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**PROPOSED NEW FILE
FILE: DB**

(Discarded – already covered in another policy)

EMERGENCY CLOSINGS

The Marengo County Board of Education authorizes the Marengo County Superintendent of Education or his designee to close any or all schools or to delay the school opening time in the event of hazardous weather or other emergencies which present threats to the safety or health of students, school staff members, or school property. Whenever possible, the Superintendent shall give prior notification to board members. The Superintendent shall inform all news media relative to such emergency closings.

FILE: DC

ANNUAL OPERATING BUDGET

The Marengo County Board of Education shall provide for the preparation and adoption of the annual budget for the School System. The Board shall delegate the responsibility for preparation of the budget to the Superintendent and designated members of the administrative staff. The budget shall be prepared on forms required by the State of Alabama and otherwise in accordance with such rules and regulations as may be prescribed by statutes and by the State Board of Education. The budget shall be presented to the Board for purposes of review, modification, and approval.

When approved, said budget shall be transmitted to the State Superintendent of Education on or before October first for review and shall become official upon his approval.

The Board shall not encumber funds in excess of anticipated revenues and reserves. The budget shall be reconciled monthly, and periodic financial reports shall be made to the Board by the Superintendent.

Ref: Ala. Code 16-13-140, 16-13-142, 16-13-143, 16-13-144, 16-13-145.

FILE: DCA

FISCAL YEAR

The fiscal year for the Marengo County School System shall be October first through September thirtieth.

Ref: Ala. Code 16-1-1.

FILE: DCB

PREPARATION PROCEDURES

The annual budget of the Marengo County Board of Education shall be prepared and submitted to the State Department of Education according to the classifications and items specified on forms approved by the State Superintendent of Education.

No budget shall be submitted to the State Department of Education that includes expenditures in excess of estimated revenues plus any balances on hand.

The Board, in order to prepare the budget for the coming school year, must receive by September 1, from the state, county, and city officials charged with the responsibility of estimating local government revenues for the coming year written certification of the estimated amount of revenue which will be available for schools in Marengo County.

An exception to the deficit spending limitation may be granted by issuance of school warrants.

PRELIMINARY ADOPTION PROCEDURES

After the budget has been proposed, the President of the Marengo County Board of Education shall call a meeting for adoption of the budget. The public shall be informed that the purpose of the meeting is the adoption of the budget for the coming fiscal year.

FILE: DCD

FINAL ADOPTION PROCEDURES

The Marengo County Board of Education authorizes the Superintendent to prepare the annual budget. Upon approval by the Board a copy shall be filed with the State Superintendent of Education. Once approved by the State Superintendent, the budget shall become official.

Ref: Ala. Code 16-13-143.

FILE: DCE

APPEALS PROCEDURE

The Marengo County Board of Education recognizes that selected actions and orders of the Board and Superintendent are subject to review by the State Superintendent of Education. The State Superintendent shall determine from the facts the just and proper disposition of the matter which will be binding upon all parties.

Ref: Ala. Code 16-3-27, 16-4-8.

FILE: DCF

ENCUMBRANCES

The Marengo County Board of Education shall not encumber funds in excess of anticipated revenues as provided by Ala. Code 16-13-145. In calculating legally valid encumbered amounts, the Board shall deduct from its total estimate of current revenue (provided by the State Superintendent) for that fiscal year the sum of the current revenue already received and the principle and interest due but unpaid on school warrants during said fiscal year. The difference shall represent the total (maximum) amount of current loans the Board can have outstanding in anticipation of current revenue at any given time.

Ref: Ala. Code 16-13-145. See also Ala. Code 16-13-140 through 16-13-144; Scott v. Mattingly, 236 Ala. 254, 182 So. 2d, 24 (1938).

FILE: DCG

PERIODIC BUDGET RECONCILIATION

The Marengo County Board of Education authorizes the Superintendent to reconcile and/or to recommend changes in the budget during the fiscal year provided a deficit is not incurred by such changes and the schools are operated for the minimum term according to the rules and regulations of the State Board of Education. Such changes are subject to the approval of the Board.

Ref: Ala. Code 16-13-143.

LINE ITEM TRANSFER AUTHORITY

The Marengo County Board of Education shall retain control of the budget, once adopted, and all officials subject to the Board in the implementation of the budget shall adhere to Board policies.

Line items in the budget may be changed, with Board approval, at any time during the fiscal year provided such change is consistent with existing laws and regulations of the state and federal government.

Line item transfers shall not exceed 40 percent of the amount allocated for each line-item, except for state salary allocations, which are not subject to line-item transfer. If proration of the state education budget is declared, the Board may exercise line-item transfer authority in excess of the 40 percent limit in order to meet necessary obligations.

The Superintendent shall keep the Board informed concerning the status of the budget, and Board action necessitating expenditures shall be considered sufficient authority to exceed a line item if such action so requires.

FILE: DCI
Adopted: March 29, 2007

RESERVE FUNDS

The Marengo County Board of Education recognizes that the establishment and maintenance of adequate fund reserves is necessary to avoid disruption in the educational programs in the schools. The Superintendent or Chief School Finance Officer will inform the Board, before the Board votes on a budget or budget amendment, if approval of the budget or budget amendment will prevent the establishment or maintenance of a one-month's operating balance. A one-month's operating balance shall be determined by dividing the general fund expenditures and fund transfers out by 12. In determining the general fund expenditures and fund transfers out, the proposed budget or budget amendment, shall be used.

DEBT LIMITATION

BONDED INDEBTEDNESS

The Marengo County Board of Education shall not incur any bonded indebtedness that shall require annual payments on the principal and interest in excess of eighty per cent of the anticipated revenue of the ad valorem tax pledged to retire such bonds.

CURRENT INDEBTEDNESS

Tax proceeds which are not pledged to retire bonded indebtedness shall be used for current expenses. All funds borrowed for current expenses shall be repaid before the end of the fiscal year in which such funds are borrowed.

The Board shall not spend or obligate to spend more in any fiscal year than the income received during that year plus the balance on hand at the beginning of said fiscal year.

FILE: DE

FEES, PAYMENTS, AND RENTALS

The Marengo County Board of Education shall not collect fees of any kind from children attending public kindergarten or any of the first six grades of the School System.

