring expenditures, purchasing decisions, and payments when reasonably practical and when the District will not be disadvantaged by doing so.

Any change to the amounts of the appropriations, or to the purposes for such appropriations, as stated in the final, Board-adopted annual budget requires a two-thirds vote of the entire membership of the Board as a budget amendment. If such action is taken, a Class 1 legal notice of the action shall be issued as required by law. Changes in subordinate line items from which the adopted budget evolved, but which were not detailed in the Board's adopted annual budget, do not require the two-thirds vote or publication (i.e., when adjustments among subordinate line items can be made without making a change to any of the more generally stated non-subordinate line items that were an express part of the final budget adopted by the Board).

LEGAL REF.: Wisconsin Statutes  
Section 65.90 [municipal budgets]  
Section 120.10 [powers of the annual meeting; including power to vote various taxes]  
Section 120.11(3) [school board review of district finances before annual meeting; annual report to the electorate]  
Section 120.12(3) [school board duty; adoption of tax levy]  
Section 120.13(33) [school board power; spending authority until final adoption of annual budget]  
Section 120.16(4) [school district treasurer's statement to the annual meeting]  
Section 120.17(8) [clerk duty; delivery of tax statements to local municipalities]

CROSS REF.: Policy 270, School District Reports  
Policy 662.3, Fund Balance  
Policy 672, Purchasing  
Policy 672.1, Procurement Methods (including Bidding Requirements)  
Policy 673, Payment Procedures  
Policy 682, Audits

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## **NORTH CAPE SCHOOL DISTRICT**

### **REVENUES FROM INVESTMENTS**

The North Cape School Board considers an investment program a critical ingredient of sound fiscal management. The Board authorizes an investment program for the purpose of securing a maximum yield of interest revenues to supplement other revenues for the support of the District's educational program.

The District's investment program shall be administered in a way that will ensure:

1. A continuous process of temporary investing of all idle monies available for investment purposes.
2. The use of an open competition system of bids and/or quotes to obtain the maximum yield on investments from both in-District and out-of-District financial institutions.
3. That all District investments will be made in compliance with the law. Permitted investments shall be from those institutions registered to do business in the State of Wisconsin.

Investment types include: bonds and other securities guaranteed as to principal and interest by the federal government or by a commission, board or other instrumentality of the federal government; certificates of deposit with maturities of three years or less in financial institutions which are financially secure and/or insured by the FDIC or equivalent; Wisconsin Investment Series Cooperative; Local Government Pooled Investment Fund; repurchase agreements with banks and other financial institutions if the agreement is secured by an independent third party by bonds or securities issued or guaranteed as to principal and interest by the federal government (If the market value of the bonds or securities falls below the repurchase price, additional collateral must be provided.); and other securities (i.e. commercial paper) which mature or may be tendered for purchase not more than one year of the date of acquisition, provided the security has the highest rating assigned by Standard & Poor's, or Moody's Investors Service.

#### Preferences for Investments

It is the District's preference that investments be made in local lending institutions which serve and benefit the District and the area where school tax dollars are raised as long as the rates of return are competitive with the market rates throughout the metropolitan area. An equitable balance must also exist between the rate of return and the benefit derived by the relationship between the District and the financial institution.

#### Delegation of Authority

The Board authorizes the Board Treasurer to manage all activities associated with the investment program in such manner as to accomplish the objectives of this policy. The responsibilities will include communication with the school district administration, annual review and assessment of the District's investment program, and recommendations for changes to this policy.

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The Board Treasurer is further authorized to execute, in the Board's name, any and all documents relating to the investment program in a timely manner and to confer with reputable consultants regarding investment decisions when deemed necessary.

LEGAL REF.: Wisconsin Statutes  
Section 34.08 [payment of losses]  
Section 66.0603 [investments]  
Section 120.12(7) [school board duty; designation of depository of funds]  
Section 120.16(5) [school district treasurer duties, including depositing of funds]

CROSS REF.: Policy 141, Board Officers  
Policy 661, Depository of Funds  
Policy 662.1, Student Activity Funds Management  
Policy 665, Fraud Prevention and Reporting

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### STUDENT FEES

The School Board recognizes its legal responsibility to provide a public education for all students in the District. The Board also recognizes that certain educational program activities and materials may require special funding. Therefore, reasonable student fees may be charged accordingly. A student fee schedule shall be reviewed and adopted annually by the Board. The fee schedule shall include the specific student fees to be charged, a general description of what each fee covers, and the fee amount.

Parents/guardians who claim that the financial condition of their families is such that they cannot afford to pay the established fees may request that the fees be waived or reduced. All fee waiver/reduction requests shall be submitted in writing and approved by the District Administrator or his/her designee.

The student fee schedule shall be posted on the District's website and distributed through other means necessary to inform families of the established student fees. Information regarding fee waiver/reduction opportunities will also be included in such postings and mailings.

The District Administrator or his/her designee shall be responsible for the accurate and timely collection of student fees in accordance with proper accounting procedures. It is the Board's expectation that all reasonable efforts shall be taken to ensure the collection of all fees due the District. After exhausting all other approaches to the collection of outstanding student fees, the Board authorizes the District Administrator to pursue legal action through small claims court for the collection of unpaid fees due the District. The District Administrator shall inform the Board when such action is being taken.

LEGAL REF.: Wisconsin Constitution – Article X, Section 3 [public education; free and without payment of tuition]

Wisconsin Statutes

Section 118.03(2)	[authority to sell textbooks to students]
Section 118.04	[authority to charge summer school-related fees]
Section 120.10(15)	[annual meeting power; authorize board to furnish textbooks to students and prescribe the conditions under which they are furnished]
Section 120.12(11)	[school board duty; provide books and supplies for indigent students]
Section 120.13	[school board power; do all things reasonable for the cause of education]
Section 120.13(5)	[school board power; authority to purchase books needed by students whose parents are not able to furnish them]

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Section 120.13(10) [school board power; authority to pay for school meals for students out of district funds and to charge students for the cost of school meals]  
Section 121.54(7) [authority to charge extracurricular transportation fees]  
Section 121.545 [authority to charge fees for transportation not required by law and waive fees for person unable to pay them]

CROSS REF.: Policy 662.1, Student Activity Funds Management  
Policy 760, Food Services Management

APPROVED: March 21, 2016

REVISION:

**Policy 661**

**NORTH CAPE SCHOOL DISTRICT**

**DEPOSITORY OF FUNDS**

The School Board shall designate the financial institution(s) where the monies of the school district shall be deposited (public depositories) in accordance with a resolution passed by the Board. The official public depository/depositories shall be approved annually by the Board.

All revenue received by the North Cape School District shall be deposited in the official depository financial institution(s) as required by law.

LEGAL REF.: Wisconsin Statutes  
Section 34.01 (5) [definition of public depository]  
Section 34.05 [designation of public depositories]  
Section 34.08 [payment of losses]  
Section 66.0603 [investments]  
Section 66.0607 [withdrawal or disbursement of funds]  
Section 120.12(7) [school board duty; designation of depository of funds]  
Section 120.16(5) [school district treasurer duties, including depositing of funds]

CROSS REF.: Policy 652, Revenues from Investments  
Policy 662.1, Student Activity Funds Management  
Policy 673, Payment Procedures

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

**Policy 662.1**

**NORTH CAPE SCHOOL DISTRICT**

**STUDENT ACTIVITY FUNDS MANAGEMENT**

This policy addresses solely student activity funds that are held as agency funds for District-approved student organizations, clubs and other student groups. This policy does not address District revenues or expenditures that are solely under the District's discretion and control, even if those District funds are received or expended in connection with an activity for students.

All monies used and raised by District-approved student organizations and clubs shall be under the fiduciary control of the School Board and shall be managed in accordance with sound business practices and generally accepted accounting principles similar to other District funds. Student organizations and clubs, as covered by this policy, are those organizations, clubs and other groups that have an adult advisor appointed by the District Administrator, a designated subaccount within the District's Agency Fund, student officers, and a specific student-related purpose or mission.

