

LAGUNA DEPARTMENT OF EDUCATION

Accounting Manual

Policies and Procedures for Fiscal Management

June 2025

Adopted June 18, 2025
By Laguna Department of Education
Board of Education

Effective July 1, 2025

LDoE Purpose:

Provide quality education with an emphasis on culture and government.

LDoE Vision:

Develop future tribal leaders as productive and contributing members of the world community.

LDoE Mission:

***Hanu He ya Nayuutsi Gunishe
Helping People Prepare for Life's Journey***

LDoE Core Values:

***People
Products
Quality
Students/Participants
Excellence
Employee Involvement
Our Partners
Integrity Is Never Compromised
Responsibility
Sound Business Ethics and Conduct
Public Trust***

Procedures set forth pursuant to this policy shall conform to applicable laws, regulations and requirements.

To the extent that the requirements associated with any outside funding source or 2 CFR 200 Uniform Guidance are in conflict with this policy, the requirements of the funding source or 2 CFR 200 shall apply.

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DEFINITIONS

As used in this Accounting Manual, the following terms have the following meanings:

Accounts Payable Assistant: The person with responsibility for maintaining accounts payable.

Act: The Indian Self-Determination and Education Assistance Act

Audit and Finance Committee: A committee consisting of those individuals designated by the LDoE Board of Directors formed for the purpose of supervising any matters relating to LDoE's audit and/or finances.

BIA: United States Bureau of Indian Affairs.

BIE: United States Bureau of Indian Education.

Board of Directors: The Board of Directors of the Laguna Department of Education (LDoE).

eSignatures: Electronic signatures generated by the LDoE's accounting software for use by authorized LDoE personnel in place of original signatures.

Facilities Management: The individual or individuals designated by the Superintendent as responsible for the management of a particular LDoE facility.

Fiscal Year: A specific period, usually 12 months in length, identified for the execution of funds which support a specific program or group of programs.

GAAP: Generally Accepted Accounting Principals

GASB: Governmental Accounting Standards Board.

General Ledger: An accounting record of the financial transactions of LDoE. The ledger holds account information that is used to prepare financial statements, and includes accounts for assets, liabilities, equity, revenues and expenditures.

Grant Manager: The individual who manages the financial responsibilities of a particular grant.

Grants Management Team: The group of LDoE employees and/or officials responsible for overseeing a particular grant, which may include the Superintendent, Director of Finance, Grant Manager, Program Director involved with the grant.

Participation Agreement: A written agreement between the LDoE employee authorized to use an eSignature and the LDoE, describing the employee's obligations to keep his/her eSignature password confidential and to not share the password with any other individual, except as authorized by both the Superintendent and Director of Finance.

Payroll Assistant: The person with responsibility for processing and administering LDoE's payroll.

Program Cycle: The period of time in which the goals and objectives of a specified program or project are executed and performed. It is typically directly related to the beginning period of the Fiscal Year cycle but may or may not be longer than 12 months in length. For example, if the FY of a program is January – December then the program is considered to be a calendar year program which begins in January and ends in December. When a program has multiple year Fiscal Years, LDoE will use the term Program Year to indicate which year of execution the program is in such as 1st PY, 2nd PY, etc.

Project Manager: The individual or individuals designated by the Superintendent as responsible for the management of a particular LDoE facility.

Laguna Department of Education (LDoE): is on a Fiscal Year Calendar from July 1 to June 30

100 FISCAL OPERATIONS

110 General Policy Statement

The Laguna Department of Education (LDoE) is in the business of providing educational opportunities and growth experiences to its community and surrounding areas through the use and execution of Tribal, public, and donated funds. From the Board of Education to the Leadership and Employees of this organization, all have an inherent responsibility and obligation to ensure all funds entrusted to our care are managed and executed with prudence following generally accepted accounting principles. More specifically, LDoE has practices and procedures, which also govern how funds are to be executed, controlled and reported.

This accounting manual has been compiled as a living document, reviewed periodically, to provide to each employee and member of this organization the information and tools necessary to assist in the proper fiscal execution of our varied programs.

120 Internal Controls

Policy: The Laguna Department of Education shall maintain an effective system of internal controls in order to monitor compliance with policies and procedures and ensure accurate financial reporting and grant compliance. All policies and procedures presented in this Accounting Manual shall be followed in order to provide the adequate and reasonable internal controls necessary to present a reasonable assurance that material misstatements will not occur or will be detected in a timely manner.

Procedures:

Establishing Sound Internal Controls

- 1) Internal controls relating to accounting records and grant compliance are established by the Director of Finance and Grants Manager, or another outside professional. The Director of Finance and the Grants Manager will design internal controls procedures based upon available staff;
- 2) Each year after receiving the LDoE's annual outside audit report, the Director of Finance and Grants Manager will meet to update these procedures to address any internal control deficiencies or weaknesses identified in the audit report. The Director of Finance and Grants Manager will notify the Superintendent of any additional staffing needed in order to meet the LDoE's outside auditor's recommendations regarding internal controls. The Superintendent will discuss any staffing needs with the LDoE's Board of Directors, as necessary.
- 3) In the event of a change in the staffing or the organizational structure of LDoE that affects internal controls, the Director of Finance and Grants Manager will meet to determine whether or not the internal control system still ensures accurate financial reporting and grants compliance.

Segregation of Duties

- 1) The Director of Finance will maintain proper segregation of duties for receipts, disbursements, and financial reporting in order to reduce the risk of fraud, errors and misstatements;
- 2) The Director of Finance will identify any other assets or areas, such as technology equipment, which warrant particular attention and will develop proper segregation of duties of custody of those assets in order to limit the risk of misappropriation;
- 3) To the extent that staffing limitations in certain departments make ideal segregation of duties unfeasible, the Director of Finance and the Grants Manager will identify those areas to the Superintendent and consider implementing compensating controls, such as periodic, detailed reviews by appropriate school officials.
- 4) For all cash and check receipts, the Business Office will ensure that, at a minimum, the following segregation of duties in the Business Office will exist: (i) one individual will be responsible to receive, make a receipt for all funds and promptly endorse all checks (ii) another individual will prepare each bank deposit, (iii) a different individual will take the deposit to the bank, and (iv) bank statements will be reconciled monthly upon completion of all transactions.
- 5) For all purchases, the Director of Finance will ensure that at a minimum: (i) an individual, separate from the individual who initiates the purchase request, approves the purchase, (ii) a second, separate individual records the transaction in the LDoE's accounting software, and (iii) the Department representative receiving the purchased item will sign verifying the purchase as duly received.
- 6) For all payroll checks, the Director of Finance will ensure that, at a minimum, one individual is responsible for approving time and a separate individual is responsible to distribute the checks.

130 General Ledger & Journal Entries

Policy: General ledger entries shall be created and entered for all financial activity that is not posted directly by the Accounting Software to the General Ledger.

Procedures:

1. All journal entries are sequentially numbered by the Accounting Software
2. All journal vouchers for journal entries shall be prepared only on the basis of adequate supporting documentation.
3. All journal vouchers for entries into the general ledger shall be authorized and signed by a specified employee in the Business Office who is not involved in the origination of the entries. This individual shall also review the sequential voucher numbers to ensure that all entries have been made.

140 Program Execution

Policy: Programs within the Department of Education are executed based on defined cycles of operation and planning. The two terms used to represent operation cycles are Fiscal Year (FY) and Program Year (PY). Planning involves Budgets, which are then used to execute the program's fiscal accountability to its program goals and objectives.

General:

1. Fiscal Year: Usually a 12-month period identified for the execution of funds which support a specific program or group of programs. This is typically defined based on the timeline that funds are made available from the granting agency and the end-of-year (EOY) reporting that is required on the execution or obligation of these funds. Some grants allow a "multi-year" cycle in which funds may be obligated, for example, over two to three years versus the normal one year (12 months).
2. Program Cycle: The period of time in which the goals and objectives of a specified program or project are executed and performed. It is typically directly related to the beginning period of the Fiscal Year cycle but may or may not be longer than 12 months in length. For example, if the FY of a program is January – December then the program is considered to be a calendar year program which begins in January and ends in December. When a program has multiple year Fiscal Years, LDoE will use the term Year to indicate which year of execution the program is in such as 1st Year, 2nd Year, etc.
3. Budget: This term is used to define the fiscal parameters that all programs or groups of programs use to identify and define line item costs which support the program(s). For Federal and State programs this process involves tying or relating the expense and revenue detail as required by the Grant application and award constraints to our internal Chart of Accounts and accounting system.

Procedures:

This organization has its own fiscal year, beginning July 1st and ending June 30th. Outside this fiscal and program cycle LDoE is involved with several different fiscal year cycles with both single and multiyear program years. The following processes shall be followed as the minimum necessary to implement these programs with timely and accurate reporting.

1. All new and renewal grant applications will be coordinated with the Superintendent, Director of Finance and Grants Manager. All new grants and renewal grants involving change to existing operations will include any impacted Director with the application process.
2. Each program shall review with the Director of Finance and Grants Manager information annually and any changes or corrections will be forwarded to the Director of Human Resources and Superintendent 90-120 days prior to starting a new fiscal year.

3. All program directors/managers are responsible for the contractual execution of their programs. This includes but is not limited to:
 - a. a thorough understanding of the contractual aspect of the program with all expected “deliverables” or outcomes and budget or fiscal structures and constraints;
 - b. identification and scheduling all reporting requirements, both program & fiscal;
 - c. coordination with all program staff, LDoE (such as Accounting & HR) and any external agencies or departments/organizations which provide support or data in order to complete required reporting; and
 - d. follow all LDoE policies and procedures as well as applicable Federal and State regulations for budgeting, purchasing, shipping & receiving, asset inventory, payroll, and human resources.
4. LDoE’s Director of Finance and Grants Manager will work with directors and managers in the development of budgets and data collection structures to build and feed the LDoE database which will facilitate timely and accurate reporting, statistics and measurement tools for the continuous review and improvement of LDoE and its programs;

150 Grant Report Submission

Policy: The current standard measurement for most federal grant financial activity is the SF-425, “Federal Financial Report” (Appendix Form 1000-129), which reports the correct amount of expenditures as reported by the general ledger for the period. 25 C.F.R. 276.7(a)(1) and (2) require complete and accurate disclosure of the results of each program. Some funding agencies may require a different form or forms.