No fees shall be collected in secondary schools for courses required for graduation. The Board shall be authorized to set reasonable fees in non-required courses, (e.g., reasonable fees for laboratory and shop materials and equipment). Such fees shall be waived for students who cannot afford to pay set fees.

Ref: Ala. Code 16-10-6, 16-13-39.

FILE: DEA

EQUIPMENT AND SUPPLIES SALES

The Marengo County Board of Education authorizes the Superintendent to grant permission for the operation of stores selling merchandise that is needed by pupils to facilitate classroom instruction. School stores shall operate as a convenience to the students, and shall not in any way interfere with the educational process or cause any student to be in class less than the minimum number of hours in the Board approved school day.

Separate records shall be kept for school stores, subject to audit, and profits derived from sales shall be used for general items supporting the school as a whole.

FILE: DEB

PROPERTY SALES

The Marengo County Board of Education is authorized to sell real property no longer used for school sites for an adequate consideration, where such action is in the best interest of the School System. These sales are to be in accordance with State law.

The Board may also sell surplus personal property for an adequate consideration when such action is in the best interest of the School System.

Sales of personal property need not be by competitive bidding.

Ref: Ala. Code 16-8-40, Atty. Gen. Opin., V 91 at 49 (1949), V. 142 at 18 through 21 (1971).

DEPOSITORY OF FUNDS

The Marengo County Board of Education requires that all funds of the Board, whether federal, state, or local, be deposited in a bank designated as the depository of the Board, and to the account only of the Board. Funds received for school purposes by school Board officials and employees shall be promptly deposited in the proper bank account. A financial institution used for the deposit and safekeeping of funds shall be approved as a qualified public depository by the Security for Alabama Funds Enhancement (SAFE Program) administered by the Alabama State Treasurer.

Accumulated capital outlay funds can be deposited in one or more County banks as approved by the Board.

Local school general funds and food service funds are to be deposited in a county bank serving the school community.

BONDED EMPLOYEES

The Marengo County Board of Education recognizes that the Superintendent and the designated Custodian of School Funds shall be bonded in an amount fixed by the Board, such amount to be not less than \$3,000.00. A certified copy of such bond shall be placed on file with the State Department of Education.

The Superintendent shall secure surety bonds, in an amount agreed upon by the Board, for all employees of the school system who may be charged with the responsibility of handling public school funds. School principals shall be bonded for not less than one thousand (\$1,000.00) dollars. The Board shall be authorized to make payment from public funds for surety bonds.

School lunchroom managers who handle child nutrition program cash shall be bonded for not less than one thousand (\$1,000.00) dollars. School lunchroom secretaries who handle CNP cash shall be bonded for not less than two thousand (\$2,000.00) dollars.

ACCOUNTING AND REPORTING

The Marengo County Board of Education shall, following recommendations by the Superintendent, prescribe regulations for the keeping of accounts and fiscal records and the making of reports by all under the Board's jurisdiction who are charged with such responsibility. Prescribed regulations shall be consonant with those of the State Board of Education, the Division of Administration and Finance of the State Department of Education, and with the directives of the State Examiners of Public Accounts.

Said accounts and fiscal records shall be available during normal business hours for inspection by the public. Monthly financial statements will be posted to the Board's website. They shall be preserved for a five-year period of time or for such period as specified by the State Department of Education or the State Examiners or Public Accounts.

The Superintendent shall develop specific procedures to assure that accounting practices throughout the System are consistent with generally accepted accounting procedures.

ANNUAL FINANCIAL REPORT

The Marengo County Board of Education shall annually publish in a newspaper a complete statement of receipts and disbursements as well as a statement of outstanding funded

and unfunded indebtedness of the School System for the twelve month period ending the preceding September 30. This report shall be published during the month of October. Such statements shall be drafted on the forms as required by the State Superintendent of Education.

INVENTORIES

The Marengo County Board of Education directs that all fixed or capital assets of the School System be inventoried annually. Inventory records of fixed or capital assets shall be maintained in the school Board's Central Office. A supplemental inventory of equipment items not classified as fixed or capital assets shall be maintained.

AUDITS

Annually, as required by the State Board of Education, local school funds and accounts for which the principal at each school has responsibility shall be audited. Lunchroom accounts handled by Central Office personnel shall not be included in the local school audits.

Financial records of the Marengo County Board of Education shall be audited at least once every two years by the Department of Public Examiners.

Ref: Ala. Code 16-4-7, 16-8-37, 16-8-38, 16-8-39, 16-9-27, 16-9-28, 16-13-32, 16-13-31, 16-13-38(d), 41-5-14, 41-5-23.

FILE: DI
Revised: March 29, 2007

EXPENDITURE OF FUNDS

Any and all funds of the Marengo County Board of Education whether received from federal, state, local, or other sources, shall be disbursed only on the written order of the Superintendent or his designee. The Marengo County Board of Education grants authority to the Superintendent, subject to applicable laws, policies, and Board-approved budget limitations, to expend funds for budgeted operating expenditures, without advance Board approval of specific expenditures. All such expenditures shall be included in the monthly expenditure report to the Board.

FILE: DIA
Revised: January 30, 1989
Revised: March 29, 2007

CHECKING ACCOUNTS

The Marengo County Board of Education requires that all drafts and checks drawn against any bank account of the Board be signed by the Chief School Finance Officer and the Superintendent of Education.

All bank accounts of the Marengo County Board of Education and the schools shall be reconciled to the financial records. The Chief School Finance Officer shall be responsible for verifying that monthly bank statements are reconciled to the financial records on a timely basis that ensures accurate monthly financial statements.

PAYROLL PROCEDURES

The Marengo County Board of Education delegates payroll preparation for the payment of employee salaries to the Superintendent or his designee. The payroll shall be in accordance with the salary guidelines approved by the Board and any rules or regulations promulgated by the State Superintendent of Education.

No money shall be paid on any payroll until the Superintendent certifies in writing to the President of the Board that the payroll is correct and that all amounts shown are owing and should be paid.

PAY DAY SCHEDULES

The Board authorizes the payment of all employee salaries of the School System on the last day of each month.

If the last day of the month falls on Saturday, Sunday, or a legal holiday, checks may be distributed the last working day of the month.

Personnel who permanently leave the employment of the School System may be paid accrued salary earned on the payday following termination of employment, if they so desire.