Student activity funds shall be maintained in a District-approved financial institution account and be accounted for in the Agency Fund (Fund 60). Activity funds may be invested, with interest accrued credited to the appropriate account. The District Administrator or his/her designee shall be responsible for supervising the proper management of student activity funds in the school in accordance with established procedures.

All student activity fund expenditures requested by a student organization or club shall be approved by the group's advisor and the District Administrator and adhere to all established disbursement procedures. Student activity funds shall be used only to finance the normal legitimate activities of the student organization or club or for a purpose beneficial to the school community as selected by the group or its officers. Student activity funds shall not be used to cash personal checks, make loans or extend credit to individuals, or to pay compensation directly to employees.

No student organization or club activity account shall be allowed to operate with a negative balance. Special exceptions may be made with the approval of the District Administrator or his/her designee based on a reasonable expectation that such negative balance is a temporary condition that will be corrected by incoming receipts.

If a student organization or club activity account has had no activity for 12 consecutive months, it will be considered inactive and will be closed by the District Administrator. Funds from inactive student activity accounts shall be transferred to the District's General Fund.

At the end of the school year, all student activity account balances will be carried over to the next school year. Any funds that remain in the 8<sup>th</sup> grade class activity account at the end of the school year may be carried forward to the next year unless special provisions are made otherwise.



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The District Administrator or his/her designee shall be responsible for the internal auditing of student activity funds at regular intervals throughout the school year and for establishing appropriate student activity fund management accounting and reporting procedures. Student organizations and clubs, and their faculty advisors, shall be informed of the student activity funds management policy and procedures annually. In addition, an audit of all student activity funds shall be done annually at the same time as the annual audit of District funds.

Any person who suspects the misappropriation of student activity funds, including theft, fraud, impropriety or other irregularity in relation to the management of the funds, shall report his/her suspicions to the District Administrator, who shall be responsible for initiating necessary investigations. In the event the concern or complaint involves the District Administrator, the concern shall be brought to the attention of the Board President. Investigations shall be conducted in a manner that protects the confidentiality of the parties and the facts, and be conducted in coordination with legal counsel and other internal or external departments and agencies as appropriate. All employees involved in the investigation shall be advised to keep information about the investigation confidential. If an investigation substantiates the occurrence of a fraudulent activity, appropriate actions shall be taken in consultation with the District's legal counsel.

LEGAL REF.: Wisconsin Statutes  
Section 66.0607 [withdrawal or disbursement from local treasury]  
Section 120.12(1) [board duty to provide for the possession, care, control and management of the property and affairs of the district]  
Section 120.14(1) [audit of school district funds]  
Section 120.16(2) [board treasurer duty; account for extracurricular activities funds]  
Wisconsin Uniform Financial Accounting Requirements (WUFAR)

CROSS REF.: Policy 374, Student Fundraising Activities  
Policy 652, Revenues from Investments  
Policy 661, Depository of Funds  
Policy 665, Fraud Prevention and Reporting  
Policy 684, Audits  
Policy 850, Public Sales and Solicitations on School Property  
Policy 881.2, Relations with Parent-Teacher Association

APPROVED: March 21, 2016

REVISED:

**Policy 662.3**

**NORTH CAPE SCHOOL DISTRICT**

**FUND BALANCE**

The School Board recognizes the need for maintaining an adequate fund balance in the District's General Fund for the following reasons:

- Hold adequate working capital to meet cash flow needs during the fiscal year.
- Avoid excessive short term borrowing thereby avoiding associated interest expense.
- Serve as a safeguard for unanticipated expenses and unrealized revenues of the North Cape School District.
- Demonstrate financial stability to maintain a high credit rating which could help reduce future borrowing costs.

The Board also recognizes its responsibility to ensure that the District's fund balance resources are used properly and reported in accordance with applicable legal requirements and generally accepted accounting principles for governmental entities.

With these recognitions in mind, the Board has set forth the following policy guidelines for the use and maintenance of fund balance resources in the District:

1. Any net excess revenues greater than expenditures in a given fiscal year will be added to the North Cape School District fund balance in the General Fund to the extent authorized by law.
2. Fund balance resources shall be reviewed annually, prior to the end of the fiscal year (June 30), to determine allocation between non-spendable, restricted, committed, assigned, and unassigned fund balance account classifications. The projected/actual year-end fund balance of the General Fund shall be reviewed and a determination made if any amounts will be committed and/or assigned.
  - **Nonspendable fund balance** – This classification includes amounts that cannot be spent because they are either not in spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., principal balance of endowments and permanent funds.)
  - **Restricted fund balance** – This classification includes amounts limited by external parties (e.g., creditors, grantors or contributors), laws or regulations, constitutional provisions or enabling legislation. The fund balance for the spendable portion in the debt service funds, capital projects fund, food service fund, community service fund, and employee trust fund shall be classified as restricted.

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- **Committed fund balance** – This classification includes amounts that are committed for specific purposes by formal action of the School Board. Such action shall be made in resolution form and require the approval of a majority of the Board. Commitments of fund balance, once made, can only be modified or eliminated by a subsequent resolution. Fund Balance of a Special Revenue Fund, where donations and contributions are received from an individual or organization, shall be committed for the specific purpose identified by the individual, organization, or District administration.
- **Assigned fund balance** – This classification includes amounts that are intended to be used for specific purposes but are neither restricted nor formally committed. The Board authorizes the District Administrator to assign (but not commit) fund balance resources for a specific intended purpose, to the extent that such assignment does not create a negative unassigned fund balance. The District Administrator's assignment of fund balance resources for a specific purpose, or the removal of an assignment previously made, must be reasonably justified, documented, and reported to the Board.
- **Unassigned fund balance** – This classification includes any remaining amounts that are not classified as nonspendable, restricted, committed or assigned. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

Except where the Board expressly directs a different order of expenditure of fund balance amounts in connection with approving a specific expense or payment, fund balance resources shall be spent in the following order when various funding sources are available for a particular purpose: (1) committed fund balances, (3) assigned fund balances, (3) unassigned fund balances, and (4) restricted fund balances.

3. The Board reserves the right, to the extent consistent with applicable law and accounting standards, to act via motion to reclassify unrestricted fund balance resources as it deems necessary or appropriate.
4. To the extent Board action regarding any fund balance amounts under this policy constitutes a budget amendment under state law (i.e., a change in the amounts of the appropriations or the purposes for such appropriations as stated in an adopted school district budget), a two-thirds vote of the entire membership of the Board shall be required, and a legal notice of the action taken shall be issued as required by law.

LEGAL REF.:	Wisconsin Statutes
	Section 65.90(3) [budget summary requirements; includes fund balance information]
	Section 65.90(5) [making changes to appropriation amounts or purposes of appropriations in an adopted operating budget]
	Section 120.14 [school district audit reports]
	Section 120.18 [annual school district report]

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Wisconsin Uniform Financial Accounting Requirements (WUFAR) [school district financial accounting requirements, includes fund balance classifications]  
Government Accounting Standards Board (GASB) Statement No. 54 [fund balance reporting requirements]

CROSS REF.: Policy 110, School District Mission  
Policy 620, Annual Operating Budget  
Policy 652, Revenues from Investments  
Policy 665, Fraud Prevention and Reporting

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## **NORTH CAPE SCHOOL DISTRICT**

### **FRAUD PREVENTION AND REPORTING**

The School Board expects all employees, Board members, consultants, vendors, volunteers, contractors and other parties seeking or maintaining any business or programmatic relationship with the District to act with integrity, due diligence and in accordance with all applicable laws, District policies and procedures in matters involving District fiscal resources. The District is entrusted with public dollars and no person connected with the District should do anything to erode that trust.