General: Pursuant to Title 25 C.F.R. 276.7, Standards for grantee financial management, LDoE shall provide for accurate, current, and complete disclosure of the financial results of each grant program in accordance with Federal reporting requirements and for each sub grant in accordance with the grantees’ requirements.

The SF-425, or other report(s) required by funding agencies, will be used by LDoE on a periodic basis to report records which identify accurately the source and application of funds for grantor and sub-grantor supported activities. These records shall contain information pertaining to grant and sub-grant awards, authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.

Procedures: The Grants Manager is responsible for understanding reporting requirements, including those described in 25 C.F.R. 276.7. The Grants Manager is responsible to ensure that SF-425 reports, and any other reports required for individual grants, are properly completed and timely submitted for all grants subject to such reporting. The Grants Manager is responsible for ensuring other employees involved in grant-financed programs are aware of their responsibilities under each applicable grant and receive training, as needed, to ensure these responsibilities are met. In the event that the Grants Manager is unavailable due to leave or other absence, these responsibilities rest with the Director of Finance.

In order to help ensure accurate and timely financial reporting the Grants Manager will:

- 1) Review grant awards to determine reporting requirements, including SF-425, and other compliance responsibilities;

- 2) Review standards for financial management of grants described in Treasury Regulations 25 C.F.R. §276.7 (including standards for determining allowable grant costs, proper allocation of grant costs, grant budget and performance reviews, and timely draw-down/expenditure of grants awards) to ensure that LDoE's existing practices meet these prescribed standards;
- 3) Train employees involved in grant-financed activities and assign these employees responsibilities, as needed, to ensure grant compliance obligations are met;
- 4) Ensure, by employee training or otherwise, that any grant-financed property is adequately safeguarded and used only for purposes authorized under the grant;
- 5) Determine applicable reporting deadlines for each grant and comply with requirements ;
- 6) Prepare all SF-425 reports, and any other reports required under particular grants. The Grants Manager will review each report to determine clerical accuracy and will compare financial figures listed on each report to the corresponding receipt and expenditure amounts listed in the general ledger for each grant. The Grants Manager will then investigate and correct any discrepancies that exist between such amounts.
- 7) File accurate SF-425 reports, as required, for each grant by applicable deadlines; and
- 8) review any audit findings and/or recommendations by the LDoE's outside auditor and implement any procedures necessary to adequately address each recommendation/finding.

160 Cash Balances and Collateralization

Policy: Because a large portion of LDoE's cash on hand relates to payments received under the Indian Self Determination and Educational Assistance Act, the LDoE will adhere to collateralization requirements under the Act for all of its cash balances. The LDoE will ensure that all of its cash balances are either FDIC insured or 100% collateralized.

Procedure:

- 1) The Director of Finance will review all cash balance accounts and determine that all accounts are: (a) invested only in obligations of the United States or in obligations or securities that are guaranteed or insured by the United States, or mutual (or other) funds registered with the Securities and Exchange Commission and which only invest in obligations in the United States or securities that are guaranteed or insured by the United States or (b) deposited in accounts that are insured by an agency or instrumentality of the United States, or are fully collateralized to ensure protection of funds in the event of bank failure;
- 2) The Director of Finance and the Grants Manager will monitor reports of all cash received but not yet spent under the Act and ensure that there is adequate, insured and/or collateralized cash on hand at all times in an amount that meets or exceeds the amount of cash shown on the reports.

170 Electronic Signatures

Policy: The LDoE allows the use of eSignatures as an acceptable alternative to original signatures for certain individuals approved by both the Superintendent and Director of Finance. The Business Office's current accounting software allows eSignatures to be generated on accounts payable checks, payroll checks, and purchase orders. Upon the approval of the Superintendent, the Board President, and the Director of Finance, the LDoE may utilize eSignatures for additional documents as the capabilities of its computer software change. In any case where eSignatures are permitted,

the LDoE will utilize password protection and physical safeguards to ensure eSignatures are not misappropriated and that only authorized individuals may generate eSignatures.

Procedure:

- 1) The use of eSignatures will be permitted for accounts payable, payroll checks, purchase orders and other categories of transactions approved by both the Superintendent and Director of Finance and for which the password protection and confidentiality measures described below are in place;
- 2) An eSignature may only be generated after the internal control procedures prescribed by the then current financing software provider have been met, as verified by the Director of Finance;
- 3) All eSignatures shall be password protected, with a password known only to the individual(s) authorized by the Director of Finance and the Superintendent to utilize that particular eSignature. Each such person will be required to sign an Agreement, agreeing to keep the password confidential and to not use the eSignature or share the password with any other individual except as authorized by both the Superintendent and Director of Finance; and
- 4) The Director of Finance will schedule trainings, as needed, to ensure all employees in the Business Office, and other employees utilizing eSignatures, understand how to utilize eSignatures through the LDoE's accounting software and how to properly secure eSignature authorization.

180 Stale Check Policy

- 1) Checks which have not cleared the bank within 12 months of issuance will be transferred to the Suspense account.
- 2) Checks which have not cleared the bank within 24 months will be written off and cleared from the Suspense and Cash accounts.

200 BUDGET PREPARATION AND MONITORING

210 Budget Overview and General Policies

Policy: The program budget is a critical component of financial management and LDoE's strategic planning process. The budget planning process developed for LDoE involves at least two phases because of the multiple fiscal years managed by LDoE.

Budgets for all LDoE programs are to be developed in coordination with the LDoE Director of Finance and the Superintendent. Periodic budget modifications are to be submitted with justification narratives.

General: The operating budget of LDoE programs requires timely reviews and preparations with collection of historical and/or research data in order to develop a document that will provide the "road map" for program execution.

Procedures: It is the responsibility of each program director to work with the Executive Director of Finance and the Controller in the development and submission of budgets as described below.

Phase I – A master budget plan will be developed for presentation to the Board of Education.

Phase II – Throughout the remaining quarters budget amendments will be developed as necessary, and submitted to accounting and the Director of Finance for review.

220 Budget Model and Grant Monitoring Process

Policy: Budgets are prepared and coordinated with the assistance of the Director of Finance. At the minimum, the components and structure of this budget model will be used as a template for budget development. It is understood that while the amount of the overall budget cannot be increased during the budget year without approval of the Board of Directors, individual budget line item amounts are not fixed and LDoE policy allows for transfers between budget line item accounts during the year, as described below, with the approval of the Director of Finance and the Superintendent.

General: There are many different processes or models that one could follow in the development of operating budgets. To facilitate continuity and consistency with the General Ledger and Chart of Accounts, along with standardized training and assistance from accounting to all program directors and managers, this model is used for the development of LDoE budgets.

Procedure: The following steps and components are used for the development of LDoE budgets:

- 1) Program Scope: A clear understanding of the structure, constraints, allowable costs, services or products being delivered, and other pertinent information to the successful execution of the program shall be defined and/or documented and available;
- 2) Historical Perspective: If historical data, internal or external to our organization, is available it shall be reviewed during the budget development process.

- 3) Growth or Future Changes: If known, any change expected during the execution period of this grant budget shall be incorporated into the cost amount. For example, if payroll will be increased by a COLA, then include that increase in the personnel costs.
- 4) Program Revenue: All potential resources for revenue and/or fiscal support to this program shall be estimable and probable in order to be included in the budget. The revenue needs to be categorized by type of resource:
 - a. Federal – identify agency (LDoE, BIA, DHHS, etc.)
 - b. State – identify office (Dept. Health & Human Services, Dept. of Ed., etc.)
 - c. Tribal – identify type of contribution (Grant, matching share, in-kind, etc.)
- 5) Other Program Expense: Develop cost data which accurately reflects the expenses of this program. Justification for all expenses shall include the scope of the program and expected outcomes or deliverables. They shall comply with any constraints and defined allowable costs as provided by the granting agency. As a minimum, but not limited to, the following categories shall be considered:
 - a. Personnel Costs (employee salary/wages)
 - b. Personnel Benefits (obtain benefits factor from Accounting)
 - c. Program Supplies
 - d. Equipment (less than \$5k)
 - e. Facilities (space rental)
 - f. Utilities (electricity, phones, water, etc.)
 - g. Travel Expense
 - h. Training
 - i. Contract Services (consultants, legal services, etc.)
 - j. Vehicle Expense (rental/lease, fuel, maintenance, etc.)
 - k. Indirect Cost at the current approved NBC rate
- 6) GL Chart of Accounts: Prior to concluding the budget structure, all line items of revenue and expense shall be aligned in accordance with the Chart of Accounts. This exercise requires the participation of the Director of Finance and the program director or designee responsible for the budget process:
- 7) Expense Allocations: Sometimes there may be an allowance or requirement to attach a portion of an employee's salary or the shared cost of equipment/supplies purchased to the grant being budgeted. This process is called "allocation of an expense." The important rule of thumb with this process is the "methodology" used to derive or define the amount that will be applied to this allocation. Arbitrary figures shall never be used in this exercise. If data is not known to allow an accurate calculation, then a comparative tool shall be used for validation. The Director of Finance will work with the programs to set up a quantifiable structure to identify the amount that shall be allocated to support this program.
- 8) Budget Approval: A final budget for the upcoming fiscal year will be prepared by the Director of Finance and submitted to the Board of Directors for approval no later than the last scheduled Board of Directors meeting prior to the beginning of the upcoming fiscal year. In the event that a budget for an upcoming fiscal year is not approved by the beginning of that fiscal year, the LDoE will operate under an interim budget for all programs and accounts that is not greater than the amount to the last budget that was approved by the Board of Directors until the new budget is approved by the Board of Directors.

- 9) Budget Monitoring/Reviews: Once a budget has been prepared, reviewed and approved based on the above steps and components, program execution of monthly and quarterly reviews will be conducted. Each month or as scheduling allows a meeting between the Director of Finance and program directors will be held to discuss year-to-date progress and budgets. Budget adjustments and reclassification of expenses will be addressed during these reviews.
- 10) Transfers: Transfers allowable by funding criteria may be made between budget line items during the budget year of up to \$100,000 per transfer provided both the Superintendent and Director of Finance approve the transfer and the Board of Directors is notified of the transfer, including the reasons for the transfer, at the board meeting immediately following the transfer. However, any increase during the year to the overall budget amount shall be approved by the Board of Directors.

