

# **BUSINESS and FINANCIAL MANAGEMENT**

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\s\ Steve Ewing, Board President

## **7.1—FISCAL YEAR**

The District's fiscal year shall begin July 1 and end on the following June 30.

Legal Reference:       A.C.A. § 6-20-410

Date Adopted: June 28, 2004

Last Revised:

## **7.2—ANNUAL OPERATING BUDGET**

The Superintendent shall be responsible for the preparation of the annual operating budget for the District. The Superintendent shall present the budget to the Board for its review, modification, and approval.

The budget shall be prepared in the electronic format as prescribed by the State Board of Education and filed with the Arkansas Department of Education no later than September 30 of each year.

The approved budget shall provide for expenditures that are within anticipated revenues and reserves. The District Treasurer shall present monthly reconciliation reports and a statement on the general financial condition of the District monthly to the Board.

Any changes made to the budget shall be in accordance with District policy and state law.

Legal References:       A.C.A. § 6-17-914  
                              A.C.A. § 6-13-701(e)(3)  
                              A.C.A. § 6-20-2202

Date Adopted:  
Last Revised: June 9, 2014

### **7.3—MILLAGE RATE**

The Board shall publish one time in some newspaper published in the county in which the district lies, at least sixty (60) days in advance of the school election at which the annual ad valorem property tax for the district is decided by the electors, the District's proposed budget, together with a millage rate sufficient to provide the funds necessary for the District's operation.

Legal References:     A.C.A. § 6-13-622  
                          Arkansas Constitution: Article 14 Section 3 (c) as amended by  
                          Amendment 74

Date Adopted: June 28, 2004

Last Revised: July 18, 2011

## **7.4—GRANTS AND SPECIAL FUNDING**

The Superintendent or his/her designee may apply for grants or special funding for the District. Any grants or special funding that require matching District resources shall receive Board approval prior to the filing of the grant's or special resource's application.

Date Adopted: June 28, 2004

Last Revised:

## **7.5—PURCHASES AND PROCUREMENT**

Purchases shall be made in accordance with State laws and procurement procedures governing school purchases that are deemed to be in the best interest of the District and are the result of fair and open competition between qualified bidders and suppliers. No bids shall be taken for professional services.

### **DEFINITIONS**

“Commodities” are all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased on behalf of the District.

“micro-purchases” are purchases with a value of less than three thousand five hundred dollars (\$3,500) when purchased with Federal funds.

“Professional services” are legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.<sup>1</sup>

“Specifications” means a technical description or other description of the physical and/or functional characteristics of a commodity.

### **Commodities**

The superintendent shall develop procedures for the procurement of micro-purchases that provide for the distribution of purchases between eligible vendors to the extent possible.

Purchases of commodities with a purchase price of more than \$10,000 require prior Board approval; however, if an emergency exists, the Superintendent may waive this requirement.

The district shall notify in writing all actual or prospective bidders, offerors, or contractors who make a written request to the district for notification of opportunities to bid. The notification shall be made in sufficient time to allow actual or prospective bidders, offerors, or contractors to submit a bid or other appropriate response.<sup>4</sup> The board shall accept bids submitted electronically by email or fax for any and all district purchases, unless specified to be submitted by other means or methods, and except those bids which have been specified to have a designated date upon which the bids shall be opened. The superintendent shall be responsible for ensuring submitted bids, whether written, faxed, or emailed, are retained in accordance with policy 7.15—RECORD RETENTION AND DESTRUCTION.

The district will not solicit bids or otherwise contract for a sum greater than twenty-five thousand dollars (\$25,000) with vendors that are on the “excluded parties list” if the contract is to be paid from federal grant funds.<sup>5</sup>

All purchases for a Federal program with an estimated purchase price between three thousand five hundred dollars (\$3,500) and twenty thousand dollars (\$20,000) and all purchases of commodities with an estimated purchase price that equals or exceeds twenty thousand dollars (\$20,000) shall be procured by soliciting bids. Specifications shall be devised for all commodities to be bid that are specific enough to ensure uniformity of the bid and yet not so restrictive that it would prevent competitive bidding. The bid specifications shall not include the name or identity of any specific vendor. The Board reserves the right

to reject all bids and to purchase the commodity by negotiating a contract. In such an instance, each responsible bidder who submitted a bid shall be notified and given a reasonable opportunity to negotiate.<sup>6</sup>

Bids shall be awarded after careful examination of the details of the bid to determine the best overall value to the District. In instances where the low bid was not accepted, a statement of the reasons the low bid was not accepted shall be attached to the bid. Bidders submitting written bids shall be notified in writing of the bid award.

The following commodities may be purchased without soliciting bids provided that the purchasing official<sup>7</sup> determines in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of the written determination is attached to the purchase order:

1. Commodities in instances of an unforeseen and unavoidable emergency;
2. Commodities available only from the federal government;
3. Utility services;
4. Used equipment and machinery;<sup>8</sup> and
5. Commodities available only from a single source.<sup>9</sup>

The District may purchase a new motor vehicle, other than a school bus, without soliciting bids if, at the time of the purchase, the:

- a. Purchase is from a motor vehicle dealer licensed in Arkansas;
- b. Purchase price of the motor vehicle does not exceed the fleet price awarded by the Office of State Procurement; and
- c. Motor vehicle to be purchased is the same make and model motor vehicle as the make and model the fleet price was awarded for by the Office of State Procurement.

Prospective bidders, offerors, or contractors may appeal to the district's superintendent if they believe the district failed to follow district bidding and purchasing policy or state law.

Any award of a contract shall be subject to revocation for ten (10) working days from:

- The initial awarding of the contract; or
- If an appeal is received, resolution of the appeal.

The intent is to provide prospective bidders, offerors, or contractors the opportunity to appeal the bid award if they believe the facts warrant an appeal. Any appeal shall be **in writing by certified mail** and received by the district office, "attention to the superintendent" within seven (7) calendar days following the initial and revocable award of the contract.

If the district receives an appeal of a bid award, they shall notify, in writing, those prospective bidders, offerors, or contractors who have made a written request to the district for notification of opportunities to bid that an appeal has been submitted. The notification shall state:

- that the contract award has been halted pending resolution of the appeal and could be revoked;
- the reasons for the appeal;
- that the recipient of the letter may respond to the protested issues identified in the appeal;
- the date the decision on the appeal will be made and notification sent;
- that if the appeal is upheld, the bidding process will be re-opened;

- that if the bidding is re-opened, changes will be made to the request for bids as necessary to satisfy the reasons for upholding the appeal.<sup>10</sup>

The sole authority to resolve any appeal made relating to this policy shall rest with the superintendent. The superintendent's decision shall be final and conclusive. In the event the district upholds an appeal, the sole responsibility of the district to the aggrieved bidder(s) shall be the re-opening of the bidding process.

The District reserves the right to extend or renew a contract that was previously awarded under the process governed by this policy and law, provided the extension or renewal meet the following criteria:

1. The equipment and services provided under the extended or renewed contract meets or exceeds the specifications of the original bid.
2. The extended or renewed contract agreement complies with the state of Arkansas's documentation requirements.
3. The cost of the extended or renewed contract is the same or less than the original contract.
4. The extension or renewal is approved by the local school board.

### **Professional Services**

The District does not use a bidding process when procuring professional services. Instead, when the District needs to procure professional services, the District shall:

1. Select three (3) qualified firms;
2. Determine the most qualified firm by considering, at a minimum, the:
  - Specialized experience and technical competence of the firm with respect to the type of professional services required;
  - Capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
  - Past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and
  - Firm's proximity to and familiarity with the area in which the project is located;
3. Negotiate a contract for the project with the most qualified firm.

When negotiating a contract, the District and the selected firm shall jointly prepare a detailed, written description of the scope of the proposed services. If the District is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated and the District shall negotiate a contract with the next most qualified firm. In the event the District is unable to negotiate a contract with any of the original selected firms, the District shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, and return to step one.

The District encourages firms who provide professional services to submit annual statements of qualifications and performance data to the District. The District shall request any additional information as needed for a particular public project.

Notes: <sup>1</sup> The definition of "professional service" contains the entire list of professional services in A.C.A. § 19-11-801 that are automatically removed from the bidding process. The board has the option to add additional professional services to this list with a two-thirds (2/3) vote for each service type

to be added. Services that can be added to the list are services that require a firm or individual to hold a valid license specific to perform the type of service in question.

<sup>4</sup> ASBA strongly recommends that each district keep a record of all requests to be a “bidder.”

<sup>5</sup> Names of vendors on the excluded parties list can be found at <http://www.epls.gov>.

<sup>6</sup> Any commodities purchased by the district through the TAPS program satisfies the bidding requirements.

<sup>7</sup> This is the school board if specified in this policy (see #<sup>3</sup> above) as the body to approve the purchase of commodities.

<sup>8</sup> Used school buses, over two years old as defined in A.C.A. § 6-21-306(a), are exempt from bidding requirements.

<sup>9</sup> A “sole source justification document” should be attached to the purchase order and maintained in the audit file for all commodities purchased as such. ADE stipulates the following seven (7) criteria that the justification must meet:

- Why the service or product is needed;
- The methods used to determine that a lack of responsible/responsive competition exists for the service or product;
- How it was determined that the provider possesses exclusive capabilities;
- Why the service or product is unique;
- Whether or not there are patent or property rights which make the required service or product unavailable from other sources;
- What the district would do if the provider/service product were no longer available;
- Any program considerations which make the use of a “sole source” critical to the successful completion of the district’s task.

<sup>10</sup> A.C.A. § 6-21-304 specifically states the parameters required within the appeal process. Your district could choose to alter the paragraph and how it intends to deal with the appeal and its resolution. An example would be to award a financial settlement to the appellant if the appeal is upheld. Another example would be to state, by policy, the length of time for the resolution of the appeal process.

Legal References:      A.C.A. § 6-21-301, 303, 304, 305, 306, 307  
                                 A.C.A. § 6-24-101 et seq.  
                                 A.C.A. § 19-11-801 et seq.  
                                 2 C.F.R. § 200.67  
                                 2 C.F.R. § 200.319  
                                 2 C.F.R. § 200.320  
                                 2 C.F.R. § 200.324  
                                 48 C.F.R. § 2.101

Date Adopted: 07-28-2004

Last Revised: 08-14-2013; 05-09-2016; 09-11-2017

**7.5F—COMMODITIES BIDDER AFFIDAVIT**

NAME OF SCHOOL DISTRICT

NAME OF COUNTY

I, \_\_\_\_\_, hereby state:

(1) I am the duly authorized agent of \_\_\_\_\_, the bidder submitting the competitive bid which is attached to this statement. I certify the facts as detailed below pertaining to the non-existence of collusion among and between bidders and state officials, as well as to the facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.

(2) I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.

(3) Neither the bidder nor anyone subject to the bidder's direction or control has been a party:

(A) To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;

(B) To any collusion with any state official or employee as to quantity, quality, or price in the prospective contract, or as to any other terms of the prospective contract; or

(C) In any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.

(4) I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

\_\_\_\_\_

Signature

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Notary Public”

Adopted: June 19, 2006

**7.5F2— FOOD SERVICE COMMODITIES BIDDER AFFIDAVIT**

WALDRON SCHOOL DISTRICT

SCOTT COUNTY

I, \_\_\_\_\_, hereby state:

(1) I am the duly authorized agent of \_\_\_\_\_, the bidder submitting the competitive bid which is attached to this statement. I certify the facts as detailed below pertaining to the non-existence of collusion among and between bidders and state officials, as well as to the facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.