Expenditures for teacher's salaries for services rendered for the scholastic year July 1 to June 30, inclusive, for any year, shall be paid from receipts for that fiscal year, October 1 to September 30, inclusive, which begins October 1 after the beginning of the scholastic year, or from cash on hand.

SALARY DEDUCTIONS

The Marengo County Board of Education will make salary deductions which are considered statutory, including federal income tax, state income tax, retirement, etc., in accordance with applicable laws and regulations.

The Board of Education will make salary deductions when employees or groups of employees comprising a total of twenty-five (25) or more of the total group request such deductions, the request must be from prospective program participants. The deductions shall be made from salaries earned in at least nine different pay periods and shall be remitted to the appropriate recipient as specified by the employees within 10 days following each deduction.

Deductions made for employee organizations shall be made based upon membership lists and forms provided by the respective organizations. These lists shall be corrected, updated, and returned to the respective organizations not later than November 10 of each school year. Deductions shall be made from the membership lists unless an employee revokes authorization for such deductions by providing a 30-day written notice revocation.

New authorization for payroll deductions may be added twice a year.

Upon termination, amounts owed under the authorization of an employee shall be deducted from an employee's final pay due.

When amounts have been correctly deducted and remitted by the Board, the Board shall bear no further responsibility or liability for further transactions. The Board shall not be liable for any error while acting in good faith to make the subject deductions.

**FILE: DIC
CF: BBBE, CEF, CGPD,
GBRF**

EXPENSE REIMBURSEMENTS

The Marengo County Board of Education requires that the Superintendent or his designee develop procedures which conform to sound principles of financial accounting and to state regulations for reimbursement of expenses of school personnel traveling on official school business.

Ref: Ala. Code 16-8-7, 16-8-8, 16-8-9.

FILE: DIDA
Revised January 30, 1989
Revised March 23, 1995
Revised July 30, 2008

PURCHASING AUTHORITY

The Marengo County Board of Education recognizes that purchases made by the Board involving expenditures in excess of \$15,000.00 must be submitted for free and competitive bidding prior to making any contractual agreement, with limited exception as noted in the law.

FILE: DIDB

QUALITY CONTROL

The quality standards for goods and services shall be established by the Superintendent or his designee upon the advice of directors, supervisors, principals, and teachers within the appropriate areas. The basic criteria in determining quality shall include the intended use of the material or equipment, the results to be obtained, and the required characteristics. Additional factors that shall be considered include availability, standardization of product, manufacturing practices, service availability, and standardization of packaging for desired material. All of these criteria shall be taken into consideration when making decisions relative to the purchase of goods and services.

FILE: DIDC
Revised January 30, 1989
Revised March 23, 1995
Revised December 20, 2001
Revised July 30, 2008

BIDS AND QUOTATIONS

The Marengo County Board of Education recognizes that expenditures of public school monies in excess of \$15,000.00 made by the Board for labor, services, work, the purchase or lease of materials, equipment, supplies, or any other personal property, with limited exception, shall be contracted by free and open competitive bidding with sealed bids and shall be awarded to the lowest responsible bidder meeting specifications, with the exception of those items listed by law.

The Alabama competitive bid law also provides the following conditions:

- A. Resident Bidder: Accepting bid of company located in the county or municipality where the awarding Board is located, when such bid is no more than 3% (3 percent) greater than the bid of the lowest responsible bidder.
- B. Solitary Bidder: If only one bidder responds to the invitation to bid, the Board may reject the bid and negotiate the purchase or contract, providing the negotiated price is lower than the bid price.
- C. Joint Agreement: Two or more governing bodies may by joint agreement purchase labor, services or work, materials, equipment, supplies, or other personal property but the contract awarded must be subject to competitive bid.⁽¹⁾

Competitive Bidding Not Required: The following items need not be awarded by competitive bid but may be awarded at the discretion of the Board. ⁽²⁾

- A. Utility services.
- B. Purchase of insurance.
- C. Contracts for services of attorneys, physicians, architects, teachers, artists, engineers, accountants, or other individuals possessing a high degree of professional skill where the personality of the individual plays a decisive part.
- D. Contracts for furnishing fiscal or financial service.
- E. Purchase of products manufactured by the blind, or visually handicapped under the direction of the Alabama Institute for Deaf and Blind.
- F. Purchase of maps, photographs, books, pamphlets, or periodicals.
- G. Selection of paying agent and trustee for any security issued by public body.
- H. Contractual services where there is only one vendor or supplier.

Purchases With Money From Support Groups: Purchases made by individual schools from money other than those raised by taxation or received through appropriations from state or county services are not subject to the Alabama Competitive Bid Law. ⁽³⁾

Emergency Situations: In case of an emergency affecting the public health, safety, or convenience, so declared in writing by the awarding authority, contracts may be let without competitive bidding. ⁽⁴⁾

Posting Bonds: All bidders must furnish a bid bond on any contract exceeding \$10,000.00 provided such bonding is available for services, equipment or materials. ⁽⁵⁾ A bid bond should be for an amount which would protect the Board against a change of status involving damages, loss, or detriment. A bid bond remains in effect until the contract is made.

Rejecting Bids: School Boards may reject any bid if the price is deemed excessive or the quality of product inferior.⁽⁶⁾

The Competitive Bid Law does not provide a cause of action for compensatory damages to an unsuccessful bidder. Additionally the county may not pay compensatory damages to an unsuccessful bidder in settlement of threatened litigation for lost profits as no cause of action for damage lies.⁽⁷⁾

Duration of Contracts for Purchase of Personal Property: Contracts for the purchase of personal property or contractual services shall be let for periods not greater than three years. “Lease-purchase” contracts for capital improvements and repairs to real property shall be let for periods not greater than 10 years and all other lease-purchase contracts shall be let for periods not greater than 10 years.⁽⁸⁾

Contracts for purchase of contractual services shall not be for periods greater than three years.⁽⁹⁾

Bids Open to Public Inspection: All bids shall be sealed when received, shall be opened in public at the hour stated in the notice, and all original bids together with all documents pertaining to the award of the contract shall be retained and made a part of a permanent file or record and shall be open to public inspection.⁽¹⁰⁾

Negotiations: A school Board may negotiate the contract price with the lowest responsible bidder provided that the specifications remain the same.⁽¹¹⁾

The competitive bid law does not apply to contracts between two governmental entities.⁽¹²⁾

- (1) Ala. Code § 41-16-50; 41-16-51.
- (2) Ala. Code § 41-16-51.
- (3) Ala. Code § 41-16-51(b)(2).
- (4) Ala. Code § 41-16-53.
- (5) Ala. Code § 41-16-50(c).
- (6) Ala. Code § 41-16-57(c).
- (7) *Crest Constr. v. Shelby County Bd. of Educ.*, 612 So. 2d 425 (Ala. 1992). Op. Att’y Gen. 93-00297.
- (8) Ala. Code § 41-16-57(e).
- (9) Ala. Code § 41-16-57(e).
- (10) Ala. Code § 41-16-54(b); Op. Att’y Gen. 95-00010.
- (11) Op. Att’y Gen. 95-00002.
- (12) Op. Att’y Gen. 91-00131.

