



**VALLEY FORGE**  
**PUBLIC SERVICE ACADEMY**  
**CHARTER SCHOOL**

**EXHIBIT 12 – Financial Policies**

**Book.** Policy Manual

**Section.** 4000 Finances

**Title.** Board of Trustees Bid

**Code.** 4010

**Status.** Active

**Adopted.** September 24<sup>th</sup> 2025

## **Purpose**

It is the policy of the Board of Trustees (Board) to obtain competitive bids for products and services where such bids are required by law or where such bids may be believed to bring about a cost saving to Valley Forge Public Service Academy Charter School ('VFPSACS').

## **Definitions**

**Base amount** - the numerical threshold amounts set forth in School Code Sections 751 and 807.1, as amended by Act 82 of 2012, and referenced therein as 'base' amounts.[\[1\]\[2\]](#)

**Final adjusted base amount** - the numerical amount determined and published by the Department of Labor and Industry prior to January 1 of each year for each year when there is a positive percentage change in the Consumer Price Index for All Urban Consumers, pursuant to School Code Section 120.[\[3\]](#)

**Emergency** - an imminent danger to persons or property or a threat to the continuance of existing school classes, which restricts the time needed to obtain bids.

**Federal award** - the federal financial assistance that VFPSACS receives directly from a federal awarding agency or indirectly from a pass-through entity, a cost-reimbursement contract under the Federal Acquisition Regulations that VFPSACS receives directly from a federal awarding agency or indirectly from a pass-through entity, and the instrument setting forth the terms and conditions including the grant agreement, cooperative agreement, other agreement for assistance including loans, loan guarantees, interest subsidies and insurance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.[\[4\]](#)

## **Authority**

### Purchases Under \$10,000

For procurement of supplies or services pursuant to a federal award, VFPSACS 's purchase of supplies or services, the aggregate dollar amount of which does not exceed \$10,000 (or any applicable dollar amount in the case of acquisitions for construction subject to the Davis-Bacon Act), may be awarded without soliciting competitive quotations if VFPSACS considers the price to be reasonable. To the extent practicable, VFPSACS must distribute such purchases equitably among qualified vendors.[\[1\]\[2\]\[5\]](#)

### Supplies

Unless exempt by statute, VFPSACS 's purchase of furniture, equipment, textbooks, school supplies and other appliances (herein called 'supplies') costing a minimum of \$10,000, but less than the base amount or final adjusted base amount requiring competitive bidding, shall be made only after solicitation of written or telephonic quotations from at least three (3) qualified and responsible vendors, in accordance with School Code Section 807.1 (a.2). If it is not possible to obtain three (3) quotations, a memo must be kept showing that fewer than three (3) qualified vendors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the vendor and the vendor's representative, the supplies which were the subject of the quotation and the price. Written price quotations, written records of telephonic price quotations and memoranda shall be retained for three (3) years. For procurement of supplies pursuant to a federal award, the solicitation of the written or telephonic quotations must be publicized and identify all evaluation factors and their relative importance. Further, VFPSACS must have a written method for conducting technical evaluations of the quotations received and for selecting recipients. Contracts will be awarded to the responsible vendor whose proposal is most advantageous to the program, with price and other factors considered.[\[2\]\[3\]\[5\]](#)

Competitive bids for supplies having a cost greater than or equal to the base amount or the final adjusted base amount shall be solicited in accordance with School Code Section 807.1 (a.2).[\[2\]\[5\]](#)

### Construction, Repairs and Maintenance

Unless exempt by statute, all contracts for construction, reconstruction, repairs, maintenance or work on any school building or property (herein called 'work'), costing between a minimum of \$10,000 but less than the base amount or the final adjusted base amount required for competitive bidding, shall be made only after solicitation of written or telephonic quotations from at least three (3) qualified and responsible contractors, in accordance with School Code Section 751 (a.2). If it is not possible to obtain three (3) quotations, a memo must be kept showing that fewer than three (3) qualified contractors exist in the market area within which it is practicable to obtain quotations. A written record of telephonic price quotations shall be made and shall contain at least the date of the quotation, the name of the contractor and the contractor's representative, the construction, reconstruction, repair, maintenance or work which was the subject of the quotation and the price. Written price quotations, written records of telephonic price quotations and memoranda shall be retained for three (3) years. For procurement of supplies pursuant to a federal award, the solicitation of the written or telephonic quotations must be publicized and identify all evaluation factors and their relative importance. Further, VFPSACS must have a written method for conducting technical evaluations of the quotations received and for selecting recipients. Contracts will be awarded to the responsible vendor whose proposal is most advantageous to the program, with price and other factors considered.[\[1\]\[3\]\[5\]](#)

Competitive bids for work on any school building or property, having a cost exceeding the base amount or the final adjusted base amount, shall be solicited via bid proposals in accordance with School Code Section 751(a.2). Exceptions may be made in emergencies. In addition, requests for proposals shall be posted on the school website. In case of emergencies, competitive bids for repairs or replacement may be solicited from at least three (3) responsible bidders. Upon approval of any of these emergency bids by the Board of Trustees, VFPSACS may immediately proceed to make the necessary repairs or replacement. VFPSACS shall notify the Secretary of Education that an emergency has occurred and a bid has been selected under this emergency process.[\[1\]\[5\]](#)

In accordance with School Code Section 751(b.1), the Board of Trustees reserves the right to have VFPSACS 's maintenance personnel perform any construction, reconstruction, repairs, or work of any nature, where the entire cost or value including labor and materials, is less than the base amount or the final adjusted base amount requiring solicitation of written or telephonic quotations from at least three (3) vendors.[\[1\]](#)

### **Delegation of Responsibility**

The preparation of bid specifications shall be coordinated by the Business Manager. The bid specifications will include any specifications and pertinent attachments, and must define the

items or services in order for the bidder to properly respond. S/He shall combine like items of supply and materials whenever it is feasible, and permissible under statute, and not split purchases to avoid these requirements for bidding.[\[1\]](#)

### Advertising

The Business Manager or her/his designee is authorized to advertise for bids in accordance with statutory procedures without prior approval of the Board of Trustees, but shall inform the Board of such action at the meeting next following. Records shall be kept in sufficient detail to show that a reasonable number of qualified vendors were invited to bid. The vendors shall be provided with sufficient response time prior to the date set for opening the bids.

At the previously designated time and place prescribed in the advertisement, bids shall be opened publicly in a special meeting which shall be attended by at least one (1) VFPSACS administrator and one (1) administrative designee. Bid openings may be attended by Board members.

Contracts shall be awarded to the lowest responsible bidder, with price and other factors considered, upon resolution of the Board, unless the Board chooses to reject all bids. The Board shall document its reasons for rejection of all bids if the bidding process was completed as a result of a federal award.[\[1\]\[5\]](#)

When fewer than three (3) competitive bids are received for supplies and equipment having a cost greater than or equal to the base amount or the final adjusted base amount, and/or when fewer than three (3) competitive bids are received for construction, reconstruction, repairs, maintenance or work on any school building or property having a cost exceeding the base amount or the final adjusted base amount, the Business Manager shall review the bid specifications and a recommendation shall be made to the Board to either award the bid or reject all bids.