(2) I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.

(3) Neither the bidder nor anyone subject to the bidder's direction or control has been a party:

(A) To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;

(B) To any collusion with any state official or employee as to quantity, quality, or price in the prospective contract, or as to any other terms of the prospective contract; or

(C) In any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.

(4) I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

(5) I hereby certify that the bid, unless specifically exempted by the USDA, is for agricultural commodities that have been produced in the U.S. or if the bid contains food products that at least 51% of food in the product was produced in the U.S. I understand that the district shall not accept any product that does not meet this requirement and is not liable for any loss I may incur as a result of such refusal to accept.

\_\_\_\_\_

Signature

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_

Notary Public

## 7.6L—ACTIVITY ACCOUNT

The District shall maintain an account of activity funds. The funds for the account are those revenues derived from the sale of tickets to athletic contests or other school sponsored activities; the sale of food other than that sold in the cafeteria; the sale of soft drinks, school supplies, and books; and fees charged by clubs and organizations.

Activity funds are considered “school funds” and as such may only be spent for school related purposes.<sup>1</sup>

The Superintendent shall be the custodian of all activity funds and shall be responsible and accountable for the funds. The Superintendent may appoint a co-custodian for each school in the District who shall also be responsible for the activity funds he/she maintains.

**Unless otherwise noted, the principal of each school is the designated co-custodian for the activity funds within that school.**

Note: <sup>1</sup> “School related purposes” has been narrowly interpreted by the courts under Article 14 of the Arkansas Constitution to require the expenditures to be for a legitimate public purpose closely related to the provision of K-12 education.

Legal Reference: A.C.A. § 6-13-701 (g)

Date Adopted: June 28, 2004

Last Revised: July 18, 2011

## **7.7L—CASH IN CLASSROOMS**

No cash or checks are to be left in any classroom overnight. Staff, other than the District treasurer, who collect funds in the course of their employment should deposit the funds daily with the treasurer. Treasurers should deposit daily, unless otherwise directed by the superintendent or business manager.

Notes: Policies 3.47 and 8.39 both require daily deposits with the superintendent or designee determining if the fund collection requires receipts and/or other record keeping requirements. That language is not repeated in this policy, but the reasons for daily deposits are the same as for those policies. Specifically, the goal is to protect both the district and the staff from possible overnight theft which is only covered by insurance if there are receipts to prove the existence of the funds and even then, there is a deductible (often \$1000). It could often be the case that the receipts and the funds would be in the same envelope and be stolen at the same time. Bottom line is that the daily timeline is to protect both the district and the staff.

Date Adopted: June 28, 2004

Last Revised: June 18, 2012

## **7.8—PERSONAL PROPERTY**

To avoid confusion and the potential for misunderstandings, District staff who bring personal property to school to use in the performance of their jobs should label the items with their names. Any such items should be removed from the school at the close of school each year. The District assumes no responsibility for damage to, or the loss of, personal property brought to District facilities by District staff.

Date Adopted: June 28, 2004

Last Revised:

## **7.9—PROPERTY INSURANCE**

The Superintendent shall be responsible, with approval of the Board, for maintaining adequate insurance coverage for all District properties. At a minimum, the District will purchase insurance coverage sufficient to meet the requirements by the Arkansas Commission for Public School Academic Facilities and Transportation.

Legal References:     A.C.A. § 6-21-114(d)  
                           Arkansas Commission for Public School Academic Facilities and  
                           Transportation Rules Governing Property Insurance Requirements

Date Adopted: June 28, 2004

Last Revised: July 18, 2011

## **7.10L—PUBLIC USE OF SCHOOL BUILDINGS**

It is the policy of the Board that District school buildings may be used by citizens of the District to conduct lawful meetings for social, civic, or recreational purposes provided such meetings do not interfere with the regular school work. The Superintendent shall be responsible, with Board approval, for establishing procedures governing such use of school buildings. The governing procedures shall be viewpoint neutral. Building principals shall be consulted to determine if there exists any conflict with planned school activities prior to other groups being allowed to use school facilities.

The District shall establish a fee schedule for the use of school facilities. Charges made for the use of school facilities shall reflect the actual costs (e.g. labor, utility, and materials) incurred by the District.

Organizations using school facilities assume full and complete responsibility for the conduct of all persons, regardless of age, associated with their use of the facility while they are in or about the facility. Smoking or the use of tobacco or products containing tobacco in any form or the use of drugs or intoxicants is prohibited. Firearms of any kind are not allowed on school property unless the person carrying the firearm is permitted to do so by law as defined in A.C.A. § 5-73-120 or the individual has a valid conceal carry license and leaves the concealed handgun in the individual's locked vehicle.\*

**Charges shall be made for the use of all buildings which shall be adequate for payment of the custodian, utilities, etc. Charges for the various buildings will be a \$50.00 fee. The fee of \$50.00 will be waived for employees of the Waldron School District. A cleaning deposit of \$50.00 will also be required from anyone who uses the facility, however, the cleaning deposit of \$50.00 will be returned to the user if the user agrees to clean the facility and no damages are made to the facility.**

**The Middle School Multipurpose Facility is not available for public use, except with direct approval from the Superintendent.**

**Student or student-oriented organizations shall be exempt from the above charges. The above schedule is for one use only.**

**There will not be a charge for class reunions if they clean up the facility. If they do not clean up, they will be charged the above rates.**

### Joint Use Agreement

The Sawyer-Wright Field is available for public use. There will not be a charge for the use of the facility. The community shall only be able to access the stadium field, practice field, track, and stadium seats when not in use by the district.

A formal agreement has been established between the district and Scott County Parks and Recreation to allow the Pee Wee Bulldog Program to use the fields, track, stadium seats, concession stand, press box, restrooms, and parking lots during practices and home games. The Joint Use Agreement between the District and County states that all legal requirements for the use of Sawyer-Wright Field.

Per Joint Use Agreement grant requirements, a policy is to be in place for the “Active Use Areas” identified in the grant application. Sawyer-Wright Field was chosen based on the high use and need by the community.

Legal Reference:       A.C.A. § 6-21-101  
                              A.C.A. § 5-73-119  
                              A.C.A. § 5-73-120  
                              Arkansas Constitution Article 14, § 2

Date Adopted: June 28, 2004  
Last Revised: July 22, 2013, May 9, 2016

## **7.11—USE OF SCHOOL FUNDS FOR NON-SCHOOL RELATED PURPOSES**

School funds shall not be used for political, charitable, or humanitarian purposes.

No employee of the District shall use school time, school property, school personnel, or school equipment for the purpose of furthering the interests of any political party, the campaign of any political candidate or the advocacy of any political issue or ballot issue whether partisan or non-partisan. School employees may participate as part of a community organization that is renting a school facility for a political purpose so long as the event is not during school time or the employee takes personal or vacation leave, with prior approval of his/her supervisor, for the time the employee is attending the event.

Any school employee found guilty or who pleads guilty, or nolo contendere to the use of District funds to support any ballot measure shall be immediately suspended, and recommended for termination by the superintendent.

The Board of Directors is not prohibited from expressing an opinion on a ballot measure through the passage of resolution or proclamation. School employees are allowed to verbally express their views on a ballot measure other than in an attempt to persuade a student to the employee's point of view.

District employees and members of the Board of Directors may incur incidental expenditure of District funds for travel costs when speaking at an event in which a ballot measure is discussed if the subject matter of the speaking engagement is within the scope of the person's official duties and responsibilities.

District funds may be used to disseminate public information at a public speaking engagement. The incidental use of District resources may be used to prepare an analysis of the public information if such information is within the scope of the person's official duties and responsibilities.

Legal References:       Arkansas Constitution Article 14 § 2  
                              A.C.A. § 7-1-103  
                              A.C.A. § 7-1-111  
                              A.C.A. § 21-8-402

Date Adopted: 06-28-2004

Last Revised: 07-22-2013; 05-09-2016

## **7.12L—EXPENSE REIMBURSEMENT**

The requirements of this policy shall govern reimbursement for expenses related to travel and/or attendance at conferences and professional development activities incurred by district employees and/or members of the Board of Directors on behalf of the district. Employees are only eligible for reimbursement for travel expenses for travel which has been approved in advance. Original receipts must accompany all requests for reimbursement to the extent that such receipts are customarily available. For a receipt to be valid it should contain the name of the issuing company, the date, and the amount. No cash advances shall be made for travel. Mileage, lodging, and meal expenses will not be reimbursed when incurred for the personal convenience of the employee and not required by the reason for the travel.<sup>1</sup> Reimbursement for travel shall be for the lesser of the cost between travel by air or by car with some consideration allowed for length of time of the method of travel.

To the extent practicable, employees shall have the district pay initial conference and professional development registration fees and associated necessary materials. In the occasional circumstances where this is not practical, the district shall reimburse the employee for such fees if they were authorized in advance and are supported with proper receipts.

The district will not reimburse expenses of any non-school board member or non-employee who accompanies the school board member or employee during his/her school related travel.

### **Reimbursable Expenses**

Mileage that is driven for a district sanctioned purpose in an employee's personal vehicle shall be reimbursed provided appropriate documentation is submitted establishing the date and time, place, and purpose of the travel. Mileage shall be reimbursed at the current rate authorized by the state/IRS<sup>2</sup> and shall be based on the shortest, most reasonable, route available.

Meals may be reimbursed for travel which necessitates an overnight stay when submitted according to the dictates of this policy. Reimbursement shall be prorated based on the percent of a day the employee is away on travel. For example, if an employee returns from his/her travel in the afternoon, he/she is only eligible for reimbursement for breakfast and lunch expenditures. Meals shall be reimbursed for the actual expense to the extent that they are not lavish and are reasonable based on circumstances.<sup>3</sup> Except as otherwise specified by this policy, meals are only reimbursable in conjunction with travel requiring an overnight stay. Meals associated with travel of school business that does not require an overnight stay but causes the length of the employee's work day to extend beyond the length of a normal work day may be reimbursed for one meal not to exceed \$40.00 as currently allowed by IRS rules.

Tips paid by a school employee for meals associated with travel as defined in this policy are reimbursable for up to 15% of the cost of the meal provided the employee submits a receipt for the meal as part of an "accountable plan" for reimbursement.<sup>4</sup> Tips are not allowed if an employee is reimbursed using a "per diem" plan.

Meal expenses incurred by the superintendent or other administrators as necessary, in the performance of their duties when meeting with state officials or consultants may be reimbursed on a prorated, per person

basis in line with the mandates of this policy. Such expenses shall only be reimbursed when the expenditure is likely to result in a tangible benefit to the district.

Travel necessitating overnight lodging shall be reimbursed to the extent that it is not lavish and is reasonable based on circumstances of the expenditure. Proper documentation establishing the date and time, place, and purpose of the travel must be submitted along with a receipt for the overnight accommodations. To the extent practicable, employees shall receive assistance from administrators or their designee in arranging travel plans to help keep expenses to a minimum.

### **Expenses not covered**

The district shall not reimburse the following items/categories of expenses.