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Board members, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining any business or programmatic relationship with the District. Fraud and financial impropriety shall include but is not limited to the following:

1. forgery or unauthorized alteration of any document or account belonging to the District;
2. forgery or unauthorized alteration of a check, bank draft, or any other financial document;
3. misappropriation of funds, securities, supplies, or other District assets, including employee time;
4. impropriety in the handling of money or reporting of District financial transactions;
5. profiteering as a result of insider knowledge of District information or activities;
6. unauthorized disclosure of confidential or proprietary information to outside parties;
7. unauthorized disclosure of investment activities engaged in or contemplated by the District;
8. accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy.
9. inappropriately destroying, removing, or using records, furniture, fixtures, or equipment;
10. failure to provide financial records required by state or local entities;
11. failure to disclose conflicts of interest as required by law or District policy;
12. disposing of District property for personal gain or benefit; and
13. any other dishonest act regarding the finances of the District.

The District Administrator or designee shall be responsible for developing internal controls designed to prevent and detect fraud, financial impropriety or fiscal irregularities within the District.

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Except in situations where an employee has exercised a legal right to make a confidential report to an external agency or to participate in an official investigation or legal proceeding that is not disclosed to his/her employer, any employee who has knowledge of or who has reason to suspect fraud or any similar impropriety in relation to any aspect of District programs or operations shall immediately report the relevant circumstances to his/her supervisor and/or to the District Administrator. In the event the concern or complaint involves the District Administrator, the concern shall be brought to the attention of the Board President. Such reports may involve or relate to the conduct of any person, including District employees, Board members, volunteers, consultants, vendors, contractors and other parties maintaining any business or programmatic relationship with the District.

The Board also encourages any other person who has knowledge of or who has reason to suspect fraud or some other similar impropriety in relation to any aspect of District programs or operations to report the relevant circumstances to the District Administrator.

No official, employee, or agent of the District may retaliate or discriminate against any person who, acting reasonably and in good faith, has filed a report under this policy or participated in any investigation related to a report of fraud, suspected fraud, or other similar impropriety.

Following a report of alleged or suspected fraud, and except in the case of a report involving his/her own actions, the District Administrator shall be responsible for initiating an appropriate investigation. Whenever necessary or appropriate, investigations will be conducted in coordination with District legal counsel and/or with other internal or external departments, agencies, or officials. Although strict and absolute confidentiality cannot be guaranteed, the confidentiality concerns of all involved parties shall be a consideration in the manner in which any investigation is conducted, including the manner in which relevant records are maintained.

If a District employee is found to have committed fraud or financial impropriety, the District Administrator or designee shall take or recommend appropriate disciplinary action, which may include termination of employment. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

LEGAL REF.: Wisconsin Statutes  
Section 19.42 [statutory definitions related to the code of ethics for local government officials]  
Section 19.59 [ethical standards for local government officials]  
Section 946.12 [misconduct in public office]  
Section 946.13 [prohibiting public officials and employees from having a private interest in a public contract]  
Wisconsin Uniform Financial Accounting Requirements (WUFAR)  
Wisconsin Public School District Auditing Manual – Statement of Auditing Standard (SAS) 99

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CROSS REF.: Policy 165.1, Board Member Conflicts of Interest  
Policy 522, Staff Conduct  
Policy 662.1, Student Activity Funds Management  
Policy 672, Purchasing  
Policy 672.2, Standards of Conduct in Purchasing and Contracting  
District Employee Handbook

APPROVED: March 21, 2016

REVISED:

## **NORTH CAPE SCHOOL DISTRICT**

### **PURCHASING**

The procurement and purchasing process generally involves (1) budgeting and other planning for expenditures, (2) evaluating needs and identifying general options that would address a need, (3) selecting a method of procurement and following other procurement procedures for a specific purchase or contract, (4) making an actual purchase or entering into a binding procurement-related contract on behalf of the District, and (5) authorizing and making an actual disbursement of funds from the District treasury in order to pay for a purchase or contractual procurement of services, supplies, equipment, or other property.

The North Cape School Board authorizes the District Administrator to serve as procurement and purchasing agent for the District and to pursue purchases at the best price available giving consideration to quality, conformity to developed specifications, suitability to the requirements of the educational system and convenient delivery terms. Based upon quality, delivery, price, and compliance with applicable legal requirements, the District shall, whenever possible, purchase from local suppliers and services.

Prior to taking any action that binds the District to an expenditure of funds, the District Administrator shall obtain the Board's approval of any specific purchase or any procurement contract if any one of the following circumstances applies:

1. The transaction involves the District's purchase, lease, or other acquisition of real estate, a building/facility, or some other interest in real estate (such as an easement). Such transactions also generally require authorization by a vote of the electors at an annual or special meeting.
2. Except as otherwise directed or authorized by the Board, any individual procurement transaction (purchase) or contract for the procurement of goods or services in excess of \$15,000. This paragraph applies to a discretionary choice to exercise a renewal or extension option found in an existing contracting arrangement, but it does not require additional authorization to make an installment or other periodic payment that is due and payable for a disbursement that was previously approved in the aggregate by the Board.

For all procurement transactions that do not require specific, advance Board approval under this policy and for which the Board has not provided any more specific direction, the District Administrator may make a final purchase, execute a binding procurement contract that has been reviewed and approved by the District Administrator, or authorize a designee to make such a purchase or execute such a contract on behalf of the District.

The Board recognizes that the District Administrator has authority under this policy to make certain purchases and to enter into certain procurement contracts on behalf of the District without obtaining specific, advance approval from the Board – including especially those relatively routine purchases that are within the budget appropriations that have been previously approved by the Board. Nonetheless, the Board also expressly encourages the District Administrator to present any procurement decision for specific Board approval whenever he/she determines that either (1) the procurement decision is particularly important or non-routine, or (2) it would otherwise be in the best interests of the District for the Board to either



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approve the transaction or give other specific direction to the administration regarding the transaction. Further, the authority granted to the District Administrator under this policy does not exempt him/her from being evaluated on his/her exercise of sound judgment in connection with the use of such authority.

For all purchasing and procurement transactions that are brought to the Board for advance approval, the District Administrator shall clearly identify the key terms of the transaction and, where appropriate, make a recommendation among any options that are presented. Where the District Administrator has relied on a sole-source procurement exception and is seeking Board approval of a transaction, the District Administrator shall be prepared to identify for the Board the reason that sole-source procurement was used and the reason the administration believes that the price and other key terms of the proposed transaction are reasonable.

For purposes of this policy, the purchasing or contractual procurement of supplies, equipment, and other property includes, but is not necessarily limited to, rental or leasing arrangements, licensing, purchases involving the transfer of ownership, and the purchase or acquisition of intangible property such as insurance coverage. The purchasing or contractual procurement of services does not include employment.

All purchase of goods, services, and equipment for which the school district is responsible for payment shall be on official district purchase orders, properly signed and executed according to fiscal procedures.

LEGAL REF.: Wisconsin Statutes  
Section 66.0135 [contracts and orders, receipt of invoices, and payments]  
Section 66.0607 [withdrawal or disbursement from local treasury]  
Section 120.10 [powers of the annual meeting, including authorizing or directing the district to purchase/provide certain property or services]  
Section 120.16 [school district treasurer duties, including procedures for disbursements from treasury and funds transfers]

Federal Laws and Regulations

2 C.F.R. Part 200 Subpt. D [post-award requirements under the federal Uniform Guidance]  
2 C.F.R. §200.318 [general standards for procurement supported by federal funds]  
2 C.F.R. §200.319 [written procurement standards required]

CROSS REF.: Policy 620, Annual Operating Budget  
Policy 665, Fraud Prevention and Reporting  
Policy 672.1, Procurement Methods (including Bidding Requirements)  
Policy 672.2, Standards of Conduct in Purchasing and Contracting for Services  
Policy 672.51, Suspension and Debarment of Vendors and Contractors  
Policy 673, Payment Procedures  
Policy 683, District Asset Management  
Policy 690, Disposition of Property

POLICY REVISION AND NEW APPROVAL: March 21, 2016  
REVISED:

## NORTH CAPE SCHOOL DISTRICT

### PROCUREMENT METHODS (including Bidding Requirements)

This policy sets forth requirements and expectations related to methods of procurement, including purchases made, in whole or in part, using federal funds that have been awarded to the District. The District Administrator has primary administrative responsibility for directing and overseeing the implementation of this policy as a component of the District's overall procurement procedures and within a system of internal controls that supports the District's processes for budgeting, procurement management, accounting and financial management, and property disposition.