Ref: Ala. Code 41-16-50, 41-16-51. Act 94-207. Act 2008-379.

FILE: DIDD

LOCAL PURCHASING

The Marengo County Board of Education will purchase locally, provided products of equal quality are readily available from local suppliers at prices equal to other non-local vendors.

The Board does not feel compelled to purchase any item or service locally that can be secured at a financial savings to the System from sources outside the local community.

REQUISITIONS

In accordance with sound principles of financial accounting, requisitions shall be prepared for all items or services to be purchased in the name of the Marengo County Board of Education and shall be submitted to and approved by the Superintendent prior to issuance of a purchase order and submission of same to respective vendors.

Provided items or services to be purchased are requested by local schools, each requisition shall note the name of the person requesting items or services and shall be signed by the local school principal prior to submission to the Superintendent.

All requisitions in the name of the Marengo County Board of Education shall note that items and services shall be delivered to the Board, designated school, or department.

All requisition forms shall be fully completed to show quantity, description, unit price, and extended price.

Purchases for the transportation and maintenance programs will be requisitioned by the department heads. Purchase orders will be issued to the selected vendor(s) with purchase description and amounts as follows:

A. Transportation

"For purchase of supplies and/or equipment for a described period not to exceed \$500.00." Special purchases (Ex. motors, oil, grease, etc.) will have a limit not to exceed \$2,200.00.

B. Maintenance

"For purchases of supplies and/or equipment for a described period not to exceed \$500.00." Special purchases (Ex. door units, etc.) will have a limit not to exceed \$1,000.00.

This policy shall apply to all local school purchases as well as to those made by Central Office personnel. Local school purchase orders shall be kept in an easily accessible file within the local school and shall be properly and accurately classified. One copy of each purchase order is to be kept for the Central Office file. One copy is to be given to the vendor. One copy is to be kept by the principal.

Only invoices which denote the issued purchase order number shall be chargeable to the local school or school board.

FILE: DIDF

CHANGE ORDERS

The procedures to increase or decrease the amount of a contract after bids have been officially accepted by the Marengo County Board of Education will be by change order. A change order will be submitted by the contractor to the project architect and upon his recommendation, such change orders will be submitted to the Superintendent for his recommendation of action to be taken by the Board.

If approved by the Marengo County Board of Education, the Superintendent in consultation with the architect will put the change order into effect and will make it a part of the official contract price.

FILE: DIDG

VENDOR RELATIONS

The Marengo County Board of Education prohibits any Board member or employee from accepting gifts from any person, agency, or company doing, or desiring to do, business with the School System. All business-related gratuities are prohibited except nominal-value advertising items which are widely distributed.

Ref: Ala. Code 16-8-9, 16-8-7, 36-25-2(a), (b), (d); 36-25-5 (a), 36-25-6, 36-25-7.

FILE: DIDH

PAYMENT PROCEDURES

All invoices will be submitted to the Custodian of school funds in the Board of Education Office for payment. The normal date for payment of invoices will be on the 10th of each month. Invoices paid on dates other than the 10th of the month must be approved by the Superintendent.

A receiving report must accompany an invoice before it is paid.

FIXED ASSETS

DESCRIPTION OF SYSTEM

Purpose:

- A. Safeguarding the assets of the school system.
- B. Verification of the "General Fixed Asset Account Group" balance in the financial statement.
- C. Documentation for insurance purposes (in case of fire or loss).
- D. Maximum utilization of fixed assets, especially moveable equipment.

Forms and Records Required:

- A. Inventory card or record form.

Procedure:

- A. Fixed Assets are defined as those tangible items owned by or in custody of the school system which have a significant value, a useful life of more than one (1) year, and are used in conducting activities of the school system. The major classifications of General Fixed Assets to be accounted for include, but are not limited to:

Real Property (all)

1. Land.
2. Land improvements.
3. Buildings.
4. Building improvements.

Personal Property

1. Equipment (\$25.00 or more unless part of a bulk purchase in which individual items cost less than \$25.00).
 - a. Furniture and fixtures.
 - b. Motor vehicles (autos, trucks, buses).
 - c. Instructional equipment.
 - d. Non-instructional equipment.

Construction in Progress

- B. The Marengo County School System has designated the custodian of school funds and clerk as "property managers". The "property managers" are responsible for the annual inventory of the school system's fixed assets.
- C. An annual inventory of all fixed asset items will be taken on or before August 1st of each year. The current inventory will be verified with the prior year's inventory to insure the following:

1. All fixed assets that should exist on the records have been inventoried and properly accounted for.
2. All current year acquisitions of fixed assets have been included in the inventory.
3. All current year deletions of fixed assets have not been included in the current inventory.

Any variances occurring must be reconciled and properly documented to become a part of the annual inventory record.

D. All existing fixed assets have been valued at cost or estimated fair market value at time of acquisition.

E. The following procedure is used in accounting for the purchase of fixed assets:

1. All fixed asset purchases require prior approval through formal purchase order/requisition.
2. Bid Law regulations must be followed for fixed asset purchases exceeding \$3,000.00.
3. A copy of all fixed asset purchase orders will be sent to the property managers upon receipt of approved purchase order.
4. The property managers will be responsible for obtaining the initial data required in setting up the fixed asset records. (See Fixed Asset Inventory Records D-1, D- 2, and D-3.)
5. The accounts payable section will require a Fixed Asset Inventory Record in hand at such time the vendor's invoice is processed for payment. It will be the responsibility of the accounts payable section to follow up and obtain the Fixed Asset Inventory Record if it has not been received.

6. That accounts payable section will complete the Fixed Asset Inventory Record relating to payment and attach a copy of the vendor's invoice.
 7. The property managers will be responsible for entering the required information into the Fixed Asset Records and properly filing the support documents.
- F. The following procedure is used in accounting for the acquisition of fixed assets through donation or local school fund purchases:
1. All school principals and school system personnel, subject to purchasing from local school funds or receiving donated items, will be advised to notify the property managers when fixed assets are acquired.
 2. The property managers will obtain the required information needed to complete the Fixed Asset Inventory Record.
 3. The property managers will be responsible for entering the required information into the fixed asset records and properly filing the support documents.
- G. The "disposal" or "deletion" of existing fixed assets owned by the school system must be properly accounted for in the fixed asset accounting system. "Disposal" or "deletion" of fixed assets includes:
1. The sale of fixed assets.
 2. The trade-in of fixed assets.
 3. The removal due to obsolescence or wearing out.
 4. Fixed assets damaged beyond repair.
 5. Loss due to disaster or theft.

The following procedure is used in accounting for fixed asset disposal or deletion:

1. The property managers must be notified immediately when existing assets become subject to disposal or deletion.
 2. Prior approval from the property managers and superintendent must be obtained before existing fixed assets can be sold or traded. A "Request of Sale or Trade of Fixed Assets" form must be completed, approved, and filed with the custodian of school funds prior to the sale or trade. (See Exhibit D-4.)
 3. Post transaction information on the bottom of the form must be completed by the custodian of school funds prior to permanent retention.
- H. The proper bookkeeping entries recording the acquisition or disposal of fixed assets must be recorded in the general journal and fixed asset records within the month the transition occurs. The custodian of school funds will be responsible for this task.
- I. Bookkeeping adjustments required annually after inventory will be responsibility of the custodian of school funds. It is important that the annual physical inventory and the control records for fixed assets be in agreement. Any annual adjustments made to the books or the inventory must be adequately documented.

Ref: Accounting Manual for Alabama School Systems, Section: VI-300.

Exhibit D-1

**Fixed Asset Inventory
(Real Property)**

Inventory Control # _____

Item: _____

Location: _____

Date Acquired: _____ Fund: _____ Cost or Acquired Value \$ _____

Source of Acquisition: _____

Method of Financing: _____

Board Approval: _____ P. O. # or Voucher # _____ Date: _____

Comments: _____

Purchased: _____ Constructed: _____

Contractor: _____
New _____ Used _____

Date Asset Deleted: _____ Disposition: _____

Exhibit D-2

**Fixed Asset Inventory
(Construction in Progress)**

Inventory Control # _____

Item: _____

Location: _____

Date Started: _____ Cost Value \$ _____ Fund: _____

Probable Completion Date: _____ Estimated Completion Value \$ _____

Contractor(s): _____

Board Approval Date: _____

Method of Financing: _____

By: _____

Date Completed: _____ Assigned Inventory Control # _____

Exhibit D-3

Fixed Asset Inventory

(Personal Property)

Inventory Control # _____

Item: _____ Serial # _____

_____ Model # _____

Initial Location: _____

Building: _____

Room: _____

Received by: _____

Date Acquired: _____ Fund: _____ Cost or Acquired Value \$ _____

Source of Acquisition: _____

Purchased New _____ Purchased Used _____ Donated _____

Other (explain): _____

P. O. # _____ P. O. Date _____ Voucher _____ Voucher Date _____

Estimated Useful Life _____ years

Comments: _____

(First Transfer) (Date) (Second Transfer) (Date)

Date Asset Deleted: _____ Disposition: _____

Exhibit D-4

Request for Sale, Trade, or Disposal of Fixed Asset

Description of Fixed Asset: _____

Fixed Asset ID Number: _____ Location: _____

Reason for Sale () or Trade (): _____

Asset Book Value \$ _____

Value to be Receive on Sale or Trade \$ _____

Approved by: _____ Approved by: _____
(Property Manager) (Superintendent)

Date Sold or Traded: _____

Amount Received (if sold): \$ _____

Replacement Asset (if traded): _____

Replacement Asset ID No.: _____

Journal Entry Reference: _____

Date Entry Recorded: _____

ALLOWABLE COSTS

Before instituting a financial transaction that will require the expenditure of federal funds, the federal program director and the chief financial officer or designee will determine that the proposed transaction meets the requirements for allowable costs for the federal program. Actions to determine allowable costs will assure that:

- A. The proposed expenditure is included in the federal program budget.
- B. The proposed expenditure is reasonable and necessary for the federal program.
- C. The proposed expenditure is consistent with procedures for financial transactions of the board including:
 - 1. Purchase order approval procedures.
 - 2. Contract review and approval procedures.
 - 3. Applicable competitive purchasing procedures.
 - 4. Documentation supports allowability of transaction.

Before payments are made from federal funds, the federal program director and the chief financial officer or designee will determine that the federal program expenditure complies with generally accepted accounting principles and complies with state, local, and federal laws, rules, and regulations. Any cost reduction or cash refund (rebates, discounts, etc.) related to the transaction will be credited to the federal program.

FILE: DJ

STUDENT ACTIVITIES FUNDS MANAGEMENT

See Policy JHB

FILE: DK

CASH IN SCHOOL BUILDINGS

The Marengo County Board of Education requires that any school funds collected be deposited with an approved financial institution on the day collected. No more than one hundred dollars (\$100.00) should be maintained within any school facility overnight.

FILE: DL

SCHOOL PROPERTIES DISPOSAL PROCEDURE

The Superintendent shall advise the Marengo County Board of Education in the event that certain property is no longer needed for school purposes.

The Board upon receipt of such report may at its discretion declare that such property is no longer needed for school purposes.

Once real estate is declared by the Board to be no longer needed for school purposes, the Superintendent will be authorized to take appropriate action to dispose of such property as outlined below:

- a. Follow the procedures in the manner prescribed by state law for the sale of real estate.
- b. Upon receipt of final bid, a recommendation will be made by the Superintendent for Board action.

LOCAL SCHOOL ACCOUNTING AND REPORTING

The Board shall, following recommendations by the Superintendent, prescribe regulations for the keeping of accounts and fiscal records and the making of reports by all under the Board's jurisdiction who are charged with such responsibility. Prescribed regulations shall be consistent with those of the State Board of Education, the Division of Administrative and Finance of the State Department of Education, and with the directives of the State Examiners of Public Accounts.

Said accounts and fiscal records shall be preserved for a five-year period of time or for such period as specified by the State Department of Education or the State Examiners of Public Accounts.

The Superintendent shall develop specific procedures to assure that accounting practices throughout the district are consistent with generally accepted accounting procedures.

Included in the local school principal's responsibilities are:

1. Implementation of the adopted automated local school accounting system for all accounting functions.
2. Causing a segregation of duties wherein fiscal tasks are assigned to more than one individual (i.e., principal, bookkeeper, secretary, teacher, etc.) relative to the following:

- Opening mail
 - Making out deposit slips
 - Posting money/checks received to the books/records
 - Custody of funds until deposited
 - Making bank deposits
 - Receiving funds from athletic events, vending machines, concessions, clubs, and fund raisers
3. Providing monthly financial reports and financial data diskette to the Superintendent's office by the 10th of the following month.
4. Ensuring that related-party transactions do not occur. Financial Accounting Standards Board Statement 57 concludes that related parties consist of all affiliates of an enterprise, including:
- its management and their immediate families
 - its principal owners and their immediate families
 - investments accounted for by the equity method
 - beneficial employee trusts that are managed by the management of the enterprise
 - any party that may, or does, deal with the enterprise and has ownership, control, or significant influence over the management or operating policies of another party to the extent that an arm's length transaction may not be achieved

5. Ensuring that financial loans are not obtained. if obtained, prior approval must be granted in writing by the Superintendent and Board of Education.
6. Causing bank deposits to be made daily if possible. If not deposited daily, secure in a safe and secure location on school premises (personal vehicles and residences are not considered appropriate and are not to be used).
7. Ensuring that travel reimbursement payable to a local school employee is paid on a per mile rate and related travel expenses paid upon presentation of meal, room, registration, etc. receipts. A meal allowance reimbursement not exceeding the Board's rate is permissible in lieu of meal receipts.

The local school principal is the employee responsible for the local school's financial affairs, accounting functions, and compliance with applicable state, federal, and local laws.

Addendum to File: DM not part of policy manual

LOCAL SCHOOL ACCOUNTING REGULATIONS

Financial

1. Receipts must be issued to all parties submitting funds to a school employee or a Marengo County school student involved in collecting funds. **All** employees/students collecting money must issue a receipt upon receipt of funds. The receipt must indicate from whom the money was received, the amount received shown both in figures and in words, why the money was collected, and signature of collecting employee/ student.

Money collected should be submitted to the principal's office daily. The secretary or principal shall count the money and receipt the employee/student.

Receipt books must be kept in a secure location on the school premises.

Only pre-numbered receipt books are to be used. Receipts containing errors should be marked "void" and left in the receipt books (both the original and carbon copy are to be left in the book).

At the close of each school year, employees must submit used receipt books to the principal for storage in a secure location.

2. Cash receipts entry procedure must be used when recording a school's deposit(s). A listing should be maintained of all deposits which shows the date, the document number, and the amount of the deposit.
3. Bank deposits should be made daily, if possible. If funds are not deposited daily, all money and checks must be kept in a secure location on the school premises. The amount of these secured funds should be kept to a minimal level.
4. Money from vending machines and/or concession areas shall be collected and receipted daily.
5. Control of concessions inventory and funds shall be monitored through the use of the prescribed inventory/ accounting form. The prescribed form shall be completed accurately and maintained in the financial records of the school.
6. An accounting system for school events shall be used. Prenumbered tickets must be used and accounted for through the use of the prescribed ticket reconciliation form. Each ticket reconciliation form shall be completed accurately and maintained in the financial records of the school. Each completed form must reflect use of consecutive ticket numbers. If different colored tickets are used for selected events, indicate ticket color on the ticket reconciliation form.
7. A schedule of accounts payable and accounts receivable shall be maintained on a monthly basis. A form such as the cash receipts screen can be used so numerous entries can be made by the use of one sheet. When entries are updated and printed, keep all journal entries for use as a reference.
8. A purchase order system must be used for local school purchases. All local school purchase orders should be handled in the same manner as the central office purchase order system with all documents maintained in the principal's office.

Each purchase order should be itemized, totaled, bear necessary signatures, dated, numbered, and include the general ledger number being charged on the purchase order. After completion, data should be entered into the automated accounting system.

Upon completion, the original shall go to the vendor, one copy is kept for the designated employee to sign verifying all merchandise is received. To this copy, the verified invoice will be attached. A third copy will serve as a file copy.

9. Process for accounts payable:

- Write or stamp the receipt date on each invoice/bill as it is received.
- The vendor number can be put on for ease in entering when paying.
- Check the invoice/bill for accuracy - verify extensions and totals. After verification, attach a calculator tape to the invoice/bill documenting that the invoice/bill was checked. If the vendor/company has made an error, mark through the error(s) and make corrections.
- Decide the general ledger number to be charged and record on the invoice/bill. If the invoice is for materials bought with a purchase order, record the general ledger number on the purchase order before it is entered into the computer.

10. Building the batch file:

- Be sure all purchase orders have been entered into the system.

- Any invoices/bills not being paid by purchase order (electric bill, telephone bill, repair/service bill, etc.) should have the vendor number and general ledger number written on the invoice/bill. Attach verification tape.
- Prior to entering any invoices/bills, run a total of all invoices/bills to be paid in order to obtain a batch total. It is advisable to total each funding source separately so an error can be detected when the batch is run.
- Process the batch.
- After all invoices are entered, run a batch file listing. Check it for accuracy of entry - total of batch must match the total of the tape, general ledger numbers are correct, and all other information is correct.
- If error(s) exist, make correction (s) through edit and run batch again.
- After error(s) is corrected, proceed with steps necessary to complete the paying of invoices/bills.
- After checks are run, write or stamp date paid and check number on each invoice/bill.
- Attach check to paid invoice/bill and submit to principal for signature on check. Do not submit to the principal only the check(s) to sign.

11. The school's bank statement must be reconciled and maintained in the school's financial records.

12. Monthly reports are to be run and maintained in the school's financial records. These reports are on computer software under "End of Month Procedures Menu" (see McAleer manual). Send to the Superintendent's office monthly the principal's report and the diskette containing all financial data. The principal must review, sign, and date the

report(s). Included on each report should be the date of the monthly fire drill and the date of severe weather drills.

Equipment Inventory

1. Equipment items with a cost of \$500-00 or greater which are purchased by a local school principal or donated to a local school shall be recorded on a local school inventory form as prescribed. A copy of the equipment inventory shall be submitted to the Marengo County Custodian of School Funds each time an item(s) is added to the inventory. A file copy of the inventory sheet should be maintained at the local school.

School Attendance

1. Daily student attendance documentation shall be recorded by each assigned homeroom teacher and submitted daily to the principal's office. This documentation must be revised daily to credit the attendance of late arriving students. The documentation form(s) shall reflect a scholastic month (20 school days), bear the signature of the homeroom teacher, and be maintained in the student attendance records located in the principal's office.

WORTHLESS CHECKS

Bad Check Collection Procedures

Proper notification should be made to the parents and students that appropriate action will be taken in prosecuting bad-check writers. A notice will be in the school handbook given each school year and proper notice posted in the school office.

When accepting checks, if possible, a driver's license number should be referenced on the check. Caution employees to not accept unsigned, post-dated, or counter checks.

Upon receipt of a NSF check, log the check in a "Bad Check Log" notebook, notice date received, amount, and name of check writer. Then, several things need to be determined to meet District Attorney requirements: If the check date is less than one year from the current date, the check was not post-dated and was initially deposited promptly, was not a donation check, and is stamped "insufficient funds" or "account closed," you may proceed with this process. The Principal, or his/her designee, should immediately send "Notice to the Maker" by certified or registered mail, addressed to the check signer (not the name in the top left corner of the check). This alerts the bad-check writer that they have ten (10) days to pay the amount plus a service charge prescribed by law (\$30.00 for checks dated January 1, 2003, or after). If the certified letter is returned to you, no waiting period is required.

If paid within ten (10) days of sending “Notice to the Maker,” deposit the cash and mark it re-deposited. A separate receipt shall be written for the service charge. The returned check may be returned to the person who wrote the check after cash has been received to cover the amount and the service charge. The name on the returned check should be entered on the re-deposit ticket. Also, periodically names of bad check writers should be distributed to all employees receipting cash at your school so that repeat offenders can be stopped.

If the bad check amount plus service charge is not paid within ten (10) days of the confirmation of receipt of the letter, a Worthless Check Information Form is completed (for each bad check). NOTICE: Victim information refers to the school accepting the check. Also, since we will probably be dealing with large numbers of these to begin with, each should be logged on a “Checks Received by D.A. WCU” form. The Principal or designee will forward all documents to the District Attorney’s office (Worthless Check Unit).

The bad-check writer will be notified by the Unit and will be given the opportunity to voluntarily pay the total amount owed (which will then include a \$94.00 D.A. Fee). The Unit will remit restitution collected to each school on a monthly basis. Partial payments are not accepted but the Unit will let them clear one bad check per month if there are multiple cases.

If the bad-check writer fails to respond to this notification, a warrant is issued. If arrested, court fees of \$275.00 are also added to each bad check case brought to trial.

The accounting entries for NSF checks and fees are as follows: It is recommended that the cash and corresponding revenue account be reduced by the amount of NSF checks when submitted to the District Attorney’s office for collection. When the checks are collected and returned to your system, redeposit and post the cash and revenue accounts. The fees collected

should be posted to the applicable revenue code for fees for the specific revenue type (6930, 7260, or 7610, as applicable). The school must maintain a log or other record to document that NSF fees collected exceed the amount of any checks that have been determined not to be collectable.

The fees collected may be utilized to cover any expense incurred in collecting checks and in covering the actual face value of any uncollected checks. The collected NSF check fee may be maintained in a nonpublic local school fund. If a check is determined not to be collectable, this nonpublic fund can then be utilized to transfer funds to the appropriate state, federal, or public fund to cover amount of the NSF check. Whether a school elects to charge a fee or not, nonpublic funds must be used to cover any insufficient checks in state, federal, or public fund accounts.

The recording of returned checks due to insufficient funds for school lunch payments should be charged against the student's lunch account not shown as paid on the school lunch books and then collected in the returned check account on the school's books. CNP Funds should be kept separate from local school funds.

Occasionally, checks are returned as a result of a bank error. When this occurs require the bad-check writer to furnish a written explanation from the bank which clearly documents a bank error. When this documentation is provided, the principal may waive the service charge.

When a student who is a minor writes a bad check, contact the parents or guardian before sending the Notice to the Maker.

NOTICE TO THE MAKER

Name _____ Date _____

Address _____

City _____ State _____ Zip _____

This statutory notice is provided pursuant to section 13A-9-13.2 of the Alabama Code. You are hereby notified that a check or instrument number _____ apparently issued by you on _____ (date), drawn upon _____ (bank), has been dishonored. Pursuant to Alabama Law, you have ten (10) days from receipt of this notice to tender payment of the full amount of the check or instrument plus a service charge of \$_____, the total being \$_____. Unless this amount is paid in full within the specified item above, the holder of such check or instrument may assume you delivered the instrument with the intent to defraud, and turn over the dishonored instrument and all other available information relating to this incident to the proper authorities for criminal prosecution.

FIRM _____

ADDRESS _____

CITY _____

TELEPHONE _____

BY _____

CHECKS RECEIVED BY D.A. W.C.U.

<input type="checkbox"/> Mailed In <input type="checkbox"/> Dropped Off Date: _____

Victim Name: _____
 Date Received: _____
 Checks Given By: _____
 Please Print Name: _____

Defendant Name	Check #	Date	Check Amount
1)			
2)			
3)			
4)			
5)			
6)			
7)			
8)			
9)			
10)			
11)			
12)			
13)			
14)			
15)			
16)			
17)			
18)			
19)			
20)			

Total Number of Checks Received: _____

Received by D.A.: _____

BAD CHECK LOG

(School)

Name of Check Writer	Amount of Check	Date of Check	Date Received from Bank	Date 10 Day Notice Sent	* Amount Collected	Date Sent to Finance	Journal Number to Credit Cash
1)							
2)							
3)							
3)							
5)							
6)							
7)							
8)							
9)							
10)							
11)							
12)							
13)							
14)							
15)							
16)							
17)							
18)							
19)							
20)							

* Amount should include a \$30.00 Service Charge

WORTHLESS CHECK INFORMATION

READ CAREFULLY! I certify that the information furnished below is true and correct to the best of my knowledge, information, and belief. I further certify that this case is not brought for the collection of a debt; and I understand that once this case is turned over for prosecution, I am not to receive payment of the amount of the check. I also understand that I have no further connection with the case except to testify in the event the case is brought to trial. Any person who wrongfully and corruptly swears or affirms to an affidavit may be subject to criminal charges for the offense of perjury.

IF YOU DO NOT KNOW THE INFORMATION, LEAVE THE SPACE BLANK

<u>CHECK WRITER'S INFORMATION</u>	
Name of Person Who Issued Check	_____
Address	_____
Employer	_____
Home Phone Number ()	_____
Work Phone Number ()	_____
Race	_____
Sex	_____
Height	_____
Weight	_____
Eyes	_____
Hair	_____
Date of Birth	_____
Social Security Number	_____
Driver's License Number	_____
Driver's License State	_____

<u>VICTIM INFORMATION</u>	
Name of Firm That Accepted Check	_____
Address	_____
Telephone Number ()	_____
Address Where the Check was Accepted	_____

<u>CASE INFORMATION</u>	
Was partial payment made toward the check?	_____
Did you agree to hold the check before deposit?	_____
Was this a postdated check?	_____
Was the check deposited within 30 days?	_____
Check Number	_____
Amount of Check	_____
Date Check Was Written	_____
What was the check used to pay for?	_____
Was a certified letter mailed to the address on the check?	_____
Bank check is drawn on	_____
Was the check returned NSF, account closed, or other?	_____
Name of Person Who Mailed the Certified Letter	_____
Name of the Person Who Accepted the Check	_____

Magistrate _____
Date _____

_____ Affiant Signature

_____ Print Name, Please

FILE: DO
Adopted: July 20, 2004
Revised: April 23, 2015
Revised: July 26, 2018

CHILD NUTRITION PROGRAM

Charged Meal Policy

Charged Meals

Marengo County Schools Child Nutrition Program has a no charge meal policy. The Child Nutrition Program may not absorb unpaid meals as set forth in the USDA regulations. However, some students may either lose or forget their lunch/breakfast money. The Principal must establish a non-public source of funds with which to pay for charged meals. This cash fund may be established by sources such as PTA, clubs, etc. The cafeteria manager is required to submit the child's name to the school office daily or weekly. The school office will remit payment to the Child Nutrition Program with non-public funds to cover these debits/charges if parents have not resolved the matter within the proper time frame. The school office is responsible for collection of any money from students. The Child Nutrition Program may not enter into collection procedures.

Meals must not be denied to students in grades K – 6 and all special needs students. If a child does not have the money required, the Principal must make arrangements for payment until the parent or guardian resolves the charges.

A Principal has the authority under the USDA regulations to complete and approve a Free and Reduced-Price Meal Application for a student should the Principal determine that there is a hardship or a situation in which the parent or guardian has not or will not take the appropriate action.

No charges are allowed for a la carte items or for adult/visitor meals.

Adult Meals

Marengo County Schools Child Nutrition Program has a no charge meal policy. No free meals from the Child Nutrition Program shall be provided to any employee of the Marengo County School System that is not directly involved in the preparation and serving of the meal. Any and all adults that eat in the lunchrooms must pay full price for their meals.

The price of an employee adult meal will be based on the price of a paid student meal, plus the reimbursement from USDA for a paid meal, plus the value of USDA commodities per meal. The combined total charged for an adult meal must be greater than the combined total of the above.

CASH MANAGEMENT FOR FEDERAL FUNDS

The board will minimize the time between the receipt of federal funds from the United States Treasury, the Alabama Department of Education, or other pass-through entity, and the disbursement of the federal funds. Federal funds will only be required to meet immediate cash needs as follows:

- A. Reimbursement not covered by prior receipts and;
- B. Anticipated disbursements that are generally fixed, such as monthly program salaries and benefits; or,
- C. Disbursements will be made within fifteen (15) business days after receipt of funds.
- D. The chief school financial officer will maintain financial records that account for the receipt, obligation, and expenditure of each federal program fund.
- E. Cash balances for each federal program fund and for the aggregate of all federal program funds will be monitored daily by the chief school financial officer or designee.

Board procedures to minimize the cash balances in federal program funds are expected to prevent the aggregate cash balances of federal program funds from earning \$500 or more for the fiscal year if maintained in interest-bearing accounts. The federal program funds, with the exception of Child Nutrition Program funds, will not be maintained in an interest-bearing bank account if the chief school financial officer determines that banking requirements for minimum

or average balances are so high that an interest-bearing account would not be feasible. Federal program funds will be maintained in insured checking accounts that are subject to the state requirements for public deposits under the SAFE program.

PROCUREMENT POLICY FOR FEDERAL AWARDS

The board will follow state laws for the procurement of property and services. The primary state procurement laws for Alabama school boards are:

- A. *Alabama Competitive Bid Laws (Chapter 13B of Title 16, Code of Alabama 1975);*
- B. *Joint Information Technology Purchasing Agreement (Chapter 13B for Title 16, Code of Alabama 1975); and*
- C. *Public Works Law (Title 39, Code of Alabama 1975).*

To the extent allowed by state laws, the board will utilize state, local, regional, and national purchasing agreements where appropriate for the procurement or use of goods and services. All procurement transactions are subject to the board's conflict of interest policy and the procurement decisions of the board will:

- A. Avoid acquisition of unnecessary or duplicative goods and services.
- B. Use the most economical and efficient approach for acquisitions.
- C. Award acquisition contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement.
- D. Consider contractor integrity, compliance with public policy, record of past performance, and financial and technical resources prior to awarding procurement contract.
- E. Maintain records sufficient to document the history of the procurement.
- F. Conduct procurement transactions in a manner that provides full and open competition.

Procurement transactions that are not subject to the state procurement laws, but exceed the aggregate amount of the federal micro-purchase threshold, will be obtained by utilizing price or rate quotes from two or more qualified sources. State procurement laws include requirements that comply with the Uniform Administrative Requirements for procurement of property and services.

The Board will request proposals for professional service contracts (excluding architectural and engineering services) that are not subject to the state procurements laws. The board will utilize a team of three or more qualified individuals to conduct a technical evaluation of proposals received and for selecting recipients. As a part of the evaluation, the individuals on the evaluation team will sign an assurance that each of the individuals is in compliance with the board's conflict of interest policy.