### **Guidelines**

#### Contractor Mistake, Error or Omission

Whenever a contractor shall submit a bid for the performance of work and the contractor later

claims a mistake, error or omission in preparing said bid, the contractor shall, before the bids are opened, make known the fact and in such case the bid shall be returned unopened.

### Process for Award of Bids/Quotes

In the event of a tie for lowest price on specification and all other applicable considerations, where two (2) or more qualified vendors submit equal prices on specification for a particular item or contract, award priority shall be as follows:

1. For bids on supplies or equipment, award will be made using the following criteria in priority order:
  - a. Award to the incumbent bidder (bidder who satisfactorily provided similar item in prior year).
  - b. Earliest bid receipt date (all bids/quotations received by VFPSACS shall be date/time stamped).
2. For bids on contracted services -when bid:
  - a. Award to the incumbent bidder (bidder who satisfactorily provided similar item in prior year).
  - b. Earliest bid receipt date (all bids/quotations received by VFPSACS shall be date/time stamped).

### Noncompetitive Proposals for Contract Pursuant to a Federal Award

Procurement by noncompetitive proposal is procurement through solicitation of a proposal from only one (1) source for a contract pursuant to a federal award and may be used only when one or more of the following circumstances apply:[\[6\]](#)

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from VFPSACS; or
4. After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.[\[7\]](#)

### State Contracts

Where a state contract is in existence for supplies or equipment, purchasing under this state contract may be implemented in lieu of the bidding or quotation process.

### Sale of Land and Buildings

When it is determined that VFPSACS-owned land or buildings are no longer required for school purposes and the Board of Trustees authorizes the sale of same, such sale shall be conducted in accordance with provisions of Section 707 of the School Code.[\[8\]](#)

### Sale of Used Equipment or Obsolete Supplies

Where the total value of such equipment and/or supply items is less than or equal to the base amount or the final adjusted base amount requiring the solicitation of written or telephonic quotes from at least three (3) vendors, it/they may only be sold after the acquisition of at least three (3) written or telephonic proposals for the purchase of the equipment and/or supply items.

Where the total value of such equipment and/or supply items is in excess of the base amount or the final adjusted base amount requiring the solicitation of written or telephonic quotes from at least three (3) vendors, it/they may only be sold after the publicly advertised solicitation of proposals during three (3) consecutive weeks, or via auction.

In all cases, sale shall be made to the highest responsible bidder.

Legal

1. 24 P.S. 751

2. 24 P.S. 807.1

3. 24 P.S. 120

4. Pol. 4026

5. 2 CFR 200.318-200.325

6. 2 CFR 200.320

7. 2 CFR 200.324

8. 24 P.S. 707

24 P.S. 1714-A

24 P.S. 1715-A

24 P.S. 1716-A

Pol. 4026.3

**Book.** Policy Manual

**Section.** 4000 Finances

**Title.** Purchasing

**Code.** 4011

**Status.** Active

**Adopted.** September 24<sup>th</sup> 2025

## **Purpose**

The Board of Trustees, in recognition of both federal and state laws and regulations affecting purchases of goods and services, has adopted this policy. This policy will encompass routine operating purchases and to the extent applicable will coordinate with the previously adopted Board of Trustees Bid policy.[\[1\]\[2\]\[3\]\[4\]\[5\]](#)

## **Authority**

Routine operating purchases shall refer to those purchases of goods and services necessary for the day-to-day operation of the school, including but not limited to:

1. Office supplies;
2. Furniture and equipment;
3. Curriculum materials;
4. Subscriptions;
5. Meetings/Seminars;
6. Printed goods; and/or
7. Promotional materials and contracts/special orders of any kind.

## **Guidelines**

Without exception, all orders or commitments that will result in a charge to the school must be approved by a member of the Administration, as defined at E-5.02 in the Employee Handbook, and the Business Office. The normal routing for ordering will flow up through the Chief member of Administration who is accountable for the related unit budget.

Whenever possible, the desired goods and services should be documented, for example, an online shopping cart, website pictures or other sourced information to include full item description, quantity, pricing and any extras such as shipping/handling. This documentation then is to be attached to a Purchase Order form. The Purchase Order and attachments then

are to be reviewed/approved by the responsible member of the Administration who will then forward it to the Business Office.

The Business Office is charged with responsibility to verify sourcing, seek comparable quotes as applicable, issue approved purchase orders, handle related follow-up and questions and once orders are completed and validated, process payment.

Related questions should be referred to the Business Office.

This policy replaces all previous purchasing policies and applies to all employees. Failure to fully comply will result in disciplinary action.[6]

#### Legal

1. 24 P.S. 751

2. 24 P.S. 807.1

3. 2 CFR Part 200

4. Pol. 4010

5. Pol. 4026.3

6. Pol. 3017

24 P.S. 1714-A

24 P.S. 1715-A

24 P.S. 1716-A

**Book** Policy Manual

**Section** 4000 Finances

**Title** Purchase of Equipment and Materials – Activities

**Code** 4013

**Status** Active

**Adopted** September 24<sup>th</sup> 2025

### **Purpose**

Classroom equipment and materials must be purchased after obtaining any required prior authorization. If prior authorization is not obtained, expenditures may not be reimbursed. Valley Forge Public Service Academy Charter School debit cardholders must use and account for expenses properly. Student activities are subject to prior approval and specific fiscal procedures.

### **Guidelines**

Debit Card Procedures

Debit cards are provided to members of the Administration and other personnel to facilitate acquisition of low value supplies, meals, meeting refreshments and business travel. No transaction may exceed \$500. Using multiple transactions to circumvent this limit is prohibited. Debit cards may only be used for VFPSACS related expenses. Cardholders who use an VFPSACS debit card for personal items will be subject to disciplinary action and must make prompt full reimbursement to the Charter School. Debit cardholders shall not loan or give the debit card to another employee or person to use for any purchases, even if the transaction involves legitimate expenses incurred on behalf of VFPSACS.

#### *Accounting -*

On a monthly basis, the holder of each debit card will receive a copy of the related billing statement from the Main Office. Within fifteen (15) days of the receipt of the billing statement, the cardholder will complete the appropriate reconciliation form. The form and related receipts shall be submitted to the CEO for approval. The CEO shall submit reconciliation and receipts for his/her expenses to the President of the Board of Trustees for approval. Employees may be held personally responsible when reconciliation and/or receipts are not submitted by the fifteen (15) day due date.

#### *Authorized Purchases -*

Authorized purchases include:

- Supplies (instructional, office, maintenance);
- Books;
- Meeting refreshments;
- Meals for entertainment and meetings;
- Transportation (air, rail and bus); or
- Hotel accommodations (professional development & conferences).

#### *Prohibited Purchases -*

VFPSACS debit cards may not be used for:

- Professional services;

- Liquor;
- Personal items;
- Items over \$500; or
- Dues or memberships.