- Alcoholic beverages;
- Entertainment expenses – including sports or sporting events; pay per view or game expenses at motels;
- Replacement due to loss or theft;
- Discretionary expenses for items such as clothing or gifts;
- Medical expenses incurred while on route to or from or at the destination of the reason for the travel;
- Optional or supplementary insurance obtained by the employee for the period covered during the travel;

### **Credit Cards**

Only those employees specifically issued credit cards to be used in the performance of their jobs to purchase goods, services, or supplies on behalf of the district shall be allowed to use such cards. Employees who incur reimbursable expenses as defined in this policy are expected to pay for them initially by any means they choose and then submit their request for reimbursement. The district assumes no responsibility for the payment of any personal credit card charges incurred by a district employee.

### **Airport Associated Expenses**

Receipts for airport associated expenses are required for reimbursement. All airline flights shall be by coach/economy class. Upon arrival at their destination, employees are expected to take the less expensive option between a taxi and an airport shuttle service to his/her hotel or meeting site. When circumstances dictate that a rental car is necessary and/or the most economical approach to the travel requirements, the least expensive car that will accomplish the job should be rented. The district shall not reimburse for any kind of rental car supplemental insurance.

**Notes:** The following IRS publications were used in the development of this policy.  
15-A, 15-B, 463, 535 and the Fringe Benefit Training Guide

<sup>1</sup> If the Board wishes to list any stipulations on reimbursement for travel made by the superintendent or other administrative personnel, specify the stipulations in this policy. Examples could be that administrators would be reimbursed for reasonable expenses incurred in the performance of their jobs which benefit the district and that had been pre-approved by their immediate supervisor(s).

Superintendents could be contractually pre-cleared for reimbursement for specified travel purposes (actions required in the performance of their role as district leader and/or spokesperson and which benefit the district), mileage for their personal vehicle driven on district business, etc. If they felt the need, the Board could also periodically review the reimbursement records regarding the Superintendent to verify that they are in line with its intentions. Keep in mind that reimbursable expenses must not be lavish but reasonable based on the circumstances of the expenditure. Reimbursed expenses which exceed this threshold are considered income and must be reported as such to the IRS.

<sup>2</sup> You are not required to use either the state or the IRS rate, but by referring to a “going rate” it will make changing the rate a non-policy issue. It should be no more than the current rate recognized by the IRS. To find the current rate recognized by the IRS go to [www.irs.gov](http://www.irs.gov) and type in “mileage rates” in the search box. To access the current reimbursement rate for state employees, go to [www.arkansas.gov/dfa/accounting](http://www.arkansas.gov/dfa/accounting).

<sup>3</sup> Per diem reimbursement rates are established by the IRS and for the purposes of this policy you may use them as either a guide or the gospel for meals, lodging, or both. We have chosen not to stipulate expenditures remain within the per diem rates because so many conferences are at hotels that simply do not fit IRS’s rates. If you choose to limit meal reimbursement to the per diem rates, substitute the following sentence for the one included in the policy. “Meals shall be reimbursed for the actual expense up to the IRS per diem limits.” You can further choose to specify that your reimbursement will be “x” percent per meal (breakfast, lunch and dinner) of the per diem rate. Please note that reimbursed expenditures which are lavish based on the circumstances of the expenditure are considered wages to the extent they are excessive. The language in the policy allows reimbursements for actual expenses (hotel or food) to **not** be taxable income so long as they are not “lavish.” An example of lavish would be if the employee chose to stay in a suite instead of a non-suite room. In the context of conference based travel, the conferences usually have a block of rooms at a special rate. If that option is available and the employee chooses a higher cost room, it would be “lavish.” The following information is provided for your convenience if you choose to limit expenditures to the per diem rates. Reimbursement rates vary and can be determined by going to [http://www.gsa.gov/portal/content/104877?utm\\_source=OGP&utm\\_medium=print-radio&utm\\_term=portal/category/21287&utm\\_campaign=shortcuts](http://www.gsa.gov/portal/content/104877?utm_source=OGP&utm_medium=print-radio&utm_term=portal/category/21287&utm_campaign=shortcuts).

<sup>4</sup> Act 715 of 2007 allows state employees to be reimbursed for tips for amounts up to 15% of the bill. Page 5 of IRS Publication 463 specifies tips the IRS deems acceptable for certain expenses, but state law can be more restrictive than what IRS permits. Attorney General's Opinion 2012-070 essentially blesses tips up to a 15% cap paid by municipal employees in such a way that it can be construed to also

apply to school employees. To be eligible for tip reimbursement, the employee must file for actual expenses (receipts required) and NOT as part of a per diem rate reimbursement.

Cross References: 3.20—CERTIFIED PERSONNEL REIMBURSEMENT OF TRAVEL EXPENSES  
8.14— CLASSIFIED PERSONNEL REIMBURSEMENT OF TRAVEL  
EXPENSES

Date Adopted: June 28, 2004

Last Revised: July 13, 2015

## 7.13—MANAGEMENT AND DISPOSAL OF DISTRICT PROPERTY

### Definitions

For the purposes of this policy, the following definitions apply:

“Commodities” are all supplies, goods, material, computers, software, machinery and other equipment purchased on behalf of the district having a useful life of more than one (1) year and an acquisition cost of one thousand dollars (\$1,000) or more per unit.

“Fair market value” means the amount a reasonable buyer would be willing to pay for a particular piece of property based on an objective set of criteria, which may include, but are not limited to: any improvements or damage to the property; the demand for similar property; the selling price for the property by the producer of the property or re-sale outlets; and the value of the property as determined by an independent appraiser.<sup>1</sup>

“Real property” is land and whatever is erected or affixed to land, such as structures or buildings.

“Surplus commodities” are those commodities that are no longer needed, obsolete, irreparable, or worn out.

“Surplus real property” is real property that is not presently needed or foreseen to be needed by the District, and that has been authorized for sale as surplus real property by vote of the School Board. Surplus real property may include unused or underutilized facilities.

“Trash” are those items that would otherwise belong to another category of goods or property defined in this policy, but which, due to the property’s age or an act of God, have less value than it would cost to repair the item. Examples could include, but are not limited to, fire damage, vehicle accidents, extreme age, and/or decline in value of the item.

“Unused or underutilized facility” means a school facility or other real property that:

- As a whole or in a significant portion, is not being used for a public educational, academic, extracurricular, or administrative purpose and the nonuse or underutilization threatens the integrity or purpose of the school facility or other real property as a public education facility; and
- Is not subject to either a lease to a third party for fair market value or an executed offer to purchase by a third party for fair market value as of July 30, 2017.

### General Policy

The District’s purchases of commodities shall be in accordance with Policy 7.5—PURCHASES AND PROCUREMENT and, to the extent applicable, the procurement requirements of any granting source of funding used to purchase the commodity. The Superintendent shall develop procedures governing the use, management, and dispersal of commodities. At a minimum, the procedures will cover the following topics:

- labeling all commodities<sup>2</sup>;
- establishing adequate controls to account for their location, custody, and security;
- annually auditing the inventory of commodities and updating a listing of such commodities to reconcile the audit with the district’s inventory records. The audit will be documented and account for any transfer and/or disposal of a commodity.

- Disposing of surplus commodities and surplus real property, whether purchased in whole or in part with federal grant funds or with local funds.

The disposal of school property must be for the benefit of the school district and consistent with good business principles.

### **Disposal of Surplus Commodities**

The Board of Directors recognizes that commodities sometimes become of no use to the District and thus meet this policy's definition of surplus commodities.

The Superintendent or designee(s) will determine the objective fair market value (FMV) of surplus commodities. The District will strive to dispose of surplus commodities at or near their FMV.<sup>3</sup>

The Superintendent may declare surplus any commodity with an FMV of less than one thousand dollars (\$1,000). Surplus commodities with an FMV of less than one thousand dollars (\$1,000) will be periodically sold by the most efficient, cost effective means that is likely to result in sales at or near FMV.

The Superintendent may submit a list of surplus commodities deemed to have a FMV of one thousand dollars (\$1,000) or greater to the Board of Directors for authorization to sell such surplus commodities. Once the Board of Directors has authorized the sale of such surplus commodities, the Superintendent or designee(s) may sell that surplus commodity as the need arises. Items with a FMV of one thousand dollars (\$1,000) or greater will be sold by the most efficient, cost effective means that is likely to result in sales at or near FMV. If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid provided the high bid is at or near FMV without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation, in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold commodities may then, at the discretion of the Superintendent, be disposed of as scrap or junk or be donated to appropriate charitable or education related entities. Computer or technology equipment will be cleansed of data prior to disposal.

### **Disposal of Surplus Real Property**

The Board of Directors recognizes that real property it owns sometimes becomes no longer of use to the District and thus meets this policy's definition of surplus real property.

By February 1 of each year, the District shall submit a report to the Division of Public School Academic Facilities and Transportation (Division) that identifies all unused or underutilized school facilities in the District and the unused or underutilized school facilities, if any, that are designated in the District's facilities master plan to be re-used, renovated, or demolished as part of a specific committed project or planned new construction project.

If the Division classifies a District facility or District real property as being unused or underutilized, the District may appeal the Divisions determination to the Commission for Public School Academic Facilities and Transportation (Commission).

The District shall make unused or underutilized public school facilities available for lease<sup>4</sup> for no more than FMV<sup>5</sup> to any open-enrollment public charter school (charter) located within the District's geographic boundaries that makes a request under the charter's statutory right of access unless the District makes an affirmative showing by a preponderance of the evidence to the Commission that:

1. The school facility, or the property to which the school facility is attached, will be needed by the District to accommodate future growth of the District; or
2. Use of the school facility or other real property by a charter would have a materially negative impact on the overall educational environment of an educational campus located within five hundred feet (500') of the school facility or other real property sought to be leased by the charter.

The terms of a lease executed between the District and a charter shall provide that the lease shall be cancelled and be of no effect if the charter:

- a. Fails to use the facility or other real property for direct student instruction or administrative purposes within two (2) years of the effective date of the lease;
- b. Closes, has its charter revoked, or has its charter application denied by the charter authorizer; or
- c. Initially uses the facility or other real property, but then leaves the facility or other real property unused for more than one hundred eighty (180) days.

If requested or agreed to by the charter, The District may sell the unused or underutilized facility or other real property to the charter for FMV.

If the District decides to sell, lease, or otherwise transfer ownership of a District facility, a charter<sup>6</sup> located within the District's geographic boundaries shall have a right of first refusal to purchase or lease the facility for FMV. The charter's right of first refusal shall continue for two (2) years after the date the District last used the school facility or other real property as an academic facility.

If the District decides to sell or lease a District facility or other real property that has been identified by the Division as an unused or underutilized school facility to a third party that is not a charter, then the District may not sell or lease the facility until the later of:

- Two (2) years after the date the facility or other real property is identified by the division as an unused or underutilized public school facility, so long as no charter has claimed a right of access or a right of first refusal; or
- Three (3) years from the date the District facility or other real property has been identified by the division as an unused or underutilized public school facility if the District designated the facility or other real property to be reused, renovated, or demolished as part of a specific committed project or planned new construction project in the District's facilities master plan.

The District may petition the division for a waiver of the time restrictions for the sale or lease of a District's unused or underutilized facility. The petition shall include a statement that the District believes that no charter would be interested in leasing or purchasing the unused or underutilized school facility. If the District receives a waiver, the District may immediately sell, lease, or otherwise dispose of the unused or underutilized facility. The District may appeal the denial by the Division of a waiver to the Commission.