While this policy grants authority to the District Administrator to utilize relatively informal competitive processes and even noncompetitive methods in some situations, such authority does not:

1. Permit the District Administrator to disaggregate a purchase into multiple transactions with the intent and purpose of avoiding a cost threshold that requires a more demanding procurement method.
2. Preclude the District Administrator from lawfully going beyond any minimally-required and minimally-acceptable procurement procedures for the purpose of (a) enabling the District to make a more informed decision, (b) enhancing the District's competitive and bargaining position with respect to a procurement decision, or (c) otherwise increasing the tangible or intangible value that the District can derive from a particular purchase or contract.

All persons involved in the procurement of services, supplies, equipment, or other property on behalf of the District are responsible for ensuring that (1) their actions and decisions are within the scope of their authority, and (2) they sufficiently understand and make all reasonable efforts to comply with applicable laws, School Board policy, and established District procedures.

#### **Methods of Procurement for Purchases Supported by Federal Funds**

When procuring services, supplies, equipment, or other property involving the use of federal funds that are subject to the procurement standards found in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), the District shall use a procurement method that is consistent with the Uniform Guidance as summarized at a general level in the following chart:

<b>Cost Threshold</b>	<b>Allowable Federal Procurement Methods</b>
<p>A purchase of supplies or services that, in an aggregate amount, does not exceed \$3,000, as federally indexed</p>	<p>Such "micro-purchases" of supplies or services may be made or awarded without soliciting competitive quotations to the extent the District Administrator or his/her authorized designee determines that the cost of the purchase/contract is reasonable.</p> <p>Where multiple qualified suppliers of the same or materially interchangeable products have been identified and such suppliers offer effectively equivalent rates/prices and other terms, repeated micro-purchases that are subject to the Uniform Guidance are to be reasonably distributed among different suppliers when practical.</p>
<p>Purchases below \$150,000, as federally indexed (unless the purchase qualifies as a "micro-purchase")</p>	<p>Price or rate quotations must be obtained in advance from a reasonable number of qualified sources, as further detailed in District procurement procedures, <u>unless</u> (1) a valid basis exists under the Uniform Guidance for relying on procurement by a noncompetitive proposal (i.e., "single source" procurement), or (2) the District elects to use a more formal competitive bid or request for proposal process.</p> <p>To the extent required by federal regulations, the District will negotiate profit as a separate element of the price for each contract that is awarded in the absence of price competition.</p>
<p>Purchases of \$150,000 or more, as federally indexed</p>	<p>The District shall conduct a cost or price analysis for these purchases that, at a minimum, shall include making an independent estimate before receiving bids or proposals (including noncompetitive proposals). Whenever appropriate and relevant to the specific transaction, the cost analysis may include life-cycle cost estimates which shall then be incorporated into any solicitation of bids or proposals.</p> <p>Procurement shall be made by sealed bids or by competitive proposals <u>unless</u> a valid basis exists under the Uniform Guidance for relying on procurement pursuant to a noncompetitive proposal (i.e., "single source" procurement). However, no construction, facility remodeling, or other public works capital project with an aggregate cost of \$150,000 or more shall be conducted under a "single source" rationale without the express approval of the Board.</p> <p>To the extent required by federal regulations, the District must negotiate profit as a separate element of the price for each contract involving expenditures at or above this cost threshold.</p>

The above chart represents a starting point for identifying an appropriate and lawful procurement method for purchasing that is subject to the Uniform Guidance. Many additional details, requirements, restrictions, and procedures are established in the federal regulations. In certain cases, other federal laws and regulations establish additional requirements and/or affect the specific application of the Uniform Guidance.

**Methods of Procurement for Purchases NOT Involving the Use of Federal Funds Subject to the Uniform Guidance Regulations**

The following parameters for methods of procurement apply when the District procures services, supplies, equipment, or other property and the expenditure does NOT involve the use of federal funds that are subject to the Uniform Guidance procurement regulations:

1. The District shall adhere to any other state or federal requirements that dictate the use of a certain procurement method for a particular purchase or contract.
  
2. When no separate state or federal requirement applies and the Board has not directed or approved a more specific procurement method for a particular purchase or contract, the Board directs the District Administrator or his/her authorized designee to utilize the following procurement methods:

<b>Cost Threshold</b>	<b>District-Authorized Procurement Method(s)</b>
A purchase in an aggregate amount that does not exceed \$3,000, as federally indexed	Such purchases may be made or awarded under a reasonable business judgment standard without soliciting quotations, bids, or proposals. The Board will consider this standard satisfied to the extent that the District Administrator or his/her authorized designee has determined that the cost of the purchase/contract was reasonable.  The District Administrator may also elect to use any of the methods approved for the higher cost thresholds.
A purchase in an amount greater than \$3,000 but less than \$150,000, as federally indexed	Such purchases may be based on any of the following: <ol style="list-style-type: none"> <li>1. multiple price or rate quotations obtained in advance from qualified sources, as further detailed in District procurement procedures;</li> <li>2. "single source" procurement to the extent there are grounds for doing so as specified under the federal Uniform Guidance or as separately approved by the Board;</li> <li>3. the District Administrator's election to use a more formal competitive bid or request for proposal process.</li> </ol>
Purchases of \$150,000 or more, as federally indexed	Such purchases may be based on any of the following: <ol style="list-style-type: none"> <li>1. competitive bids;</li> <li>2. competitive proposals;</li> <li>3. "single source" procurement to the extent there are grounds for doing so as specified under the federal Uniform Guidance or as separately approved by the except that no construction, facility remodeling, or other public works capital project with an aggregate cost of \$150,000 or more shall be conducted without the solicitation of competitive bids or competitive proposals without the express approval of the Board.</li> </ol>

	Whenever appropriate and relevant to the specific transaction, the District will make life-cycle cost estimates and incorporate consideration of life-cycle costs into the solicitation and evaluation of competitive bids and proposals.
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The Board authorizes "single source" (i.e., noncompetitive) procurement for **non-federal** purchases if at least one of the following justifications has been verified and documented by the District Administrator:

1. Any of the circumstances is present under which noncompetitive procurement would be allowable under the federal Uniform Guidance.
2. The purchase involves the District's choice to exercise a renewal or extension option found in an existing license or other contracting arrangement where the underlying contract was either previously approved by the Board or procured via the solicitation of competitive bids or competitive proposals.
3. The District is choosing to continue to use (or expand the use of) a specific product or service (such as a specific curriculum element or computer application or software system) that is already in use in the District and in which a significant investment of time and/or money has already been made. In such a situation, the District may consider a particular brand or particularly proprietary version of a product to be a "single source," and may further consider a specific vendor or contractor to be "single source" when such vendor or contractor has exclusive rights to purvey the goods or services in question.
4. The District makes the purchase from another unit of government or the procurement is pursuant to a contract or other agreement with a Cooperative Educational Service Agency or via an intergovernmental agreement.
5. The procurement is pursuant to pre-negotiated state contract pricing.
6. Grant monies are involved and the grant mandates the participation of expressly-identified grant partners, subcontractors, or vendors.
7. The Board has otherwise expressly authorized or approved a noncompetitive procurement process.

