Webster County Board Of Education

Purchasing Manual

**Mission**

One of the primary functions of the WCBOE Finance Department is to facilitate the efficient purchase of goods and services for use by WCBOE staff and students in fulfilling the district’s mission and advancing its strategic goals. The Finance Department oversees the purchasing process and monitors compliance with applicable state and federal laws and regulations, as well as board policy.

The objectives of this manual include:

* To improve the service we provide to our customers
* To more efficiently utilize district resources
* To provide consistent procedures and processes
* To settle accounts with vendors more quickly
* To ensure compliance with state and federal laws, regulations and district policies and procedures

**Ethics**

All purchasing transactions must be conducted in a manner that provides full and open competition, consistent with the ethical standards specified in state and federal statutes, all WCBOE policies and procedures, and this manual. Pursuant to KRS 45A.455, no employee shall participate in the selection or administration of a contract or purchase order with a related party, or where a conflict of interest exists. Such a conflict of interest would arise when the employee or any member of his/her immediate family, his/her partner, or an organization, which employs or is about to employ one of the parties, has a financial or other interest in or a tangible personal benefit from a vendor considered for a contract. No employee shall solicit or accept gratuities, favors, or anything of monetary value from contractors, vendors, or parties to any awards, contracts, or agreements unless it is an unsolicited gift with a value of less than $50 as set forth in KRS 45A.455.

**Model Procurement Code**

WCBOE has adopted the Model Procurement Code (MPC) pursuant to KRS 45A. MPC provides the methods by which goods and services may be procured by the district. Board policy 04.32 and procedure 04.32 AP.1 detail the district’s procedures relating to bidding.

It is the responsibility of the purchaser to determine the proper method of procurement and provide any required documentation to the Finance Department.

**PURCHASING BID ITEMS**

**If a bid vendor offers the item, it must be purchased from the bid vendor unless the item meets applicable criteria for one of the exceptions to competitive negotiations explained below.** Often, the same item may appear to be cheaper from another source. Bidding is meant to ensure fairness in the marketplace and to produce the least expensive price for the length of the contract. The item may be cheaper because of cash and carry or a discount store that does not provide ordering, delivery, and/or billing. If you consider employee time to make the purchase and travel cost, the cost of the item increases.

WCBOE uses three types of bids in its purchasing process: State price contracts, cooperative bids and local bids.

**State/Federal Price Contracts**

The school district is considered a political subdivision of the state. Therefore, we can purchase under the terms of many state, General Services Administration (GSA) and other multi-agency contracts. These contracts, when in place, meet all bidding requirements of the Kentucky Model Procurement Code and therefore no local bid is required for those items unless deemed in the best interest of the school district. State agency price contract awards are made on hundreds of items annually. School systems are afforded the right to purchase under the terms of the contract.

State/Federal Price Contracts are contracts that have been established by state or federal agencies to ensure the goods and services are being acquired at a rate that overall is in the best interest of the Commonwealth. These contracts ensure that common products are being acquired at a favorable price. They are established for goods and services that are likely to be purchased universally by agencies or sub-units of governments. KRS 156.076 permits local Boards of Education to purchase from vendors who have contracts with the state. Items such as computer equipment, typewriters, chairs, and file cabinets are typical products for which state/federal contracts are established.

State Price Contracts may be accessed via the KDE website at <http://education.ky.gov/districts/Proasst/Pages/default.aspx>. Click on “Procurement State Master Agreements” to obtain a current listing of available contracts.

**Cooperative Bids**

Cooperative groups of school districts also bid items, typically on an annual basis in an attempt to obtain better pricing. WCBOE is a cooperative member of WKEC and GRREC.

Cooperatives bid various items in large quantities in an effort to provide cost savings for its member school districts. Cooperative bids for member districts meet all bid requirements per the Kentucky Model Procurement Code. Therefore, no local bid is required for those items unless deemed in the best interest of the school district. All items offered by these bids must be purchased through these vendors unless it meets one of the following criteria:

1. Local bid award is in place for like terms, or
2. State, GSA or other multi-agency contract is available for similar items that would afford savings to the district, or
3. Meets one of the exceptions to competitive negotiations.

A list of all applicable cooperative contracts may be accessed via the GRREC website at <https://www.grrec.org/cooperative-purchasing-bids-aepa>.

Other cooperative contracts may be accessed via:

<http://www.kpc4me.com/all-awarded-contracts/>

<https://www.omniapartners.com/publicsector/contracts>

**Local Bids**

WCBOE may award local bids when a cooperative bid or state price contract etc. is not available and/or the superintendent feels it is in the best interest of the school district. A copy or listing of all local bid awards is available in the district finance office. All such bids must be approved at a meeting of the Board of Education.

**COMPETITIVE NEGOTIATIONS**

**Competitive Sealed Bid**

If a good or service to be purchased is not available through an existing bid, a new bid may need to be awarded. Any group of like items that total more than $20,000 district wide in one fiscal year must be bid either through one of our Board approved cooperatives, locally or through a state price contract, unless one of the exceptions allowing noncompetitive negotiations applies. Artificially splitting an order to avoid the total is illegal and is punishable by fine and/or imprisonment. ‘Aggregate amounts’ (as defined in KRS 45A.345) means the total dollar amount during a fiscal year of items of a like nature, function and use, which can be reasonably determined at the beginning of the fiscal year. The $20,000 amount is that amount purchased by the total district (including activity funds) in a fiscal year, not just the purchases of one location.

Bids need not be evaluated on price alone, but can be considered based on the lowest evaluated bid price. Pursuant to KRS 45A.345 (8), “”Evaluated bid price” means the dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in the invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life, residual value, and time of delivery, performance, or completion.” When considering other factors besides price, the evaluation criteria and the relative importance of each must be communicated in the solicitation for bids.

All WCBOE bids shall be conducted with the involvement of the Finance Department.

**Other Competitive Negotiation**

KRS 45A.370 allows school districts to purchase through other competitive negotiation, which may include a reverse auction, upon a written finding that:

1. Specifications cannot be made sufficiently specific to permit award based on either the lowest bid price or lowest evaluated bid price (examples: developmental research work, highly complex equipment which requires technical discussions, other nonstandard supplies or services); or
2. Sealed bidding is inappropriate because the available sources of supply are limited, the time and place of performance cannot be determined in advance, the price is regulated by law, or a fixed price is not applicable; or
3. The bid prices received through sealed bidding are unresponsive or unreasonable as to all or part of the requirements or appear to be the result of collusion; provided each bidder is notified of the intention to negotiate and is given a reasonable opportunity to negotiate and the negotiated price is lower than the lowest bid rejected.

Proposals shall be solicited through public notice or other means which can be demonstrated to notify an adequate number of qualified sources to permit reasonable competition. The request for proposals shall indicate the factors to be considered in the evaluation, including the reciprocal preference for resident vendors (KRS 45A.494), the relative importance of each factor, and the procedures to be followed if a reverse auction is used in the procurement.

**Small Purchases less than $20,000**

Pursuant to KRS 45A.385, board procedure 04.32 AP.1 details the procedures to be used for purchases less than $20,000 in the aggregate. Price comparisons are required if the purchase exceeds $1,000 and shall be documented on the Price Comparison Summary form found in the Appendix. The thresholds and corresponding documentation are required:

* Purchases of less than $1,000 ***in the aggregate*** do not require any price comparisons
* Purchases greater than $1,000, but less than $10,000 ***in the aggregate,*** require at least three verbal quotes; documentation must be submitted with the purchase order
* Purchases greater than $10,000, but less than $20,000 ***in the aggregate,*** require at least three written quotes; documentation must be submitted with the requisition

**EXCEPTIONS TO COMPETITIVE NEGOTIATIONS**

Kentucky Revised Statutes provide for certain exceptions to competitive negotiations: (District procedure 04.32 AP.1 requires quotes, when possible, from 3 suppliers for purchases exceeding $1,000 when one of these exceptions is utilized.)