The Superintendent may submit a request to the Board of Directors for authorization to sell surplus real property. Once the Board of Directors has authorized the sale of such surplus real property, the Superintendent or designated individual(s) may sell that surplus real property as the need arises and this policy allows. The Superintendent or designee(s) shall be responsible for getting a determination of the objective FMV of surplus real property<sup>5</sup>. The district will strive to dispose of surplus items at or near their FMV. The real property may be listed for sale with a real estate broker, and the Superintendent or designated individual may contract on behalf of the district to pay the usual and customary sales commission for such transactions, upon sale of the property.

If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee(s) may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid<sup>7</sup> provided the high bid is at or near FMV without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation, in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold real property may then, if agreed to by the Superintendent and Board of Directors, be donated to appropriate education related entities, not-for-profit organizations, the county, city, or incorporated town in accordance with the provisions of state law.<sup>8</sup>

Items obtained with federal funds shall be handled in accordance with applicable federal regulations, if any.

The District may not make a part of the disposal of District real property a covenant that prohibits the sale or lease of former District facilities or other real property to a charter that is located within the District's geographic boundaries.

### **Disposal of Surplus Real Property After Consolidation**

Except as otherwise prohibited by this policy, real property of a consolidated school district that is no longer being used for educational purposes and has not been sold, preserved, leased, or donated two (2) years after the effective date of consolidation shall be made available for use by a publicly supported institution of higher education, a technical institute, a community college, a not-for-profit organization, a county, a city, or incorporated town by the Board of Directors for the following purposes:

- Having the real property preserved, improved, upgraded, rehabilitated, or enlarged by the donee;
- Holding of classes by statutorily authorized education related entities; or
- Providing community programs and beneficial educational services, social enrichment programs, or after-school programs.

### **Trash**

Trash, as defined in this policy, may be disposed of in the most cost efficient or effective method available to the district.

Notes: <sup>1</sup> One option when determining FMV is to see what the property's value is if the property is sold for salvage or scrap instead of putting the property up for general sale, which may even result in a higher FMV depending on the property in question.

<sup>2</sup> Due to federal monitoring and disposal requirements, we suggest differentiating the labeling of items purchased with federal funds from non-federal fund items.

<sup>3</sup> The FMV of items must be established prior to their disposal. The determination of the surplus commodity's FMV will determine whether the superintendent has to submit it to the board. You need to document how you reached FMV; Digital photos can be very useful, particularly if you decide FMV seems low.

The disposal of items purchased with federal grant funds is governed by the following requirements, which are located at 2 C.F.R. § 200.313(e):

*(e) Disposition. When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:*

*(1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.*

*(2) Except as provided in § 200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.*

*(3) The non-Federal entity may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.*

*(4) In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.*

<sup>4</sup> A.C.A. § 6-21-815(c)(1) states "a school district shall make unused or underutilized public school facilities available for lease or purchase". We have elected to only include a requirement for the district to enter into a lease of the unused or underutilized property in the policy because A.C.A. § 6-21-815(c)(3)(A) allows the charter to petition the Commission to force a lease of the property but does not allow a similar forced sale of the property; this is a separate issue from the charter's right of first refusal if you decide to sell the property.

<sup>5</sup> The FMV of items must be established prior to their disposal. In the case of real property, this should be established by means of a survey and real estate appraisal by a licensed surveyor and appraiser performed within the preceding six (6) months.

The disposal of real property purchased with federal grant funds is governed by the requirements contained in 2 C.F.R. § 200.311, which states in part:

*(c) Disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives:*

*(1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where the non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.*

*(2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When the non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.*

*(3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.*

<sup>6</sup> If there is more than one (1) charter located within the geographic boundaries of a school district, the charter authorizing panel will determine the charter that will have the right of first refusal.

<sup>7</sup> If a charter has a right of first refusal on the property to be sold and the charter was not the entity who made the high bid, the charter must be provided an opportunity to match the high bid. If the charter agrees to match the high bid, the charter's offer to match the high bid must be the bid that is accepted.

<sup>8</sup> A.C.A. § 6-13-111 and A.C.A. § 6-21-108 are the statutes that cover donating District property. Please keep in mind that selling below FMV has the same legal connotation as donating. A.C.A. § 6-13-111(c) and (d) establish a system for selling district owned real property that fails to draw a buyer at a previously established Fair Market Price. We suggest consulting the statute for assistance in such a situation. A.C.A. § 6-21-108 sets forth additional requirements for consolidated school districts that is included as a separate section later in the policy.

Legal References:      A.C.A. § 6-13-111  
                                  A.C.A. § 6-13-620  
                                  A.C.A. § 6-21-108  
                                  A.C.A. § 6-21-110  
                                  A.C.A. § 6-21-803

A.C.A. § 6-21-806  
A.C.A. § 6-21-815  
A.C.A. § 6-21-816  
A.C.A. § 6-24-101–107  
2 C.F.R. § 200.311  
2 C.F.R. § 200.313

Date Adopted: 05-24-2010

Last Revised: 06-09-2014; 05-09-2016; 09-11-2017

## 7.14—USE OF DISTRICT CELL PHONES AND COMPUTERS

Board members, staff, and students shall not be given cell phones or computers for any purpose other than their specific use associated with school business. School employees who use a school issued cell phones and/or computers for non-school purposes, except as permitted by District policy, shall be subject to discipline, up to and including termination. School employees may be issued District cell phones if their position requires the employee be available at all times for work related emergencies or the employee be available to speak with others on school related business when the employee is away from the office. Employees issued cell phones for such purposes may use the phone for personal use on an “as needed” basis.<sup>1</sup>

Students who use a school-issued cell phones and/or computers for non-school purposes, except as permitted by the District’s Internet/computer use policy, shall be subject to discipline, up to and including suspension or expulsion.

All employees are forbidden from using school-issued cell phones while driving any vehicle at any time. Violation may result in disciplinary action up to and including termination.<sup>2</sup>

Note: <sup>1</sup> The IRS has changed its position regarding the use of district issued cell phones for personal use for those employees who have a genuine **need** for a cell phone due to their job’s duties. Cell phones **cannot** be issues as a fringe benefit, but only as a “legitimate” need related to their job’s responsibilities. There is no longer a need to keep track of personal calls and claim their value as income. The district has the option of supplying the phone directly to the employee or of reimbursing the employee for the cost of his/her personal phone that is used for both District and personal purposes. Any such reimbursement can only be for the specific employee and not any other individuals associated with that employee’s cell phone plan. There has been no change to the use of school computers for personal purposes. Use of school issued cell phones and/or computers by board members or employees who do not meet the policy’s definition of eligibility for non-school purposes is considered income by the Internal Revenue Service. “Income” in this sense means the fair market value that the individual would have had to pay for the use of the cell phone or computer on the open market. Any board member, or employees who do not meet the policy’s definition of eligibility, who uses a school-issued cell phones and/or computers for non-school purposes should be issued the appropriate IRS form (1099) stating the amount of income they have been paid by the district.

Please be aware that telephone records for both personal and school business calls of any school employee’s district-provided cell phone can be requested and must be disclosed by the school district under the Arkansas Freedom of Information Act.

<sup>2</sup>This sentence is included because insurance companies have ruled that injuries occurring while driving and talking on school issued cell phones are subject to workers comp awards.

Cross References:     3.34—CERTIFIED PERSONNEL CELL PHONE USE  
                          4.47— POSSESSION AND USE OF CELL PHONES, BEEPERS, ETC.  
                          8.25— NONCERTIFIED PERSONNEL CELL PHONE USE

Legal References:     IRC § 132(d)  
                          IRC § 274(d)  
                          IRC § 280F(d)(4)  
                          IRS Publication 15 B

Date Adopted: June 11, 2007  
Last Revised: June 18, 2012

## 7.15—RECORD RETENTION AND DESTRUCTION

It is necessary to maintain district records in a manner that provides for efficient document storage and retrieval and is conducive to eliminating unnecessary record retention. Due to the variety of records that may need to be retained and accessed, the superintendent shall ensure that all staff receive appropriate training to understand this policy. Staff shall also understand the possible ramifications to the district and/or themselves for failure to properly maintain records and follow the requirements contained in this policy.

### Definitions

"Directly or directly interested" (hereinafter "directly") means receiving compensation or other benefits personally or to an individual's household from the person, business, or entity contracting with the District.

"Indirectly or indirectly interested" (hereinafter "indirectly") means that a family member, business, or other entity in which the individual or a family member has a financial interest will receive compensation or benefits.

"Record" is defined for the purposes of this policy, as an item or items, whether electronic or material, that are created by, at the request of, or received by and purposefully retained by a board member, administrator, or employee in the ordinary course of District business. Examples include, but are not limited to:

- Any kind of correspondence;
- Calendars;
- Computer files and documents (which may include drafts);
- Telephone logs;
- Expense records;
- Audio or video recordings that are created for the purpose of monitoring the security of District property or the safety of District students;
- Documentation related to transactions or contracts for:<sup>1</sup>
  - Services with Board members, administrators, employees, or members of their families covered under the statutorily defined ethical restrictions associated with a contract for services provided for the District involving a Board member, administrator, or employee who "directly or indirectly" benefits from the contract;
  - An exemption granted by the Arkansas Department of Education (ADE) from the statutorily defined ethical restrictions associated with a contract for employment or for services provided for the District that involves a District administrator, board member, or employee.

The superintendent shall be responsible for establishing a schedule for the routine destruction of district records that accommodates the needs of the district. The schedule shall specify the length of retention for any records not specifically delineated by this policy and be distributed to staff on a need-to-know basis according to their respective employment duties and responsibilities. The schedule should accommodate the need for records to be stored as a blend of printed, bound and electronically recorded (e.g., audio tape, video tape, micro-fiche, computer disk) material. The superintendent or designee shall ensure the effective and efficient securing, cataloging, storing, and appropriate scheduled destruction of all records.

The following records categories shall be retained for the time specified.

- a. Board of Education Minutes – forever
- b. Personnel files – forever
- c. Student files – until the student receives a high school diploma or its equivalent, or is beyond the age of compulsory school attendance<sup>2</sup>
- d. Student records of attendance/graduation – forever<sup>3</sup>
- e. Financial Records – five (5) years<sup>4</sup>
- f. Documentation, including letters of approval, related to transactions or contracts for services covered by this policy and Arkansas statutes for Board members or members of their families or for waivers granted to District employees - thirteen years<sup>5</sup>
- g. Documentation relating to payments or reimbursements made by a vendor on behalf of a board member, administrator, or employee for travel, lodging, food, registration, entertainment, or other expenses<sup>6</sup> – Three (3) years
- h. Employment applications, including applicant lists, applicant interview evaluations, documentation in response to requests for reasons for a failure to be interviewed and/or hired, and hiring determinations - five (5) years<sup>7</sup>
- i. Expenditures made with federal grant monies<sup>8</sup> – governed by the terms of each grant
- j. Video Surveillance Recordings – the timeline established in Policy 4.48—VIDEO SURVEILLANCE
- k. Emails – whatever the district’s policy is on this subject<sup>9</sup>
- l. Documents filed with the IRS, including those required in Policy 7.23-Health Care Coverage and the Affordable Care Act – four (4) years

The superintendent or designee shall be responsible for determining when there is a need to interrupt the routine destruction of records.<sup>10</sup> When the superintendent or designee makes the decision to cease the routine disposal of records, staff affected by the decision shall be promptly informed of the decision and of the nature of records that are to be retained. Such records shall be retained until the superintendent or designee has authorized their destruction. Employee training on the district’s records retention schedule shall specifically include information on the records that may need to be retained due to pending disciplinary or legal actions which otherwise are subject to routine disposal. If an employee has doubt about the need to retain any record otherwise scheduled for destruction, he/she shall consult with the superintendent or designee prior to destroying such records.<sup>11</sup>

The records’ storage system devised by the superintendent and designee(s) shall be organized in a manner that enables the efficient retrieval of data and documents. The district shall have adequate backup of critical data which is stored electronically.<sup>12</sup> The system shall be communicated to employees in a manner that enables them to understand and follow the system’s requirements.