The Board acknowledges that the procurement of professional services, such as legal services, can present unique situations such that a contract or other service agreement may not be readily amenable to the typical procurement methods and procedures outlined in this policy. Accordingly, whenever such procurement decisions are legally left to the District's discretion, the Board relies heavily on its own oversight function. Therefore, except in emergency circumstances where the District Administrator reasonably relies on an authorized "single source" rationale for such procurement, the Board expects the District Administrator to work jointly with the Board to define (1) a situation-appropriate procurement or selection process; (2) the scope of any current or potential future professional services the Board is being asked to approve or authorize; and (3) the scope of any District agent's authority, if different from standard policy-based purchasing authority, to engage a pre-approved provider of professional services in the future without obtaining advance approval from the Board for the specific engagement.

LEGAL REF.:	Wisconsin Statutes	
	Section 16.73	[cooperative purchasing]
	Section 66.0131	[local government purchasing, including intergovernmental purchases without bids, recycled and recyclable content of procured goods, and life-cycle cost estimates]
	Section 66.0133	[energy savings performance contracting; procedures and bidding]
	Section 66.0135	[contracts and orders, receipt of invoices, and payments]
	Section 66.0301	[intergovernmental agreements]
	Section 66.0903	[prevailing wage requirements and the related suspension and debarment requirements]
	Section 118.03	[board requirement to adopt all textbooks necessary for use in the schools]
	Section 120.10	[powers of the annual meeting, including authorizing or directing the district to purchase/provide certain property or services]
	Section 120.12(24)	[school board duty to solicit sealed bids prior to selecting provider of group health care benefits]
	Section 120.13(3)	[school board power to enter into certain intergovernmental agreements]
	Section 120.13(5)	[school board power to purchase books, materials and equipment for use in the schools]
	Section 779.14	[performance bonds, payment bonds, and other contract requirements in connection with public improvements or public works]
	Federal Laws and Regulations	
	2 C.F.R. Part 180	[federal suspension and debarment requirements]
	2 C.F.R. §200.212	[Uniform Guidance regulation that applies federal suspension and debarment requirements to non-federal entities that spend federal funds]
	2 C.F.R. §200.318	[general standards for procurement supported by federal funds]
	2 C.F.R. §200.319	[competition in procurement supported by federal funds; written procurement standards required]
	2 C.F.R. §200.320	[methods of procurement to be followed for purchases supported by federal funds; includes specific requirements for competitive bids and proposals and the list of circumstances under which noncompetitive procurement is allowable for federally-supported purchases]
	2 C.F.R. §200.321	[federal funds contracting with small and minority businesses, women's business enterprises, and labor surplus area firms]
	2 C.F.R. §200.322	[procurement of recovered materials; federal Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act]
	2 C.F.R. §200.323	[cost or price analysis requirements for procurement in excess of the simplified acquisition threshold; requirement to negotiate profit as a separate element of the price for certain contracts]
	2 C.F.R. §200.325	[bid guarantee, performance bond, and payment bond requirements for construction or facility improvement]

- contracts or subcontracts exceeding the simplified acquisition threshold]
- 2 C.F.R. §200.326 [contract provisions for non-federal entity contracts under federal awards]
- 2 C.F.R. App. II to Pt 200 [contract provisions for non-federal entity contracts under federal awards]
- 34 C.F.R. §75.135 [U.S. Department of Education direct grant competition exception for proposed implementation sites, implementation partners, or service providers]

CROSS REF.: 672.1-Rule, Procurement Procedures Implementing Federal Regulations and Local Policy  
Policy 672, Purchasing  
Policy 620, Annual Operating Budget  
Policy 665, Fraud Prevention and Reporting  
Policy 672.2, Standards of Conduct in Purchasing and Contracting for Services  
Policy 672.51, Suspension and Debarment of Vendors and Contractors  
Policy 673, Payment Procedures  
Policy 683, District Asset Management  
Policy 690, Disposition of District Property

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### PROCUREMENT PROCEDURES IMPLEMENTING FEDERAL REGULATIONS AND LOCAL POLICY

#### **Federally-Authorized Grounds for “Single Source” Procurement**

In connection with procurements made using, in whole or in part, federal funds that are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”), any one or more of the following conditions may justify procurement pursuant to a noncompetitive proposal (i.e., relying on “single source” procurement):

1. The item is available only from a single source;
2. A public exigency or emergency for a necessary procurement will not permit a delay resulting from a competitive solicitation;
3. After solicitation of a number of sources, the District determines that competition is inadequate;
4. The federal awarding agency or the state as a pass-through entity has expressly authorized noncompetitive proposals in response to a written request from the District.

The District will document the grounds for using a noncompetitive process in lieu of an otherwise-required competitive method of procurement.

In addition to the above-listed federal justifications for noncompetitive procurement, Board policy lists additional grounds for using a noncompetitive process that the District Administrator may rely on for purchases that are not supported by federal funds that are subject to the Uniform Guidance.

#### **District Standards for Obtaining Price/Rate Quotations to Support Procurement Decisions**

The following procedures and standards apply to District procurement decisions that include the consideration of valid price or rate quotations, including procurements made using, in whole or in part, federal funds that are subject to the Uniform Guidance:

1. The District's preferred standard is three (3) quotations from separate sources among which the District is essentially indifferent as to all specifications and terms other than cost. The minimum standard (when not relying on a valid sole-source justification) is at least two (2) price/rate quotations representing acceptable procurement options. If applicable, the reason for deviating from the preferred standard shall be documented. One example of a valid reason for such a deviation is the demonstrated administrative burden associated with meeting the preferred standard in a specific situation.



**672.1-Rule**  
**Page 2**

2. Documented price or rate quotations may be obtained from an online search, from publicly-advertised prices, from written quotations prepared upon request, by documenting verbal quotations, or by referencing any pre-established procurement arrangement that the District is entitled to utilize (e.g., consortium pricing). In submitting a purchase or contract for School Board approval, the District Administrator or his/her authorized designee may consider quotations from a source not expressly listed in this paragraph if such an alternative source is documented and identified for the Board's consideration.
3. The specific price/rate quotation need not be the sole determining factor in the procurement decision when the District, considering the best interests of the District and the responsible expenditure of funds, determines at its discretion that (a) other relevant and material differences exist among the quotations (e.g., quality, functionality, vendor-supplied support services, life-cycle cost estimates, vendor experience in connection with the purchase of services, etc.), and (b) such differences predominate over a strict cost comparison. The reason for deviating from using cost as the determining factor shall be documented.

**Methods of Determining Reasonable Prices for a "Micro-Purchase" Made under Informal Procurement Methods**

Where the District Administrator or his/her authorized designee is permitted to make or authorize a purchase in an aggregate amount of \$3,000 or less based on a determination that the price of the purchase is reasonable, such determination may be made by, for example, comparing the price to previous purchases of the same item(s), having personal knowledge of typical pricing for the item(s) being purchased, or comparing the price of items that are similar to the items being purchased.

APPROVED: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### STANDARDS OF CONDUCT IN PURCHASING AND CONTRACTING FOR SERVICES

The School Board is committed to purchasing and contracting processes that promote the responsible stewardship and expenditure of District funds (inclusive of local, state, federal, and all other sources), including the avoidance of conflicts of interest. Accordingly, in addition to all other applicable restrictions independently established by law or separately established by the District, the Board:

1. Directs the District Administrator to consistently enforce the standards of conduct imposed by the Board and by related state and federal laws, including, as examples, the state's Code of Ethics for Local Government Officials ("Code"), the state's prohibitions against misconduct in office, the state's prohibitions against private interests in public contracts, and the federal government's minimum standards of conduct connected to any District officer's, employee's, or agent's participation in purchasing and contracting activities that involve the use of federal funds.
2. Extends the application of the state's Code such that the provisions of the Code (as well as its applicable exceptions and exclusions) shall be enforced as District standards of conduct with respect to all District employees who are involved in District purchasing and contracting activities in other than a purely ministerial capacity. Further, in applying and enforcing the various provisions of the Code as local employment standards in connection with such activities, the following broader definitions shall be used in place of the narrower definitions found in the state statutes:
  - a. "Immediate family" means all of the following: spouse, and parents thereof; children, and spouses thereof; parents, and spouses thereof; and siblings, and spouses thereof; financial dependents as identified in the state Code; or another adult sharing the same household as the employee of the District.
  - b. An organization with which the employee is "associated" means any organization with which the employee or his/her spouse is associated as an owner, partner, or director, as further defined by the Code; any organization for which the employee or his/her spouse serves as an authorized representative or agent; or any organization which employs or is about to employ either the District employee or any member of the employee's immediate family.
3. Requires any employee of the District to disclose to the District Administrator or his/her designee, clearly and as early in the contracting process as practical, the employee's desire to pursue in his/her private capacity (e.g., via bidding, negotiation, etc.) any contract with the District (a) in which the employee has a direct or indirect private pecuniary interest, and (b) that, but for the amount of the contract being below the dollar/cost threshold of the applicable criminal statute that prohibits private interests in public contracts, the employee would otherwise be criminally prohibited from pursuing even in his/her private capacity.