### Student Activities

1. All field trips, activities and fundraising must be approved by the CEO in advance of any publicity about or preparation for the event.
2. Every trip must have a budget showing: the costs for the facility, bus(es), any applicable tolls, amount charged per student, number of students, and that the trip breaks even.
3. Once the trip/activity/fundraising has been approved, all funds collected must be turned in to the Administrator daily, so that money is not kept in the classroom. Team Leaders may send students to the Main Office with funds. All money must be turned in using a sealed bank bag no later than one (1) week in advance of the activity. Money turned in which is not in the correct packaging will be returned. Money must be subtotaled by denomination indicated on the bag. The bag also must indicate the teacher name, grade, and trip name, location, and date. The Administrator or student turning in money will receive a receipt for the funds.
4. No checks may be turned in for trips. No permission slips are to be sent to the Main Office. Rosters must be included with each bag indicating how much each student paid, and the total amount must equal what is in the bag.
5. Prior to a scheduled trip, all check requests and supporting documents should be submitted to the Administrator two (2) weeks in advance for processing.
6. Checks are issued only once a week. All check requests must be received by the Friday before the date of the trip at least one (1) week in advance, in order to be processed in the weekly check run.
7. Requests received without the proper documentation will be returned.
8. All vendors/venues must be paid via school check and at no time should payment be made in cash, personal check, debit or credit card. At the end of the trip/activity/fundraising, should there be a negative variance, a report will be given to each class detailing the money collected and how it was applied. On the 15th of every month, the Administrator will prepare a report to the CEO detailing all trip fund balances.
9. In the event that a trip is significantly short of funds, the CEO will make the determination if and when a fundraiser can be done, or if more money will be charged on a subsequent trip to make up the difference. In the event there is a significant overage, such money can be applied either to the next trip or to the next fiscal year, as

the CEO shall deem appropriate.

10. Exceptions allowing any student to attend trips/activities without making payment may be determined only by the CEO.
11. The Administrator will provide a receipt to each teacher for each deposit processed.
12. Money is never to be left in the classroom overnight. Teachers will be financially responsible for any stolen money.

Violation of this policy and procedures will result in disciplinary action.

Legal

24 P.S. 1716-A

**Book** Policy Manual

**Section** 4000 Finances

**Title** Cash - Fiscal

Code 4017

**Status** Active

**Adopted** September 24<sup>th</sup> 2025

### **Purpose**

The Board of Trustees, in recognition of sound accounting principles, has adopted this policy. This policy will encompass all fundraising or other cash activities related in any way to student activities or other school functions.

It is recognized that fundraising and other cash-related activities may in some cases offer students an opportunity to learn about effective financial planning and cash management. However, the practice of maintaining such cash in various building locations or employees' personal custody is not acceptable. Instead, by each day's end, such cash and a related accounting of it must be turned over to the Business Office.

### **Guidelines**

Without exception, all fundraising or other cash related to student activities or other school functions is to be processed as follows.

Cash, both paper and coin, (checks are discouraged) is to be carefully counted and recorded on a Cash Transmittal Form (see reproducible attachment). This will include the responsible Employee's Name, Date, Name of Activity/Function, Activity Date (if applicable) and any related descriptions/comments together with the actual cash and coin amounts. The form is to be signed by the responsible employee.

The completed Cash Transmittal Form and cash are to be delivered to the Business Office by each day's end. If desired, a receipt will be provided. Depending on time received, the cash will either be deposited to the student activities or other appropriate account that day or it will

be secured overnight for processing the next business day. A computer record of all funds will be maintained and designated by activity/function so that an available balance will be available for whenever needed.

The Business Office is charged with responsibility to verify recording and deposit of funds, issue approved purchase orders and disbursements, as applicable, and handle related follow-up and questions. It also is responsible for the proper maintenance, reconciliation and audit of all bank accounts.

Related questions should be referred to the Business Office.

This policy replaces all previous student activity fiscal policies and applies to all employees. Failure to fully comply will result in disciplinary action.

Legal

24 P.S. 1716-A

Pol. 4013

**Book** Policy Manual

**Section** 4000 Finances

**Title** Federal Fiscal Funds

**Code** 4026

**Status** Active

**Adopted** June 22, 2017

### **Authority**

The Valley Forge Public Service Academy Charter School ("VFPSACS") Board of Trustees shall ensure federal funds received by VFPSACS are administered in accordance with federal requirements including but not limited to the federal Uniform Grant Guidance.[\[1\]](#)

### **Delegation of Responsibility**

The Board designates the CEO or designee as the school contact for all federal programs and funding.

The CEO or designee, in collaboration and the Business Manager, shall establish and maintain a sound financial management system to include internal controls and federal grant management standards covering the receipt of both direct and state-administered federal grants, and to track costs and expenditures of all funds associated with grant awards.[\[1\]](#)

The CEO or designee, in order to fully implement the proper administration of federal funds and this policy, shall approve and maintain additional procedures subordinate to this policy (i.e. Cash Management, Allowability of Costs, Procurement, etc.).[\[2\]](#)[\[3\]](#)[\[4\]](#)

### **Guidelines**

The school's financial management system shall be designed with strong internal controls, a high level of transparency and accountability, and documented procedures to ensure that all financial management system requirements are met.

Financial management standards and procedures shall assure that the following responsibilities are fulfilled:

1. Identification - The school must identify, in its accounts, all federal awards received and expended, and the federal programs under which they were received.
2. Financial Reporting - Accurate, current, and complete disclosure of the financial results of each federal award or program must be made in accordance with the financial reporting requirements of the Education Department General Administrative Regulations (EDGAR).
3. Accounting Records - The school must maintain records which adequately identify the source and application of funds provided for federally-assisted activities.

4. Internal Controls - Effective control and accountability must be maintained for all funds, real and personal property and other assets. The school must adequately safeguard all such property and must assure that it is used solely for authorized purposes.
5. Budget Control - Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Procedures shall be developed to establish determination for allowability of costs for federal funds.
6. Cash Management - The school shall maintain written procedures to implement the cash management requirements found in EDGAR.[3]
7. Allowability of Costs - The school shall ensure that allowability of all costs charged to each federal award is accurately determined and documented.[2]

### Standards of Conduct

The school shall maintain standards of conduct covering conflicts of interest and the actions of employees and school officials engaged in the selection, award and administration of contracts.[5]

All employees shall be informed of conduct that is required for federal fiscal compliance and the disciplinary actions that may be applied for violation of Board policies, administrative procedures, rules and procedures.[6]

### Employees - Time and Effort Reporting

All school employees paid with federal funds shall document the time they expend in work performed in support of each federal program, in accordance with law. Time and effort reporting requirements do not apply to contracted individuals.[7]

School employees shall be reimbursed for travel costs incurred in the course of performing services related to official business as a federal grant recipient.[8]

The school shall establish and maintain employee policies on hiring, benefits and leave and outside activities, as approved by the Board.

### Recordkeeping

The school shall develop and maintain a Records Management Plan and related Board policy and administrative procedures for the retention, retrieval and disposition of manual and electronic records, including emails.[9][10]

The school shall ensure the proper maintenance of federal fiscal records documenting:[9][11][12]

1. Amount of federal funds.
2. How funds are used.

3. Total cost of each project.
4. Share of total cost of each project provided from other sources.
5. Other records to facilitate an effective audit.
6. Other records to show compliance with federal program requirements.
7. Significant project experiences and results.