**Emergency**- “Emergency” shall result in public harm as a result of the delay caused by competitive negotiation procedures. An emergency exists only when declared so by the Superintendent or designee. This exception is very rarely applied.

**Single Source**- There is only one source from which the product can be reasonably procured. An internet search should not return multiple vendors for the item.

**Licensed Professional**- The purchase is for the services of a licensed professional such as an attorney, physician, psychiatrist, certified public accountant, registered nurse, or educational specialist; a technician such as a plumber, electrician, mechanic; an artist such as a painter or musician; this provision does not apply to architects or engineers providing construction management services.

**Perishable Items**- A purchase of perishable items purchased on a weekly or more frequent basis such as ***fresh*** fruits, vegetables, fish, or meat. This is the used primarily by Food Service.

**Replacement Parts**- A purchase of replacement parts for which the need cannot reasonably be anticipated and stockpiling is not feasible.

**Items for Resale**- A purchase of proprietary items for resale; purchases in an enterprise in which the buying or selling by students is part of the educational experience.

**Travel**- Approved trips outside the boundaries of Webster County.

**Insurance**- A purchase of group life insurance, group health and accident insurance, group professional liability insurance, workers’ compensation insurance, or unemployment insurance.

**Sale at Reduced Price**- A purchase at a reduced price which will afford a purchase savings to the district. Documentation of the savings must be provided if this code is used.

**DOCUMENTATION OF COMPLIANCE WITH MPC**

The purchase order provides documentation of compliance with MPC by requiring one of the following purchasing codes to be entered:

|  |  |  |
| --- | --- | --- |
| Compliance Item | Munis MPC | Documentation Required |
| Competitive sealed bid KRS 45A.365 | 4 | Bid Tabulation |
| Cooperative Bid | 3 | N/A |
| State or federal price contract | 2 | N/A |
| Competitive negotiation KRS 45A.370 | 5 | Rarely used; if so, work with Finance |
| Small purchase less than $20,000 KRS 45A.385 | 6 | Price Comparison Worksheet if >$1,000Written quotes if > $10,000 |
| Emergency KRS 45A.380(1) | 7 | Written Determination—see below; Declaration of emergency |
| Single source within area KRS 45A.380(2) | 8 | Written Determination—see below |
| Licensed Professional KRS 45A.380(3) | 9 | Written Determination—see below |
| Perishable items KRS 45A.380(4) | 1 | Written Determination—see below |
| Replacement parts KRS 45A.380(5) | A | Written Determination—see below |
| Items for Resale KRS 45A.380(6) | B | Written Determination—see below |
| Travel KRS 45A.380(8) | C | Written Determination—see below |
| Insurance KRS 45A.380(10) | D | Written Determination—see below |
| Sale at reduced price KRS 45A.380(11) | E | Written Determination—see below; Price Comparison Worksheet |

KRS 45A.380 requires a written determination that competition is not feasible when utilizing one of the exceptions to competitive negotiations above. Use the Written Determination form located in the Appendix.

**Approved Vendors**

Purchases may only be made from approved vendors which are those active vendors in Munis. If a department wishes to purchase from a vendor who is not listed as active in Munis, the following process must be followed to request the finance department to approve that vendor.

Submit the Request for Vendor Approval Form (see Appendix) to Finance via email as noted on the form. All information on the form must be completed and a W-9 must accompany the request. Finance will perform random verification tests of the information on the form. A search will be conducted of all vendors in Munis to determine if the requested vendor already exists in the system. In addition, Finance will ensure the requested vendor has not been suspended or debarred by the federal government. If all information can be verified, the vendor will be added as an active vendor in Munis by the Director of Finance and assigned a vendor number.

**Account Coding**

Account coding of PO’s and invoice is critical to the accuracy and reliability of financial data generated by the district. The account code used to encumber funds must be the account code which is appropriate for the expenditure being made. Refer to the Chart of Accounts on the KDE website (with segment descriptions) to determine the appropriate code to use. Account coding will be reviewed by Finance during the purchase order approval process.

**The account shall be selected based on the actual expenditure being made, not based upon where there is available budget.** Budget administrators have the ability to request budget amendments to move funds among line items. The budget is a planning tool whereas the expenditures recorded reflect the actual results for the year.

All transactions in Munis require an account code that is comprised of three segments: Organization (Org), Object, and Project. Consider this sample account code:

**1302118 0610 550D**

The first part of the account code (1302118) is the **Organization** (Org) code which describes **WHO** the transaction is for. The Org has three sections: the Unit, the Fund, and the Key Code.

**130 | 2 | 118**

The first three digits of the Org represent the Unit. The Unit identifies the location. For schools, the Unit is the schools location number. 000 represents district-wide and 001 represents central office. A complete list of WCBOE Unit codes is in the Appendix.

The fourth digit of the Org represents the Fund. General Fund accounts are a 1 and Special Revenue accounts are a 2. Other fund codes can be found in the Chart of Accounts on the KDE website.

The last three digits of the Org code represent the Key Code. The Key Code is the KDE identifier for specific functions, program, or instructional levels. A complete list of orgs arranged in order by key code can be found in the Chart of Accounts on the KDE website.

The second part of the account code is the **Object** code which describes **WHAT** is being purchased. Examples of objects include salary, FICA, supplies, electricity, and travel. The object code in the sample, 0610, is General Supplies. Other object codes can be found in the Chart of Accounts on the KDE website at: *District/School Support*, then *District Financial Reporting*, then *Fund Balances, Revenue and Expenditures, Chart of Accounts*. Use the *KDE Chart of Accounts Segment Descriptions* file.

The third part of the account code is the **Project** code which describes the **TYPE** of funds being used. The project code allows us to create a separate set of balancing accounts for specific revenue sources or to track money set aside for specific purposes. In most cases, the fourth digit of the project code indicates the fiscal year the funding was awarded. For example, project code 310A indicates the funding was awarded in fiscal year 2014-15 denoted by the “A”. Fiscal year 2015-16 funding is denoted by a “B”. 2016-17 funding by a “C”, and so on. Some project codes for state and federal grants are determined by KDE. A current listing of WCBOE project bodes is included in the Appendix.

**Why do we use purchase orders and how do they work?**

A purchase order serves several very important functions, including:

* Protection against overspending—The primary function of a PO is to ensure funds are available ***before*** they are committed to a purchase of goods or services. A PO is a legally binding document, committing WCBOE to purchase from that vendor either for the specific items listed on the PO or up to the amount of a blanket PO. Obtaining a PO after an order is placed eliminates the opportunity to confirm funds are available in the budget.
* Account code integrity—The PO is the source document to indicate how the purchase will be recorded in the financial management system. If the account code is inaccurate on the PO, the payment of the invoice will be recorded improperly and the reports generated in Munis will be inaccurate and less meaningful.

When a PO is approved, funds are “set aside” as an encumbrance from that organization and/or project code so the budget administrator will know they are no longer available for spending. When the corresponding invoice is paid, the encumbrance is reduced and an actual expenditure recorded. This action does not change the amount of available funds in the budget, but rather replaces the encumbrance with an expenditure.

Example 1:

*A PO is approved for $100:*

Encumbrance Revenue Expenditure Available

**100** 500 0 400

*The invoice is paid:*

Encumbrance Revenue Expenditure Available

0 500 100 400

Example 2:

*A PO is approved for $100:*

Encumbrance Revenue Expenditure Available

**100**  500 0 400

*The invoice amount is less than the approved PO and is paid; the receiving report indicated there is another item to be received:*

Encumbrance Revenue Expenditure Available

**10** 500 **90** 400

*The purchaser communicates to Finance that the final item is unavailable and the PO can be fully liquidated:*

Encumbrance Revenue Expenditure Available

**0** 500 90 **410**

**Budgets**

No purchase order shall be issued in excess of the funds available in the current year for the organizational code and/or project code, as applicable. “Funds available” is considered to be the sum of available funds in object codes 03XX through 09XX unless the grantor or donor requires individual budget line items to be within the approved budget.

Each budget administrator is responsible for monitoring each spending unit’s budget to which they are assigned and has the authority to submit a Budget Amendment Request Form (see Appendix) to Finance if they choose to revise a budget. Upon approval by the Director of Finance or designee, the budget amendment will be posted to Munis. Budget amendments are not required unless the grantor or donor requires them or unless the budget administrator is requesting to move funds out of a salary or benefit object code.

**Allowable Purchases**

All purchases made with a WCBOE check must meet an “educational purpose” in accordance with the Kentucky constitution. In addition, purchases made with grants or donated funds must also comply with the restrictions placed by the grantor or donor. Allowable purchases for many state and federal grants are detailed in the Funding Matrices on the KDE website. You can find the information by going to the *District/School Support* page, then *Grant Information*. Be sure the good or service is allowable before submitting the purchase order.

Gifts for staff are not permitted to be purchased with district funds since there is no educational purpose or benefit to students. Gifts for staff may be purchased only with staff-generated funds maintained in the school activity fund bank account per the Redbook. Outside entities (local business, booster organization, private donor) may provide gifts directly to staff within limits allowable per the Internal Revenue Service.

**Determination of Worker Status for Purchased Professional Services**

The Internal Revenue Service (IRS) requires employers to make appropriate determination of work status between independent contractor and employee. Any purchase involving purchased professional services by a vendor not already approved and listed as active in Munis will be reviewed by the Director of Finance or designee for the purpose of determining worker status. Prior to making an agreement for an individual to perform services for the district or a school the requesting department shall include such a request on a Request for Vendor Approval form and submit to Finance along with a completed Common Law Questionnaire (see Appendix). Finance will make the final determination regarding worker status. Only workers determined to be independent contractors will be paid through accounts payable. Workers determined to be employees will follow the same procedures as any other district employee. In the event a clear determination cannot be made, the worker will be designated as an employee.

Game officials assigned by the Kentucky High School Athletic Association (KHSAA) are always paid as independent contractors and are exempt from the determination process described above.

**Types of Purchase Orders**

There are three types of purchase orders: (standard) purchased orders, blanket purchase orders, and emergency purchase orders.

***Purchase order***—The standard purchase order which is to be utilized unless a blanket or emergency PO is approved by Finance.

***Blanket purchase order***—A blanket purchase order is created for a period of time (monthly, quarterly, or annually depending on the situation) and invoices are liquidated against the total. Blankets are useful in situations involving agreements with scheduled charges or vendors where frequent small dollar purchases are made for items that cannot reasonably be anticipated in advance.

***Emergency purchase order***—An emergency purchase order may be used only in the event of a bona fide emergency declared by the Superintendent or designee. An emergency PO can be created instantly and bypasses the standard processes. Emergency POs use department 001. An emergency PO is created by contacting Finance for the PO number to use. Documentation of the purchase shall be submitted to Finance immediately following the purchase.

**Approval of Purchase Orders**

In accordance with Board Procedure 04.31 AP.1, a purchase order is required for every purchase in advance of ordering or receiving the goods or services except for the following: salaries and benefits, district utility payments, bond payments, and reimbursements to employees for approved travel.

The Director of Finance (or designee) shall approve every purchase order. As part of the review, he/she will review the purchase order for the proper account code, proper commodity code(s), documentation of compliance with MPC, indication of 1099 vendor, and fixed asset compliance.

If an approver will be unavailable for more than two consecutive days, work with Finance to ensure another individual is given temporary authorization to approve purchase orders during the absence.

**Changing the Amount of a Purchase Order**

If the need arises to increase or decrease the amount of a PO, change the vendor, or change an account code, complete the Request for PO Maintenance Change form (see Appendix). Once received and reviewed, Finance will make the change to the PO.

**Tracking Information**

Munis provides many ways to track purchasing and budgetary data. Account inquiry will provide budget and actual numbers for any account code and allows the user to “drill down” to see more detail. The Open PO report lists POs with outstanding encumbrance balances for selected account codes. A Project Budget Report is the primary report to be used to monitor federal and state grants and other restricted projects.

**Receiving**

Specify on the purchase order where the goods are to be shipped using the “Ship To” field. When the goods are received, it is the responsibility of the requesting department to verify the items and sign and date a document to serve as proof of receipt and send it to the school secretary in a timely manner. This could be a packing slip or copy of the purchase order. If some items were not received, indicate the missing items on the receiving document. If items were received damaged or otherwise unacceptable, it is the responsibility of the requesting department to work with the vendor to resolve the situation. Finance shall not pay any invoice without documentation that the goods or services were received and in acceptable condition.

To indicate partial liquidation of a blanket PO or to indicate a partial shipment of items ordered, submit a copy of the purchase order each time. When the original purchase order is received in Finance it will be an indication that the entire remaining amount of the encumbrance should be liquidated.

**Payment of Invoices**

Original invoices are required to process a payment. Payments shall not be made from statements. When the receiving document is received by the school secretary, it shall be matched to the invoice and approved purchase order, then submitted to Finance. Finance will then enter the invoice in a batch in Munis to be paid. When the batch is complete, the Director of Finance will ensure the total shown in the cash disbursements journal agrees to the total of the warrants in the batch.

The local board of education is required to review all payments before they are released to vendors. The board receives a list of payments prior to each board meeting date. Finance will include in the listing all invoices ready to pay (invoice, approved purchase order, and receiving document). Any invoices not ready for payment by the Monday before a board meeting will be included on the next board meeting listing.

Board members have the opportunity to question or pull items from the semi-monthly check listing. All items not questioned prior to board approval will be processed for distribution at that time. The Director of Finance will finalize the batch and print the checks. A copy of each check is attached to the corresponding invoice/purchase order/receiving document and filed. Each invoice is marked “paid” and dated.

All checks shall be mailed to the remittance address on file in Munis for each vendor unless prior arrangements are made with Finance to pick up a check. Checks for pick up will be distributed to the central office receptionist on the check distribution date. To pick up a check, the recipient shall sign the Vendor Check Pick Up form maintained by the receptionist.

**Partial Liquidation of Purchase Orders**

Requesting departments should not accept backorders on items. Occasionally, especially with certain vendors, partial shipments are made and invoiced instead of waiting for the entire order to be processed. These situations result in partial liquidation of the purchase order. The portion of the PO that is invoiced will be liquidated and the remaining amount will continue to appear as an outstanding encumbrance in Munis. If some of the items on the PO will not be received, please indicate such on the receiving document prior to forwarding to Finance so the entire amount of the PO can be liquidated. See “Receiving” above.

**Invoices Greater Than the Purchase Order Amount**

Because a purchase order is created before the purchase is made, the amount on the PO is estimated and will not always match the invoice amount. If the amount of the invoice is less than the PO, the entire amount of the PO will be liquidated when the invoice is posted, making those excess funds available in the budget to re-obligate. If the invoice amount is greater than the PO, keep in mind that the amount recorded as expenditure will be more than what had shown in Munis as an encumbrance, reducing the amount of available funds. Finance will contact the purchaser before payment is processed if the invoice amount is greater than the amount of the PO by $10 or 10%, whichever is lower.