**Policy 672.2**  
**Page 2**

4. Prohibits any authorized agent of the District from participating in the submission of a bid or proposal for any District procurement or contracting decision that is to be made through the solicitation, receipt, and evaluation of competitive bids or competitive requests for proposals when the same agent's designated role on behalf of the District includes advising the District regarding the same project's specifications, requirements, statements of work, or invitations for bids or requests for proposals.

As to any District-established standard of conduct applicable to District purchasing and contracting activities where the standard exceeds the minimum restrictions and prohibitions imposed by state or federal law, the Board may, at its discretion, make an exception to the local standard through policy or via other official action. Any employee or authorized agent who wishes to request such an exception shall contact the District Administrator or his/her designee and disclose the specific circumstances relevant to the request.

Even where no law or District policy, regulation, or procedure requires an officer, agent, or employee of the District to take a specific action (or to refrain from specific conduct), the Board expects all officers, agents, and employees to use sound judgment in identifying possible conflicts of interest or other situations giving rise to a reasonable perception of impropriety that may detract from public confidence in the District's purchasing and contracting activities. Upon identifying such situations, the officer, agent, or employee should consult with the Board or District Administrator as necessary and determine a reasonable course of action. Examples of potential resolutions to such situations include making express disclosures (e.g., of particular familial or social relationships) and/or abstaining from participation in particular District processes and transactions.

**Consequences for Violations**

Any officer, employee, or agent of the District who violates the standards of conduct applicable to participation in District purchasing and contracting activities, as established by the Board or by applicable law, is subject to referral to law enforcement when the conduct is independently subject to possible legal prosecution. In addition:

- A Board member who violates any standards of conduct established by state or federal law is further subject to censure or other disciplinary sanction that is within the authority of the Board itself, and may also be subject to an action for removal from public office by the courts.
- Employees are further subject to possible disciplinary action, up to and including termination from employment.
- A non-employee agent of the District is further subject to termination of his/her authority to act as an authorized agent of the District.

A current or prospective vendor or contractor of the District who offers or provides gifts, favors, or gratuities to any officer, agent, or employee of the District that would constitute a violation of this policy or any applicable law is subject to possible disqualification as a future vendor or contractor of the District.

**Policy 672.2**  
**Page 3**

In setting forth such possible consequences, the Board neither absolves any officer, employee, or agent of the District from any other individual liability that may accrue to such representative of the District nor disclaims or waives any of the Board's or District's rights to void or terminate agreements or to pursue any other lawful claims or remedies.

LEGAL REF.: Wisconsin Statutes  
Section 19.42 [statutory definitions related to the code of ethics for local government officials]  
Section 19.59 [ethical standards for local government officials]  
Section 946.12 [misconduct in public office]  
Section 946.13 [private interests in public contracts prohibited]

Federal Laws and Regulations  
2 C.F.R. §200.318 [acceptance and use of federal funds by non-federal entities; written standards of conduct required]  
2 C.F.R. §200.319 [ensuring objective contractor performance and eliminating unfair competitive advantage]

CROSS REF.: 672.2-Rule, Procedures for Implementing Standards of Conduct in Purchasing and Contracting  
Policy 165.1, Board Member Conflicts of Interest  
Policy 522, Staff Conduct  
Policy 524, Staff Gifts and Solicitations  
Policy 665, Fraud Prevention and Reporting  
Policy 672, Purchasing  
Policy 672.1, Procurement Methods (including Bidding Requirements)  
District Employee Handbook

APPROVED: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### PROCEDURES FOR IMPLEMENTING STANDARDS OF CONDUCT IN PURCHASING AND CONTRACTING

This rule serves to clarify the School Board's standards of conduct for District-related purchasing and contracting activities as those standards relate to (1) the Board's modified application of the state's Code of Ethics for Local Government Officials ("Code") to District employees beyond those employees who are considered local public officials, and (2) specific federal restrictions on the conduct of District officers, employees, and agents who are involved in the selection, award, and administration of contracts (including procurement transactions) supported by federal funds.

This rule does not provide a complete list or explanation of all situations in which a conflict of interest may exist under applicable law or District policy. For example, this rule does not address any aspect of the state criminal statute that forbids private interests in public contacts. In addition, this rule's summary of the state Code is incomplete as to some specific details. Reliance on this clarifying rule or its authorizing policy does not excuse any violation of independently-applicable state or federal law. Accordingly, officers, agents, and employees of the District should approach conflict-of-interest issues conservatively and seek clarification of specific fact situations and restrictions prior to participating in related purchasing or contracting activities.

#### **Application of the State Code as Standards of Conduct for District Employees**

In connection with District purchasing and contracting activities, Board policy expressly extends the application of the state Code by (1) adopting the Code's requirements and restrictions as local standards of conduct that apply to all District employees involved in such activities in other than a purely ministerial capacity, and (2) substituting broader definitions of "immediate family" and organizational "associations" in place of the Code's narrower definitions for those terms. In general, the state's Code and Board policy work together to jointly prohibit the following conduct:

1. No District employee may use his/her public position or office to obtain financial gain or anything of substantial value for the private benefit of him/herself or his/her immediate family, or for an organization with which he/she is associated.
2. No person may offer or give to a District employee, directly or indirectly, and no District employee may solicit or accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the employee's vote, official actions, or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the employee.
3. No District employee may take any non-ministerial action in connection with his/her duties or responsibilities as an employee that substantially affects a matter in which the employee, a member of his/her immediate family, or an organization with which the employee is associated has a substantial financial interest.

## 672.2-Rule

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4. No District employee may use his/her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the employee, one or more members of the employee's immediate family (either separately or together), or an organization with which the employee is associated.

The Board's policy otherwise adopts the state Code's applicable definitions and the Code's exceptions to and exclusions from the conduct that is generally prohibited by the Code. For example, the Board's extension of the Code to all employees involved in District purchasing and contracting activities in other than a purely ministerial capacity does not prohibit an employee's:

1. Negotiation and acceptance, on his/her own behalf, of his/her employment agreement and/or compensation arrangement with the District.
2. Acceptance of District-authorized compensation, benefits, or expense reimbursement.
3. Acceptance of any nominally-valued item(s) of the type that may be accepted by local public officials under the state Code (e.g., widely-distributed items of token value given away by an exhibitor at a conference or convention). While the state Code does not set a specific dollar value applicable to any and all situations, officers, employees and agents should treat any item valued at more than a few dollars as suspect and should be aware that acceptance of items valued as low as \$15 may violate the Code.
4. Receipt of any merely incidental amenities that are provided in connection with the representative's authorized participation in a conference, meeting, or similar activity, provided that such incidentals primarily facilitate the representative's efficient and effective performance of his/her District-related responsibilities and that, therefore, primarily benefit the District (rather than serving as a private benefit to the representative). An employee's immediate supervisor has authority to determine whether a particular amenity may be accepted, and employees are strongly encouraged to review program agendas/schedules with their supervisor in advance of work-related conferences and similar events.
5. Receipt of personal gifts for purposes completely unrelated to District activities/operations from a person with whom the representative of the District has a pre-existing familial or social relationship (such as a brother, sister, or close friend), even though the person giving the gift (or the person's business or employer) also is, or is seeking to become, a vendor or contractor of the District. (Note: Although such personal gifts may be accepted, the employee may be separately prohibited by law or by a District policy or directive from participating in purchasing or contracting processes involving the particular vendor or contractor.)