All records must be retrievable and available for programmatic or financial audit.

The school shall provide the federal awarding agency, Inspectors General, the Comptroller General of the United States and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other Charter School records which are pertinent to the federal award. The Charter School shall also permit timely and reasonable access to the Charter School's personnel for the purpose of interview and discussion related to such documents.[\[13\]](#)

Records shall be retained for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, or as otherwise specified in the requirements of the federal award, unless a written extension is provided by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs.[\[14\]](#)

If any litigation, claim or audit is started before the expiration of the standard record retention period, the records shall be retained until all litigation, claims or audits have been resolved and final action taken.[\[14\]](#)

As part of the Records Management Plan, the Charter School shall develop and maintain a records retention schedule, which shall delineate the record retention format, retention period and method of disposal.[\[9\]](#)

The Records Management Plan shall include identification of staff authorized to access records, appropriate training, and preservation measures to protect the integrity of records and data.[\[9\]](#)

The school shall ensure that all personally identifiable data protected by law or regulations is handled in accordance with the requirements of applicable law, regulations, Board policy and administrative procedures.[\[15\]\[16\]\[17\]\[18\]](#)

### Subrecipient Monitoring

In the event that the Charter School awards subgrants, the Charter School shall establish procedures to:[\[19\]](#)

1. Assess the risk of noncompliance.

2. Monitor grant subrecipients to ensure compliance with federal, state, and local laws and Board policy and administrative procedures.
3. Ensure the Charter School's record retention schedule addresses document retention on assessment and monitoring.[9]

### Compliance Violations

Employees and contractors involved in federally funded programs, and subrecipients, shall be made aware that failure to comply with federal law, regulations or terms and conditions of a federal award may result in the federal awarding agency or pass-through entity imposing additional conditions or terminating the award in whole or in part.[\[20\]](#)[\[21\]](#)

### Legal

1. 2 CFR Part 200

2. Pol. 4026.1

3. Pol. 4026.2

4. Pol. 4026.3

5. Pol. 6027

6. Pol. 3017

7. 2 CFR 200.430

8. 2 CFR 200.474

9. Pol. 6000

10. 2 CFR 200.334-200.338

11. 34 CFR 75.730-75.732

12. 34 CFR 76.730-76.731

13. 2 CFR 200.337

14. 2 CFR 200.334

15. Pol. 1013.4

16. Pol. 2016

17. Pol. 3024

18. Pol. 6030

19. 2 CFR 200.331-200.333

20. 2 CFR 200.339

21. 2 CFR 200.340

34 CFR Part 75

34 CFR Part 76

Pol. 4010

Pol. 4011

Pol. 4012

**Book** Policy Manual

**Section** 4000 Finances

**Title** Allowability of Costs

**Code** 4026.1

**Status** Active

**Adopted** September 24<sup>th</sup> 2025

Valley Forge Public Service Academy Charter School ("VFPSACS") expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state.

When determining how VFPSACS will spend its grant funds, the Business Manager or CEO will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. Part 3474 and 2 C.F.R. Part 200, Subpart E, which are provided in the list below. The Business Manager or CEO must consider these factors when making an allowability determination.[\[1\]](#)[\[2\]](#)

**Be necessary and reasonable for the performance of the federal award** - VFPSACS staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, **reasonable** means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

1. Whether the cost is a type generally recognized as ordinary and necessary for the operation of VFPSACS or the proper and efficient performance of the federal award.
2. The restraints or requirements imposed by factors, such as:
  - a. Sound business practices;
  - b. Arm's-length bargaining;
  - c. Federal, state and other laws and regulations; and
  - d. Terms and conditions of the federal award.
3. Market prices for comparable goods or services for the geographic area.
4. Whether the individuals concerned acted with prudence in the circumstances, considering their responsibilities to VFPSACS, its employees, its students, the public at large, and the federal government.
5. Whether VFPSACS significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. §200.404<sup>[3]</sup>

While 2 C.F.R. §200.404 does not provide specific descriptions of what satisfies the necessary element beyond its inclusion in the reasonableness analysis above, **necessary** is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether VFPSACS can demonstrate that the cost addresses an existing need, and can prove it. For example, VFPSACS may deem a language skills software program necessary for a Limited English Proficiency Program.

When determining whether a cost is necessary, consideration may be given to:

1. Whether the cost is needed for the proper and efficient performance of the grant program.
  2. Whether the cost is identified in the approved budget or application.
  3. Whether there is an educational benefit associated with the cost.
  4. Whether the cost aligns with identified needs based on results and findings from a needs assessment.
  5. Whether the cost addresses program goals and objectives and is based on program data.
- **Allocable to the federal award** - A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance

with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program.[\[4\]](#)

For example, if fifty percent (50%) of a teacher's salary is paid with grant funds, then that teacher must spend at least fifty percent (50%) of his/her time on the grant program.

- **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of VFPSACS.**
- **Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.**[\[2\]](#)
- **Consistent treatment** - A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- **Adequately documented** - All expenditures must be properly documented.
- **Be determined in accordance with general accepted accounting principles (GAAP),** unless provided otherwise in Part 200.[\[2\]](#)
- **Not included as a match or cost-share,** unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
- **Be the net of all applicable credits.** The term **applicable credits** refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts, rebates or allowances, recoveries or indemnities on losses and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.[\[5\]](#)

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state and local level requirements and policies regarding expenditures to be followed as well. For example, state and/or VFPSACS policies relating to travel or equipment may be narrower than the federal rules, and the stricter state and/or VFPSACS policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under state law.[\[2\]](#)

### Selected Items of Cost

Part 200 examines the allowability of fifty-five (55) specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation, as it

may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including:[\[6\]](#)

1. The express language of the regulation states the item is unallowable;
2. The terms and conditions of the grant deem the item unallowable; or
3. State/Local restrictions dictate that the item is unallowable.

The item may also be unallowable because it does not meet one (1) of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

VFPSACS personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost. VFPSACS must follow these rules when charging these specific expenditures to a federal grant. When applicable, VFPSACS staff must check costs against

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising and Public Relations Costs	2 CFR § 200.421
Advisory Councils	2 CFR § 200.422
Alcoholic Beverages	2 CFR § 200.423
Alumni/ae Activities	2 CFR § 200.424
Audit Services	2 CFR § 200.425
Bad Debts	2 CFR § 200.426
Bonding Costs	2 CFR § 200.427
Collection of Improper Payments	2 CFR § 200.428
Commencement and Convocation Costs	2 CFR § 200.429
Compensation - Personal Services	2 CFR § 200.430
Compensation - Fringe Benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency Provisions	2 CFR § 200.433