In retaining and destroying records, no employee shall:

- Destroy, alter, mutilate, conceal, cover up, falsify, or make a false entry in any record that may be connected to a disciplinary matter or lawsuit or to a matter within the jurisdiction of a federal or state agency, in violation of federal or state law or regulations.
- Alter, destroy or conceal a document, or attempt to do so, with the intent to impair the document’s availability for use in a disciplinary matter, lawsuit or an official proceeding or

otherwise obstruct, influence or impede any lawsuit or official proceeding, in violation of federal or state law or regulations.

- Retaliate or discriminate against an employee who refuses to violate this policy or to coerce or threaten an employee to violate this policy.

Failure to follow the requirements set forth in this policy may result in disciplinary action against the employee(s), up to and including termination. The district's board of directors prohibits and will not tolerate any form of reprisal, retaliation or discrimination against any employee who, in good faith, has attempted to comply with this policy.

Notes: <sup>1</sup> While A.C.A. § 6-24-105(b)(1)(A)(i) permits a district to employ a Board member's family member for up to \$5,000, and (c)(2)(A)(i) permits a district to enter into a non-employment contract with a board member's family member for up to a \$10,000 limit, during the total tenure of the Board member without the District having to receive waivers for such employment, the need to retain documentation for all compensation exists if for no other reason than to establish when that the limit may be reached.

<sup>2</sup> These are the records required to be maintained during a student's attendance at your district and must be aligned with Policy 4.38—PERMANENT RECORDS.

<sup>3</sup> This is limited to the dates a student attended school in your district and if the student earned a diploma. This is information students and adults need from time to time to prove they lived somewhere or to enroll in a college, for security clearances, or for background checks.

<sup>4</sup> This is a suggested length of time. The minimum time your district must keep financial records (specifically original receipts of district expenditures) is until the records have been audited. In setting up your retention schedule, you might consider the warranty and/or depreciation schedule of the items purchased and keep all financial records until, at a minimum, the warranty has expired or the item has been fully depreciated. As with all other retention schedules, relevant data must be retained if there is pending litigation or the likelihood of litigation until the matter is resolved.

<sup>5</sup> A.C.A. § 6-24-115 makes it a criminal act to violate the statutes governing Board member and District employees' ethical behavior. A.C.A. § 5-1-109(c)(2) allows for a public servant to be charged for felonious conduct for up to ten years after the officer leaves office or the violation should have been discovered (whichever comes first), but this can be extended by an additional three years if the individual is out of state for a continuous period under A.C.A. § 5-1-109(g). While employees are not public servants, we chose the simpler position of having the same retention requirements for both Board members and employees.

<sup>6</sup> ADE's rules only require all documentation to be retained for an individual if the **total** amount of the payments or reimbursements from vendors the individual receives during the fiscal year amount to three hundred dollars (\$300) or more. We recommend retaining the documentation on **all** individuals regardless of whether the dollar amount was reached.

<sup>7</sup> The requirements contained with A.C.A. § 21-3-302 and 303 necessitate the addition of this record retention category. The five (5) year retention length is not required by statute but is recommended. Any civil suit that would require the documents included in the employment application would be barred after five (5) years by A.C.A. § 16-56-115. Retention for the five years would assure you had the necessary records if a suit was filed during that time.

<sup>8</sup> We suggest making this determination on a case-by-case basis using the latest of: the terms required by the grant, any related litigation is concluded, the records have been audited, or the 5 year statute of limitations for contracts.

<sup>9</sup> **Routine** deletion of records, email or other records, is not a problem **so long as** prompt action is taken to stop the deletion relating to matters that common sense and/or previous experience indicates could result in legal and/or disciplinary action. In districts that have routine deletion settings for electronic devices, the person responsible for halting the routine destruction of district records will need to inform the district's Network Administrator (or equivalent) when events trigger the need to retain information that would otherwise be routinely deleted.

<sup>10</sup> Due to the potential adverse repercussions for the failure to cease the destruction of such records, the person responsible for making a "cessation" decision should be close to the source of the cause precipitating the cessation. When an incident occurs that common sense and/or previous experience indicate could result in legal and/or disciplinary action, the routine destruction of district records relating to the incident must be suspended until such time as the legal or disciplinary action, or the likelihood of such action, has concluded. The Federal Rules of Civil Procedure (FCRP) as amended in December of 2006 specifically require litigants to be able to produce pertinent electronically stored information (ESI). FCRP's Rule 37(f) specifically acknowledges the need for routine deletion of records. The issue becomes one of a "good faith" effort to stop record destruction when necessary. The committee's (responsible for developing the rules) notes on this matter state, *"When a party is under a duty to preserve information because of pending or reasonably anticipated litigation, intervention in the routine operation of an information system is one aspect of what is often called a 'litigation hold.' Among the factors that bear on a party's good faith in the routine operation of an information system are the steps the party took to comply with a court order in the case or party agreement requiring preservation of specific electronically stored information."* Records which cannot be produced in a timely manner and/or have been destroyed when common sense and/or previous experience indicated legal and/or disciplinary action could result can cause the district unnecessary and expensive trouble. Besides the inevitable bad public relations of having destroyed records that, the press will be sure to point out, obviously should have been retained, there can also be significant financial costs and/or penalties for the process of attempting to retrieve the records. ASBA would like to stress that deleting electronic records doesn't really get rid of them until they have been overwritten several times by new entries. The process of getting to the supposedly deleted ESI can be a costly one.

<sup>11</sup> If there is any doubt concerning the need to retain, prudence would dictate retention.

<sup>12</sup> While there is a need and/or a place for different formats of document storage/retention (paper, audio tape, video tape, micro-fiche, computer disk), the space required for records storage quickly

tilts the equation in favor of electronic methods to the maximum extent possible. The vast majority of documents can be transferred electronically (if created electronically) or scanned into a digital format (if created on paper) and stored on external hard drives, firewalls, servers, tape drives, CDs or DVDs. While this method/process is not free, it can be relatively inexpensive and quite possibly save the district money in the long run when stored records are needed. Consult with your district's technology person to devise the system that will best meet your district's needs, but here are a few points to consider. 1) When scanning, store the documents as PDFs which uses little memory space. If you do the scanning in an Optical Character Recognition (OCR) format, the final documents can be stored in a data base and searched which can save you many hours and much frustration when you need to retrieve something (which is, after all, the reason for the storage). 2) Make multiple copies of the stored documents on separate external storage devices and store the duplicate devices at separate locations to ensure the survival of at least one copy if there is a fire or natural disaster that destroys one of the storage sites. This should be included as part of the district's Disaster Recovery Plan. 3) It is important to remember that technology gets old and obsolete. This necessitates that you establish a schedule or a trigger for the updating of the stored data/documents that are to be retained for more than 10 years. For example, 5" floppies are nearly extinct. If you had stored any such floppies, it would be necessary to convert them to a more modern storage device. In short, you need to include file format update/upgrades as part of your district's technology plans.

Cross References: Policy 3.19—LICENSED PERSONNEL EMPLOYMENT  
Policy 8.13—CLASSIFIED EMPLOYMENT

Legal References: A.C.A. § 5-1-109(c)(2), (g)  
A.C.A. § 6-13-619  
A.C.A. § 6-17-104  
A.C.A. § 6-17-2301  
A.C.A. § 6-18-901  
A.C.A. § 6-24-102(8)(15)  
A.C.A. § 6-24-105(d)  
A.C.A. § 6-24-106(c)(6)  
A.C.A. § 6-24-107(c)  
A.C.A. § 6-24-115  
A.C.A. § 21-3-302, 303  
ADE Rules Governing Ethical Guidelines and Prohibitions for Educational Administrators, Employees, Board Members, and Other Parties  
26 C.F.R. § 31.6001-1  
34 C.F.R. § 99.2  
Federal Rules of Civil Procedure Numbers 16, 26, 33, 34, 37, and 45

Date Adopted: 07-10-2008  
Last Revised: 06-09-2014; 05-09-2016

## 7.16—INFORMATION TECHNOLOGY SECURITY

The superintendent shall be responsible for ensuring the district has the necessary components in place to meet the district's needs and the state's requirements for information technology (IT) security. To aid the superintendent in creating, monitoring, and updating the District's IT Security system, the superintendent shall appoint an information security officer (ISO). The ISO shall be responsible for:

- a) Overseeing the District-wide IT security system;
- b) Development of District IT policies and procedures;
- c) Development and leading of employee training on the IT Security requirements;
- d) Ensuring compliance with the adherence to the Arkansas Department of Education (ADE) IT Security standards.

The ISO shall work with other IT staff, the superintendent, and district management appointed by the superintendent to develop a District IT Security system necessary to meet the requirements of this policy and ADE's standards. The IT security system shall contain the necessary components designed to accomplish the following:

1. The District IT security system shall contain mechanisms, policies, procedures, and technologies necessary to prevent disclosure, modification, or denial of sensitive information.

For the purposes of the IT Security system, "sensitive data" is any and all student and employee data that is either personally identifiable information (PII) or any non PII information that, if assembled together, would allow a reasonable person to identify an individual. Sensitive data includes, but is not limited to:

- Student personally identifiable information, except as allowed by the Family Educational Rights and Privacy Act (FERPA);<sup>1</sup> and
- Employee personally identifiable information, except as required by Ark. Code Ann. § 6-11-129.

All District employees having access to sensitive information shall receive annual IT security training, which shall emphasize the employee's personal responsibility for protecting student and employee information.

2. Physical access to computer facilities, data rooms, systems, networks and data will be limited to those authorized personnel who require access to perform assigned duties.

User workstations shall not be left unattended when logged into sensitive systems or data that includes student or employee information. Workstation settings shall be set for automatic log off and require a password for the system to restore from screensavers.

All equipment that contains sensitive information shall be secured to deter theft. No sensitive data shall be retained on laptops and/or remote devices (home computer, thumbdrives, cell phones, CDs, etc.) unless it is encrypted in accordance with the Arkansas State Security Office's Best Practices.

Server rooms and telecommunication rooms/closets shall be protected by appropriate access control. The rooms shall be segregated from general school or District office areas to restrict access. Server room access control shall be enforced using \_\_\_\_\_<sup>2</sup> to allow unescorted access only to IT or management staff who require the access to perform their job functions.

3. Network perimeter controls will be implemented to regulate traffic moving between trusted internal (District) resources and external, untrusted (internet) entities. All network transmission of sensitive data shall enforce encryption where technologically feasible.