### **Federal Restrictions on the Conduct of Officers, Employees, and Agents Involved in the Selection, Award, and Administration of Contracts Supported by Federal Funds**

Separate from any state or local standards of conduct that apply to officers, agents and employees of the District who are involved in purchasing and contracting activities in the District, federal regulations impose several minimum restrictions on the conduct of such representatives of the District whenever the transaction in question is supported by federal funds that are subject to the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards." Under the federal guidelines:

**672.2-Rule**  
**Page 3**

5. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he/she has a conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a substantial financial or other interest in or would obtain a substantial tangible personal benefit from a firm considered for a contract.
6. The officers, employees, and agents of the non-federal entity may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

These minimum federal requirements are not waivable in connection with any transaction or contract to which they apply. In determining whether a financial or other interest is "substantial," or whether anything solicited or accepted for private benefit is of "value," the District follows the standards applicable to local public officials under similar provisions of the state Code.

APPROVED: March 21, 2016

REVISION;

**NORTH CAPE SCHOOL DISTRICT**

**SUSPENSION AND DEBARMENT OF VENDORS  
AND CONTRACTORS**

**Federal Suspension and Debarment**

Whenever the District is using federal funds in connection with a transaction that is subject to the federal suspension and debarment requirements, the District is generally prohibited from engaging in transactions with any party (i.e., an individual, organization, or a principal of an organization) that is debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities. In connection with its acceptance and receipt of federal funds, the District may also be required to notify a state and/or federal agency of the District's own status with respect to these federal requirements, including the status of certain officers and employees.

When soliciting bids or proposals or otherwise preparing to enter into a covered transaction, the District will use at least one of the following verification methods to ensure that any parties to the transaction are not suspended or debarred before committing to a covered sub-award, purchase, or contract:

1. Obtaining a certification of a party's compliance with the federal suspension and debarment requirements in connection with any application, bid, or proposal;
2. Requiring compliance with the federal suspension and debarment requirements as an express condition of the sub-award, purchase, or contract in question; or
3. Prior to committing to any sub-award, purchase, or contract that is a covered transaction, the District Administrator or his/her authorized designee shall check the online federal System for Award Management (SAM) to determine whether any relevant party is subject to any suspension or debarment restrictions.

The District may also periodically re-verify the status of, or receive new information from, parties that currently hold a sub-award or contract in connection with a covered transaction. To the extent the District is a participant in an existing covered transaction with another party and the District receives confirmation that the other party has become newly subject to federal exclusion before the earlier transaction is complete, the School Board may elect to discontinue the earlier transaction with the excluded party to the extent permitted by law.

If, for any reason, the District learns after entering into a transaction with a party but prior to claiming federal funds for any portion of the cost of the transaction that the party should have been identified as being excluded from or ineligible for the transaction, the costs shall not be claimed unless the District obtains written confirmation from the relevant federal agency that the costs may be claimed under an applicable federal exception.



The District Administrator shall ensure that procedures and internal controls are in place that facilitate compliance with federal suspension and debarment requirements, including adequate means of identifying covered transactions, issuing any required notices to appropriate parties that compliance with federal suspension and debarment is required in connection with a covered transaction, and retaining records of status verifications.

**State Suspension, Debarment, or Other Ineligibility**

Whenever the District is undertaking a public works project (e.g., construction, repair, remodeling, or improvement of District buildings or facilities) and to the extent required by law, the District shall not knowingly solicit bids from, negotiate with, award any contracts to, or approve or allow any subcontracts with a debarred contractor. Debarred contractors are identified by the Wisconsin Department of Workforce Development, which maintains a "Consolidated List of Debarred Contractors" on the Department's website. The scope of such debarment includes all divisions, affiliates, or other organizational elements of such contractor that are engaged in construction business activities, until the debarment is terminated. When the state debarment restrictions are applicable, the District Administrator shall ensure that the District obtains any necessary disclosure of ownership statements and checks the list of debarred contractors.

If it comes to the attention of the District that any prospective vendor or contractor is currently suspended, debarred, or otherwise ruled ineligible by the State of Wisconsin from receiving state contracts for any reason that is not directly binding on the District by law, and provided that the District has taken steps to confirm the person's current ineligibility for state contracts, the District may rely on the vendor or contractor's state-determined status as a basis for refusing to enter into a purchase, contract, or other procurement relationship with the person.

**Local Suspension or Debarment**

If, separate from any federally-determined or state-determined suspension or debarment, the Board or District Administrator decides to suspend or debar any person, for a fixed period of time, from the opportunity to respond to District procurement solicitations and/or from having the person's responsive bids or proposals considered by the District, the District shall provide the person with notice of the decision and an opportunity to appeal their locally-determined suspension or debarment status to the Board.

**Other District Evaluation of Vendors and Contractors**

Nothing in this policy shall be construed to prevent the District and its authorized agents from independently evaluating whether particular vendors or contractors are responsible persons who are sufficiently likely to be able to successfully perform under the terms of a proposed purchase, contract, or other procurement relationship. In making such decisions, consideration may be given to factors such as the vendor's or contractor's integrity, compliance with public policy, record of past performance, and financial and technical resources.

Similarly, nothing in this policy shall be construed to prevent the District and its authorized agents from considering service, reliability, experience, and other relevant performance factors when selecting particular vendors or contractors to provide products or services to the District.

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LEGAL REF.: Wisconsin Statutes  
Section 16.705(9) [ineligibility for state contracts due to violations of certain state purchasing statutes or violations of state contracts]  
Section 16.75(10m) [ineligibility for state contracts due to state tax compliance violations]  
Section 16.765 [ineligibility for state contracts due to discriminatory conduct or practices]  
Section 66.0903 [prevailing wage requirements and the related suspension and debarment requirements]  
Section 103.49(6m) [state debarment of public works contractors for certain labor violations]  
Wisconsin Administrative Code  
DWD 294 [regulations governing the debarment of public works contractors]

Federal Laws and Regulations  
2 C.F.R. Part 180 [federal suspension and debarment requirements; including reference to the federal System for Award Management (SAM)]  
2 C.F.R. §200.212 [Uniform Guidance regulation that applies federal suspension and debarment requirements to non-federal entities that spend federal funds]  
2 C.F.R. Part 3485 [U.S. Department of Education nonprocurement debarment and suspension]

CROSS REF.: Policy 672, Purchasing  
Policy 672.1, Procurement Methods (including Bidding Requirements)

APPROVED: March 21, 2016

REVISED:

**NORTH CAPE SCHOOL DISTRICT**

**PAYMENT PROCEDURES**

All invoices and requests for payment must be processed through the District Office. Invoices and requests must be received in the office with sufficient time prior to the monthly School Board meeting in order to be processed that month. Payments are to be made in compliance with the "timely payments" provisions of state law.

A summary of all monthly payments will be distributed to all Board members before the regular monthly meeting. The Board Treasurer will review the payments with the District Administrator or his/her designee prior to the meeting.

No invoices shall be approved for payment by the office unless there is verification from the District Administrator or authorized representative that the items have been received or work has been completed. Payments in advance shall be allowed for conference fees, travel reservations, memberships, entry fees, and other situations with the prior approval of the District Administrator.