Contributions and Donations	2 CFR § 200.434
Defense and Prosecution of Criminal and Civil Proceedings, Claims, Appeals and Patent Infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee Health and Welfare Costs	2 CFR § 200.437
Entertainment Costs	2 CFR § 200.438
Equipment and Other Capital Expenditures	2 CFR § 200.439
Exchange Rates	2 CFR § 200.440
Fines, Penalties, Damages and Other Settlements	2 CFR § 200.441
Fundraising and Investment Management	2 CFR § 200.442
Gains and Losses on Disposition of Depreciable Assets	2 CFR § 200.442
General Costs of Government	2 CFR § 200.444
Goods and Services for Personal Use	2 CFR § 200.445
Idle Facilities and Idle Capacity	2 CFR § 200.446
Insurance and Indemnification	2 CFR § 200.447
Intellectual Property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on Other Awards or Contracts	2 CFR § 200.451
Maintenance and Repair Costs	2 CFR § 200.452
Materials and Supplies Costs, Including Costs of Computing Devices	2 CFR § 200.453
Memberships, Subscriptions, and Professional Activity Costs	2 CFR § 200.454

Organization Costs	2 CFR § 200.455
Participation Support Costs	2 CFR § 200.456
Plant and Security Costs	2 CFR § 200.457
Pre-Award Costs	2 CFR § 200.458
Professional Services Costs	2 CFR § 200.459
Proposal Costs	2 CFR § 200.460
Publication and Printing Costs	2 CFR § 200.461
Rearrangement and Reconversion Costs	2 CFR § 200.462
Recruiting Costs	2 CFR § 200.463
Relocation Costs of Employees	2 CFR § 200.464
Rental Costs of Real Property and Equipment	2 CFR § 200.465
Scholarships and Student Aid Costs	2 CFR § 200.466
Selling and Marketing Costs	2 CFR § 200.467
Specialized Service Facilities	2 CFR § 200.468
Student Activity Costs	2 CFR § 200.469
Taxes (Including Value Added Tax)	2 CFR § 200.470
Termination Costs	2 CFR § 200.471
Training and Education Costs	2 CFR § 200.472
Transportation Costs	2 CFR § 200.473
Travel Costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

the selected items of cost requirements to ensure the cost is allowable. In addition, state, and local program-specific rules may deem a cost as unallowable and VFPSACS personnel must follow those non-federal rules as well.[\[2\]](#)

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):[\[2\]](#)

### Item of Cost

Likewise, it is possible for the state and/or VFPSACS to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult federal, state and local requirements when spending federal funds. For example, often the state's travel rules are more restrictive than federal rules, which means the state's policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

VFPSACS employees must be aware of applicable state and local rules and ensure they are complying with these requirements.

### Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, the Business Manager and CEO can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

1. Is the proposed cost allowable under the relevant program?
2. Is the proposed cost consistent with an approved program plan and budget?
3. Is the proposed cost consistent with program specific fiscal rules?

For example, VFPSACS may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.

4. Is the proposed cost consistent with EDGAR?
5. Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the Business Manager and CEO should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated.

This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the Business Manager and CEO should review data when making purchases to ensure that federal funds meet these areas of concern.

## Legal

1. 2 CFR Part 3474

2. 2 CFR Part 200

3. 2 CFR 200.404

4. 2 CFR 200.405

5. 2 CFR 200.406

6. 2 CFR 200.420-200.475

**Book** Policy Manual

**Section** 4000 Finances

**Title** Cash Management

**Code** 4026.2

**Status** Active

**Adopted** September 25, 2025

## **Authority**

Valley Forge Public Service Academy Charter School (VFPSACS ) will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by VFPSACS , in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, VFPSACS receives payment from the local school district(s) on a reimbursement basis. 2 C.F.R. § 200.305. However, if VFPSACS receives an advance in federal grant funds, VFPSACS will remit interest earned on the advanced payment quarterly to the federal agency consistent with 2 C.F.R. § 200.305(b)(9).[\[1\]\[2\]](#)

## **Guidelines**

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the Local Education Agency (LEA).

Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

## **Payment Methods**

### *Reimbursements -*

VFPSACS will initially charge federal grant expenditures to nonfederal funds.

The VFPSACS Business Manager will request reimbursement for actual expenditures incurred under the federal grants at required intervals. Requests will include all required documentation and authorized signatures. All reimbursements will be based on actual disbursements, not on obligations.

All reimbursement requests will be processed within prescribed timeframes.

Consistent with state and federal requirements, VFPSACS will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the review upon request.

Reimbursements of actual expenditures do not require interest calculations.

### *Advances -*

To the extent VFPSACS receives advance payments of federal grant funds, VFPSACS will strive to expend the federal funds on allowable expenditures as expeditiously as possible.

Specifically, VFPSACS will attempt to expend all draw downs of federal funds within seventy-two (72) hours of receipt.

VFPSACS will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. VFPSACS will begin to calculate interest earned on cash balances once funds are deposited into VFPSACS 's account.

Interest will be calculated consistent with any regulatory requirements on cash balances per grant and applying VFPSACS 's actual interest rate. VFPSACS will remit interest earned on grant funds annually to the U.S. Department of Health and Human Services Payment Management System (regardless of the federal awarding agency for the grant) through an electronic medium using either Automated Clearing House (ACH) network or a Fedwire Funds Service payment. 2 C.F.R. § 200.305(b)(9). VFPSACS may retain up to \$500 of interest earned per year.[\[2\]](#)

## Legal

1. 31 CFR Part 205

2. 2 CFR 200.305

**Book** Policy Manual

**Section** 4000 Finances

**Title** Procurement

**Code** 4026.3

**Status** Active

**Adopted** May 25, 2016

### **Purpose**

Valley Forge Public Service Academy Charter School (VFPSACS ) maintains the following purchasing procedures.

### **Guidelines**

#### **Responsibility for Purchasing**

With ultimate accountability to the Board of Trustees, responsibility for purchase of facilities, equipment, goods and services rests with the CEO. In turn, the CEO may delegate portions of such responsibility to the COO, contracted third-party services and other members of the executive administration.

#### **Purchase Methods**

The type of purchase procedure and approval requirements applicable depend on the nature and cost of the item(s) being purchased.

The following describes the five (5) procurement methods allowed under federal law. While the federal rules provide a basic structure for each procurement method, VFPSACS must have documented procurement policies which provide detail on the process by which all purchases are made.

#### **Purchases up to \$3,000 (Micro-Purchases) -**

**Micro-purchase** means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed \$3,000. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, VFPSACS distributes micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if VFPSACS considers the price to be reasonable. VFPSACS maintains evidence of this reasonableness in the records of all micro-purchases.

### **Purchases between \$3,000 and \$150,000 (Small Purchase Procedures) -**

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000. If small purchase procedures are used, price or rate quotations are obtained from an adequate number of qualified sources.

### **Purchases Over \$150,000 -**

#### *Sealed Bids (Formal Advertising) -*

For purchases over \$150,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids; for state, local, and tribal governments, the invitation for bids must be publicly advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound, documented reason.

#### *Competitive Proposals -*

The technique of competitive proposals is normally conducted with more than one (1) source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources; and

- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

VFPSACS may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.

#### *Contract/Price Analysis -*

VFPSACS performs a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. 2 C.F.R. § 200.323(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.[\[1\]](#)

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the Business Manager must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).[\[1\]](#)

When performing a cost analysis, the Business Manager negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 C.F.R. § 200.323(b).[\[1\]](#)

#### **Noncompetitive Proposals (Sole Sourcing) -**

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one (1) source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the Charter School; or
- After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$150,000.

#### Debit Cards

Debit cards are provided to members of the Executive Administration and other personnel to facilitate acquisition of low value supplies, meals, meeting refreshments and business travel. The specific procedures regarding authorization, transaction amount limits and related accounting and documentation are outlined in Policy 4013, as excerpted from the Employee Handbook.

### Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R. § 200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:[\[2\]](#)

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a 'brand name' product instead of allowing 'an equal' product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition.

### **Geographical Preferences Prohibited -**

VFPSACS must conduct federal procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

### **Prequalified Lists -**

VFPSACS must ensure that all federal prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, VFPSACS must not preclude potential bidders from qualifying during the solicitation period.

### **Solicitation Language -**

VFPSACS must ensure that all federal solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured.

Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a 'brand name or equivalent' description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals. (2 C.F.R Federal Procurement System Standards)

#### **Avoiding Acquisition of Unnecessary or Duplicative Items -**

VFPSACS must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another other appropriate analysis to determine the most economical approach.

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds.

#### **Use of Intergovernmental Agreements -**

To foster greater economy and efficiency, VFPSACS will enter into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

#### **Use of Federal Excess and Surplus Property -**

VFPSACS will consider the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

#### **Debarment and Suspension -**

VFPSACS awards federal contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

VFPSACS will not subcontract with or award sub grants to any person or company who is debarred or suspended. For all federal contracts over \$25,000 VFPSACS will verify that the vendor with whom VFPSACS intends to do business is not excluded or disqualified. 2 C.F.R. Part 200, and 2 C.F.R. §§ 180.220 and 180.300.[\[3\]](#)[\[4\]](#)[\[5\]](#)

#### **Maintenance of Procurement Records -**

VFPSACS will maintain records sufficient to detail the history of all federal procurements. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and verification that the contractor is not suspended or debarred.

#### **Time and Materials Contracts -**

VFPSACS may use a time and materials type federal contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to VFPSACS is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, VFPSACS must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

#### **Settlements of Issues Arising Out of Procurements -**

VFPSACS alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include but are not limited to, source evaluation, protests, disputes and claims. These standards do not relieve VFPSACS of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state or federal authority having proper jurisdiction.

#### **Protest Procedures to Resolve Dispute -**

VFPSACS maintains protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency. All unresolved protests are subject to arbitration under the American Arbitration Association in accord with its Commercial Arbitration Rules.

#### Legal

[1. 2 CFR 200.323](#)

[2. 2 CFR 200.319](#)

[3. 2 CFR 180.220](#)

[4. 2 CFR 180.300](#)

[5. 2 CFR Part 200](#)

## **EXHIBIT XI** – Records Management Policy

Book Policy: Manual

Section: 6000 Operations

Title: Records Management

Code: 6000

Status: Active

Adopted: February 17, 2020

Last Revised: September 24th, 2025

### **Purpose**

The Board of Trustees (Board) recognizes the importance of establishing and maintaining a Records Management Plan that defines Charter School staff responsibilities and complies with federal and state laws and regulations.

### **Authority**

The Board shall retain, as a permanent record, Board minutes, annual auditor's reports and annual financial reports. All other financial records, including financial account books, orders, bills, contracts, invoices, receipts and purchase orders, shall be retained by the Charter School for a period of not less than six (6) years.[1][2]

All other Charter School records shall be retained in accordance with state and federal laws and regulations, and the Charter School's Records Management Plan approved by the Board.

The Charter School shall make a good faith effort to comply with all proper requests for record production. Selective destruction of records in anticipation of litigation is prohibited.[3][4][5]

The Board directs Charter School staff to provide the chartering school district(s) with ongoing access to Charter School records for the purpose of Charter School oversight, upon request, and in accordance with applicable laws and regulations. Such records include, but are not limited to, financial records, aggregated student assessment data, personnel records and Board records. Charter School staff shall provide access or copies of records within a reasonable period of time.[6][7][8][9]

The Charter School shall make the following records available in paper or electronic format, upon request by a student's school district of residence:

1. A copy of the written Charter.
2. A copy of all annual reports prepared by the Charter School.
3. A list of all students enrolled in the Charter School from the requesting school district.

## **Definitions**

**Electronic Mail (Email) System** - a system that enables users to compose, transmit, receive and manage text and/or graphic electronic messages and images across local area networks and through gateways connecting other networks. This information consists primarily of messages but may include attachments such as calendars, directories, distribution lists, word processing documents, spreadsheets, and other electronic documents.

**Litigation Hold** - a communication ordering that all records and data relating to an issue being addressed by current or potential litigation or investigation be preserved for possible production during the litigation or investigation.

**Records** - information, regardless of physical form or characteristics, that documents a transaction or activity of the Charter School and that is created, received or retained pursuant to law or in connection with a transaction, business or activity of the Charter School. The term includes a document, paper, letter, map, book, tape, photograph, film or sound recording, information stored or maintained electronically and a data-processed or image-processed document.[10]

**Records Management Plan** - the system implemented by the Charter School for the retention, retrieval, and disposition of all records generated by Charter School operations.

**Records Retention Schedule** - a comprehensive listing stating retention periods and proper disposition of records.

## **Delegation of Responsibility**

### Records Coordinator

In order to maintain a Records Management Plan that complies with federal and state laws and regulations and Board policy, the Board designates the Chief Executive Officer as the Charter School's Records Coordinator, who shall serve as the chairperson of the Records Management Committee.

The Records Coordinator shall be responsible to:

1. Ensure that training appropriate to the user's position and level of responsibility regarding records is provided. Such training may include:
  - a. Operation, care and handling of equipment and software.
  - b. Requirements of the Records Retention Schedule.
  - c. Protocols for preserving and categorizing Charter School records.
  - d. Procedures and responsibilities of Charter School staff in the event of a litigation hold.
  - e. Identification of what is and what is not a record.
  - f. Disposal of records.

2. Review the Records Management Plan periodically to ensure that record descriptions and retention periods are updated as necessary.
3. Identify, when the retention period expires, the specific records to be disposed of and ensure that all identified records are properly disposed of annually.

### Records Management Committee

A committee responsible for the development, recommendation and maintenance of the Charter School's Records Management Plan shall be established by the Chief Executive Officer.

The Records Management Committee shall give primary consideration to the most efficient and economical means of implementing the recommended Plan. Members of the Committee shall include the:

1. Records Coordinator.
2. Chief Executive Officer.
3. Board Secretary.
4. Solicitor.
5. Technology Director or designee.

The Records Management Committee shall meet annually to evaluate the effectiveness and implementation of the Records Management Plan and recommend changes as needed.

### **Guidelines**

### Records Management Plan

The Charter School's Records Management Plan shall be the principal means for the retention, retrieval, and disposition of manual and electronic records, including emails. The Plan shall not rely primarily on backup systems to manage the retention and disposition of records.