240 Monthly Reports and Annual Financial Statements

Policy: The Accounting office, under the direction of the Director of Finance, shall ensure the accuracy of the accounting system and provide regular monthly financial reports to the Board of Directors, or its designated Audit and Finance Committee. Also, the Accounting office, under the direction of the Director of Finance, shall provide un-audited draft financial statements to the Board, or its designated Audit and Finance Committee, within eight (8) weeks after year-end.

Monthly Report Procedures:

1. Immediately following month end, the accounting office will prepare computer generated month-end budget reports and month-end balance sheets. At this time, the Director of Finance will determine any journal entries that shall be recorded in order for the reports to be materially accurate, including any journal entries for accounts receivable, accounts payable, and/or deferred revenue. The program directors and the Board of Directors, or its designated Audit and Finance Committee, will receive these reports at the monthly Audit and Finance Committee meeting.
2. Program directors and the Board of Directors, or its designated Audit and Finance Committee, will review the reports. Program Directors have access to the Accounting Software to access account detail reports as necessary.
3. The Director of Finance will schedule regular periodic meetings to review the monthly budget reports and balance sheets.
4. All requests for changes or corrections to the General Ledger will be submitted in writing or identified during the monthly review meetings. Documentation from the review will be used to justify any modifications.
5. All revisions and adjusting journal entries will be recorded by the accounting staff and adequate supporting documentation shall be provided to facilitate review prior to posting.

Year-End Financial Statement Procedures:

1. Un-audited year-end financial statements shall be completed within eight (8) weeks after fiscal year-end.
2. Additional year-end financial statement procedures will include the following:
 - a. The Accounts Manager will review all material expenditures for the time period beginning one month before year-end and ending one month after year-end to ensure the related expenses are recognized in the proper year. The Accounts Manager will also determine if any expenditures should be booked as a prepaid expense as of year-end. The Accounts Manager will propose to the Director of Finance any adjusting journal entries needed to present to the auditors any accounts payable or prepaid expense at year-end;
 - b. The Grants Manager will review grant receipts to determine whether or not amounts recorded on each report are reflected in the proper accounting year depending upon whether the report is maintained on a cash, accrual, or modified accrual basis;
 - c. The Director of Finance will review the capital asset account and determine whether depreciation is properly reported and assets are properly capitalized;
 - d. The Accounts Manager and Payroll Assistant will review year-end payroll records and determine whether all accrued but unpaid payroll and related benefits are properly reported to the auditors as a liability at year-end;
 - e. The Director of Finance will review year-end physical inventory reports (see Section 320) and make adjusting journal entries, as necessary; and
 - f. The Director of Finance will review all journal entries from the prior-year audit report and determine whether any similar journal entries are needed for the current year.

300 PROPERTY MANAGEMENT/INVENTORY CONTROL

310 General Policy

All property purchased, transferred, or otherwise acquired (with a minimal value of \$5,000 or having a minimal five years life or both) by the LDoE and its programs, shall be reported on an “Inventory Control Sheet” If previously recorded property is transferred from your location, the same reporting process shall be followed. All transfers of property shall be coordinated with LDoE Accounting prior to the property being moved.

Property, which becomes damaged, obsolete or otherwise useless shall be disposed of through the LDoE Accounting Office and documented on the current Inventory Control Sheet.

Property may be disposed of through an auction or equitable distribution system to interested parties under the direct supervision of the Accounting Office. Proceeds from sales of property shall be transferred to the authority of LDoE.

Under no circumstances will any property of greater than negligible remaining value be sold, disposed of, or given to any person or company without first attempting to re-use or make available such property to other entities within Laguna Department of Education or another Tribal “Not-for-Profit” entity if no need exists within LDoE. If another department or agency has a need for an asset or an item that LDoE no longer needs, and the item has a value, the department or agency that receives the asset or item will be charged the remaining value of the item.

See also LDoE’s Employee Computer Purchase Policy and related Employee Computer Purchase Plan.

Procedure: As property is purchased or acquired by each program within LDoE, it is the responsibility of that program’s Director or Manager in joint effort with the Purchasing/Receiving Assistant (who oversees the ordering and receiving of property) to ensure each item is added to the Inventory Control record maintained by LDoE Accounting.

320 Inventory Control

Policy: In order to provide an accurate accounting of major purchases, transfers, or other means of acquisition for property with a minimum value of \$5,000 or having a minimum useful life of five years or both, programs shall maintain an inventory including detailed pertinent information addressing locale, description, cost of acquisition, current use and disposition of property. Programs are also responsible for keeping a list of items that are both: (i) below \$5,000 in value and (ii) have a minimum useful life of less than five years.

Procedures: An annual inventory shall be conducted by the LDoE Accounting staff together with designated program staff members within 4 weeks following the end of each fiscal year. Every two years a “hands on” physical inventory will be conducted and reported to the Executive Director of Operations. This occurs during the “odd” year; i.e., 2001, 2003, 2005, etc. During the even years, 2000, 2002, 2004, etc., a paper-trail inventory will be conducted to

verify increases or decreases to our accountable inventory. The “Inventory Control Sheet” will be utilized along with the Inventory Control Log maintained by Accounting and both considered proper documentation. A pre-numbered control tag will also be attached when feasible and number assigned to the property. Information on all documents will be cross- referenced and filed at LDoE Accounting. When the inventory is complete a copy of the Inventory Log will be provided to the program for their office records. Also, a copy of the log will be provided to the Executive Director of Operations for inclusion on the annual financial statements to the extent required by GAAP.

Proper procedures to follow when completing the Inventory Control Sheet:

Section I

- Location: list the program name and/or location (i.e., building, room, etc.)
- Control number: list corresponding tag number issued for the specific property

Section II

- Description of property: describe specific make and model
- Serial number, if applicable, provide entire number (including 0, /, -, etc.); for vehicles use the VIN; for buildings use their building number.
- Acquisition date, if known or information is available, list when acquired by program, either by purchase, transfer, or other means of acquisition.

Section III

- Cost of property, acquisition prices, if known or information is available; otherwise insert current fair market value
- Source of funding: specify program funds used; where applicable use our GL Fund number. If it is an outside source use a descriptive title or name as to the source; indicate specific percentage share of source to total acquisition price if the cost is allocated between two or more funding sources

Section IV

- Current use: specify program utilizing property (i.e., LES, LMS, Facilities, DEC, PFS, Administration etc.)
- Condition of property: describe physical appearance and condition; if known, include age of property at time of inventory.

Section V

- Disposition date: if applicable and/or information is available – this is the date when the item/property has been sold, destroyed, and/or given to another party and is no longer in service or being used by the LDoE program. This date is to be entered by LDoE Accounting Staff.
- Sale price, if any and applicable, enter amount of funds received for the disposal of this property. This activity is to be coordinated with LDoE Accounting office.
- Purpose: state reason for disposition (i.e., damaged, obsolete, beyond technological use, etc.)

Section VI

- Date of inventory: list date(s) of actual program inventory documentation for this specific property.
- Conducted by: signature of individual(s) recording property information on the Inventory Control Sheet and Tag Number
- Verified by: each physical inventory process shall be verified by signature of the Department Director.

330 GASB Requirements

Policy: LDoE's financial reporting is presented in compliance with GASB 34. This includes: reporting on the overall state of the organization's financial health, not just its individual "funds"; preparing an introductory narrative section analyzing the organization's financial performance; and measure and report all assets, including infrastructure, depreciation requirements for consideration of depreciation on assets owned by LDoE. The LDoE maintains financial statements in accordance with GAAP, and all applicable GASB and other official accounting pronouncements.

Procedure:

Each year the Director of Finance will work with its outside auditors to identify any new general ledger pronouncements, or other official accounting pronouncements, applicable to the LDoE and incorporate these standards into its financial reporting as required and/or deemed advisable by the Director of Finance.

400 PROCUREMENT AND PURCHASING PROCESS

410 Purchasing

Policy: The LDoE establishes the following procurement and purchasing procedures for the authorization, ordering, receipt, and payment of goods and services received. The LDoE encourages and meets the BIA and 2 C.F.R. Part 200, Subpart D procurement requirements regarding Indian preference for purchase of materials and supplies.

General Policy: The process used in LDoE for the acquisition or purchase of materials, supplies and/or services provides the audit trail required to document and validate allowable expenses for all programs. Every purchase or acquisition shall demonstrate each of the following stages:

1. Authorization. Each program manager/director/principal shall review and approve all purchases to ensure it is an allowable expense and that funds are available to make a purchase.
2. Order. Once a purchase requisition is prepared and approved by the Supervisor and the Superintendent, a purchase order is executed to authorize the purchase. For recurring expenses i.e., supplies, leases, food purchases, a one-time blanket PO may be prepared.
Once the Purchase Order is executed, the purchase can proceed.
3. Receipt. A record of receipt is necessary to prove that an actual transaction occurred and the item was received. Some examples are a shipping document or packing slip signed by the one who received the item(s) or a receipt obtained from a store where the item was picked up (using PO or credit card).
4. Invoice/Payment. This final step closes out the purchase in the accounting system and posts the purchase to the appropriate account. Also, for purchases made by a PO, the invoice shall be mailed to accounting. LDoE cannot make payment until it has the invoice AND the verification of receipt.
5. In accordance with procurement standards stipulated under 2 C.F.R. Part 200, Subpart D LDoE will implement and maintain the following:

Procurement Standards

1. LDoE will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.
2. LDoE will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
3. LDoE will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of LDoE shall participate in the selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved such that the employee, officer, or agent of the LDoE (or a member of his/her immediate family, his/her spouse, or partner) has a financial or other interest in the firm selected for award. LDoE's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. LDoE may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations,

such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the LDoE's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interests.

Any deviations from this section regarding conflict of interest will be addressed in accordance with the LDoE Employee Handbook, Section 108 Conflicts of Interest.

4. LDoE's procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.
5. To foster greater economies of scale and efficiency, when practical, LDoE will attempt to enter into State and local intergovernmental agreements, such as Cooperative Education Services (CES), for procurement or use of common goods and services.
6. LDoE will be encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
7. LDoE will utilize value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
8. LDoE will make awards 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.
9. LDoE will maintain records sufficient to detail the significant history of a procurement. These records include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, LDoE Board approval if single item purchase in excess of \$100,000., all approvals by the Director of Finance and the basis for the contract price.
10. LDoE will use time and material type contracts only—
 - a. After a determination that no other contract is suitable, and
 - b. If the contract includes a ceiling price that the contractor exceeds at its own risk.
11. LDoE alone will be 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 LDoE of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of LDoE unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.
12. LDoE has protest procedures, described below, to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor shall exhaust all administrative remedies with the agency. Reviews of protests by the Federal agency will be limited to:
 - a. Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

- b. Violations of LDoE's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to LDoE.

Competition

1. All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of 2 C.F.R. Part 200, Subpart D. Some of the situations considered to be restrictive of competition include but are not limited to:
 - a. Placing unreasonable requirements on firms in order for them to qualify to do business,
 - b. Requiring unnecessary experience and excessive bonding,
 - c. Noncompetitive pricing practices between firms or between affiliated companies,
 - d. Noncompetitive awards to consultants that are on retainer contracts,
 - e. Organizational conflicts of interest,
 - f. Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement, and
 - g. Any arbitrary action in the procurement process.
2. LDoE will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Solicitation Requirements

1. All solicitations must:
 - a. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall 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, shall set forth those minimum essential characteristics and standards to which it shall 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 equal" 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 shall be met by offerors shall be clearly stated, and
 - b. Identify all requirements which those making offers shall fulfill and all other factors to be used in evaluating bids or proposals.
 - c. LDoE will utilize a review and selection team consisting of the LDoE Superintendent, Facilities Management, Project Manager, Director of Finance, and other appropriate personnel.

2. LDoE will ensure that all 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, LDoE will not preclude potential bidders from qualifying during the solicitation period.

Methods of procurement to be followed—

1. Procurement Thresholds: As described in more detail below, “small purchases” (generally \$25,000 or less, increased to \$100,000 for professional services) do not require either a competitive bid or a competitive proposal. However, if the expected price of the small purchase exceeds \$25,000, then LDoE may obtain price quotes, as described below. If the purchase price exceeds the relevant small purchase threshold described below, the LDoE will utilize either a procurement by competitive bid or procurement by competitive proposal, based upon the considerations prescribed below.
2. Procurement by 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 the simplified acquisition threshold fixed by LDoE for small purchases. Small purchases do not require either a competitive bid or request for proposal.

The LDoE has set its threshold amounts for determining whether or not a purchase is a “small purchase” based at threshold amounts which are lower than the threshold amounts for small purchases listed in 41 U.S.C 134.

For small purchases, the Director of Finance, may require three (3) price quotes for small purchases that are in excess of \$25,000 for non-professional services.

3. Procurement by Sealed Bids (formal advertising)
 - a. Sealed Bids Generally: 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. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:
 - i. A complete, adequate, and realistic specification or purchase description is available;
 - ii. Two or more responsible bidders are willing and able to compete effectively for the business; and
 - iii. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
 - b. Sealed Bid Procedures: If sealed bids are used, in addition to the specifications listed in the *Solicitations Requirements* section above, the following requirements apply:
 - i. The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;

- ii. The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond. Advertising for bids would be at a minimum of one month;
- iii. All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- iv. A firm fixed-price contract award will 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 shall 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 documents are usually taken advantage of; and
- v. Any or all bids may be rejected by the review and selection team if there is a sound documented reason.

4. Procurement by Competitive Proposals.

- a. Competitive Proposals Generally: The technique of competitive proposals is normally conducted with more than one 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.
- b. Competitive Proposal Procedures: If the competitive proposal method is used, in addition to the specifications listed in the *Solicitations Requirements* section above, the following requirements apply:
 - i. Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
 - ii. Proposals will be solicited from an adequate number of qualified sources;
 - iii. LDoE will have a method for conducting technical evaluations of the proposals received and for selecting awardees; Method will include but will not be limited to review and analysis of the bidders experience, technical qualities, bonding capacity, qualifications, current work load or availability, cost, and overall standing in the industry.
 - iv. Awards will be made by the review and selection team to the responsible firm whose proposal is most advantageous to the program, with the price and other factors considered; and
 - v. LDoE 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.

5. Procurement by Noncompetitive Proposals: Procurement by Noncompetitive proposals are procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids, or competitive proposals and one of the following circumstances applies:
- i. The item is available only from a single source;
 - ii. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - iii. The awarding agency authorizes noncompetitive proposals; or
 - iv. After solicitation of a number of sources, competition is determined inadequate.
6. Federal/State Supply Contract “Piggybacking”: Notwithstanding the requirements for competitive bids and proposals for certain purchases described above, the LDoE may contract for services, construction or items of tangible personal property without the use of competitive sealed bids or competitive sealed proposals as follows:
- i. GSA Pricing – for contractors with a federal supply contract (GSA), at a price equal to or less than the contractor's current federal supply contract price, providing the contractor has indicated in writing a willingness to extend such contractor pricing, terms and conditions to LDoE and the purchase order adequately identifies the contract relied upon; or
 - ii. State Pricing – for a business which has a current exclusive or nonexclusive price agreement with the New Mexico state purchasing agent for the item, services or construction meeting the same standards and specifications as the items to be procured by LDoE, if the following conditions are met:
 - i. the quantity purchased does not exceed the quantity which may be purchased under the applicable price agreement;
 - ii. the cost and terms of the purchase match the cost and terms provided for under the agreement with the New Mexico State purchasing agent; and
 - iii. the purchase order adequately identifies the price agreement relied upon.

If the purchase involves the use of grant funds, the LDoE shall ensure that purchasing under these piggybacking procedures does not violate the terms or conditions of the grant. The LDoE shall retain for public inspection and for the use of auditors a copy of each federal supply contractor state purchasing agent price agreement relied upon to make purchases without seeking competitive bids or proposals.

Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required. LDoE may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with the Pre-Award Review conditions described below.

Procurement Protest Procedures—

In the event that the LDoE administers a competitive bid or competitive proposal and a party wishes to contest the award or process, the LDoE will follow the following protest procedures:

- a) *Timing:* The protesting party must submit a written protest to the Superintendent within ten (10) days that the party knows or has reason to know the basis for the protest. Protests based upon alleged improprieties in a solicitation which are apparent prior to bid/proposal opening or the time set for receipt of initial bids/proposals shall be filed prior to bid/proposal opening or prior to the time set for receipt of initial bids/proposals. Untimely protests may be dismissed.
- b) *Protest Form:* Protests must be in writing, addressed to the LDoE Superintendent, and must:
 - a. Include the name, street address, electronic mail address, and telephone numbers of the protester,
 - b. Be signed by the protester or its representative,
 - c. Set forth a detailed statement of the legal and factual grounds of protest, including copies of relevant documents,
 - d. Be concise, logically arranged, and complete,
 - e. Set forth all information establishing the timeliness of the protest, and
 - f. State the form of relief requested.
- c) *Decision:* Written protests meeting these requirements will be reviewed by Protest Administrator, who shall be the Executive Director of Finance or other LDoE employee or official designated by LDOE Superintendent . The Protest Administrator will issue the protesting party a written decision within 30 days of receiving the written protest, which describes the relief granted, if any.
- d) *Appeal:* If the Protest Administrator issues a decision that is adverse to the protestor, the protestor may appeal the decision to the Appeals Officer, who shall be the LDoE Superintendent or such other LDoE employee or official designated by the Superintendent. The protestor must notify the Protest Administrator in writing of the request for an appeal within 10 days of the date of the Protest Administrator's decision. Upon the receipt of such notification, the Appeals Officer will review the protestor's original protest statement, along with the Protest Administrator's written decision, and issue a written decision on appeal within 30 days of receiving the protestor's notice of appeal, describing the relief granted, if any. The Appeals Officer's decision will be final.

Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

1. LDoE will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.
2. Affirmative steps shall include:
 - a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
 - d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
 - e. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and
 - f. Requiring the prime contractor, if subcontracts are to be let, to take these affirmative steps.

Contract cost and price

1. LDoE shall perform a cost or price analysis in connection with every procurement action including contract modifications. LDoE will ensure that the method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, LDoE will make or obtain independent estimates before receiving bids on proposals. A cost analysis shall be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering service contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.
2. LDoE will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be 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. In accordance to projects funded by grants, LDoE will base their procurement process on the availability of funds.
3. Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see 2 C.F.R. Part 200, Subpart E). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.
4. The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

Awarding agency review

1. LDoE shall make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if LDoE desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.
2. LDoE shall on request make available for awarding agency pre-award review (“Pre- Award Review”) procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:
 - a. LDoE’s procurement procedures or operation fails to comply with the procurement standards in this section; or
 - b. The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or
 - c. The procurement, which is expected to exceed the simplified acquisition threshold, specifies a “brand name” product; or
 - d. The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
 - e. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.
3. LDoE will be exempt from the Pre-Award Review above if the awarding agency determines that its procurement systems comply with the standards of this section.
 - a. LDoE may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding and third-party contracts are awarded on a regular basis.
 - b. LDoE may self-certify its procurement system. Such self-certification shall not limit the awarding agency’s right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from LDoE that it is complying with these standards. LDoE will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

Bonding requirements

For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of LDoE provided the awarding agency has made a determination that the awarding agency’s interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

1. A bid guarantee from each bidder equivalent to five percent of the bid price. The “bid guarantee” shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

2. A performance bond on the part of the contractor for 100 percent of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor’s obligations under such contract.
3. A payment bond on the part of the contractor for 100 percent of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Contract provisions

LDoE contracts shall contain provisions described in items 1-14 below. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the office of Federal Procurement Policy.

1. Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold) LDoE will monitor construction and other projects based on percentage of completion in accordance with scope of work, grant charts, budget variance reports, with periodic documentation on justification including photographs.
2. Termination for cause and for convenience by LDoE including the manner by which it will be affected and the basis for settlement. (All contracts in excess of \$10,000).
3. Compliance with Executive Order 11246 of September 24, 1965, entitled “Equal Employment Opportunity” as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 C.F.R. chapter 60). (All construction contracts awarded in excess \$10,000 by LDoE and their contractors or subcontractors).
4. Compliance with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in the Department of Labor regulations (29 C.F.R. Part 3). (All contracts and subcontracts for construction or repair).
5. Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 C.F.R. Part 5). (Construction contracts in excess of \$2,000 awarded by LDoE when required by Federal grant program legislation).
6. Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 C.F.R. Part 5). (Construction contracts awarded by LDoE in excess of \$10,000, for other contracts which involve the employment of mechanics or laborers).
7. Notice of awarding agency requirements and regulations pertaining to reporting.
8. Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.
9. Awarding agency requirements and regulations pertaining to copyrights and rights in data.
10. Access by LDoE, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.
11. Retention of all required records for three years after LDoE makes final payments and all other pending matters are closed.
12. Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33

U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 C.F.R. part 15). (Contracts, subcontracts, and sub-grants of amounts in excess of \$10,000).

13. Mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871). Standards and policies relating to environmental management procedures regarding purchasing based on Greening of the Government Executive Orders will be observed. Compliance will include training for relevant staff members on purchasing according to greening the government through waste prevention, recycling and federal acquisition; greening the government through efficient energy management; developing and promoting bio-based products and bio-energy; greening the government through leadership in environmental management; and greening the government through federal fleet and transportation efficiency. More detailed standard operating procedures will be developed, maintained, and implemented accordingly.
14. School Food Authority must comply with the Buy American provision in accordance with 7 CFR 2010.318(d). School food authorities must include language requiring the purchase of foods that meet the Buy American requirements in paragraph (d)(1) section in all procurement procedures, solicitations, and contracts.

Procedures:

1. Based upon the above thresholds and the type of product or service, determine whether or not the purchase requires a competitive bid or request for competitive proposals. Also, for small purchases in excess of \$25,000, the Director of Finance and/or the Executive Director of Operations shall determine whether, in his/her discretion, to require three price quotes. If a procurement by competitive bid or competitive proposal is required, such bid or proposal shall be prepared based upon the standards for proposals and bids described above.
2. Requestor shall complete the Purchase Requisition Process for purchase.
 - a. If a price quote/bid is in excess of \$100,000 LDoE will follow 2 C.F.R. § 200.201 as amended) regarding Grants and Cooperative Agreements with State and Local Governments to maintain consistency and uniformity among Federal Agencies on the management of those grant agreements as LDoE will abide by debarment and suspension rules in 2 C.F.R. § 200.213. Federal Agencies shall not award assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, Agencies shall establish procedures for the effective use of the List of Parties website www.epls.gov, Excluded from Federal Procurement or Non-procurement programs to assure that they do not award assistance to listed parties in violation of the Executive Order. Agencies shall also establish procedures to provide for effective use and/or dissemination of the list to assure that their grantees and sub-grantees (including contractors) at any tier do not make awards in violation of the non-procurement debarment and suspension common rule.

To verify that the potential vendor and owners are not on the Excluded Parties List

System (EPLS). This website is provided as a public service through the General Services Administration (GSA) for the purpose of efficiently and conveniently disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 C.F.R. 9.404, and each agency’s codification of the Common Rule for non-procurement suspension and debarment. LDoE will also require the purchaser to initiate the process of researching through the website www.epls.gov potential vendors who may be listed on the System for Award Management (SAM) for non-procurement suspension and debarment. In the website www.epls.gov a search of the potential company name including owners/principals will be required for all quotes/bids in excess of \$100,000. If the search results are negative, then a print screen will be initiated documenting the search and placed with the vendor file. If the search results are positive for suspension and/or debarment then LDoE will immediately cease all further processing of the vendor’s proposal. Such quotes shall be documented in summary on the “Price Quotes Form” listing item, vendor/supplier and price quote.

- b. All single item purchases in excess of \$25,000 will require the Superintendent’s approval.
- c. **DO NOT** place requests for supplies on the same requisition when ordering major equipment. Equipment shall be handled separately.
- d. Dollar amount authorization per requisition for single item/
PO for expenditures:

Superintendent..... \$1 - \$100,000.
Board approval \$100,001 and above.
- e. Exception – programs which have other restrictions and/or requirements to support sensitive client needs/records and information could follow our processes and use the guidelines provided by their granting agency for the execution of client support.

Note: All purchases and/or expenditures are to be approved by the Director of Finance. This includes any and all expenditures with approval by the Superintendent prior to approval of the Board of Directors.

- 3. The requestor should allow sufficient time on all purchase requests, particularly for large, expensive items.
 - a. Allow fifteen (15) working days from receipt of requisition in accounting office for the placement of an order. When items have been backordered, the accounting department will file the order in the Accounting outstanding files and notify requester. Requestor shall be notified if items ordered are no longer available and notify the Accounting Department.
 - b. The accounting department reserves the right to choose vendors/suppliers, provided that the items for purchase are identical.

- c. Blanket purchase orders are sometimes issued and require special attention. Upon issuing a blanket PO, the requestor shall submit receipts back to the accounting department. Include or attach additional information regarding warranty, extended warranties, negotiated warranties and other information that will help to complete purchase.
 - d. Each purchase requisition shall be complete with proper signatures and dates before it will be processed.
4. Proper completion of a purchase requisition will ensure a timely receipt of goods/services. Detail is important for all areas. Incomplete purchase requisitions will be denied. Adequate justification is required prior to initiating the purchase order.

Gross receipts tax on service agreements/contracts/services are subject to applicable law. Please include an estimated amount for such taxes. Each vendor will have a specific tax rate as determined by the Pueblo of Laguna.

Shipping and handling costs (estimated and/or actual amounts shall be included and required).

5. Upon completion by the requestor, submission of the purchase requisition to the supervisor for approval will be made.
- a. The Supervisor is responsible for approving all requisitions. By approving, the supervisor is responsible for ensuring the information on the requisition is correct and complete, that the item is an allowable expense, and that sufficient funds are available to make the purchase.
 - b. Any requests for reimbursement without proper purchase documentation (i.e., approved purchased requisitions/purchase orders) will constitute an after-the-fact purchase. Any item accepted without following established procedures constitutes an after-the-fact purchase, which means the organization is not responsible for payment.
 - c. If purchases are to be charged to more than one program (i.e., ISEP & Title I) specify percentages or dollar amounts, to be allocated. Please include account numbers - department/fund/general ledger numbers.
6. Please do not forget to complete the justification line item. Supervisors are responsible for ensuring that the justifications make proper sense. When writing the justification for a purchase, consider the following:
- a. Is the purchase allowable according to the funding source guidelines or statement of assurance?
 - b. How will it be used and for what purpose? Justification should be adequate.
7. **Directors/Principals shall record the account code according to the fiscal year chart of accounts provided by the accounting department.** The Directors/Principals, upon approving the requisition, shall submit the form to the accounting department for processing and filing of documents.

- The Directors/Principals requesting the purchase will place the order or as directed.
- The Directors/Principals will request/require all invoices to be sent to the attention of LDOE Accounts Payable

8. All purchases shall specify shipment to the following address:

Laguna Department of Education
4 Mousetown Road, Bldg. 1125
PO Box 207
Laguna, NM 87026

The receiving office will check-in the deliverable goods and call program to notify them and arrange to have merchandise picked up.

420 Information Technological Devices

Policy: All computer hardware with a purchase value greater than \$1,000.00 and computer software is entered into a database when it is received. E-Rate equipment is handled in the same way, except as the following procedure directs in the E-Rate section.

Procedure: Hardware with a market value greater than \$1,000.00 is tracked and inventoried in a spreadsheet maintained and updated by the IT Department. Before deployment the item is labeled with the following information:

Serial number
Model number
Date received
Location
Installed software and installation keys if applicable

The labeling standard for computers is AAA-BBB-CCC,
AAA = Location, ADM for Administration Building
 LES for Elementary School
 LMS for Middle School
 DEC for Head Start, Early Head Start
 FAC for Facilities
 LAC for L A connections
 PFS for Partners for Success
 LEF for Laguna Education Foundation

BBB = Department or Room number
 ACCT for Accounting
 IT for Information Technology
 HR for Human Resources
 Room number for Elementary School or Middle School

CCC = Number, a unique number assigned to each computer

The labeling standard for printers is the network printer name.

All software is entered and tracked in a software inventory spreadsheet.

The following information is recorded:

Computer software is installed on
Location of computer software installed, building and room
Date of installation
Software installation key

Hardware with a purchase value greater than \$5,000.00 will be assigned a fixed asset tag, by the Technology Department.

E-Rate

If the equipment was purchased with E-Rate funds the label shall also include the following information:

E-Rate funding year
FRN number
Date of installation

All equipment purchased with E-Rate funds, will be entered into an E-Rate Inventory spreadsheet.

The following information is recorded:

Serial number
Model number
Date installed
Location (building and room)
FRN number
E-Rate funding year

425 Employee Computer Purchase Plan POLICY:

The LDoE follows the Employee Computer Purchase Policy (ECP), as adopted by the LDoE for all employee computer purchases. The employee Computer Purchase Policy and this Standard Procedure will guide employee computer purchases process.

PROCEDURES:

1. The total amount available for the purchasing of a computer will be determined by the IT Manager and the Director of Finance.
2. Employees will make payments through payroll deductions for a period not to exceed 12 months. The minimum payroll deduction will be designated at \$75.00 per payroll. This is based on year-to-year contracts that LDoE provides to their employees. If an employee elects to purchase a computer with ten months left in their contract year with LDoE they will have the balance due prorated accordingly in order to pay for their purchase in full
3. An employee may not purchase more than one computer in a five-year period under this program. The software and hardware being purchased will remain the property of LDoE until the system is paid in full by the employee.

4. As the computer will be purchased through LDoE, the IT Manager and the Director of Finance will review purchase requests after the Department Director has signed off for approval of the purchase on behalf of the Employee.
5. Participating employees shall submit the following to the IT Manager:
 - A) A signed "Request to Participate in Employee Computer Purchase Program" and
 - B) A list of the software and hardware the employee wishes to purchase complete with price quotes of each item. The request will be reviewed and if approved, the order will be placed on behalf of the employees.
6. Participating employees shall respect the terms of software licensing as defined by the individual software vendors. Software piracy (unauthorized duplication) is illegal.
7. Only non-probationary (except for employees on probation due to a promotion) regular employees in good standing with the LDoE may participate in this program. Further, only LDoE employees with a minimum of one-year service in good standing will be allowed to participate in the ECPP, LDoE reserves the right to discontinue this program at any time if it determines that it is in the best interest of LDoE to do so.
8. In the discretion of IT Manager and/or Director of Finance, certain software and hardware items may not be approved for purchase through this program. The employee will be informed of any issues of this nature before the purchase request is processed.
9. If an employee desires to purchase a system that costs more than the maximum amount allowed by this program as determined in item number one, the employee shall pay the additional cost up front.
10. If the employee is terminated or leaves prior to paying for the purchase in full the remaining balance will be taken from the employee's final pay check. If the employee's final pay check does not fully satisfy any amount outstanding, the employee will be required to promptly pay LDoE for any balance due.
11. Upon the purchase of the computer software and hardware, it is the sole responsibility of the purchaser to maintain the system at their own expense and does not hold LDoE liable for any malfunctions subsequent to the purchase beginning with the first payroll deduction.

ECPP RESPONSIBILITIES:

The Employee will:

1. Read and agree to the terms and conditions of the purchase program as described in the policy and standard procedure prior to participating in this program.
2. Prepare request specifying hardware and software to be purchased and prices of each item.

The Information Technology Manager will:

1. Review the request and determine if it conforms to the purpose of the program.
2. Forward the approved request to the Director of Finance and Accounting for purchase of the computers.

Accounting will:

1. Determine if sufficient funds are available for meeting the request. If funds are not available then the request will be held (if employee wishes) until funds become available and then the order will be processed.
2. Obtain signed documents from the employee outlining the terms and conditions of the purchase.
3. Initiate the purchase for the value of the quote or maximum amount allowed by LDoE as stated in item number one, whichever is less, and deliver to employee.
4. Initiate payroll deduction forms and commence bi-weekly payments through the payroll processing system.

430 Credit Card Use

Policy: Directors/Principals may use the LDoE credit card for special purposes. Credit card purchases should be primarily used for travel expenses. Certain other program purchases are allowed only with pre- approval from the Directors, Principals, or Superintendent Procedures:

- 1) All credit card purchases must receive prior approval through the LDoE purchase order process.

Authorized Credit Card Use

Regular purchasing and travel procedures shall be followed. Authorized use of the credit card requires pre-approval and supporting documentation.

Travel: the employee is authorized to charge pre-approved hotel, food, and rental car expenses. Per diem checks may be issued prior to travel, if requested in advance.

Corporate Credit Card Purchases: purchases from merchants for which LDoE has accounts shall follow the standard purchasing procedures.

All Authorized Credit Card Users will be required to sign a Credit Card User Agreement, see following

USER AGREEMENT FOR SCHOOL ISSUED CREDIT CARD

The following user agreement must be signed by all authorized employees of **Laguna Department of Education** who will have access to a school issued School credit card.

I understand that **Laguna Department of Education** has authorized my use of a School credit card for authorized business expenditures on its behalf. In accepting and/or using the School credit card, I agree to be bound by the terms and conditions which follow:

I will use the School credit card issued to me only for the payment of authorized expenses consistent with my organizational responsibilities and to satisfy my department needs.

- I understand the purchase amount limit is set based on Finance Department discretion.
- I will **not** use the School credit card to obtain cash advances.
- I will **not** use the School credit card for personal use or for any other non-school purposes.
- I understand the School credit card shall be used for only the types of merchants approved by the school. No purchases to independent contractors who are issued a 1099 at calendar year end.
- I understand that all purchases shall be made in accordance with applicable purchasing and School credit card procedures.
- I understand that I am fully responsible for the use of the School credit card including transactions made by a designee.
- I understand that I will be responsible for the timely reconciliation of all School credit card transactions charged to my School credit card.
- I understand that I am responsible to provide appropriate documentation for School credit card transactions charged to my School credit card.
- I will surrender the School credit card to the Administrator in the event of my transfer within or separation from the school.
- I understand that any charges against the School credit card that are not properly identified or not allowed by the school shall be paid fully by me by check, US currency or salary deduction. I further understand that any employee who has been issued a School credit card shall not use the School credit card if any disallowed charges are outstanding and shall surrender the School credit card upon demand of the Administrator/Finance Department or designee.
- I will immediately report any stolen or lost School credit card to the Finance office at 505.552.6008.
- I will immediately report a stolen, lost School credit card or fraudulent activity to the Bank at the following number.
- I understand that the card holder will follow In accordance with Credit Card Policy.

1-855-825-9234

I understand that any variance and/or violation of the above conditions will result in cancellation of my School credit card. Misuse of the School credit card could result in disciplinary action up to termination and/or personal liability for unapproved charges.

All School credit card activity is subject to examination by external auditors.

The Administrator/School shall have unlimited authority to revoke use of any School credit card issued and upon such revocation shall not be liable for any cost subsequently charged to the School credit card.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.

Name _____ Department _____

Signature _____ Date _____

Card Ending: _____

Unauthorized Use

Under no circumstances is cash credit (cash advance) allowed. Any cash back received is only allowed as a credit towards a purchase. Employees using LDoE credit cards understand that any unauthorized use of the credit card may result in loss of credit card privileges, possible termination and personal liability for the unauthorized charges.

Receipts

All credit card purchases require a signed itemized receipt. The itemized receipt shall note a summary justification. Other relevant information i.e. date of transaction, detailed description, amount, and merchant name shall all be clearly listed on itemized receipt. The Purchase Order number provides the funding program number including the general ledger cost code.

Purchase for:

Meals who were present or a sign-in sheet, purpose/Justification and the Purchase Order number for the purchase.

Gift Card(s) Purchases whether with LDoE credit cards or with program funds (unless specified within the program or grant's scope of work) will be prohibited.

No Drug and Alcohol Purchases allowed in conjunction with the employee handbook, Section 702 Drug and Alcohol use, purchases of alcoholic beverages are strictly prohibited.

Upon violation of credit card procedures as stipulated in Section 430 Credit Card Use of the Accounting Manual, the employee will forfeit the use of the LDoE credit card for one month and reimburse LDoE for any expenses incurred in violation of the policy. If two or more itemized receipts are missing or lost in any given month, depending on unforeseen circumstances, the credit card holder may forfeit the use of the LDoE credit card for one month.

If a reimbursement is required, it can be in the form of cash, check, money order, cashier's check, or one payroll deduction.

Credit card purchases for travel require receipts, to be turned into accounting with the appropriate travel documents and for the final travel closeout documents.

Verification of Monthly Statement

Within 5 business days of a credit card purchase receipts must be turned into the Accounting Office. Receipts must be itemized and noting the Purchase Order number for the charge. The Accounting Office will verify that the charges are legitimate program expenses and process payment. For any charges on the monthly statement which do not have signed receipts to back up the purchase, a memo justifying the missing receipt shall be included with the Department Director's and employee's signatures on the memo. All charges and credits on the statement shall be accounted for on the submittal form. Incomplete forms and documentation shall be the responsibility of the Director/Principal to collect from the Employee within 5 working days.

Payment of Credit Card Billing Statement

In order to avoid late fees and finance charges, the accounting office will process for payment all credit card billing statements so they can be paid at least one week before the due date.

440 Use of Department Vehicles

Policy: The Department of Education allows the use of GSA and Department owned vehicles to conduct business for the organization. Employees who drive Department vehicles for program business shall do so in a safe and responsible manner. Annually, the Department verifies each employee's driver's license. Employees are responsible to notify the human resources and business office immediately of any change in their driving status. Some vehicles are also used for work force van/car pools and require the same safe and responsible manner of operations.

General: Vehicles require regular maintenance and care. Each department in LDoE shall be responsible to ensure its LDoE vehicles, if any, are kept clean and in safe operating order.

Procedure: Employees utilizing LDoE vehicles for the work force van/car pools shall accomplish the following:

a. Cars.

In certain situations, the Department of Education for business reasons, may provide employer owned or leased vehicles for the purpose of employees commuting from home to work. These employees commute more than 50 miles round trip daily. The vehicles may not be used by the employee or any family member for personal purposes. The employee will sign an Acknowledgement Statement stating the limitations on use of the vehicle. At any time, the Department may request the return of the vehicle. Use of a department vehicle is not a right. Consideration for vehicle use may be given to those employees who are in specialty or hard to fill positions, provided department funds are available.

Department directors, managers and other professionals, by virtue of their positions, shall attend additional meetings, both within and outside of Laguna. The vehicle policy allowing these employees to use employer provided vehicles from home to work, is governed by the U.S. Department of Treasury under Title 26 of the U.S. Code (the Internal Revenue Code).

b. Vans.

K'awaika Schools and the Division of Early Childhood have a separate transportation policy for staff members commuting more than 50 miles round trip daily.

c. Usage Fee

The daily round trip charge for all employees is \$3.00 per day or \$1.50 one-way. Employees will complete a Travel Trip Log and make payments through payroll deductions on a bi-weekly basis through the regular payroll processing system.

450 Contracts

Policy: In situations where the procurement of services is required, it becomes necessary to develop a contract between the organization and the vendor. The authority to enter into a contract with a vendor is vested with the Board of Education under its By-Laws. The authority to enter into any contract is delegated to the Superintendent as specified in Chapter 8 subsection 800 of the By-Laws. Therefore, it is important that any intent to obtain services of a vendor for the purposes of meeting the need of the organization be specified with a legal, binding instrument known as a contract.

Responsibility

The Laguna Department of Education (LDoE) is recognized as a legal entity of the Pueblo of Laguna as delegated by the Articles of Incorporation of the Laguna Constitution. The purchasing procedures were developed to minimize potential legal problems that could adversely affect the financial health of the organization. When in doubt about entering into any agreement, contract or service, whether for fees or at no cost to the Department, consult with your supervisor or accounting office.

Authority to Contract

Under no circumstances shall an LDoE employee enter into a verbal or implied contract for services with an outside contractor. The LDoE is not responsible for any implied or verbal agreements that are not specified on the approved LDoE Contract format. Contracts and amendments to contracts will not be honored without the approval of the Superintendent. Other items the LDoE or any of its employees are not responsible for:

1. Travel and hotel arrangements for contractors
2. Advance of funds to contractors
3. Use of LDoE resources for personal use, i.e., staff, facilities, equipment, materials, etc.

The LDoE staff member who is responsible for negotiating for the fair market value of goods and services shall ensure the following procedures are in place.

Procedure: (See also Section 400 Item 410 Section 5 (b) Procurement/Purchasing Process)

1. Obtain quotes.
2. Give preference to Indian owned businesses (IAW BIA Procurement Requirements)
3. Develop and negotiate a contract utilizing appropriate LDoE format. Be sure to include the estimated gross receipts tax.
4. Conflict of interest policy. LDoE employees, together with contractors, will take every measure to protect the Pueblo of Laguna LDoE's interest
5. Submit supporting documentation, quotes and contract draft to the Accounting personnel, via email, for review and approval. Allow fifteen (15) working days return time. Contract will be returned electronically once reviewed and assigned a contract number. When the contract is received back with assigned number, then it is processed for signatures. Obtain the contractor's signature first on two (2) originals, and then send to designated Accounting personnel for processing the document through Director of Finance, Superintendent and for final distribution. If the contractor is not available locally for signatures, a fax copy of a signed contract is allowable from the contractor, as well as an electronic signed contract.

6. Once approval has been made, 1099 information will be obtained on IRS Form W-9 and contract logged, the vendor may be contacted by accounting to commence delivery of services as specified in the contract.
7. Payment will be made according to the approved contract. Invoices shall be submitted for approval in accordance with procurement policies in Section 400 before payment can be processed. Payment will be tracked by accounts payable personnel and will not exceed contract limits.

Note: Work or services rendered prior to an approved written contract will not be authorized for payment or reimbursement.

However, payment will be made only after verification of delivery of services. It will be the responsibility of the LDoE employee who negotiated the contract or designee to verify the delivery of services by signature. Payment will be made within 15 working days from the date the invoice is received, and verification of delivery of services has been made to the accounting department.

The LDoE is responsible for only what is specified in the contract. Any additions or deletions shall be amended in writing through official notification to the Superintendent with approval prior to the delivery of services.

500 ACCOUNTS PAYABLE

510 General Policy

To provide for proper and authorized payments and reimbursements to vendors and employees. Original receipts and invoices shall be submitted to the accounting department in order to complete these payments. Unless expressly prohibited, designated LDoE staff may utilize eSignatures in lieu of original signatures on all invoices, purchase orders and checks as described in LDoE's Electronic Signature Section 170, in any place that signed approval is required.

Procedures:

- a. Payments are made only after items are received and delivered to the proper requestor or department. The packing slip, invoice or purchase order is signed by the person receiving items and filed with purchase order documentation.
- b. All invoices are matched to correct vendor and purchase order. Dollar amount(s) on some invoices may vary from purchase order amount, either because the item was higher in cost, a freight charge was assessed, or a discount is applied if paid prior to the due date.
- c. Payments are approved by the Director of Finance or designee and are processed from the corresponding invoice, receiving record, purchase order and purchase requisition form, as applicable.
- d. Payments will be made on a timely basis, within 15 days of completed and required requisition procedures.
- e. Paid invoices are processed. The original documents are filed in the accounts payable files.
- f. The purchase order record in the accounting system shows the status of each line item – partial or full payment, purchase order number, dollar amount, program allocation, check number, and the vendor. This information is available to program directors through the accounting system.

520 Scholarship Payments

Policy: These procedures shall be followed for any scholarship awarded through the LDoE.

Procedure:

1. Requests for scholarship payments will follow the Department's established purchasing procedures.
2. Each scholarship payment will be processed by the accounting office according to the purchase request information as approved by the director.
3. No single scholarship award will exceed the current academic funding year limits.

530 Personal Reimbursements

Policy: To ensure accurate prompt and accurate employee expense reimbursements.

Procedure: Expense reports, mileage, travel, and other employee reimbursements will be processed through accounts payable (A/P). The expense “Reimbursement Request” or “Mileage Report” form shall be completed and submitted within five (5) days of the completion of travel.

Expense/mileage reports shall be approved by the immediate supervisor, Director of Finance and then by the Superintendent prior to payment.

An individual should not expect the Accounting Department to make exceptions to established guidelines for payment of reimbursable amounts as established by the purchase order process. All payments shall be processed under general requisition procedures, as described in section 510, within 15 days.

Reports shall include all pertinent information, such as date of travel, location of travel (to and from), total mileage, and receipts for expenses and stated purpose of travel.

The Accounting Department will not issue requestors any additional travel advances until all outstanding expense reports have been filed.

All requests for reimbursement shall be cost coded to be considered complete.

540 Independent Contractors

Policy: To allow LDoE to contract with individuals and/or companies to obtain specialized services not otherwise supported by current or existing personnel.

Procedure: A contract will be initiated by the Executive Director of Operations based upon approved recommendation by the Program Director documenting individual or company name, scope of work, duration of work, and rate of pay based on hours and time frame.

The contract will contain a signature page, the fund account codes, and the contractors updated W-9 Tax form if applicable for new vendors.

Upon review and approval by the Director of Finance, the contract is remitted to the Executive Director of Operations for two original signed contract documents, also requested is Form W-9 Request for Taxpayer Identification Number and Certification. For each independent contract for personal services, the Director of Finance will review the proposed project and agreement terms to verify that the individual is appropriately classified as an

independent contractor for federal tax reporting under applicable IRS guidance. In the event of any potential discrepancy, the LDoE will work with outside professionals as necessary to determine the appropriate classification of such individuals.

At the end of the calendar year, if the amount paid during the calendar year for services rendered exceeds \$600.00, the LDoE Accounting department will issue the appropriate IRS Tax Form by the following January 31st according to the required IRS Tax code.

550 Facility Management Shop/Work Orders

Policy: The LDoE may charge appropriate Programs for facility management labor, parts and servicing of on-going and/or completed shop/work orders and custodial work performed.

Procedures:

- a. The Facilities Department will document, compile, and complete supporting documentation regarding shop/work orders with itemized work performed, materials used, duration of time spent, and designation of employees performing the work. The shop order will be signed by the craftsman/maintenance worker. Custodial/janitorial charges will be included identified by building numbers and calendar dates; work performed and materials used.
- b. Individual programs will be accessed the charge(s), itemized by pre-numbered shop/work order(s) indicating work performed, materials used and service cost. The Director/Principal or designated Supervisor will approve shop order(s) along with the Director of Facilities.
- c. Approved signed form(s) will be submitted to the Accounting Department. The Controller will review and prepare the General Journal Entry form to charge the appropriate program. The approved signed biweekly form(s) will be attached as supporting documentation for audit purposes.
- d. The General Journal Entry form is reviewed and approved by the Director of Finance or designee and processed. The original documents are filed in the accounting office.

600 PAYROLL

Policy: The Department has established a bi-weekly payroll schedule, every other Thursday, for a total of 26 times per year. Employees separating employment from the Department are compensated for balances due them.

The Accounting office provides employees with limited third-party payment services, including but not limited to: Direct Deposit, Housing, Child Care, Savings, flexible benefit plan coverage and formal state and federal government-imposed payroll deductions.

The LDoE does not allow for early check release. All payments including payments to a third party are made according to the published biweekly pay period schedule.

The Accounting office will make arrangements to recover prepaid and overpaid items. These items include personal reimbursements, erroneous timesheet entries, system-created overpayments, prepaid travel, etc. The Department allows for arrangements with individuals either for immediate full recovery or pro-rated payments/deductions over a period not to exceed one year or the end of the current fiscal year whichever ends sooner.

As described in Section 170, appropriate accounting office personnel may utilize eSignatures, for payroll processing.

Procedures:

Payroll "Timesheet" for hourly employees shall be turned into accounting office Payroll Assistant no later than 10:00 a.m. Friday morning one week prior to Thursday payday.

To assure accuracy, timesheets shall be filled out on a daily basis. Leave Request Forms are available from the timekeeper in each department. Completed leave request pertaining to current payroll shall be turned in prior to leave or immediately upon return in the case of an emergency.

Original timesheets will be submitted to the accounting department for payroll calculation. Leave request forms will remain at department/program level and shall be archived for a period of seven (7) years. It is the responsibility of the employee to make sure that timesheets are correct before signing them.

All requests for leave shall be approved by immediate supervisor in order for employee to use leave. It is the responsibility of the employee taking leave to know if leave with pay is available to them. When leave is not available, leave without pay will be administered.

It is the responsibility of the Director/Principal to ensure the accuracy of employee hours submitted to payroll. This includes transferring leave requests, recording approved overtime, including totaling the number of hours worked, including leave without pay.

700 TRAVEL

Policy: LDoE travel shall be for the benefit, improvement, and/or enhancement of programs and job performance. Travel costs shall not exceed the established and approved program budget line item identified for travel. When travel costs exceed approved budget amounts, procedures shall be followed as required by the granting agency for budget line item adjustments and approval. Allowable Per Diem Meals & Incidentals expenses shall be limited to the current GSA.gov rate for the area and travel period. All travel requests will be reviewed for propriety by the Accounting Assistant prior to approval by the Director of Finance, and the Superintendent.

Procedure: Travel must be pre-approved by the Program Director, Executive Director of Finance and Superintendent. A Purchase Requisition must be entered for approval with all pertinent documentation and a Purchase Order must be approved before travel arrangements are made.

Step 1: Request for travel is to be completed by traveler or designated travel coordinator for supervisor's approval.

- a. All business travel shall be approved in advance by the immediate supervisor, the Executive Director of Finance and Superintendent. No travel related deposits and/or fees, including hotel or airline costs are to be made prior to receiving approval from the supervisor and the Executive Director of Finance and Superintendent.
- b. Allow twenty (20) working days or three (3) weeks to process travel.
- c. Each traveler shall prepare a "Request for Travel form provided with all pertinent information (i.e., purpose of travel, destination, date, and time of travel, etc.)
- d. If an advance is requested, the "Travel Advance" form shall also be completed. If per diem is requested, the "Travel Advance Per Diem Worksheet") shall be completed.
- e. If there are circumstances where special needs or additional costs are being requested a memorandum requesting approval and/or explanation shall accompany the travel forms: (i.e., request for employee to stay at a hotel that exceeds the per diem rate, approval of a rental car, etc.).

Note: Travel and/or training is to be within the approved budget.

Step 2: Travel forms come from the program supervisor to the Accounting Assistant for review and proofing. Forms are then submitted to the Director of Finance for verification of funds, prior to Superintendent's approval.

- a. Ensure all forms are complete and accurate, including all required signatures
- b. Attach any additional documents that may support the travel, such as seminar flier, training syllabus, copy of airline e-ticket and proof of registration.

Note: The Director of Finance has authority to reject/not approve travel forms and/or requests that are not within budget or accompanied with a budget modification.

Step 3: Upon final approval by the Director, Director of Finance and Superintendent (or designee), travel paperwork will be submitted to the accounting office to process travel advance. Please allow at least fifteen (15) working days for processing from the time the accounting office receives final approval for travel advance request.

Step 4: Upon completion of travel, traveler shall submit a “Travel Expense & Reimbursement Claim” . Time frame for submitting expense and reimbursement claims is within 5 work days of return from travel. Any employee attempting to submit a new travel request without completing and closing out a previous travel may be denied a per diem until final documents from previous travel are received and processed. **Copies of credit card receipts shall be submitted with the travel expense claim. A travel expense report needs to be submitted, even for meal per diem only. Allow fifteen (15) working days, from the time the paperwork is received by the Accounting Assistant, to process paperwork for reimbursement of out-of-pocket expenses, if any. If an advance for per diem is not expended in full, then the employee shall be required to reimburse LDoE for the difference based on submission of all receipts and other supporting documentation. Except for Meals per diem, the Meals per diem does not require submission of meal receipts.**

800 FUNDS ACCOUNTABILITY & CONTROL

810 General Policy

To ensure that all funds received are properly accounted for and that adequate documentation is maintained to ensure the integrity and accuracy of reported revenues.

Funding received from the Bureau of Indian Education (BIE)

Notification is received from the BIE, which includes a Grant Agreement/Amendment Form, Allocation Distribution Document, and Request for Payment Form. These documents are accepted and approved by the Director of Finance unless assigned to the Grants Manager and signed by the Superintendent. They are returned to the BIE, funds are authorized for payment on the ASAP system and payment is submitted electronically to the appropriate bank account. All documents are provided to the Grant Manager for filing. The Grant Manager or other designee checks the daily bank activity and verifies when the funds have been received. Cash receipts are posted to the respective program when posted to the appropriate bank account. The bank reconciliation is prepared and all cash receipts are accounted for. These journal entries and related documentation are reviewed and approved by the Director of Finance and Grants.

Fund received from other federal agencies

Funding received from the Department of Health and Human Services, the U.S. Department of Education and various other agencies require funds to be requested electronically through applicable payment sources. The Grant Manager submits the expenditure information online and requests funds for reimbursement, the payments are received electronically through the LDoE's bank. The Grant Manager checks the daily bank activity and verifies when the funds have been received. Cash receipts are posted to the respective program when posted to the appropriate bank account. The bank reconciliation is prepared and all cash receipts are accounted for. These journal entries and related documentation are reviewed and approved by the Director of Finance unless assigned to the Grants Manager.

Funding received via check

Checks received are attached to a "Cash Receipts Form" which identifies the program account coding, amount received and type of cash receipt. These are submitted to the Grant Manager for appropriate account codes review. Then they are submitted to the Accounting Assistant for deposit on a weekly basis. The Controller or other designated accounting staff reviews the weekly accounting deposit for accuracy. The Director of Finance or designated employee takes the deposit to LDoE's bank. All paperwork is filed, with electronic copies provided in the accounting system. Cash receipts are posted to the respective program when posted to the appropriate bank account. The bank reconciliation is prepared by the Controller and all cash deposits are accounted for. These journal entries and related documentation are reviewed and approved by the Director of Finance.

Funding passed through the Pueblo of Laguna

Some programs require federal awards to be sent directly to the Pueblo of Laguna. The Director of Finance contacts the tribal accounting office and requests the funding be disbursed to LDoE. The pueblo accounting office then proceeds to distribute these funds through a wire transfer.

Cash receipts are posted to the respective program when posted to the bank account. The bank reconciliation is prepared and all cash deposits are accounted for. These journal entries and related documentation are reviewed and approved by the Director of Finance.

820 Donations & Fundraising

Policy: The Superintendent or designee shall approve all fundraising activities. All funds collected by activities, clubs, organizations, and athletics will go through a process of verification at the site program and then again at the LDoE Accounting office. All collections shall follow the procedures used for collecting funds and shall have completed paperwork (forms, receipts, etc.) and accompanying deposits made to the LDoE accounting department. The accounting department will be responsible for final deposits made to financial institutions.

These procedures are put in place as a measure to protect all parties involved and create accountability at each level money is handled. Missing funds may become the responsibility of the staff member who has responsibility for handling the funds. He/she may be subject to repayment, including disciplinary action and possible termination.

Unless otherwise indicated the following procedures apply to all cash transactions in which funds are generated through donations, fundraising and/or fees collected for services provided. The term “cash” shall refer to dollar bills, coins, checks, and money orders.

Procedures:

- a. Numbered receipts books will be maintained by each site/program receiving funds.
- b. Receipts should be given to anyone depositing/donating funds to or for school program activities. When amounts remitted to the LDoE are in the form of cash, a receipt shall be signed by the donor/payer, indicating the amount of cash remitted. A copy of the signed receipt shall be maintained by LDoE.
- c. A “Cash Accountability Form” will be completed for each activity receiving cash. On this form, dollars, coins, and checks/money orders are identified and reconciled against a record of receipts.
- d. Deposit slips shall reflect corresponding numbers of cash accountability forms turned in and shall total the amount collected. Deposit record shall be signed by the accounting staff who verified the documentation of the amount to be deposited.
- e. Deposits to financial institutions shall be done each Friday and, whenever possible, by a different staff member than who received the cash or check. The deposit receipt provided by the bank will be returned to accounting and reconciled to the bank statement and cash accountability forms which generated the deposit by someone other than the individual who prepared and made the deposit.
- f. No monies should be kept overnight in classrooms or desks. Persons collecting funds are responsible for seeing they are properly accounted for and secured. Funds from night activities shall be locked in a safe environment by the program director or other designated individual.
- g. Under no circumstances are cash transactions (such as making personal change, cashing checks, etc.) to take place using any monies generated by or for school programs.

- h. Accountability of funds: from the time the first dollar is received for an activity, the Cash Accountability form shall be signed and a cash count conducted any time the control of those funds/cash changes hands. A clear audit trail shall exist showing all parties who have had control of these funds so that if a miscount or error is identified it is resolved at the time it is identified by the parties involved.
- i. When the Cash Accountability form is completed and the cash turned over to Accounting, the Accounting office will conduct another cash count to verify and validate the cash and receipts being reported on the Cash Accountability form.
- j. The Director of Finance will arrange to have at least 1 surprise cash count and internal control procedure review conducted per year to ensure cash receipting procedures identified above are being followed. The Director of Finance will report the results of this surprise cash count to the Board of Directors, or its Audit and Finance Committee at the next scheduled Board of Director Meeting.

830 Child Care Program Fees Collected

Policy: The Child Care program cash is received on a regular basis in the administration of this program. The receipting process in Section 820 above shall be followed for the handling of cash in this program. Added controls, focus, and training shall be provided to this program by management with the help of Accounting to ensure proper receipts are issued, receipt books are controlled, the cash box and cash receipts are reconciled any time control changes hands, and that deposits are turned into Accounting by Thursday morning of each week.

Procedure: See Section 820 above. In addition, the Director of Finance will arrange to have at least 1 surprise cash count and internal control procedure review conducted per year to ensure cash receipting procedures identified in Section 820 are being followed. The Director of Finance will report the results of this surprise cash count to the Board of Directors, or its Audit and Finance Committee at the next scheduled Board of Director Meeting.

840 Student Clubs & Activities

Policy: The students of Laguna Elementary and Middle Schools are encouraged to develop and participate in fundraising activities to support their various interests and financial endeavors. As a minimum, the previous guidelines shall be followed for the control of cash in these operations. An adult staff member should be present to chaperone all activities where funds are received.

Procedure: See Section 820 above. In addition, the Director of Finance will arrange to have at least 1 surprise cash count and internal control procedure review conducted per year to ensure cash receipting procedures identified in Section 820 are being followed. The Director of Finance will report the results of this surprise cash count to the Board of Directors, or its Audit and Finance Committee at the next scheduled Board of Director Meeting.

900 IN KIND

910 Contributions

Policy: The Laguna Department of Education was exclusively formed for charitable and education purposes. Monetary charitable contributions are tax deductible, subject to the limitations imposed under Section 170 of the Internal Revenue Code. All monetary charitable contributions are recorded as unrestricted revenues, not subject to the other grant provisions similar to those being administered by the Department. The Department will provide each contributor with financial reports, only if stipulated as a condition for acceptance of such funds, the program receiving such funds should clarify whether monthly or annual reports are being requested and advise administration when the funds are received.

920 Donations

Policy: All donations, either monetary or fixed assets are recorded by the Department with a dollar value. For audit purposes, donations are recorded and accounted for separately. All charitable donations will be acknowledged with a letter to the contributor and/or donor.

Revision Signature Page:

The following individuals verify this document as Revisions presented and approved at the Laguna Department of Education Board of Directors meeting convened on June 18, 2025.

A handwritten signature in black ink, appearing to read 'MBSonder', is written over a horizontal line.

Marina Sondergaard
Executive Director of Finance

June 19, 2025

(Date)