LEGAL REF.: Wisconsin Statutes  
Section 66.0135 [timely payments; interest and late payments]  
Section 66.0607 [withdrawal or disbursement of school district funds]  
Wisconsin Uniform Financial Accounting Requirements (WUFAR)

CROSS REF.: Policy 620, Annual Operating Budget  
Policy 671.2, Expense Reimbursements  
Policy 672, Purchasing  
Policy 672.1, Methods of Procurement (including Bidding Requirements)

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### DISTRICT ASSET MANAGEMENT

The District's capital assets include, but are not necessarily limited to, land, land improvements, building(s), building improvements, and infrastructure, as well as vehicles and certain machinery, equipment, software, works of art, and other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond one fiscal year. Capital assets also include certain improvements, modifications, replacements, or renovations to capital assets that materially increase their value or useful life. The School Board's expectation for the District's capital asset management and accounting process is to ensure that the District's procedures are sufficiently formalized and implemented to allow for adequate financial reporting, as assessed by the District's auditors.

The District Administrator, in consultation with the District's financial auditors, shall be responsible for establishing a written schedule of capitalization thresholds applicable to particular capital asset classes. Subject to the expectation that the schedule shall be structured to capture at least 80% of the value of the District's total assets, the threshold established for single items within any of the asset classes need not be less than \$5,000.00.

Capital assets having an acquisition cost (or other relevant valuation) above the capitalization threshold of the applicable asset class shall be valued, inventoried, depreciated for financial accounting purposes when appropriate, and regularly tracked over time through the point of retirement, sale, or other disposition.

District procedures related to capital asset management shall also account for the appropriate identification, recording, and tracking of capital assets that are acquired using (1) federal funds, (2) capital borrowing, or (3) referendum funds that are subject to specific restrictions on use.

Nothing in this policy prevents the District from otherwise inventorying (recording, counting, and tracking) supplies, equipment, and other items that are not capitalized and depreciated for financial reporting purposes. Further, even if not capitalized, the District shall inventory the following capital assets:

1. Computing devices, computer peripherals, and any instructional technology capital assets with an individual item value in excess of \$500.00.
2. Furniture;
3. Textbooks;
4. Other non-capitalized items when required by law or by the terms of any grant or contract.

LEGAL REF.: Wisconsin Statutes  
Section 120.14 [annual school district audit required]  
Department of Public Instruction School District Audit Manual Index  
Wisconsin Uniform Financial Accounting Requirements (WUFAR)  
Governmental Accounting Standards Board – GASB Statement No.34

Federal Laws and Regulations  
2 C.F.R. §200.33 [definition of "equipment" tied to local capitalization threshold]

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within the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)]

2 C.F.R. §200.94 [definition of "supplies" tied to local capitalization threshold within the federal Uniform Guidance]

2 C.F.R. part 200 subpt. D [post-award requirements under the federal Uniform Guidance; includes requirements related to tracking and disposition of property, supplies, and equipment paid for with federal funds]

2 C.F.R. part 200 subpt. F [audit requirements under the federal Uniform Guidance]

CROSS REF.: 361-Rule, Procedures for the Selection, Management and Reconsideration of Instructional Materials

Policy 665, Fraud Prevention and Reporting

Policy 672, Purchasing

Policy 690, Disposition of District Property

Policy 742, Authorized Use of School-Owned Equipment

Policy 830, Use of School Facilities

APPROVED: March 21, 2016

REVISION:

**Policy 684**

**NORTH CAPE SCHOOL DISTRICT**

**AUDITS**

The books and accounts of the District shall be audited by an independent certified public accountant in conformance with the prescribed standards and legal requirements. The certified public accountant shall be selected by the School Board.

The audit, when completed, shall be presented to the Board for examination.

On or before November 1 every three years, the District Administrator shall place before the Board the matter of the retaining of a certified public accountant.

The District Administrator shall be responsible for filing copies of the audit with the proper authorities as prescribed by law.

The cost of the audit shall be paid from District funds.

LEGAL REF.: Wisconsin Statutes  
Section 120.14 [audit of school district accounts]  
Wisconsin Administrative Code  
PI 14 [school finance]

CROSS REF.: Policy 620, Annual Operating Budget  
Policy 662.1, Student Activity Funds Management  
Policy 665, Fraud Prevention and Reporting

POLICY REVISION AND NEW APPROVAL: March 21, 2016

REVISED:

## NORTH CAPE SCHOOL DISTRICT

### DISPOSITION OF DISTRICT PROPERTY

#### **Sale or Other Disposition of District Real Estate or Property Interests**

The School Board retains sole and exclusive authority to approve the sale or other disposition of any land, building(s), or other improvements to land that are owned by the District and no longer needed by the District. The Board shall also directly and expressly approve any sale, release, or modification of any District-owned or District-controlled interest in real property (e.g., an easement or covenant).

#### **Sale or Other Disposition of Other District Property**

The Board also has authority to dispose of other District property not addressed in the previous section of this policy, including equipment, materials, or supplies found to be surplus, replaced, broken, damaged, in unusable condition, or obsolete.

The Board has designated the District Administrator as an authorized property manager under this policy. The District Administrator shall oversee the allocation, review, and disposition of all equipment, materials, or supplies that (a) have been capitalized and depreciated for financial reporting purposes, (b) are assigned to the central office function, or (c) are subject to federal disposition requirements under the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Whenever the District Administrator determines that District property is no longer going to be used in its current function or location, the District Administrator shall ensure that reasonable efforts are made to determine whether the property can be appropriately used in another District function or location. If so, the District Administrator shall arrange for the internal transfer/re-designation of the property.

For any property that the District Administrator determines is no longer going to be used in the District, the following general parameters for further disposition of the property shall apply:

1. Any items that the District Administrator, or his/her designee, has determined have minimal or no resale value may, without further Board approval, be (a) offered without cost to a charitable or civic organization or other governmental entity, or (b) discarded or otherwise disposed of using an efficient method. Any per-item estimated resale value in excess of \$100.00 shall not be considered minimal, except that any property that does not require further Board approval prior to disposal and that remains unsold after having been offered for sale may be deemed to have minimal resale value.

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2. Items (whether individually or grouped for a single transaction) that the District Administrator determines can be economically sold (or traded in) for value and that have an estimated resale/fair-market value below \$500.00 may be sold (or traded in) using a process approved and coordinated by the District Administrator without further Board approval. Public processes intended to inform/solicit multiple potential buyers (e.g., the use of online public advertising or auctions) shall be the preferred means of attempting to sell such property, except where the District Administrator determines that another method of disposition is in the best interest of the District considering all relevant circumstances.
3. Items (whether individually or grouped for a single transaction) that the District Administrator estimates to have a resale or other fair-market value of \$500.00 or more may be disposed of only if the Board has expressly approved the specific disposition or expressly authorized the administration to dispose of the specific piece(s) of property under approved parameters.

The disposition of District property under this policy shall be conducted in the public interest for the benefit of the District. Unless otherwise required by law or by some other special and enforceable condition, all money received from the sale or other disposition of District property shall be directed to the District's General Fund.

LEGAL REF.:	Wisconsin Statutes
	Section 77.54(4) [sales tax treatment of certain sales of tangible personal property]
	Section 118.12(1)(b) [school board authority over sales of goods on school property]
	Section 120.12(21) [sales tax treatment of certain sales of tangible personal property]
	Section 120.13(19m) [school board authority to sell any property belonging to and not needed by the school district]
	Section 120.13(25) [school board lease of school district property at reasonable rental]
	Section 175.10 [certain procurements for sales to employees prohibited by statute]
	Chapter 287 [state solid waste reduction and recycling policy and requirements]
	Chapter 291 [disposal of hazardous materials/substances; including electronic devices]
	Wisconsin Administrative Code
	NR 660 to NR 679 [regulations related to hazardous waste management]
	Federal Laws and Regulations
	2 C.F.R. §200.33 [definition of "equipment" tied to local capitalization threshold within the federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)]



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CROSS REF.: 361-Rule, Procedures for the Selection, Management and Reconsideration of  
Instructional Materials  
Policy 665, Fraud Prevention and Reporting  
Policy 672, Purchasing  
Policy 672.1, Procurement Methods (including Bidding Requirements)  
Policy 683, District Asset Management

APPROVED: March 21, 2016

REVISED: