

FISCAL MANAGEMENT GOALS

The Board of Education recognizes excellent fiscal planning as a key factor in attaining the district's educational goals and priorities. The Board seeks to engage in thorough advance planning of budgets and to devise expenditures which achieve the greatest educational returns given the district's available resources.

BUDGET PLANNING

The Superintendent of Schools, with the assistance of the School Business Official, shall be responsible for preparation of the budget. This shall include developing a budget calendar in accordance with regulation 6110-R, and adhering to that calendar. The budget calendar will contain deadlines for submitting and publicizing the proposed budget, including the dates of Board of Education meetings in which various aspects of the proposed budget shall be reviewed and approved. The budget calendar shall be approved by the Board in advance of the preparation of the district's annual budget.

The budget shall be designed to reflect the Boards objectives for the education of the children of the district. It shall be carefully organized and planned to provide adequate accounting for each program expenditure, understanding of the financial needs of anticipated program developments, and be within the financial limitations of the district. To assist in budget and long-range planning, ongoing studies of the districts educational programs will include estimates of the fiscal implications of each program.

The budget for the ensuing school year shall be thoroughly reviewed by the Board before its presentation to the voters for final adoption.

Cross-ref: 2260, Citizens Advisory Committees

**Ref: Education Law " 1608(2)-(4); 1716(2)-(4); '1804(4); 1906(1); 2002(1); 2003(1); 2004(1); 2022(2); 2601-a
Fiscal Management (NYSSBA, 1997)**

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BUDGET PLANNING REGULATION

The budget calendar prepared by the Superintendent of Schools shall include:

- a schedule which sets forth all important meetings and dates, including deadlines for budget proposals from within the district;
- commencement dates and deadlines for certain budgetary tasks such as the estimation of all revenues and income expected to be received by the district;
- events such as the preliminary dates for the Board of Education=s consideration of the tentative budget.

As part of the budget planning process, the Superintendent or School Business Official will evaluate:

- the educational philosophy, goals and objectives of the district and their modification where required;
- the district education program and support systems such as transportation and business affairs;
- census and enrollment projections;
- the condition of the physical plant for operation and maintenance needs and new construction;
- debt service schedules;
- estimated revenue from sources other than the property tax, such as state and federal aid.

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BUDGET HEARING

The Board of Education will hold an annual budget hearing at which it will present a detailed proposed budget for the following school year. The purpose of the budget hearing is to inform the public of the contents of the budget and to provide an explanation and justification for the decisions the proposed budget reflects.

The budget hearing will be held not less than seven or more than 14 days prior to the annual district meeting, at which the districts voters will vote on the budget. The proposed budget will be completed at least seven days before the budget hearing. A copy of the proposed budget may be obtained by any district resident (not just district taxpayers) at each school during certain designated hours on each day (other than a Saturday, Sunday or holiday) during the 14 day period immediately preceding the annual district meeting and election.

Notice of the date, time and place of the annual budget hearing will be contained in the notice of the annual meeting.

**Cross-ref: 1050, Annual District Meeting and Election
2120, School Board Elections
2120.1, Candidates and Campaigning
6130, Budget Adoption**

**Ref: Education Law '1608; 1716; 1804(4); 1906(1); 2002(1); 2003(1);
2004(1); 2002(1); 2601-a(2)**

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BUDGET TRANSFERS

The transfer of funds between and within functional unit appropriations of the General Fund is commonly required during the school year. The Superintendent of Schools, in accordance with the Regulations of the Commissioner of Education, is authorized to make budget transfers between line item accounts, so long as the transfer for any one item does not exceed \$2,000. All transfers in excess of \$2,000 require prior Board of Education approval. The Superintendent will report any transfers to the Board as an information item at its next meeting.

**Ref: Education Law '1718
8 NYCRR '170.2(l)**

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REVENUE

The Superintendent of Schools is responsible for providing the Board of Education with information about available sources of revenue and the possible benefits to the district of each such source. In an attempt to provide the best education possible within the financial resources available, the Board will:

1. request adequate local funds for the district operations. The amount of the local financial support requested, when added to state and federal aid and revenue from all other sources, shall yield sufficient revenue to meet the total expenses of the school district;
2. accept all available state funds to which the district is entitled by law or through state regulations to support the programs that the district seeks to offer;
3. accept all federal funds that are available providing there is a specific need for them and the local funds that are required to support the particular programs of the district are available; and
4. upon the recommendation of the Superintendent, and after careful consideration and review, accept all appropriate special grants or aid.

When in need to borrow money for the district's general financial operations, until such time as tax monies and state aid payments are received, the President and Clerk of the Board, jointly, are authorized to borrow money by revenue or tax anticipation notes as authorized by the Local Finance Law.

Ref: Education Law '3602
Local Finance Law "24.00; 25.00

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FEDERAL FUNDS

The Board of Education will consider whether to apply for any federal aid for which it is eligible. It charges the administrative staff with the responsibility to evaluate federally funded programs, including their possible benefits to the children and youth in the school district, apprise the Board of the value of each, and make recommendations accordingly.

A separate federal aid fund shall be maintained to record all financial transactions in federally aided programs and projects. A separate checking account, distinct from all other district accounts, shall be maintained for federal funds.

Ref: 8 NYCRR Parts 114; 167; 200

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SCHROONLAKE

INVESTMENTS

The objectives of the district's investment policy are to safeguard district funds and to minimize risk, to ensure that investments mature when cash is required to finance operations and to ensure a competitive rate of return. The Superintendent of Schools or designee will determine what funds (including tax collections, state aid payments, and all other revenues) are available for investment purposes and invest them in accordance with the districts objectives. Consideration will be given to the long as well as the short range effects of such investments.

In accordance with this policy, the Treasurer or his/her designee is authorized to invest and/or deposit all funds, including proceeds of obligations and reserve funds, in time-deposit accounts, certificates of deposit, short-term government securities, repurchase agreements or other investment instruments permitted by law, subject to the investment regulations approved by the Board of Education.

To the extent feasible, investments and deposits shall be made in and through local or regional financial institutions. Concentration of investments in a single financial institution should be avoided. Diversification of investments and deposits is encouraged.

The Superintendent will periodically inform the Board of Education of the status of the investment program and the activities carried on in connection with it. This policy will be annually reviewed by the Board and may be amended from time to time in accordance with the provisions of section 39 of the General Municipal Law.

Ref: Education Law '1604-a; 1723-a; 3651; 3652
Local Finance Law '165.00
General Municipal Law '6-c-6-e; 6-j-6-n; 10; 11; 39

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INVESTMENTS REGULATION*Authorized Investments*

- A. The Treasurer is authorized to invest all available district funds, including proceeds of obligations and Reserve Funds, in the following types of investment instruments:

Savings Accounts or Money Market Accounts of designated banks;

Certificates of Deposit issued by a bank or trust company located in and authorized to do business in New York State;

Demand Deposit Accounts in a bank or trust company located in and authorized to do business in New York State; Obligations of New York State; Obligations of the United States Government (U.S. Treasury Bills and Notes);

Repurchase Agreements involving the purchase and sale of direct obligations of the United States;

- B. All funds except Reserve Funds may be invested in Revenue Anticipation Notes or Tax Anticipation Notes of other school districts and municipalities, with the approval of the State Comptroller.
- C. Only Reserve Funds may be invested in obligations of the school district.

Conditions

All investments made pursuant to this investment policy will comply with the following conditions:

- A. Collateral
1. Savings accounts, money market accounts, time deposit accounts and certificates of deposit will be fully secured by insurance of the Federal Deposit Insurance Corporation or by obligations of New York State, the United States, New York State school districts and federal agencies whose principal and interest are guaranteed by the United States. The market value of collateral will at all times exceed the principal amount of the certificate of deposit. Collateral will be monitored no less frequently than on a weekly basis.
 2. Collateral will not be required with respect to the direct purchase of obligations of New York State, the United States and federal agencies, the principal and interest of which are guaranteed by the United States Government.
- B. Delivery of Securities
1. Payment of funds may only be made upon receipt of collateral or other acceptable form of security, or upon the delivery of government obligations whether such obligations are purchased outright, or pursuant to a repurchase agreement. Written confirmation of delivery shall be obtained from the custodial bank.

2. Every Repurchase Agreement will make payment to the seller contingent upon the seller's delivery of obligations of the United States to the Custodial Bank designated by the school district, which shall not be the repurchaser, or in the case of a book-entry transaction, when the obligations of the United States are credited to the Custodians Federal Reserve account. The seller will not be entitled to substitute securities. Repurchase agreements shall be for periods of 30 days or less. The Custodial Bank shall confirm all transactions in writing to insure that the school districts ownership of the securities is properly reflected in the records of the Custodial Bank.

C. Written Contracts

1. Written contracts are required for certificates of deposit and custodial undertakings and Repurchase Agreements. With respect to the purchase of direct obligations of U.S., New York State, or other governmental entities in which monies may be invested, the interests of the school district will be adequately protected by conditioning payment on the physical delivery of purchased securities to the school district or custodian, or in the case of book-entry transactions, on the crediting of purchased securities to the Custodian's Federal Reserve System account. All purchases will be confirmed promptly in writing to the school district.
2. The following written contracts are required:
 - a. Written agreements will be required for the purchase of all certificates of deposit.
 - b. A written contract will be required with the Custodial Bank(s).
 - c. Written contracts shall be required for all Repurchase Agreements. Only credit-worthy banks and primary reporting dealers shall be qualified to enter into a Repurchase Agreement with the school district.

The written contract will stipulate that only obligations of the United States may be purchased and that the school district shall make payment upon delivery of the securities or the appropriate book-entry of the purchased securities. No specific repurchase agreement will be entered into unless a master repurchase agreement has been executed between the school district and the trading partners. While the term of the master repurchase agreement may be for a reasonable length of time, a specific repurchase agreement will not exceed thirty (30) days.

D. Designation of Custodial Bank

1. The Board will designate a commercial bank or trust company authorized to do business in the State of New York to act as Custodial Bank of the school districts investments. However, securities may not be purchased through a Repurchase Agreement with the Custodial Bank.
2. When purchasing eligible securities, the seller will be required to transfer the securities to the districts Custodial Bank.

E. Selection of Financial Institutions

1. The Treasurer will periodically monitor, to the extent practical but not less than annually, the financial strength, credit-worthiness, experience, size and any other criteria of importance to the district, of all institutions and trading partners through which the district=s investments are made.
2. Investments in time deposits and certificates of deposit are to be made only with commercial banks or trust companies, as permitted by law.

F. Operations, Audit, and Reporting

1. The Treasurer or designee will authorize the purchase and sale of all securities and execute contracts for investments and deposits on behalf of the school district. Oral directions concerning the purchase or sale of securities will be confirmed in writing. The school district will pay for purchased securities upon the simultaneous delivery or book-entry thereof.
2. The school district will encourage the purchase and sale of securities through a competitive process involving telephone solicitation for at least three quotations.
3. The independent auditors will audit the investment proceeds of the school district for compliance with the provisions of this Investment Regulation.
4. Monthly investment reports will be furnished to the Board of Education.

Ref: Education Law '1604-a; 1723-a; 3651; 3652
Local Finance Law '165.00
General Municipal Law '6-c-6-e; 6-j-6-n; 10; 11; 39

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DEPOSITORIES OF FUNDS

The District Treasurer and other staff member authorized to receive money and issue receipts shall do so promptly and in the officially designated depositories. The designated depositories are required to collateralize all deposits fully.

Ref: Education Law "2129; 2130(4)
8 NYCRR "170.1; 170.2
General Municipal Law "10; 11; 800 et seq.

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FISCAL ACCOUNTING AND REPORTING

The school is financed through various forms of taxation. Therefore, the Board of Education insists on a clear, complete, and detailed accounting of all financial transactions for which the Board is held accountable.

The system of accounts will conform to the Uniform System of Accounts for School Districts. The accounting system will yield information necessary for the Board to make intelligent policy decisions.

Proposed expenditures will be budgeted under and the actual expenditures will be charged to categories that most accurately describe the purpose for which monies are to be spent.

The Board directs the Superintendent of Schools to keep it informed of the financial status of the district through monthly and annual reports. The Superintendent should highlight any deviation in actual fiscal conditions from planned fiscal conditions and offer recommendations to the Board to remedy the situation. The Business Manager will prepare and submit, through the Superintendent, to the Board and the Commissioner of Education, such reports as are prescribed by law. These shall be filed with appropriate governmental bodies as required under law or regulation. The district will cooperate with governmental agencies and research organizations as required by law for data concerning the fiscal operations of the district.

The district shall be audited annually by an independent certified public accountant or a public accountant. The auditor's report shall be adopted by resolution and a copy shall be filed with the Commissioner of Education.

The Superintendent is hereby directed to respond to all audit findings and recommendations. Such response is to include a statement of the corrective actions taken or proposed to be taken, or if action is not taken or proposed, an explanation of reasons, as well as a statement on the status of corrective actions taken on findings or recommendations contained in any previous report of examination or external audit, or any management letter for which a response was required.

The Superintendent shall also ensure that the provisions contained in the General Municipal Law in regard to audit reports are followed.

Cross-ref: 1120, School District Records

Ref: Education Law "1610; 1721; 2117; 2528; 2577; 2590-i
General Municipal Law "33; 34
8 NYCRR "155.1; 170.1; 170.2

INDEPENDENT AUDITOR

The independent auditor shall be a Certified Public Accountant in the State of New York. The duties of the independent auditor shall be as follows:

1. To examine the accounts of the school district as at the close of its fiscal year and the related statements of transactions in the various funds for the fiscal year then ended.
2. To conduct such examinations in accordance with generally accepted auditing standards and to include such test of the accounting records and such other auditing procedures as are necessary or advisable in the circumstances.
3. To render an opinion on the financial statements prepared as at the close of the fiscal year.
4. To make such recommendations to the Board concerning its accounting records, procedures, and related activities as may appear necessary or desirable.
5. To perform such other related services as may be requested by the Board.

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PETTY CASH/PETTY CASH ACCOUNTS

A petty cash fund shall be established annually in the amount of \$100.00 for the central office. Such a fund shall be used for the payment of properly itemized bills of nominal amounts and under conditions calling for immediate payment.

To ensure that these funds are properly managed, the following guidelines shall be followed:

1. Receipts and cash-on-hand must always total the authorized fund amount. All disbursements from such funds are to be supported by receipted bills, paid out slips or other evidence documenting the expenditure.
2. Payments may be made from petty cash for materials, supplies, or services only when payment is required on delivery. Sales tax on purchases will not be paid by the school district from petty cash funds.

The district shall reimburse uses of petty cash funds up to the extent of expenditures, with appropriate documentary support. Each fund will be closed at the end of the school year.

Cross-ref: 6700, Purchasing

Ref: Education Law '1604(26); 1709(29)
8 NYCRR '170.4

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PURCHASING

The Board of Education views purchasing as serving the educational program by providing necessary supplies, equipment and related services. Purchasing will be centralized in the business office under the general supervision of the Purchasing Agent designated by the Board.

It is the goal of the Board to purchase competitively, without prejudice or favoritism, and to seek the maximum educational value for every dollar expended. Competitive bids or quotations shall be solicited in connection with purchases pursuant to law. The General Municipal Law requires that purchase contracts for materials, equipment and supplies involving an estimated annual expenditure exceeding \$10,000 and public work contracts involving an expenditure of more than \$20,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies, in the best interests of the taxpayers, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances, and to guard against favoritism, improvidence, extravagance, fraud and corruption.

Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, except for procurements:

1. under a county contract;
2. under a state contract;
3. of articles manufactured in state correctional institutions; or
4. from agencies for the blind and severely disabled.

The district's purchasing activity will strive to meet the following objectives:

1. to effectively supply all administrative units in the school system with needed materials, supplies, and contracted services;
2. to obtain materials, supplies and contracted services at the lowest prices possible consistent with the quality and standards needed as determined by the Purchasing Agent in cooperation with the requisitioning authority. The educational welfare of the students is the foremost consideration in making any purchase;
3. to ensure that all purchases fall within the framework of budgetary limitations and that they are consistent with the educational goals and programs of the district;
4. to maintain an appropriate and comprehensive accounting and reporting system to record and document all purchasing transactions; and
5. to ensure, through the use of proper internal controls, that loss and/or diversion of district property is prevented.

Opportunities shall be provided to all responsible suppliers to do business with the school district. Suppliers whose place of business is situated within the district may be given preferential consideration only when bids or quotations on an item or

service are identical as to price, quality and other factors. Purchases will be made through available cooperative BOCES bids, state contracts of the Office of General Services or county contracts whenever such purchases are in the best interests of the district. In addition, the district will make purchases from correctional institutions and severely disabled persons through charitable or non-profit-making agencies, as provided by law.

The district will provide justification and documentation of any contract awarded to an offer or other than the lowest responsible dollar offer or, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

The Superintendent of Schools, with the assistance of the Purchasing Agent, shall be responsible for the establishment and implementation of the procedures and standard forms for use in all purchasing and related activities in the district. Such procedures shall comply with all applicable laws and regulations of the state and the Commissioner of Education.

No Board member, officer or employee of the school district shall have a financial interest in any contract entered into by the Board or the district, as provided in Article 18 of the General Municipal Law. This shall also preclude acceptance of any gratuities, financial or otherwise from any supplier of materials or service to the district.

Comments will be solicited from those administrators involved in the procurement process before enactment of the district's policies regarding purchasing and from time to time thereafter. The policies must then be adopted by Board resolution. All district policies regarding the procurement processes will be reviewed by the Board at least annually.

The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the districts policies regarding procurement will not be grounds to void action taken nor give rise to a cause of action against the district or any officer or employee of the district.

**Cross-ref: 2160, School Board Member Ethics
6670, Petty Cash/Petty Cash Accounts
6720, Bidding Requirements
6740, Purchasing Procedures**

**Ref: Education Law "305(14); 1709(9)(14)(22)
General Municipal Law "102; 103; 104-b; 109-a; 800 et seq.**

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PURCHASING REGULATION

Only the person designated by the Board of Education as Purchasing Agent may commit the school district for a purchase. The following sets forth the procedures for the procurement of goods and services by the district:

I. *Definitions*

Purchase Contract: a contract involving the acquisition of commodities, materials, supplies or equipment

Public Work Contract: a contract involving services, labor or construction

II. *General Municipal Law*

The General Municipal Law requires that purchase contracts for materials, equipment and supplies involving an estimated annual expenditure exceeding \$10,000 and public work contracts involving an expenditure of more than \$20,000 will be awarded only after responsible bids have been received in response to a public advertisement soliciting formal bids. Similar procurements to be made in a fiscal year will be grouped together for the purpose of determining whether a particular item must be bid.

III. *Competitive Bidding Required*

Opportunities shall be provided to all responsible suppliers to do business with the district. To this end, the Purchasing Agent shall develop lists of potential bidders of various materials, equipment and supplies. Such bidders lists shall be used to develop mailing lists for distribution of specifications and invitations to bid. Suppliers whose place of business is situated within the district may be given preferential consideration only when bids or quotations on an item or service are identical as to price, quality and other factors.

A. *Method of Determining Whether Procurement is Subject to Competitive Bidding*

1. The district will first determine if the proposed procurement is a purchase contract or a contract for public work.
2. If the procurement is either a purchase contract or a contract for public work, the district will then determine whether the amount of the procurement is above the applicable monetary threshold as set forth above.
3. The district will also determine whether any exceptions to the competitive bidding requirements (as set forth below) exist.

B. *Contract Combining Professional Services and Purchase*

In the event that a contract combines the provision of professional services and a purchase, the district, in determining the appropriate monetary threshold criteria to apply to the contract, will determine whether the professional service or the purchase is the predominant part of the transaction.

C. *Opening and Recording Bids; Awarding Contracts*

The Purchasing Agent will be authorized to open and record bids. Contracts will be awarded to the lowest responsible bidder (as recommended by the Purchasing Agent), who has furnished the required security after responding to an advertisement for sealed bids.

D. *Documentation of Competitive Bids*

The district will maintain proper written documentation which will set forth the method in which it determined whether the procurement is a purchase or a public work contract. Proper written documentation will also be required when a contract is not awarded to the vendor submitting the lowest quote, setting forth the reasons therefore. A quote which exceeds the bid limit will be awarded only when such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law. The district will provide justification and documentation of any such contract awarded.

E. *Leases of Personal Property*

In addition to the above-mentioned competitive bidding requirements, section 1725 of the Education Law requires that the district will be subject to competitive bidding requirements for purchase contracts when it enters into a lease of personal property.

Documentation: The district will maintain written documentation such as quotes, cost-benefit analysis of leasing versus purchasing, etc.

Any legal issues regarding the applicability of competitive bidding requirements will be presented to the school attorney for review.

IV. *Exceptions to Competitive Bidding Requirements*

The district will not be subject to competitive bidding requirements when the Board of Education, in its discretion, determines that one of the following situations exists:

1. emergency situations where:
 - a. the situation arises out of an accident or unforeseen occurrence or condition;
 - b. a district building, property, or the life, health, or safety of an individual on district property is affected; or
 - c. the situation requires immediate action which cannot await competitive bidding.

However, when the Board passes a resolution that an emergency situation exists, the district will make purchases at the lowest possible costs, seeking competition by informal solicitation of quotes or otherwise, to the extent practicable under the circumstances.

Documentation: The district will maintain records of verbal (or written) quotes;

2. when the district purchases surplus or second-hand supplies, materials or equipment from the federal or state governments or from any other political subdivision or public benefit corporation within the state.

Documentation: The district will maintain market price comparisons (verbal or written quotes) and the name of the government entity;

3. when the Board separately purchases eggs, livestock, fish and dairy products (other than milk), juice, grains and species of fresh fruits and vegetables directly from producers or growers. The amount expended in any fiscal year by the district may not exceed an amount equal to fifteen cents multiplied by the number of days in the school year multiplied by the total enrollment of the district.

Documentation: The district will maintain documentation consistent with sections 114.3 of the Regulations of the Commissioner of Education;

4. when the Board separately purchases milk directly from licensed milk processors employing less than forty (40) people. The amount expended in any fiscal year by the district may not exceed an amount equal to twenty-five cents multiplied by the number of days in the school year multiplied by the total enrollment of the district or exceed the current market price.

Documentation: The district will maintain documentation consistent with section 114.4 of the Regulations of the Commissioner of Education;

5. when the district purchases goods, supplies and services from municipal hospitals under joint contracts and arrangements entered into pursuant to section 2803-a of the Public Health Law.

Documentation: The district will maintain the legal authorization, Board authorization and market price comparisons; or

6. when there is only one possible source from which to procure goods or services required in the public interest.

Documentation: The district will maintain written documentation of the unique benefits of the item or service purchased as compared to other items or services available in the marketplace; that no other item or service provides substantially equivalent or similar benefits; and that, considering the benefits received, the cost of the item or service is reasonable, when compared to conventional methods. In addition, the documentation will provide that there is no possibility of competition for the procurement of the goods.

V. *Quotes When Competitive Bidding Not Required*

Goods and services which are not required by law to be procured by the district through competitive bidding will be procured in a manner so as to ensure the prudent and economical use of public monies in the best

interests of the taxpayers. Alternative proposals or quotations will be secured by requests for proposals, written or verbal quotations or any other appropriate method of procurement, as set forth below.

A. *Methods of Documentation*

1. Verbal Quotations: the telephone log or other record will set forth, at a minimum, the date, item or service desired, price quoted, name of vendor, name of vendors representative;
2. Written Quotations: vendors will provide, at a minimum, the date, description of the item or details of service to be provided, price quoted, name of contact. For example, with regard to insurance, the district will maintain documentation that will include bid advertisements, specifications and the awarding resolution. Alternatively, written or verbal quotation forms will serve as documentation if formal bidding is not required. Requests for Proposals® (RFPs), documented in the same manner as described herein, may also be used;
3. Requests for Proposals: the district will contact a number of professionals (e.g., architects, engineers, accountants, lawyers, underwriters, fiscal consultants, etc.) and request that they submit written proposals. The RFPs may include negotiations on a fair and equal basis. The RFPs and evaluation of such proposals will consider price plus other factors such as:
 - a. the special knowledge or expertise of the professional or consultant service;
 - b. the quality of the service to be provided;
 - c. the staffing of the service; and
 - d. the suitability for the districts needs.

The district will first locate prospective qualified firms by:

- a. advertising in trade journals;
- b. checking listings of professionals; or
- c. making inquiries of other districts or other appropriate sources.

The district will then prepare a well-planned RFP which will contain critical details of the engagement, including the methods which it will use in selecting the service.

B. *Purchases/Public Work: Methods of Competition to be Used for Non-Bid Procurements; Documentation to be Maintained*

The district will require the following methods of competition be used and sources of documentation maintained when soliciting non-bid procurements in the most cost-effective manner possible:

1. Purchase Contracts up to \$10,000
 - a. Contracts from \$100 to \$1,000: Verbal quotes
Documentation will include notations of verbal quotes.
 - b. Contracts in excess of \$1,000 to \$10,000: Written quotes

2. Public Work Contracts up to \$20,000
 - a. Contracts from \$1,000 to \$5,000: Verbal quotes
Documentation will include notations of verbal quotes.
 - b. Contracts in excess of \$10,000 to \$20,000: Written quotes
3. Emergencies: Verbal quotes
Documentation will include notations of verbal quotes.
4. Insurance: Written quotes
Documentation will include bid advertisements, specifications and the awarding resolution. Alternatively, written or verbal quotation forms will serve as documentation if formal bidding is not required. Requests for Proposals (RFPs), documented in the same manner as described herein, may also be used.
5. Professional Services: RFP
Documentation will include written proposals.
6. Leases of Personal Property: Written quotes
Documentation will include written quotes, cost-benefit analysis of leasing versus purchasing, etc. The district will note that the contract is a true lease and not an installment purchase contract.
7. Second Hand Equipment from Other Governments: Written quotes
Documentation will include market price comparisons (verbal or written quotes) and the name of the government.
8. Certain Food and Milk Purchases: Written quotes
Documentation will be consistent with sections 114.3 and 114.4 of the Regulations of the Commissioner of Education.
9. Certain Municipal Hospital Purchases: RFP
Documentation will include the legal authorization, Board authorization, and market price comparisons.
10. Sole Source: Written or verbal quotes
Documentation will include, among other things, the unique benefits of the patented item as compared to other items available in the marketplace; that no other item provides substantially equivalent or similar benefits; and that considering the benefits received, the cost of the item is reasonable, when compared to conventional methods. Notations of verbal quotes will be maintained by the district. In addition, the district will document that there is no possibility of competition for the procurement of the goods.

VI. *Quotes Not Required When Competitive Bidding Not Required*

The district will not be required to secure alternative proposals or quotations for those procurements:

1. under a county contract;
2. under a state contract;
3. of articles manufactured in state correctional institutions; or
4. from agencies for the blind and severely disabled.

In addition, the district will not be required to secure such alternative proposals or quotations for:

1. emergencies where time is a crucial factor;
2. procurements for which there is no possibility of competition

3. procurements of professional services, which, because of the confidential nature of the services, do not lend themselves to procurement through solicitation; or
4. very small procurements when solicitations of competition would not be cost-effective.

VII. *Procurements from Other than the Lowest Responsible Dollar Offeror*

The district will provide justification and documentation of any contract awarded to an offeror other than the lowest responsible dollar offeror, setting forth the reasons why such award is in the best interests of the district and otherwise furthers the purposes of section 104-b of the General Municipal Law.

VIII. *Internal Control*

The Purchasing Agent shall develop a system for the inventory of equipment which conforms with the States requirement for fixed assets accounting. He/She shall develop a system of supply inventory to ascertain updated inventory records, adequate storage spaces, and surpluses and shortages of materials and equipment.

All district regulations regarding the procurement processes will be reviewed by the Board at least annually.

The unintentional failure to fully comply with the provisions of section 104-b of the General Municipal Law or the district's regulations regarding procurement will not be grounds to void action taken or give rise to a cause of action against the district or any officer or employee of the district.

Ref: Education Law "305(14); 1709(9)(14)(22)
General Municipal Law "102; 103; 104-b; 109-a; 800 et seq.
8 NYCRR "114.3; 114.4; 170.2

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**Explanations of Other Methods of Competition to Be Used
For
Non-Bid Procurements**

Emergencies: Informal solicitation of quotes or otherwise, to the extent practicable under the circumstances

Leases of Personal Property: Section 1725 of the Education Law requires that a district will be subject to competitive bidding requirements for purchase contracts when it enters into a lease of personal property.

Second-Hand Equipment from Federal and State Governments: Section 103(6) of the General Municipal Law provides a statutory exception to the competitive bidding requirement by permitting the purchase of surplus and second-hand supplies, materials or equipment without competitive bidding from the federal or state governments or from any other political subdivision or public benefit corporation with the state.

Certain Food and Milk Purchases: Section 103(a) and (10) of the General Municipal Law provides a statutory exception to the competitive bidding requirement by permitting a Board of Education to separately purchase eggs, livestock, fish and dairy products (including milk), juice, grains and species of fresh fruits and vegetables directly from producers, growers or certain processors without bidding.

Certain Municipal Hospital Purchases: Section 103(8) of the General Municipal Law provides a statutory exception to the competitive bidding requirement by permitting the purchase of goods, supplies and services from municipal hospitals under joint contracts and arrangements entered into pursuant to section 2803-a of the Public Health Law.

Sole Source: Section 103 of the General Municipal Law provides a statutory exception to the competitive bidding requirement in limited situations where there is only one possible source from which to procure goods or services required in the public interest (such as in the case of certain patented goods or services or public utility services).

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EXPENSE REIMBURSEMENT

This general policy for expense reimbursements shall apply to all personnel and district officials.

Personnel and officials who incur expenses in carrying out their authorized duties will be reimbursed by the district upon submission of a properly filled out and approved voucher. Support receipts shall be included as required.

Employees and members of the Board of Education will be reimbursed for attendance at conferences and conventions only when evidence of prior authorization is submitted with the approved voucher.

Expenses will be approved and incurred in line with budgetary allocations.

When official travel by district personnel is their own vehicle is required and authorized, mileage will be reimbursed at the rate approved by the Board at its reorganizational meeting.

Litigation expenses and judgments that are covered by law will be excluded from this policy.

Ref: Education Law '1604(27); 1709(30); 1804; 2118; 3023; 3028
General Municipal Law '77-b

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DISPOSAL OF DISTRICT PROPERTY

Building administrators and support staff supervisors are responsible for identifying obsolete or surplus equipment and supplies within their area(s) of responsibility. Each year, a determination shall be made of which equipment, supplies and/or materials are obsolete and cannot be salvaged or utilized effectively or economically by the school district. Such equipment, supplies, or materials shall be sold through bid procedures, if possible, for the highest possible price.

The School Business Manager shall be authorized to dispose of obsolete or surplus equipment and supplies in the following manner:

1. reassign the items, as needed, to other locations within the school district;
2. centralize the storage of items of potential usefulness; and/or
3. discard or sell as surplus those items determined to be of no further use or worthless.

Following approval by the Board of Education, items may be sold in the following manner:

1. offer to sell the items to local municipalities or local non-profit organizations;
2. sell items at a public sale. In the event of a public sale, notice of availability of such equipment, supplies and materials and requests for bids shall be disseminated through announcements in local newspapers and such other appropriate means. The general public, as well as staff members who are not Board members, officers, or involved in the purchasing function, shall be eligible to bid on the equipment, supplies and/or materials; and
3. sell remaining items as scrap for the best obtainable amount or discard in the safest, least expensive manner.

Ref: General Municipal Law "51; 800 et seq.