The Records Management Plan shall include:

1. Comprehensive listing of records and data of the Charter School.
2. Criteria to distinguish records of the Charter School from the supplemental personal records of individual employees.[6][11]
3. System(s) of records storage and retrieval to be used, including in what form the records will be stored, maintained, reproduced, and disposed.
4. Preservation measures to protect the integrity of records and data.
5. Data map or flow chart detailing the sources, routes, and destinations of electronic records.
6. Procedures and employee designated for determining whether an item is a record.
7. Procedures for adding, revising or deleting records and data, and any other details necessary to implement the Records Management Plan.
8. Records Retention Schedule.
9. Provisions for the storage and retrieval of records in the event of an emergency or disaster.[12]
10. Staff positions authorized to access Charter School records.
11. Procedures to be implemented in the event of a litigation hold that immediately suspends disposition of all records relevant to the current or potential claim. Such procedures shall specify:
  - a. Who can initiate a litigation hold.
  - b. How and to whom a litigation hold is communicated.
  - c. Who will determine which records are subject to the litigation hold.

- d. Who will be responsible for collecting and preserving such records and data.
- e. Who will be responsible for monitoring and ensuring the Charter School's compliance with the litigation hold.
- f. In what format the records will be collected.

When possible, records and data shall be stored in their original form, including metadata, such as creation date, author, type of file, etc.

For any record not covered by the Records Retention Schedule, the Records Management Committee shall determine how long the record shall be kept and recommend any necessary revisions to the retention schedule.

The Charter School shall maintain and dispose of records in a manner that protects any sensitive, proprietary or confidential information or individual privacy rights, and helps conserve natural resources.

### Manual Records

Manual records, which include all records not stored electronically, shall be retained and disposed of in accordance with the Records Management Plan.

Manual records shall be indexed in an organized and consistent manner, reflecting the way the records will be retained and referenced for later retrieval.

The Charter School shall develop and maintain adequate and up-to-date documentation about each manual record system. Documentation may:

1. List system title and responsible employee(s) or office.
2. Define the contents of the system, including record formats.

3. Identify vital records and information.
4. Determine restrictions on access and use.

### Electronic Records

Electronic records shall be retained and disposed of in the same manner as records in other formats and in accordance with the Records Management Plan.

Electronic records shall be indexed in an organized and consistent manner, reflecting the way the records will be retained and referenced for later retrieval.

The Charter School shall develop and maintain adequate and up-to-date documentation about each electronic record system. Documentation may:

1. List system title and responsible employee(s) or office.
2. Specify all technical characteristics necessary for reading or processing the records stored on the system.
3. Identify all defined inputs and outputs of the system.
4. Define the contents of the system, including records formats and database tables.
5. Identify vital records and information.
6. Determine restrictions on access and use.
7. Describe update cycles or conditions.

### Email Records

Email messages, in and of themselves, do not constitute records. Retention and disposition of email messages depend on the function and content of the individual message.

Records on an email system, including messages and attachments, shall be retained and disposed of in accordance with the Charter School's Records Management Plan.

Email messages and attachments that do not meet the definition of records shall be deleted annually. Email records may be maintained as an electronic record or be printed and maintained as a manual record.

For each email considered to be a record, the following information shall be retained:

1. Message content.
2. Name of sender.
3. Name of recipient.
4. Date and time of transmission and/or receipt.

### Contractors

Records created or maintained by contractors shall be retained and disposed of in accordance with the Charter School's Records Management Plan.[13]

The Charter School has a comprehensive **Records Management Plan** that governs how all records are created, maintained, stored, retrieved, and disposed of in compliance with federal and state laws, including the **Family Educational Rights and Privacy Act (FERPA)**.

All student education records whether in paper or electronic form are indexed and stored securely in accordance with the school's Records Retention Schedule. The **Chief Executive Officer serves as the Records Coordinator** and oversees a Records Management Committee that meets annually to review procedures, retention periods, and security measures. Staff receive training on identifying, handling, and protecting records, as well as specific protocols in the event of a litigation hold or other special circumstances.

The Charter School ensures that access to student records is limited to authorized staff and officials with a legitimate educational interest. Any release of education records or personally identifiable information is carefully reviewed to ensure compliance with FERPA's consent and disclosure requirements. When records are requested under public access laws, such as the Right-to-Know Law,

the **Open Records Officer** works closely with the Records Coordinator to ensure that any student information protected by FERPA is redacted or withheld prior to release.

The school also maintains a clear process for parents and eligible students to inspect and review education records upon request. Requests are documented, tracked, and responded to within the timeframes required by FERPA. Parents and eligible students are notified annually of their FERPA rights, including the right to request amendments to records they believe are inaccurate or misleading, and the procedure to file complaints.

Through these coordinated policies and procedures, the Charter School maintains accurate, secure records while disseminating information in a manner that fully complies with FERPA's privacy protections.

Book Policy Manual

Section: 6000 Operations

Title: Public Records

Code: 6001

Status: Active

Adopted: January 25, 2024

### **Purpose**

The Board of Trustees (Board) recognizes the importance of public records as the record of the Charter School's actions and the repository of information about this Charter School. The public has the right to access and procure copies of public records, with certain exceptions, subject to law, Board policy and administrative procedures.[1][2]

### **Definitions**

**Financial record** - any account, voucher or contract dealing with the receipt or disbursement of funds or acquisition, use or disposal of services, supplies, materials, equipment or property; or the salary or other payments or expenses paid to an officer or employee, including the individual's name and title; and a financial audit report, excluding the audit's underlying work papers.[1]

**Public record** - a record, including a financial record, that is not protected by a defined privilege or is not exempt from being disclosed under one of the exemptions in Pennsylvania's Right-to-Know Law or under other federal or state law or regulation, or judicial decree or order.

**Record** - information, regardless of physical form or characteristics, that documents a Charter School transaction or activity and is created, received or retained pursuant to law or in connection with a Charter School transaction, business or activity, including: a document; paper; letter; map; book; tape;

photograph; film or sound recording; information stored or maintained electronically; and a data-processed or image-processed document.

**Response** - the Charter School's notice informing a requester of a granting of access to a record or the Charter School's written notice to a requester granting, denying, or partially granting and partially denying access to a requested record.

**Requester** - a legal resident of the United States, or an agency, who requests access to a record.

### **Authority**

The Board shall make the Charter School's public records available for access and duplication to a requester, in accordance with law, Board policy and administrative procedures.<sup>[2][3][4][5]</sup>

### **Delegation of Responsibility**

The Board shall designate an Open Records Officer, who shall be responsible to:<sup>[6]</sup>

1. Receive written requests for access to records submitted to the Charter School.
2. Review and respond to written requests in accordance with law, Board policy and administrative procedures.
3. Direct requests to other appropriate individuals in the Charter School or in another agency.
4. Track the Charter School's progress in responding to requests.
5. Issue interim and final responses to submitted requests.
6. Maintain a log of all record requests and their disposition.
7. Ensure Charter School staff are trained to perform assigned job functions relative to requests for access to records.

Upon receiving a request for access to a record, the Open Records Officer shall:<sup>[6][7][8]</sup>

1. Note the date of receipt on the written request.
2. Compute and note on the written request the day on which the five-day period for response will expire.
3. Maintain an electronic or paper copy of the written request, including all documents submitted with the request, until the request has been fulfilled.
4. If the written request is denied, maintain the written request for thirty (30) days or, if an appeal is filed, until a final determination is issued, or the appeal is deemed denied.

### **Guidelines**

Requesters may access and procure copies of the public records of the Charter School during the regular business hours of the administration office.[5]

A requester's right of access does not include the right to remove a record from the control or supervision of the Open Records Officer.

The Charter School shall not limit the number of records requested.[2]

When responding to a request for access, the Charter School is not required to create a record that does not exist nor to compile, maintain, format or organize a record in a manner which the Charter School does not currently use.[9]

Information shall be made available to individuals with disabilities in an appropriate format, upon request and with sufficient advance notice.[10][11][12]

The Charter School shall post the following information at the administration office and on the Charter School's website:[4][13]

1. Contact information for the Open Records Officer.
2. Contact information for the state's Office of Open Records or another applicable appeals officer.
3. The form to be used to file a request, with a notation that the state Office of Open Records form may also be used if the Charter School decides to create its own form.
4. Board policy and administrative procedures governing requests for access to the Charter School's public records.

### Request for Access

A written request for access to a public record shall be submitted on the required form(s) and addressed to the Open Records Officer.[4][13][14]

Written requests may be submitted to the Charter School in person, by mail, to a designated facsimile machine, and to a designated email address.

Each request must include the following information:[5][14]

1. Identification or description of the requested record, in sufficient detail.
2. Medium in which the record is requested.
3. Name and address of the individual to receive the Charter School's response.

The Charter School shall not require an explanation of the reason for the request or the intended use of the requested record, unless otherwise required by law.<sup>[14]</sup>

### Fees

Except for the duplication fees established by the state, the Board shall approve a list of reasonable fees relative to requests for public records. The Charter School shall maintain a list of applicable fees and disseminate the list to requesters.<sup>[15]</sup>

No fee may be imposed for review of a record to determine whether the record is subject to access under law.<sup>[15]</sup>

Prior to granting access, the Charter School may require prepayment of estimated fees when the fees required to fulfill the request are expected to exceed \$100.<sup>[15]</sup>

The Chief Executive Officer or designee may waive duplication fees when the requester duplicates the record or the Chief Executive Officer or designee deems it is in the public interest to do so.<sup>[15]</sup>

### Response to Request

Charter School employees shall be directed to immediately forward requests for access to public records to the Open Records Officer.<sup>[6][16]</sup>

Upon receipt of a written request for access to a record, the Open Records Officer shall determine if the requested record is a public record and if the Charter School has possession, custody or control of that record.<sup>[8]</sup>

The Open Records Officer shall respond as promptly as possible under the existing circumstances, and the initial response time shall not exceed five (5) business days from the date the written request is received by the Open Records Officer.<sup>[8]</sup>

The initial response shall grant access to the requested record; deny access to the requested record; partially grant and partially deny access to the requested record; notify the requester of the need for an extension of time to fully respond; or request more detail from the requester to clearly identify the requested material.

If the Charter School fails to respond to a request within five (5) business days of receipt, the request for access shall be deemed denied.<sup>[8]</sup>

### Extension of Time

If the Open Records Officer determines that an extension of time is required to respond to a request, in accordance with the factors stated in law, written notice shall be sent within five (5) business days of receipt of the request. The notice shall indicate that the request for access is being reviewed, the reason that the review requires an extension, a reasonable date when the response is expected, and an estimate of applicable fees owed when the record becomes available.<sup>[8][17]</sup>

Up to a thirty-day extension for one (1) of the listed reasons does not require the consent of the requester. If the response is not given by the specified date, it shall be deemed denied on the day following that date.

A requester may consent in writing to an extension that exceeds thirty (30) days, in which case the request shall be deemed denied on the day following the date specified in the notice if the Open Records Officer has not provided a response by that date.

### Granting of Request

If the Open Records Officer determines that the request will be granted, the response shall inform the requester that access is granted and either include information on the regular business hours of the administration office, provide electronic access, or state where the requester may go to inspect the records or information electronically at a publicly accessible site. The response shall include a copy of the fee schedule in effect, a statement that prepayment of fees is required in a specified amount if access to the records will cost in excess of \$100 and the medium in which the records will be provided.

A public record shall be provided to the requester in the medium requested if it exists in that form; otherwise, it shall be provided in its existing medium. However, the Charter School is not required to permit use of its computers.[5]

The Open Records Officer may respond to a records request by notifying the requester that the record is available through publicly accessible electronic means or that the Charter School shall provide access to inspect the record electronically. If the requester, within thirty (30) days following receipt of the Charter School's notice, submits a written request to have the record converted to paper, the Charter School shall provide access in printed form within five (5) days of receipt of the request for conversion to paper.[5][18]

A public record that the Charter School does not possess but is possessed by a third party with whom the Charter School has contracted to perform a governmental function and which directly relates to that governmental function shall be considered a public record of the Charter School. When the Charter School contracts with such a third party, the Charter School shall require the contractor to agree in writing to comply with requests for such records and to provide the Charter School with the requested record in a timely manner to allow the Charter School to comply with law.[19]

If the Open Records Officer determines that a public record contains information both subject to and not subject to access, the Open Records Officer shall grant access to the information subject to access and deny access to the information not subject to access. The Open Records Officer shall redact from the record the information that is not subject to access. The Open Records Officer shall not deny access to a record if information is able to be redacted.[20]

If the Open Records Officer responds to a requester that a copy of the requested record is available for delivery at the administration office and the requester does not retrieve the record within sixty (60) days of the Charter School's response, the Charter School shall dispose of the copy and retain any fees paid to date.[21]

### Notification to Third Parties

When the Charter School produces a record that is not a public record in response to a request, the Open Records Officer shall notify any third party that provided the record to the Charter School, the person that is the subject of the record, and the requester.[22]

The Open Records Officer shall notify a third party of a record request if the requested record contains a trade secret or confidential proprietary information, in accordance with law and administrative procedures.[22]

## Denial of Request

If the Open Records Officer denies a request for access to a record, whether in whole or in part, a written response shall be sent within five (5) business days of receipt of the request. The response denying the request shall include the following:[8][23]

1. Description of the record requested.
2. Specific reasons for denial, including a citation of supporting legal authority.
3. Name, title, business address, business telephone number, and signature of the Open Records Officer on whose authority the denial is issued.
4. Date of the response.
5. Procedure for the requester to appeal a denial of access.

The Open Records Officer may deny a request for access to a record if the requester has made repeated requests for that same record and the repeated requests have placed an unreasonable burden on the Charter School.[19]

The Open Records Officer may deny a request for access to a record when timely access is not possible due to a disaster, or when access may cause physical damage or irreparable harm to the record. To the extent possible, a record's contents shall be made accessible even when the record is physically unavailable.[19]

Information that is not subject to access and is redacted from a public record shall be deemed a denial.[20][23]

If a written request for access to a record is denied or deemed denied, the requester may file an appeal with the state's Office of Open Records within fifteen (15) business days of the mailing date of the Open Records Officer's response or deemed denial.[7]