The District shall maintain a network configuration management program that includes at a minimum:

- a) A network diagram identifying all connections, addresses, and purpose of each connection including management approval of all high risk internet facing ports such as mail (SMTP/25), file transport protocol (FTP/20-21), etc.
- b) All public facing (internet) servers and workstations segmented on a demilitarized zone (DMZ) that keeps them separate from the internal District network. Segmentation shall be through \_\_\_\_<sup>3</sup>.

All wireless access shall require authentication. The DISTRICT wireless networks will deploy network authentication and encryption in compliance with the Arkansas State Security Office's Best Practices. Scans for rogue wireless devices will be conducted at a minimum monthly. Any Rogue wireless device shall be disabled.

Remote access with connectivity to the District internal network shall be achieved using encryption. Appropriate WARNING BANNERS shall be implemented for all access points to the District internal network.

4. System and application access will be granted based upon the least amount of access to data and programs required by the user in accordance with a business need-to-have requirement.

The District shall enforce strong password management for:

- Employees and contractors as specified in Arkansas State Security Office Password Management Standard.
- Students as specified in Arkansas State Security Office K-12 Student Password Management Best Practice.

User access shall be limited to only those specific access requirements necessary for an employee to perform his/her job functions. Where possible, segregation of duties shall be utilized to control authorization access.

User access shall be granted and terminated upon timely receipt of a documented access request/termination. All access requests shall require approval by the ISO or designee. Ongoing access shall be reviewed for all users at a minimum annually.

Audit and log files shall be generated and maintained for at least ninety (90) days for all critical security-relevant events, including but not limited to:

- Invalid logon attempts;
- Changes to the security policy/procedures; and
- Failed attempts to access objects by unauthorized users.

IT administrator privileges for operating system(s), database(s), and applications shall be limited to the minimum number of staff required to perform these sensitive duties.

5. Application development and maintenance for in-house developed student or financial applications will adhere to industry processes for segregating programs and deploying software only after appropriate testing and management approvals.

Any custom-built student or financial applications or supporting applications that interface, integrate with, or provide queries and reporting to/from student or financial systems shall be developed using a system development life cycle approach that incorporates at a minimum:

- a) Planning, requirements, and design;
- b) User acceptance testing (UAT);
- c) Code reviews; and
- d) Controlled migration to production.

Any changes to core or supporting applications that provide student or financial processing or reporting shall be implemented in a controlled manner that includes at a minimum:

- Documentation of any change, including changes to both infrastructure and application;
- Management approval of all changes; and
- Controlled migration to production, including testing as appropriate.

6. Monitoring and responding to IT related incidents will be designed to provide early notification of events and rapid response and recovery from internal or external network or system attacks.

The District shall develop and maintain an incident response plan to be used in the event of system compromise that shall include:

- a) Emergency contacts;<sup>4</sup>
- b) Incident containment procedures; and
- c) Incident response and escalation procedures.

7. To ensure continuous critical IT services, the District ISO will develop a business continuity/disaster recovery plan appropriate for the size and complexity of the District IT operations.

The district-wide business continuity plan shall include at a minimum:

- Procedures for performing routine backups at least weekly and the storage of backup media at a secured location other than the server room or adjacent facilities. Backup media shall be stored off-site a reasonably safe distance from the primary server room and retained in a fire resistant receptacle.
- A secondary backup processing location, such as another School or District building, shall be identified.
- A documented calling tree with emergency actions to include:
  - Recovery of backup data;
  - Restoration of processing at the secondary location; and
  - Generation of student and employee listings to ensure an accurate head count.

8. Server and workstation protection software will be deployed to identify and eradicate malicious software attacks such as viruses, spyware, and malware.

Spyware and virus protection software shall be installed, distributed, and maintained on all production platforms, including:

- a) File/print servers;
- b) Workstations;
- c) Email servers;
- d) Web servers; and
- e) Application and database servers.

Malicious software protection shall include:

- Weekly update downloads;
- Weekly scanning;
- The malicious software protection to be in active state (realtime) on all operating servers/workstations.

All security-relevant software patches shall be applied within thirty (30) days and critical patches shall be applied as soon as possible.<sup>5</sup>

Notes: <sup>1</sup> More information on FERPA may be found in Policy 4.13—PRIVACY OF STUDENTS' RECORDS/ DIRECTORY INFORMATION.

More information, including a copy of ADE's IT Security Policy, may be found at <https://adedata.arkansas.gov/security>.

<sup>2</sup> Insert the method used to restrict access. The types of methods suggested are keys, electronic card readers, or a similar method.

<sup>3</sup> Insert your method for segmentation of the network. The recommended methods are firewall, router, virtual local area network (VLAN), or a similar network access control device that does not allow internet traffic to access any internal system without first passing through a DMZ or network device rule set.

<sup>4</sup> The list of recommended emergency contacts contains:

- a) Vendors;
- b) DIS;
- c) ADE/APSCN;
- d) Law enforcement; and
- e) District employees.

<sup>5</sup> ADE recommends that districts consider implementing enterprise servers for required updates to conserve network resources.

Legal References:       Commissioner's Memo RT-15-010  
                              A.C.A. § 4-110-101 et seq.

Date Adopted: May 12, 2009

Last Revised: July 13, 2015; September 11, 2017

## 7.17—FOOD SERVICE PREPAYMENT

### Meal Charges

The district does not provide credit for staff or students to charge for meals, a la carte, or other food and beverage items available for purchase in the school food service areas. Meals, a la carte, or other food and beverage items may be purchased by either providing payment for the items at the time of receipt or by having a prepaid account with the District that may be charged for the items. Staff and parents, or students choosing to do so, may pay in advance for meals, a la carte, or other food and beverage items through any of the following methods:

- Submitting cash or check payment at the school’s central office, or the food service office;
- Depositing funds through the District’s online service;

### Alternative Meals

The District does not provide alternative meals for students.

Notes: This policy is similar to policy 4.51. If you change this policy, please review 4.51 at the same time to ensure applicable consistency between the two.

While districts have the option to allow staff and students to charge for meals, a la carte items, and alternative meals, we have not provided any options that would allow staff and students to do so because Chapter 3 of the federal Fair and Accurate Credit Transaction Act of 2007 (15 U.S.C. § 1681 *et seq.*), along with its accompanying regulations (16 C.F.R. part 681), requires “creditors” to implement an Identity Theft Protection Program. We see the establishment and maintenance of an identity theft protection program to be a financial and potentially time-consuming burden. Districts can avoid this burden by not having practices deemed to make them “creditors”, such as through the language in this policy.

A copy of this policy must be communicated in writing at least once to all households at the start of each school year and to households of students who transfer to the school during the school year. Some suggestions on communication methods are to include a copy of the policy in:

- Student enrollment materials;
- Print versions of student handbooks; or
- Notification methods on applying for free or reduced price meals.

The United States Department of Agriculture (USDA) does not consider providing a copy of this policy only in electronic format to satisfy the communication requirement.

A written copy of this policy must be provided to all staff responsible for policy enforcement. This includes:

- A. School food service professionals;
- B. Staff involved in notifying families of low prepaid account balances;
- C. School social workers;
- D. School nurses; and
- E. The LEA homeless student liaison.

<sup>5</sup> Insert the applicable USDA Special assistance Provision. Examples include, but are not limited to, the USDA's CEP or Provision 2.

Legal References:     Commissioner's Memo CNU-17-003  
                            Commissioner's Memo CNU-17-024

Date Adopted: August 10, 2009;  
Last Revised: September 11, 2017

## **7.18 – DISPOSAL OF NON-NEGOTIATED CHECKS OR UNCLAIMED PROPERTY**

State law specifies how the district is to dispose of retained funds in the form of issued but non-negotiated checks that have been not been presented for payment within one calendar year. The district shall dispose of these retained funds in accordance with the law and remit the amount of all non-negotiated checks to the Unclaimed Property Division of the Arkansas Auditor's Office.

The district shall make a good faith effort to return physical items that have been left on district property to their rightful owners. When contact information is known for the owner of an item of a non-perishable nature left at the district, the district shall use the information to attempt to contact the owner to inform him/her of the location of the item. Owners of such items shall be given at least three weeks to pick up the item he/she left at the district. If the owner fails to pick up the item within the time allotted, the district may dispose of the item in a manner of its choosing.

The district is under no obligation to retain an abandoned, perishable item left on district property.

Notes: The first paragraph of this policy is short, but it has great importance especially if your district has not been submitting reports as the law requires. Checks are considered to be non-negotiated when they have not been paid by the bank from the school district's checking account and shown as cleared on the school district's bank statement. Funds are considered "unclaimed" after a check has been issued and mailed, but is not presented for payment at the bank or appear on the bank statement in the 12 month period after it has been issued. Districts are required to file annual reports by October 31.

The state auditor's website <http://www.auditor.ar.gov/index.html> has a section that does a good job of explaining the requirements.

Legal References:      A.C.A. § 18-28-201  
                                  A.C.A. § 18-28-202(11), (c), (d)  
                                  A.C.A. § 18-28-204  
                                  A.C.A. § 18-28-206  
                                  A.C.A. § 18-28-207  
                                  A.C.A. § 18-28-208(a)  
                                  A.C.A. § 18-28-210(b)(c)  
                                  A.C.A. § 18-28-217  
                                  A.C.A. § 18-28-221(a)  
                                  A.C.A. § 18-28-224

Date Adopted: May 24, 2010

Last Revised: June 18, 2012

## 7.19—SERVICE ANIMALS IN DISTRICT FACILITIES

In accordance with the provisions of the Americans with Disabilities Act and Arkansas statutes, service dogs and trained miniature horses<sup>1</sup> (hereinafter referred to as *service animals*) are permitted for use by individuals with disabilities on district property and in district facilities provided the individuals and their animals meet the requirements and responsibilities covered in this policy.

When an individual with a disability seeks to bring a service animal into a district facility, the district is entitled to ask the individual if the animal is required because of a disability and what work or task the animal has been trained to perform.<sup>2</sup> The district is not entitled to ask for documentation that the animal has been properly trained, but the individual bringing the animal into a district facility will be held accountable for the animal's behavior.

Any service animal brought into a district facility by an individual with a disability must have been trained to do work or perform tasks for the individual. The work or tasks performed by the service animal must be directly related to the handler's disability. Examples of work or tasks include, but are not limited to, assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing non-violent protection, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine, providing physical support and assistance with balance and stability to individuals with mobility disabilities, and helping persons with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors.

The crime deterrent effects of an animal's presence and the provision of emotional support, well-being, comfort, or companionship do **not** constitute work or tasks for the purposes of this policy; no animal brought solely for any of these reasons shall be permitted on school grounds.<sup>3</sup>

Individuals with disabilities shall be permitted to be accompanied by their service animals in all areas of a public entity's facilities where members of the public, participants in services, programs or activities, or invitees, as relevant, are allowed to go.

A service animal shall be under the control of its handler. A service animal shall have a harness, leash, or other tether, unless either the handler is unable because of a disability to use a harness, leash, or other tether, or the use of a harness, leash, or other tether would interfere with the service animal's safe, effective performance of work or tasks, in which case the service animal must be otherwise under the handler's control by means of voice control, signals, or other effective means.

A service animal shall be groomed to prevent shedding and dander and shall be kept clean of fleas and ticks.

District staff may ask an individual with a disability to remove a service animal from the premises if:

1. The animal is out of control and the animal's handler does not take effective action to control it;
2. The animal is not housebroken; or
3. Making reasonable accommodations for the service animal's presence would fundamentally alter the nature of the service, program, or activity.

If the district excludes a service animal due to the reasons listed above, the district shall give the individual with a disability the opportunity to participate in the service, program, or activity without having the service animal on the premises.

The District and its staff are not responsible for the care or supervision of a service animal brought onto district property or into district facilities by an individual with a disability. Students with service animals are expected to care for and supervise their animal. In the case of a young child or a student with disabilities who is unable to care for or supervise the service animal, the parent is responsible for providing care and supervision of the animal. Prior to working in the school, any person responsible for providing care and supervision of the animal must go through the same process for background checks as required of all employees of the school system.

The District shall not ask or require an individual with a disability to pay a surcharge, even if people accompanied by pets are required to pay fees, or to comply with other requirements generally not applicable to people without pets.<sup>4</sup>

Notes: The Department of Justice has published an FAQ on service animals. A copy may be found on the Policy Resources Page at <http://arsba.org/policy-resources>.

<sup>1</sup> A service dog may be any breed even if the breed is restricted by a local ordinance. A miniature horse is not one specific breed, but may be one of several breeds, with distinct characteristics that produce animals suited to service animal work. The animals generally range in height from 24 inches to 34 inches measured to the withers, or shoulders, and generally weigh between 70 and 100 pounds. There is a bit more flexibility for Districts in determining if a facility can accommodate a horse than for a dog. Miniature horses are less flexible than dogs and therefore may not fit into smaller spaces as well as a dog. In specific instances when the horse's size poses a legitimate safety hazard, the horse could be prohibited from that specific event or facility. Keep in mind, however, that if a facility could reasonably accommodate a 24" dog, it could likely accommodate a 24" horse.

<sup>2</sup> Districts are **not** allowed to ask about the nature or extent of a person's disability.

<sup>3</sup> This paragraph is optional. The school is not required to allow an individual to bring an animal that is only for crime deterrence, emotional support, or comfort onto school grounds but may do so if it wishes.

<sup>4</sup> The District can only charge an individual with a disability for damage caused by his or her service animal if it charges other individuals for damages they cause.

Legal References:       28 CFR § 35.104  
                                  28 CFR § 35.136  
                                  28 C.F.R. § 36.302  
                                  A.C.A. § 20-14-304  
                                  A.C.A. § 20-14-308

Date Adopted: 04-11-2011

Last Revised: 06-09-2014; 05-09-2016

## **7.20 – ELECTRONIC FUND TRANSFERS**

District funds shall only be disbursed by the district treasurer upon the receipt of checks or warrants signed by the District Board of Directors' Disbursing Officer and the Superintendent or through the electronic transfer of funds. Any electronic transfer of funds must be initiated by the District and authorized in writing by both the Disbursing Officer of the school district Board of Directors and the Superintendent.

For the purposes of this policy, "initiated by the District" means the District controls both the timing and the amount of the funds transfer.

The district treasurer shall maintain evidence of authority for the disbursement in the form of invoices, payrolls that conform with written contracts on file in his/her office, or other appropriate documentation indicating an authority to disburse District funds.

"Other appropriate documentation" includes one-time, signed authorization for recurring transactions. The Board of Directors Disbursing Officer must pre-authorize the electronic transfer of funds for non-recurring transactions which can be accomplished by a signed authorization or an email authorizing such a disbursement of funds.

Cross Reference:       1.16 —DUTIES OF BOARD DISBURSING OFFICER

Legal References:       A.C.A. § 6-13-701(e)  
                                  Commissioner's Memo Com-12-036

Date Adopted: June 18, 2012

Last Revised:

## 7.21—NAMING SCHOOL FACILITIES

Except as otherwise permitted in this policy or Arkansas law, the District shall not name any building, structure, or facility, paid for in whole or in part with District funds, for an individual living at the time of its completion who, in the ten (10) years preceding its construction, was elected, or held, a federal, state, county, or municipal office and received a salary for his/her service.

Exceptions to the preceding paragraph may be made when a building, structure, or facility is constructed through the use of at least 50% private funds or, the name refers to:

1. an individual(s) living at the time of its completion and who has historical significance;
2. an individual who is or has been a prisoner of war; or
3. a living individual who is at least 75 years of age and is retired.

Note: This policy was triggered by Act 1225 of 2013. Prior to the act there were no statutory naming restrictions applicable to school districts. The key language in the new restrictions is the person must be either elected **or** held office **and** received a salary for the office. This would **exempt**, for example, school employees and also school board members, but would **include** the Commissioner of Education, the governor, or a federally appointed judge.

Legal Reference: A.C.A. § 25-1-121

Date Adopted: July 22, 2013

Last Revised: June 9, 2014

## **7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS**

The Superintendent, or designee, may negotiate for the private sponsorship of an event to take place during the time allotted for a half-time break of any of the District’s interscholastic activities. The amount of time for a half-time break shall not be extended for the event.

The school district shall not discriminate against potential sponsors based on political affiliation, religion, or perceived message. The superintendent, or designee, may decline sponsorship for any of the following reasons:

- The sponsored event would conflict with school or school group presentations;
- The proposed event would be logistically impracticable due to the estimated time, required materials for the event, or for other reasons associated with the implementation of the event;
- The proposed event would make continuation of the interscholastic activity impracticable due to residual mess/trash resulting from the activity; or
- The proposed event would present an unacceptable safety risk to students or viewing audience.

The superintendent’s, or designee’s, decision to accept or decline the proposed sponsored event shall be final.

Any potential sponsor shall be required to demonstrate proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that would cover the event. The sponsor must also agree to indemnify the school against any damages to school property, school employees, students, or bystanders that arise as a result of the sponsored event as well as from any law suits that are filed in response to such damages.

There shall be no live or recorded speech, music, or other media provided by the sponsor used during the sponsored event.<sup>1</sup> A member of the school’s administration shall announce the name of the sponsor of the event and shall be present to assist in conducting the event. The school administrator shall be a neutral participant and shall only make content neutral statements during the event. To meet this standard, the administrator shall not promote or act in a manner that creates the appearance, or that could give the impression, that the District sponsors, endorses or otherwise agrees with the product, person/group, or event being promoted by the sponsor. No school employee may act as the representative of a sponsor or wear attire/apparel that is provided by the sponsor or that could be interpreted as promoting the sponsor’s interests. Employees or representatives of/affiliated with the sponsor may be present at the event and stand with the member of school administration who is announcing and conducting the event; such employees/representatives of the sponsor may wear clothing identifying them as sponsors of the event.

The superintendent, or designee, shall have the authority to regulate the time, place, and manner of the distribution of promotional materials by the event sponsor. “Promotional materials” includes, but is not limited to, pamphlets, pens/pencils, sports equipment (whether miniature or full sized), or clothing. The event sponsor shall provide the superintendent, or designee, with a complete list of the types of promotional materials the event sponsor intends to distribute at the event so that the superintendent, or designee, may make an informed decision on the time, place, and manner of distribution that would result in the least amount of disturbance with the interscholastic activity.

The superintendent, or designee, should take the following into account when determining the best time, place, and manner of distribution of promotional materials:

- Whether the promotional materials could be a distraction to participants in the interscholastic activity due to the promotional material emitting light or noise;
- Whether the promotional materials have a high possibility of being able to be used against participants of the interscholastic activity to attempt to alter the outcome of the activity;
- The possibility that the promotional materials would be left by recipients to become litter; and
- The possibility that the promotional materials would divert the attention of the audience from the interscholastic activity.

The superintendent, or designee, shall limit the distribution of promotional materials to audience members when they are entering the school building/arena, during the sponsored half-time event, and/or when they are leaving the school building/arena. The superintendent's, or designee's, restrictions on the time, place, and manner of promotional materials shall be final.<sup>2</sup>

Any funds received through private sponsorship shall be placed in the District's Activity Account. The superintendent, or designee, should follow the policy for receiving public gifts or donations when negotiating the sponsorship amount, as set forth in policy 6.3—Public Gifts and Donations to the Schools.

Notes: <sup>1</sup> The purpose of the media restriction is to protect the District from First Amendment lawsuits. First, the restriction prevents the District from being sued based on any misperception that the District endorses any perceived message resulting from the provided media. Second, having such a restriction provides the District protection from suits that the District has been limiting, or not limiting, the content of any message. Third, the restriction prevents the creation of an open forum as it does not allow for any input from the community.

<sup>2</sup> While no law requires time, place, or manner restrictions on the distribution of materials, restrictions that are reasonable are constitutional. The examples in the paragraph are not intended to be exhaustive, but can be used to help you in choosing how best to limit possible interference with the extracurricular event.

Cross Reference: Policy 6.3 —Public Gifts and Donations to the Schools

Legal Reference: ADE Rules Governing Athletic Revenues and Expenditures for Public School Districts

Date Adopted: 06-09-2014

Last Revised: 05-09-2016

**7.22F—EVENT SPONSOR AGREEMENT**

The Waldron School District (hereafter “District”) and \_\_\_\_\_ (hereafter “Sponsor”) agree that Sponsor shall be permitted to sponsor an event to take place during the half-time break of the interscholastic activity that is scheduled on \_\_\_\_\_.

Sponsor promises to pay to District the amount of \_\_\_\_\_ for the privilege of being announced as the sponsor of the above event.

Sponsor agrees to abide by District’s time, place, and manner restrictions on the distribution of all promotional materials related to the above sponsored event.

Sponsor has provided District proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that will cover the above event.

I, \_\_\_\_\_, acting as a lawful an authorized representative of Sponsor, certify that I have the authority to enter into this agreement, and authorize payment to District. I understand that the half-time event will not be scheduled until this agreement is fully executed and full payment under this agreement has been received by District.

**Indemnification Agreement**

Sponsor promises to indemnify, hold harmless, and defend District, its agents and employees from any lawsuits, causes of action, claims, liabilities, and damages of any kind or nature, including, but not limited to: attorney’s fees and costs arising from this contract, whether such attorney’s fees and costs are attributable in whole or in part to any act, omission, or negligence of District, it’s agents or employees, and including, but not limited to, any and all lawsuits, causes of action, claims, liabilities and damages, as provided above which District, its agents or employees may sustain by reason of any failure by Sponsor to indemnify as provided herein, or any failure by Sponsor to otherwise perform its obligations pursuant to this Contract, or by reason of the injury to or death of any person or persons or the damage to, loss of use of or destruction of any property resulting from this agreement.

I, \_\_\_\_\_, acting as a lawful an authorized representative of Sponsor, certify that I have read, understood, and accept the above indemnification agreement.

\_\_\_\_\_  
Sponsor Representative’s Signature

\_\_\_\_\_  
Date

I, \_\_\_\_\_, acting as a lawful and authorized representative of District certify that Sponsor has tendered the promised amount and has met all the requirements to be a sponsor as set forth in District Policy 7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS.

\_\_\_\_\_  
District Representative’s Signature

\_\_\_\_\_  
Date

## **7.23—HEALTH CARE COVERAGE AND THE AFFORDABLE CARE ACT**

### **Definitions**

“Dependent”, for purposes of this policy, means an employee’s child(ren) and/or spouse who are enrolled by the employee in health care coverage through the District’s health care plans.

“Full-time employee”, for purposes of this policy, means an employee in a position<sup>1</sup> requiring on average thirty (30) hours of actual performance per week during the annual school year.

“Responsible individual” means a primary insured employee who, as a parent or spouse, enrolls one or more individual(s) in health care coverage through the District’s health care plans.

"Variable hour employee", for the purposes of this policy, means an individual who has no base minimum number of hours of performance required per week.

### **Health Insurance Enrollment**

All full time District employees are eligible to enroll themselves; their spouse, so long as the spouse is not otherwise eligible for insurance through his/her employer's sponsored plan;<sup>2</sup> and their child(ren) in one of the insurance plans through the Public School Employee Life and Health Insurance Program (PSELHIP). Variable hour employees are not eligible to enroll in a PSELHIP plan. If a variable hour employee’s measurement period finds that the employee averaged thirty (30) or more hours per week, then the employee is treated as a full time employee rather than a variable hour employee and is eligible for health insurance.<sup>3</sup> New full time employees have sixty (60) days following the start date of the employee’s contract to elect to enroll in a PSELHIP plan; all new employees shall be informed in writing of the start date of the employee’s contract and that the employee has sixty (60) days from that date to elect PSELHIP coverage.<sup>4</sup> Coverage for new employees who choose to enroll in a PSELHIP plan shall take effect on the first of the month following the date on the enrollment application. Coverage shall be in effect until the end of the calendar year. Employees who experience a Qualifying Status Change Event<sup>5</sup> have sixty (60) days from the date of the Qualifying Status Change Event to file an application to change coverage information. All employees who continue to be eligible may elect to continue coverage and make changes to their PSELHIP plan for the following plan year during the yearly open enrollment period.

The District shall ensure all employees are provided education annually on the advantages and disadvantages of a consumer-driven health plan option and effective strategies of using a Health Savings Account (HSA).<sup>6</sup>

### **District Contribution to Premiums**

At a minimum, the District shall distribute the statutorily required contribution rate to all employees who are enrolled in one of the PSELHIP plans, which shall include any mandatory increases to the contribution rate due to increases to the salary schedule.<sup>7</sup> In accordance with the State Health Insurance Portability Rules (SHIP), the District shall continue to pay the premium contribution for an employee who transfers to another Arkansas school district that also participates in the SHIP through August 31 of the calendar year the employee leaves the district so long as the employee:<sup>8</sup>

- 1) Completes his/her contract with the District;

- 2) Provides the District with notice that the employee is transferring to another district by no later than the Friday following the last student contact day<sup>9</sup>;
- 3) Provides the District with proof of employment at another Arkansas district; and
- 4) Has the employee portion of the premium deducted from his/her end-of-year checks or pays the District business office the employee's portion of the premium by the 15th<sup>10</sup> of both July and August.

### **Measurement Method of Employee Hours<sup>3</sup>**

Option 1: The District uses the look-back method for determining if an employee qualifies as a full-time employee.<sup>3</sup>

Option 2: The District uses the monthly measurement method for determining if an employee qualifies as a full-time employee.<sup>3</sup>

### **W-2**

For all full-time employees who are enrolled in a PSELHIP plan, the District shall indicate in box twelve (12) of the employee's Form W-2 the cost of the employee's health care coverage by using code "DD".<sup>11</sup>

### **IRS Returns**

The District will electronically file with the IRS by March 31 of each year the forms<sup>12</sup> required by the IRS on the health insurance coverage of each full-time employee for the previous calendar year, whether or not the full-time employee participates in a health insurance plan through the PSELHIP.

### **Statement of Return**

The District shall send to each full-time employee a Statement of Return (Statement) regarding the IRS Return<sup>13</sup> filed on the employee. The Statement shall contain: The District's name, address, and Employer Identification Number (EIN) as well as a copy of the IRS Return filed on the employee. The District shall send a copy of the Statement to the employee on or before January 31 of the calendar year following the calendar year the information in the Statement covers. The District shall send only one Statement to the household of an employee who meets the definition of a responsible individual that will include all requisite information for both the responsible individual and the responsible individual's dependent(s). The Statement will be mailed to the employee's address on record.

### **Record Retention**

The District shall maintain copies of the Statements sent to employees in accordance with the requirements for documents transmitted to the IRS in Policy 7.15—RECORD RETENTION AND DESTRUCTION.

Notes: This Policy is not intended to provide information on the specifics of the differences between the available PSELHIP plans; such information may be requested from the Employee Benefits Division (EBD).

<sup>1</sup> Although Arkansas's statutory language is "a position", the Fair Labor Standards Act and the Affordable Care Act both state that the determination of total number of hours is based on the specific employee rather than the number of contracts/positions an employee has with the same

employer. We believe that the Federal laws allow you to have an employee under separate contracts so long as you combine the number of hours from each contract to reach a total number of hours for that employee.

Example: An employee has two contracts with your district; one for a bus driver and one for a custodian. The bus driver contract is for twenty (20) hours each week and the custodian contract is for fifteen (15) hours each week. The employee is treated as providing thirty-five (35) hours for your district and would be eligible.

<sup>2</sup> EBD permits an employee to insure his/her spouse through the PSELHIP when the employee's spouse is a state employee or a public school employee.

<sup>3</sup> The Missouri School Boards Association has an excellent document containing more information on variable hour employees, selecting a measurement method, and setting up procedures for calculating hours. The document can be found at <http://arsba.org/policy-resources>.

<sup>4</sup> The start date of the employment contract is important because it triggers the start of the sixty (60) days the employee has to elect coverage. Our understanding is that EBD will use the date the employee is entered into APSCN to determine the start and end dates of the sixty (60) day period. The date an employee should be entered into APSCN as having been hired is the first date the employee's contract covers rather than the date the board voted to employ the individual; for example:

The employee has a 190 day contract with a first day of duty of Aug. 7<sup>th</sup> and runs through May 29<sup>th</sup>. The start date is August 7<sup>th</sup>.

<sup>5</sup> Qualifying Status Change Events include: change in number of dependents due to birth, adoption, death, or loss of eligibility due to age; change in marital status due to marriage, death, divorce, legal separation, or annulment; change in employment status; and loss or gain of group coverage. EBD requires supporting documentation of the qualifying status change event be attached to the application for a change in coverage.

<sup>6</sup> A consumer-driven health plan option is a health insurance plan that qualifies as a high deductible health plan. Currently, the PSELHIP plans that qualify as consumer-driven health plans are the Classic and Basic Plans. Districts may satisfy the training requirement by allowing a representative from the EBD's list of approved vendors to speak with the district's employees.

<sup>7</sup> The amount for the minimum contribution rate is set forth in A.C.A. § 6-17-1117(a)(1). Districts may be required to pay above the minimum contribution amount if the district gives a raise to the base minimum teacher salary. The district would then have to increase the contribution rate by the same percentage as the increase to the base minimum teacher salary; the exceptions to this are:

- The increase to the base salary schedule was to bring the district into compliance with the statutory minimum teacher salary schedule;
- Seventy-five percent (75%) or more of the district's eligible employees participate in health insurance through the PSELHIP; or
- The district's contribution is one hundred twenty-five percent (125%) or more above the minimum contribution amount.

When a district employee has elected the employee and spouse plan or the family plan and the employee's spouse also works for the district, the employee who is the primary insured individual is the only individual considered to have "elected to participate"; thus, the district is only responsible to pay a contribution rate for one employee rather than for both the employee and spouse.

<sup>8</sup> This is optional language from the SHIP Rules, which has the intent to provide some uniformity across the state on how to handle the summer contract gap period and provide increased certainty for personnel. If your district elected not to participate in the program, replace this language with "The District does not participate in the State Health Insurance Portability program" and renumber the remaining footnotes. Participation in the program provides that personnel who are transferring from one participating Arkansas district to another participating Arkansas district have two options:

- a) Legally, each school district is a separate employer; as a result, employees who transfer from another district have the option to be treated as a new employee for health insurance. As a new employee, the employee has the option to select a different level of insurance (Move from the Basic Plan to the Premium Plan or vice versa), add or drop dependents, and be eligible to receive the wellness discount. However, the employee will have all deductibles reset. Transferred employees who wish to be treated as a new employee are required to timely inform the district he/she is transferring from that the employee desires a break in coverage and to not have payments made on health insurance for July and August; these employees will be required to submit a new election form to EBD in order to have their health insurance reinstated.
- b) The transferred employee may elect to continue existing coverage through the new district. An employee who chooses this option may not change plan types, add or drop dependents, and will only receive the wellness discount if the employee had qualified for the discount prior to transferring to the new district. Employees who wish to be treated as a transferring employee instead of a new employee will need to have the district the employee is transferring from indicate in the EBD task for employee termination that the reason for their termination is due to a transfer and have their new district submit a Notice of Public School Employee Transfer Form to EBD. For an employee to be eligible for this option, both the employee's former district and the new district must participate in the SHIP program.

A copy of the SHIP Rules may be found at <http://arsba.org/policy-resources> and more information on procedures may be found in EBD's Public School Employee Benefits Administration Manual.

<sup>9</sup> We have put in a floating date for when employees have to notify that they are transferring that allows the policy to automatically take into account any extensions due to school being closed.

<sup>10</sup> The 15<sup>th</sup> is only a recommended date. The date must be set to allow a reasonable amount of time for collection from the employee but still allow the district to make a timely payment for health insurance premiums to EBD.

<sup>11</sup> This information has no impact on the employee's taxes as the employee portion of the health coverage premium is still excluded from earned income. The inclusion on the Form W-2 is for informational purposes only.

<sup>12</sup> The two forms districts will be required to complete are Form 1094C and Form 1095C. Form 1095C, like a W2, is specific to each full time employee. Form 1094C, like a W3, is a transmittal form that covers all the 1095C submitted to the IRS as well as some additional information.

<sup>13</sup> The IRS Return that will be sent to each full-time employee is a copy of the Form 1095C the district submits to the IRS on the employee.

Cross Reference: 7.15—RECORD RETENTION AND DESTRUCTION

Legal References: A.C.A. § 6-17-1117  
A.C.A. § 21-5-401 et seq.  
26 C.F.R. § 54.4980h-0 et seq.  
26 C.F.R. § 31.6001-1  
26 C.F.R. § 301.6056-1

Date Adopted: June 9, 2014

Last Revised: July 13, 2015; September 11, 2017

## 7.24—ADVERTISING ON SCHOOL BUSES

Under the authority granted by A.C.A. § 6-19-129 and the Commission for Arkansas Public School Academic Facilities and Transportation Rules Governing Advertising on School Buses:<sup>1</sup>

The District has chosen **NOT** to permit the selling of advertising space on District owned school buses and shall **NOT** use the space provided by law for any purpose.

Notes: <sup>1</sup> Select the option that works best for your district. When considering the option you wish to adopt, consider that permitting advertising on school buses may create a safety issue and may open the district up to First Amendment lawsuits. We strongly recommend you have your district attorney review both your policy and procedures before implementing them.

Cross References:      5.29—WELLNESS POLICY  
                                 6.9—MEDIA RELATIONS AND NEWS RELEASES  
                                 7.5—PURCHASES AND PROCUREMENT

Legal References:      A.C.A. § 6-19-129  
                                 A.C.A. § 7-1-111  
                                 Commission for Arkansas Public School Academic Facilities and Transportation  
                                 Rules Governing Advertising on School Buses  
                                 7 C.F.R. § 210.30

Date Adopted: 05-09-2016

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