**Travel Reimbursements**

In accordance with board policy 03.125 AP.21 and 03.125 AP.22, employees may be reimbursed for authorized travel incurred during their work. To initiate a travel request, the Out of District Travel Request form must be completed by the employee and approved by the employee’s immediate supervisor and budget administrator (if applicable). To initiate a travel reimbursement, the travel reimbursement voucher must be completed by the employee, be accompanied by the required documentation based on the specific claim, approved by the employee’s immediate supervisor, budget administrator (if applicable), and forwarded to Finance. Finance staff will verify that all required documentation is attached and review it for errors.

**Other Reimbursements**

Board procedure 03.125 AP.22 shall be completed by the employee for types of reimbursements other than travel. The reimbursement shall be approved by the employee’s immediate supervisor and budget administrator (if applicable) and submitted to Finance with supporting documentation.

**Credit Card Purchases**

At times, a good or service may be available for purchase only with the use of a credit card. WCBOE has allocated credit cards to each school/department. If a requesting department needs to make a purchase by credit card, the following process shall be followed.

The requesting department obtains an approved purchase order. The Credit Card Usage Form must be completed and submitted to Finance for approval by the Director of Finance. The purchaser will obtain the credit card from the school secretary by signing the credit card log maintained with the card in the safe, and make the purchase. Immediately after the approved purchase is made, the purchaser will return the credit card to the school secretary and document the time on the log. The school secretary will return the credit card to the safe.

The purchaser shall submit invoices to the school secretary to support the charges made by credit card. In the case of hotel reservations, the traveler shall submit the hotel invoice to the school secretary immediately upon return from the trip. Failure to submit invoices may preclude approval of future credit card usage requests.

**Payments to “Cash”**

At no time will a check be made payable to “cash” or the bank for the purpose of obtaining cash. Instead, a check will be made payable to the responsible party (teacher or sponsor, for example).

**Payment of Personal Bills**

The only situation in which it is allowable to pay an individuals’ personal bills is the payment of utility bills or other bills on behalf of students through the FRYSC. When submitting the purchase order, include documentation proving the owner of the account being paid. These utility payments require an approved PO to ensure the availability of funds and approval by the budget administrator. Attach the student demographic information from Infinite Campus to show the student address matches that of the account owner.

**Purchases of Food**

Purchases of prepared food or food to be prepared are allowable in the following scenarios based on budget availability of the funding source provided the purchase is also allowed by the grantor or donor, if applicable:

1. For student activities and/or student recognition (examples: student group activities, snacks during testing). Food purchases for students during regular school hours shall meet the smart snacks federal guidelines. For more information on smart snacks, please contact the district Food Service Director.
2. For parental involvement activities or meetings requiring parental participation (examples: SBDM meetings, Open House activities, Title I Parent Involvement activities)
3. For meetings involving only staff IF that meeting is held after standard work hours and is scheduled to last more than three hours in duration (example: a staff meeting scheduled from 4:00-7:00 without a dinner break)
4. For meetings involving only staff IF that meeting is held during the standard lunch break and is scheduled to last at least three hours in duration (example: a staff meeting held from 11:00-2:00 without a lunch break

Food purchased by schools from school funds must comply with Redbook. All food purchases, regardless of funding source, must adhere to all other purchasing procedures described in this manual.

Object code 0616, non-instructional food, is ALWAYS used when purchasing food for staff or parents. It is also used for most food purchases for students. Use object code 0617, instructional food, ONLY for students and ONLY when the food purchase is related directly to an instructional activity (such as culinary arts class) or when used in a preschool or afterschool program. Neither of these codes are to be used for food purchased for use in the food service programs.

All district purchases must have an “education purpose” in accordance with the Kentucky constitution. When a purchase order is submitted for a non-instructional food purchase (object 0616), the requestor must include justification of the educational purpose with the purchase order in Munis. Finance will evaluate the justification as part of the purchase order approval process. A sample justification for food for a staff only meeting could be “to facilitate professional learning for teachers; the material to be covered allows only a 30 minute break for lunch which is inadequate to allow attendees to get their own lunch”. If the activity involves students or parent, a brief note to indicate such is sufficient justification.

Only food vendors accepting a PO may be utilized for food purchases for staff only events.

Please note that Title I funds may be used for the purchase of snacks only if also in accordance with the guidelines described above. Title I funds may not be used to purchase meals.

Food for staff may be purchased outside these guidelines if staff-generated funds are used at the school level (see Redbook), if a collection is taken up by staff at the district level, or if a separate legal entity (PTA/PTO, business partner, donor) makes the payment directly to the vendor.

**Petty Cash**

Contingent upon board approval, schools are authorized to maintain a petty cash fund for small time-sensitive purchases (stamps, for example) and for collecting and making change for student fees. Procedures for the operation of the petty cash fund are described in the Redbook.

**Vendor Relations**

Vendors shall not participate in writing a Request for Proposals or Invitation for Bids. Vendors participating in the development of an RFP or IFB forfeit the opportunity to bid for work.

Pursuant to board 10.4 and board procedure 10.5 AP.1, vendors shall not make unannounced visits to schools during instructional time.

**Commodity Codes**

When purchasing an item which is technology related, the appropriate commodity code must be included on the purchase order. The complete listing of available commodity codes can be found in the Appendix. Object codes that require a commodity code include, but are not limited to: 0351, 0352, 0432, 0443, 0533, 0650, 0734, and 0735.

**Purchasing Fixed Assets**

In addition to the procedures outlined above, if a fixed asset is being purchased, it is the responsibility of the requesting department to ensure the asset is properly tagged when received. Be sure to use object code series 07XX for purchases of fixed assets that exceed the capitalization threshold of $5,000. If the purchase does not meet the capitalization threshold, use object code series 06XX to record the purchase. Apply the capitalization threshold to individual assets (a single device) rather than a lot (a bulk purchase of 1000 devices) of items.

**Disposal of Property**

Board policy 04.8 details procedures for the disposal of property.

**Unauthorized Purchases**

Board policy 04.31 states that “expenditures from any district fund shall be made in accordance with budgets approved by the Board. All purchases shall require the prior approval of the Superintendent or the Superintendent’s designee”. It further states that “the Board shall not be responsible for expenditures not properly authorized and not made according to the purchasing procedures developed by the Superintendent” which includes all Board policies, procedures, and this purchasing manual.

**The invoice date shall not be prior to the approved purchase order date.**

Invoices received for which there is no approved purchase order will be traced back to the purchaser and may be the responsibility of the purchaser.

**Annual Cut-Off Dates**

District purchase orders must be approved by the cut-off date established by Finance each fiscal year. After that date, only emergency purchases will be approved. All other purchases may be requested in the subsequent year if funds are available. This deadline facilitates the close out process and helps ensure that funds in any given fiscal year are spent for the benefit of students in that same year. Cut-off dates for school activity funds will be at the discretion of each principal.

**Year End Closing Procedures**

Each annual budget is approved by the board for the fiscal year of July 1-June 30. Funds for the year are not available for obligation or spending prior to July 1; therefore no purchase orders shall be created for the subsequent year prior to July 1. The date the purchase order is issued to the vendor is the date the funds are obligated, regardless of when the goods or services are received or invoiced. Requests may be made in June for the subsequent year; however, they will remain pending until July 1 when the school secretary can create POs in Munis. If goods or services need to be ordered prior to July 1, current fiscal year funds must be utilized to place those orders.

Purchase orders not approved by the cut-off date established by Finance will be rejected in Munis to allow the purchaser to resubmit the purchase orders in the subsequent year if funds are available.

After the close of business on June 30 each year, purchase orders may be entered for the subsequent year only.

**GLOSSARY**

**Aggregate amount—**The total dollar amount during a fiscal year of items of a like nature, function, and use the need for which can reasonably be determined at the beginning of the fiscal year. Items the need for which could not reasonably be established in advance or which were unavailable because of a failure of delivery need not be included in the aggregate amount.

**Bid**—A competitive offer made by a seller.

**Bidding**—The process of soliciting the price and other considerations for goods and services from qualified vendors. The solicitation of prices from more than one vendor constitutes bidding. Bids may be solicited in an informal manner by telephone, facsimile, Internet or mail, or through a formal sealed bid process.

**Bid Opening**—A firmly established date and time for the public opening of responses to a solicitation.

**Blanket Purchase Order**—A written or electronic document issued by the LEA to a vendor authorizing or executing a purchase transaction in situations where there is normally a large volume of small dollar purchases of a repetitive nature and it is difficult to determine in advance exactly which products are needed.

**Capital Asset**—Land, land improvements, easements, buildings, building improvements, vehicles, machinery, equipment, and all other tangible or intangible assets that exceed the capitalization threshold established by the entity and have a useful life extending beyond one year.

**Capital cost avoidance**—Moneys expended by a local public agency to pay for an energy conservation measure identified as a permanent equipment replacement and whose cost has been discounted by any additional energy and operation savings generated from other energy conservation measure identified in the guaranteed energy savings contract, except that for school districts capital cost avoidance shall also mean moneys expended by the district from one (1) or more of the following sources:

1. General Fund;
2. Capital outlay allotment under KRS 157.420; and
3. State and local funds from the Facilities Support Program of Kentucky under KRS 157.440.

**Chief executive officer**—The mayor, county judge/executive, superintendent of schools, or the principal administrative officer of a local public agency, or the person designated by the chief executive officer or legislative body of the local public agency to perform the procurement function.

**Competitive bids**—The process of soliciting the price and other considerations for goods and services from more than one qualified vendor.

**Construction**—The process of building, altering, repairing, or improving any public structure or building, or other public improvements of any kind to any public real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

**Contract**—All types of local public agency agreements, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item. It includes awards and notices of award; contracts of a fixed-price, cost, cost-plus-a-fixed-fee, or incentive type; contracts providing for the issuance of job or task orders; leases; letter contracts; and purchase orders. It also includes supplemental agreements with respect to any of the foregoing. It does not include labor contracts with employees of local public agencies.

**Document**—Any physical embodiment of information or ideas, regardless of form or characteristic, including electronic versions thereof.

**Emergency**—An unexpected situation or sudden occurrence of a serious and urgent nature that demands immediate action. These situation can arise from acts of nature, conditions that are detrimental to the health, safety, or welfare of students, or other unforeseen events that threaten the termination of essential services, including delays in the transportation of indispensable goods and materials. Situations created by improper planning or negligence are not to be considered an emergency.

**Established catalogue price**—The price included in the most current catalogue, price list, schedule, or other form that:

1. Is regularly maintained by the manufacturer or vendor of an item; and
2. Is either published or otherwise available for inspection by customers; and
3. States prices at which sales are currently or were last made to a significant number of buyers constituting the general buying public for that item.

**Evaluated bid price**—The dollar amount of a bid after bid price adjustments are made pursuant to objective measurable criteria, set forth in the invitation for bids, which affect the economy and effectiveness in the operation or use of the product, such as reliability, maintainability, useful life, residual value, and time of delivery, performance, or completion.

**Evaluation of bids**—The process of examining all offers received in order to ascertain whether they meet all bid requirements and to determine which offer to recommend or select for award.

**Freight Terminology**—Terms used to specify the point of origin and destination, stating the responsible party for bearing freight charges and when title passes.

**Free on Board (FOB) Destination**—Title remains with the vendor until the commodities are delivered to the point of destination specified in the purchase order and accepted by the buyer. The seller is responsible for any losses or damages resulting from shipment and files any claims against the carrier. The freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Collect and Allowed), or may be paid by the buyer (Freight Collect).

**Free on Board (FOB) Shipping Point or Origin**—Title passes to the buyer immediately at the time the commodities are picked up by a common carrier for shipment. The buyer is responsible for any losses or damages resulting from shipment and files any claims made against the carrier. The freight costs may be paid by the seller (Freight Prepaid), may be paid by the seller in advance but invoiced back to the buyer (Freight Prepaid and Add), or may be paid by the buyer (Freight Collect).

**General Terms and Conditions**—Standard clauses and requirement incorporated into all solicitations and resulting contracts which are derived from laws, or administrative procedures.

**Governing board**—A council, commission, or other legislative body of a city, consolidated local government, or urban-county; a county fiscal court; board of education of a county or independent school district, board of directors of an area development district or special district; or board of any other local public agency.

**Grant**—Money distributed to a recipient, including state agencies and political subdivisions, in which no direct commodity or service is received by the granting agency.

**Guaranteed energy savings contract**—A contract for the evaluation and recommendation of energy, water, and wastewater conservation measures and for implementation of one (1) or more of those measures. The contract shall provide that all payments, except obligations on termination of the contract before its expirations, are to be made over time and the savings are guaranteed to the extent necessary to make payments for the cost of the design, installation, and maintenance of energy, water, and wastewater conservation measures.

**Invitation for bids**—All documents, whether attached or incorporated by reference, utilized for soliciting bids in accordance with the procedures set forth in KRS 45A.365.

**Justification**—A written explanation which must be retained as a public record available for inspection.

**Local public agency**—A city, county, urban-county, consolidated local government, school district, special district, or an agency formed by a combination of such agencies under KRS Chapter 79, or any department, board, commission, authority, office, or other sub-unit of a political subdivision which shall include the offices of the county clerk, county sheriff, county attorney, coroner, and jailer.

**May**—Permissive. However, the words “no person may…” means that no person is required, authorized, or permitted to do the act prescribed.

**Model Procurement Code (MPC)**—The procurement procedures described in KRS 45A.345-360.

**Negotiation**—Contracting by either the method set forth in KRS 45A.370, 45A.375, or 45A.380; A bargaining process between two or more parties, each with its own viewpoints and objectives that are seeking to reach a mutually satisfactory agreement on, or settlement of, a matter of common concern.

**Non-competitive negotiation**—Informal negotiation with one (1) or more vendor, contractor, or individual without advertisement or notice.

**Objective measurable criteria**—Sufficient information in the invitation to bid as to weight and method of evaluation may be determined with reasonable mathematical certainty. Criteria which are otherwise subjective, such as taste and appearance, may be established when appropriate.

**Person**—Any business, individual, union, committee, club, or other organization or group of individuals.

**Piggybacking**—The process of utilizing another agency’s existing open-ended contract to which the requesting LEA was not an original party to make purchases.

**Procurement**—The purchasing, buying, renting, leasing, or otherwise obtaining any supplies, services, or construction. It also includes all functions that pertain to the obtaining of any public procurement, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration.

**Purchase Order**—A written or electronic document issued by the LEA to a vendor authorizing or executing a purchase transaction.

**Qualified provider**—A person or business experienced in the design, implementation, and installation of energy, water, and wastewater conservation measures and is determined to be qualified by the local public agency. The qualified provider shall be responsible for and shall provide the local public agency with the following information regarding guaranteed energy, water, and wastewater savings contracts:

1. Project design and specifications;
2. Construction management;
3. Construction;
4. Commissioning;
5. On-going services as required;
6. Measurement and verification of savings for guaranteed energy, water, and wastewater savings contracts; and
7. Annual reconciliation statements as provided in KRS 45A.352(8).

**Renewal**—The extension of an existing contract for an additional period of time in accordance with the terms and conditions of the original contract.

**Request for Information (RFI)**—A document used to solicit information to assist in preparing specifications for a Request for Quotation (RFQ) or Request for Proposal (RFP). No award can be made from a RFI.

**Request for Proposals (RFP)**—All documents, whether attached or incorporated by reference, utilized for soliciting proposals in accordance with the procedures set forth in KRS 45A.370, 45A.375, 45A.380, or 45A.385; A best value purchasing tool used to acquire professional and other services where the scope of the work may not be well defined and cost is not the sole factor in determining the award. All criteria by which the bidders will be evaluated must be contained within the bid document.

**Request for Quotation (RFQ)**—A document that is used to solicit written bids that contain all of the specifications or scope of work and contractual terms and conditions. Conformity to specifications and price are the only factors used in the evaluation process.

**Responsible bidder**—A person who has the capability in all respects to perform fully the contract requirement, and the integrity and reliability which will assure good faith performance.

(20) “Responsive bidder” means a person who has submitted a bid under KRS 45A.365 which conforms in all material respects to the invitation for bids, so that all bidders may stand on equal footing with respect to the method and timelines of submission and as to the substance of any resulting contract.

“Reverse auction” means a real-time, structured bidding process, usually lasting less than one (1) hour, and taking place at a previously scheduled time and Internet location, during which multiple bidders, anonymous to each other, submit revised, lower bids to provide the solicited good or leased space.

**Sealed Bids**—A process for the solicitation of bids for the purchase of commodities or services wherein the interested vendors are required to submit their proposals in a sealed envelope that is opened during a formal meeting at the place, date, and time specified in the bid solicitation.

**Services**—The rendering, by a contractor, of its time and effort rather than the furnishing of a specific end product other than reports which are merely incidental to the required performance of service. It does not include labor contracts with employees of local public agencies.

**Shall**—Imperative; required.

**Sole Source**—The only source for a specific commodity or service.

**Solicitation**—A written, electronic, or oral request submitted by the LEA to obtain bids or proposals for the purchase of commodities or services. The request can be in writing or orally.

**Specifications**—A detailed description of the commodity or service for which a bid is being requested. “Specifications” means any description of a physical or functional characteristic of a supply, service, or construction item. It may include a description of any requirement for inspecting, testing, or preparing a supply, service, or construction item for delivery.

**State Price Contract**—A contract between the Commonwealth of Kentucky and a qualified vendor used for the purchase of frequently used commodities or services. LEAs may purchase from statewide contracts.

**Stringing**—The illegal practice of issuing a series of purchase orders for the purpose of circumventing the competitive bidding procedures.

**Supplemental agreement**—Any contract modification which is accomplished by the mutual action of the parties.

**Supplies**—All property, including by not limited to leases on real property, printing, and insurance, except land or a permanent interest in land.

**Terms of Sale**—Stipulations made within the contract regarding the transaction.

**Unit Price**—The cost per unit of the commodity or service being purchased.

**Vendor**—An individual, partnership or business authorized to conduct business in the State of Kentucky that is able to furnish the desired commodity or service.

APPENDIX

**Munis Source Codes**

AJE Post last year adjustments

API Accounts Payable Invoice Created in Invoice Entry

APM Accounts Payable Maintenance Invoice Maintenance

APP Accounts Payable Payment Created in Cash Disbursements

BUA Budget Update Amendment

BUC Budget Update Completion

CRP Cash Receipts Posting

GCR General Cash Receipt

GEL General Ledger Encumbrance Journal

GEN General Journal Entry

GRV General Journal Reversal

INA Inventory Adjustment

INI Inventory Issue

POE Purchase Order Entry

POL Purchase Order Liquidation

POM Purchase Order Maintenance Created in PO Change Orders

PRJ Payroll Journal Created in Payroll Distribution

SOY Start of Year

YEC Year End Closing

**Departments**

Each purchasing unit has been assigned a Munis department code for use in the purchase order process. User permissions have been designed to allow personnel access to only the department code to which they are assigned.

|  |  |  |
| --- | --- | --- |
| **DEPT CODE** | **DESCRIPTION** | **DATA ENTRY/ORIGINATOR** |
| 000 | District Wide | Brandi Burnett |
| 001 | Central Office | Brandi Burnett |
| 020 | Clay Elementary | Mandy Spencer |
| 050 | Dixon Elementary | Lisa Lucas |
| 060 | Providence Elementary | Carol Hill |
| 090 | Sebree Elementary | Jami Busbey |
| 120 | Annex/Food Service | Sue Shelton |
| 125 | Webster County Middle School | Jana Scott |
| 130 | Webster County High School | Michelle Wilson |
| FAMLY | Family Resource Center | LaDonna Brown |
| MAINT | Maintenance/Operations | LaDonna Brown |
| SPED | Special Education | LaDonna Brown |
| Tec | Technology | Marsha Rakestraw |
| TRANS | Transportation | Diane Moore |

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| --- | --- |
| Deparment: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Date: \_\_\_\_\_\_\_\_\_\_\_\_\_ Purchase Order Number: \_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Purchaser: ­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Succesful Vendor:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Vendors providing quotes: |  |
| 1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 2.\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| 3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | 4. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

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| **Price Comparison Worksheet** |  |
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| --- | --- | --- | --- | --- | --- |
| Commodity Code | Quantity | Unit of Measure | Unit Price | Description of Item | Price Comparison |
| 1 | 2 | 3 | 4 |
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|   |   |   |   |   |   |   |   |   |
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Check here if purchase is less than $10,000 and verbal quotes were obtained; otherwise attach documentation of each quote.

Purchaser: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Budget Administrator: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Signature and date Signature and date

**Request for Purchase Order Maintenance Change**

|  |  |  |
| --- | --- | --- |
| Date:  | PO Number: | Vendor: |
|  |
| Purchaser: | Department: |

**Cancel or Liquidate the Entire Remaining Amount:**

Cancel PO Completely? Yes No OR Liquidate Remaining Balance of \_\_\_\_\_\_

**Increase or Decrease Amount:**

Old Amount: ­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ New Amount: ­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Line Items Affected: ­­­­­­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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**Change Accounting Code:**

Old Code: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ New Code: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Change Vendor:**

From: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ To: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**If the PO will be increased by more than 10% or $10, whichever is great, budget administrator approval is required.** Approval is not required for increases dur to shipping costs.

Budget Administrator Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date: \_\_\_\_\_\_\_\_\_\_\_

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| ***For Office Use Only*** Processed By: Date: |

**Noncompetitive Negotiation**

**Written Determination**

Check the Exception Being Utilized

|  |  |
| --- | --- |
|   | An emergency exists which will cause public harm as a result of the delay in competitive procedures. State the date the emergency was declared by the Superintendent: \_\_\_\_\_\_\_\_\_\_\_\_ *Attach documentation* |
|   | There is a single source for the item.Explain why the vendor is a single source: ­­­­­­­­­­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|   | The contract is for the services of a licensed professional, education specialist, technician, or an artist. State why the services qualify: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
|   | The contract is for the purchase of perishable items purchased on a weekly or more frequent basis. |
|   | The contract is for proprietary item(s) for resale: This can include the buying or selling of item(s) by students when it is part of the educational experience. |
|   | The contract is for replacement parts when the need cannot be reasonably anticipated and stockpiling is not feasible. |
|   | The contract or purchase is for expenditures made on authorized trips outside the boundaries of WCPS. |
|   | The contract is for a sale of supplies at reduced prices that will afford WCPS a savings.*Attach the Price Comparison Worksheet showing the savings.* |

**I have determined that, pursuant to KRS 45A. 380, the above item(s) should be obtained by the above Noncompetitive Negotiation method since competition is not feasible.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print Name School or Department

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signature

Request for Vendor Approval Form

Vendor Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Attached Form W-9)

DBA: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Doing Business As)

Website URL: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contact Information:

Sales:

|  |  |
| --- | --- |
| Name: |  |
| Telephone: |  |
| Fax: |  |
| Email: |  |

Customer Service:

|  |  |
| --- | --- |
| Name: |  |
| Telephone: |  |
| Fax: |  |
| Email: |  |

Mail Payments to:

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City, State, Zip: |  |
| Attention: |  |

Requested By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Initial Budget Request**

|  |  |
| --- | --- |
| Submitted By: |  |
| Budget Administrator: |  |
| Date: |  |

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| Project |

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| Organization | Object | Description | Desired MunisBudget | Notes |
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|  |  | Total |  |  |

***NOTES: Add lines as needed to represent the entire budget. Submit the grant award notification if a local, state, or federal grant. Submit the donation documents if a donation. If the grantor requires approval of the project budget, a copy***

**Budget Amendment Request**

|  |  |
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| Submitted By: |  |
| Budget Administrator: |  |
| Date: |  |

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| Organization | Project |

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| Object | Description | Current MunisBudget | Desired MunisBudget | Increase(Decrease) | Notes |
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***NOTES: Add lines as needed to represent the entire budget. A current Munis project budget report which agrees to the data entered in the “Current Munis Budget” column must be attached to this request.***

Credit Card Usage/Justification Form

|  |  |
| --- | --- |
| Date |  |
|  |  |
| Approved Purchase Order Number |  |
|  |  |
| Purchaser |  |
|  |  |
| Location |  |

Requesting use of the card for the following reason:

\_\_\_\_\_ The purchase of airfare for approved travel (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).

\_\_\_\_\_ The purchase of registration fees related to approved travel; the undersigned attests that after explaining board policies and procedures the vendor has refused to accept a purchase order to obtain the seat and has refused to accept a district check hand carried to the event or mailed to the vendor in advance (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).

\_\_\_\_\_ The reservation and/or purchase of a hotel room related to approved travel; the undersigned attests that after explaining board policies and procedures the vendor has refused to accept a purchase order to obtain the seat and has refused to accept a district check hand carried or mailed to the vendor in advance (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).

\_\_\_\_\_ The purchase of other goods and services because a credit card is the only form of payment accepted by the vendor, verified by the undersigned.

\_\_\_\_\_ Other extenuating circumstances: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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*The person signing as Purchaser is responsible for submitting original invoices to Finance within three business days of receipt or return from the trip. Failure to submit invoices may preclude approval of future credit card usage requests.*

Purchaser’s Signature \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Approved \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Credit Card Usage Procedures

At times, a good or service may be available for purchase only with the use of credit card. WCPS has credit cards at each school and the district locations. If a requesting department needs to make a purchase by credit card, the following process shall be followed.

The requesting department must first obtain an approved purchase order to purchase the goods or services, whether it be through Munis or EPES Accounting Software. The Credit Card Usage Form must be completed and submitted, with supporting documentation as described on the form, to Finance for approval by the Director of Finance. Approval may be granted in the following circumstances:

* For the purchase of airfare for approved travel (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).
* The purchase of registration fees related to approved travel; the undersigned attests that after explaining board policies and procedures the vendor has refused to accept a purchase order to obtain the seat and has refused to accept a district check hand carried to the event or mailed to the vendor in advance (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).
* The reservation and/or purchase of a hotel room related to approved travel; the undersigned attests that after explaining board policies and procedures the vendor has refused to accept a purchase order to obtain the seat and has refused to accept a district check hand carried or mailed to the vendor in advance (the approved Travel Request Form must be submitted along with the Credit Card Usage Form).
* The purchase of other goods and services because a credit card is the only form of payment accepted by the vendor, verified by the undersigned.

The Director of Finance may approve use of the credit card for other purchases on a case-by-case basis. Failure to properly plan and follow board policies and procedures is not a compelling reason to use the credit card for a purchase.

Upon approval of the Credit Card Usage Form, the purchaser will obtain the credit card from Director of Finance, school bookkeeper, or department manager by signing the credit card log maintained with the card in the safe, and make the purchase. The purchaser shall return the credit card within 24 hours to the Director of Finance, school bookkeeper, or department manager who will document the time on the log and return the credit card to the safe.

The purchaser is responsible for submitting invoices to support the charges made by credit card. All original invoices, including hotel invoices denoting a zero balance due, shall be submitted to Finance within three business days of receipt or return from the trip. Failure to submit invoices may preclude approval of future credit card usage requests.

Technology Purchases

Commodity Codes

Commodity Codes shall be entered on every Munis Purchase Order obtained for technology purchases.

|  |  |
| --- | --- |
| **Commodity Code** | **Description** |
|  |  |
| 310-01-100 | Student Workstations |
| 310-01-101 | Assistive and Adaptive Technology |
| 310-01-102 | Software, Apps & Digital Content |
| 310-01-103 | STLP Leadership & Services |
| 310-01-104 | Classroom Instructional Technology |
| 310-01-105 | Faculty/Staff Workstations |
| 310-01-106 | School & District Printing Services |
| 310-01-107 | File Servers & Storage |
| 310-01-108 | School & District Phone Systems |
| 310-01-109 | School & District Telco Voice Line |
| 310-01-110 | Financial Accounting System (Munis) |
| 310-01-111 | Student Info System (IC) |
| 310-01-112 | School & District Network Wiring |
| 310-01-113 | School & District Network Component |
| 310-01-114 | Internet Hub Fiber Connection |
| 310-01-115 | People Side of Education Tech |
| 310-01-116 | Professional Development |

Common Law Questionnaire

|  |  |
| --- | --- |
| Name of firm (or person for whom the worker performed services)Webster County Board of Education | Worker’s Name |
| Firm’s address (mailing address, city, state, and ZIP)28 ST RT 1340Dixon, KY 42409 | Worker’s Address |
| Firm’s employer identification number61-6001270 | Worker’s Social Security Number |
| Firm’s Telephone number (include area code)270-639-5083 | Worker’s Telephone Number (w/ area code) |

**Please answer ALL items OR mark them “Unknown” or “Does Not Apply”. If you need more space, attach another sheet.**

Attach copies of all supporting documentation (contracts, invoices, memos, Forms W-2, Forms 1099, IRS closing agreements, IRS rulings, etc.).

Who is completing this form: Firm \_\_\_\_\_\_\_\_\_\_\_\_\_ Worker \_\_\_\_\_\_\_\_\_\_\_\_\_\_

When did the worker start performing services for the firm? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Describe the work done by the worker and provide the worker’s job title:

If the work is done under a written agreement between the firm and the worker, attach a copy (preferably signed by both parties). Describe the terms and conditions of the work arrangement.

Explain why you believe the worker is an employee or an independent contractor.

If the worker is paid by a firm other than the one listed on this form for these services, enter the name, address and employer identification number of the payer.

Common Law Questionnaire

**Part I Behavioral Control**

|  |
| --- |
| What training and/or instruction is the worker given by the firm? |
| How does the worker receive work assignments? |
| Who determines the methods by which the assignments are performed? |
| Who is the worker required to contact if problems or complaints arise and who is responsible for their resolution? |
| What types of reports are required from the worker? Attach examples. |
| Describe the worker’s daily routine (i.e. schedule, hours, etc.) |
| At what location(s) does the worker perform services (e.g. firms premises, own shop or office, home, customer’s location, etc.) |
| Describe any meetings the worker is required to attend and any penalties for not attending.Is the worker required to provide the services personally? Yes \_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_Can the worker hire substitutes? Yes \_\_\_\_\_\_\_\_\_ No\_\_\_\_\_\_\_\_\_\_If the worker can hire subs, does the hire have to be approved (by who), and who pays the subs?If the worker pays the subs, is the worker reimbursed? Yes\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_\_ |

**Part II Financial Control**

|  |
| --- |
| List the supplies, equipment, materials, and property provided by each party:The firmThe workerOther party |
| Does the worker lease equipment? Yes \_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_\_If “Yes,” what are the terms of the lease? (Attach a copy or explanatory statement.) |
| What expenses are incurred by the worker in the performance of services for the firm? |
| Specify which, if any expenses are reimbursed by:The firmOther party |
| Type of pay the worker receives:Salary \_\_\_\_\_\_\_\_\_\_ Commission \_\_\_\_\_\_\_\_\_\_ Hourly \_\_\_\_\_\_\_\_\_\_ Wage \_\_\_\_\_\_\_\_\_\_Piece Work \_\_\_\_\_\_\_\_\_\_\_ Lump Sum \_\_\_\_\_\_\_\_\_\_\_ Other \_\_\_\_\_\_\_\_\_\_\_If type of pay is commission, and the firm guarantees a minimum amount of pay, specify amount $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |
| Is the worker allowed a drawing account for advances? Yes \_\_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_If “Yes,” how often?Specify any restrictions. |
| Whom does the customer pay? Firm \_\_\_\_\_\_\_\_\_\_\_\_ Worker \_\_\_\_\_\_\_\_\_\_\_\_\_If worker, does the worker pay the total amount to the firm? Yes \_\_\_\_\_\_\_\_ No \_\_\_\_\_\_ |
| Does the firm carry worker’s compensation insurance on the worker?Yes \_\_\_\_\_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_\_\_ |
| What economic loss or financial risk, if any, can the worker incur beyond the normal loss of salary (e.g. loss or damage of equipment, material, etc.)?Is the worker required to wear work clothes with a certain logo or emblem (e.g. polo shirts, t-shirts, jackets, etc.)? |

**Part III Relationship of the worker and firm**

|  |
| --- |
| List the benefits available to the worker (e.g., paid vacations, sick pay, pensions, bonuses). |
| Can the relationship be terminated by either party without incurring liability or penalty? Yes \_\_\_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_If “No,” please explain. |
| Does the worker perform similar services for others? Yes \_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_\_If “Yes,” is the worker required to get approval from the firm? Yes\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_ |
| Is the worker a member of a union? Yes \_\_\_\_\_\_\_\_\_\_\_\_ No \_\_\_\_\_\_\_\_\_\_\_ |
| What type of advertising, if any, does the worker do (e.g., a business listing in a directory, business cards, etc.)? Provide copies, if applicable. |
| If the worker assembles or processes a product at home, who provides the materials and instructions or pattern? |
| What does the worker do with the finished product (e.g., return it to the firm, provide it to another party, or sell it)? |
| How does the firm represent the worker to its customers (e.g., employee, partner, representative, or contractor)? |
| Describe any agreements prohibiting competition between the worker and the firm while the worker is performing services or during any later period. Attach any available documentation. |
| If the worker no longer performs services for the firm, how did the relationship end? |

**Part IV Signature**

|  |
| --- |
| Under penalties of perjury, I declare that I have examined this request, including accompanying documents, and to the best of my knowledge and belief, the facts presented are true, correct, and complete. |
|  |
| Signature | Title | Date |

# FISCAL MANAGEMENT 04.3111

District Issuance of Checks

Authorization

The treasurer shall prepare warrants or "Orders of the Treasurer" to be acted upon at each regular Board meeting. Except for situations as defined below providing for subsequent Board approval, before checks are issued, the treasurer shall have received the approved warrant or “Orders”, or approved equivalent properly executed, which shall include signatures of the chairperson and secretary of the Board.

Payment of Bills

With the exception of recurring monthly payments such as utilities and fixed charges, no bill shall be paid without the following supportive information:

1. A purchase order signed by the Superintendent or the Superintendent's designee;
2. An invoice as to goods or services received; and
3. Confirmation that invoiced materials were received in accurate quantity and in good order.

Board Minutes

The original copy of warrants or “Orders” shall be maintained on file as a part of the official Board minutes.

Subsequent Approval

The Board shall give subsequent approval to all budgeted disbursements made between meetings of the Board. Payments made between regular Board meetings shall be confined to the following:

1. contract salaries,
2. payments to take advantage of discounts,
3. payments made to prevent penalties and disruption of services, and
4. payments for approved purchases made in accordance with District policy and procedures to avoid invoices being more than thirty (30) days past due as of the date of the Board meeting.

References:

[KRS 160.290](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C160-00%5C290.pdf%26requesttype%3Dkrs); [KRS 160.340](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C160-00%5C340.pdf%26requesttype%3Dkrs)

[KRS 160.370](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C160-00%5C370.pdf%26requesttype%3Dkrs); [KRS 160.560](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C160-00%5C560.pdf%26requesttype%3Dkrs)

[OAG 79‑321](file:///C%3A%5Cdocumentmanager.asp%3Frequestarticle%3D%5Ccivil%5Copinions%5COAG79321.htm%26requesttype%3Doag); [702 KAR 003:120](file:///C%3A%5Cdocumentmanager.asp%3Frequestarticle%3D%5Ckar%5C702%5C003%5C120.htm%26requesttype%3Dkar)

Accounting Procedures for Kentucky School Activity Funds

Adopted/Amended: 08/06/2007

Order #: 20

# FISCAL MANAGEMENT 04.32

Bidding

Authority

Bidding procedures shall conform to the Model Procurement Code, [KRS 45A.345](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/345.pdf&requesttype=krs) – [KRS 45A.460](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/460.pdf&requesttype=krs).1 All contracts or purchases shall be awarded by competitive sealed bidding or competitive negotiation, both of which may include the use of a reverse auction, except as otherwise provided by law.2

All purchases of Kentucky Education Technology System (KETS) components shall adhere to KETS architectural standards and procedures.

The District may purchase supplies and/or equipment outside an established price contract of the federal government (GSA), the State Division of Purchases, a cooperative agency bid approved by the Board, or a District bid if:

1. The supplies and/or equipment meet the specifications of contracts awarded by the Division of Purchases, a federal agency (GSA), a cooperative agency, or a District bid;
2. The supplies and/or equipment are available for purchase at a lower price;
3. The purchase does not exceed $2,500; and
4. The District’s finance or purchasing officer has certified compliance with the first and second requirements.

Prior to purchase of education technology components defined in the master technology plan, the Department of Education must certify that the items to be purchased meet or exceed the specifications of components of the original equipment of manufacturers currently holding Kentucky price contracts.4

Federal Awards/Conflict of Interest

No employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.7

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. In determining whether an activity constitutes an impermissible acceptance of a gratuity or item of monetary value, the definition of “gratuity” (covering anything of more than fifty dollars [$50] value) set forth in [KRS 45A.445](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/445.pdf&requesttype=krs) shall apply. Violation of these standards may result in disciplinary action including, but not limited, to suspension, dismissal, or removal.

**Ethical Standards**

To avoid conflicts that may arise during the decision-making process for procurement of services and products for the District, employees shall adhere to the ethical standards set out in [KRS 45A.455](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/455.pdf&requesttype=krs).

Preference for Resident Bidders

For all contracts funded in whole or in part by the District, the Board shall apply the reciprocal preference for resident bidders required by law. Geographical preferences relating to school nutrition service purchases may be utilized only as permitted by applicable federal law.3

**Exemptions**

Federal regulatory requirements do not provide a bidding exception for purchase of perishables using school nutrition service funds. Such purchases must follow applicable federal regulations.7

Price Reductions

Price reductions may be accepted on supplies and/or equipment being offered by the vendor with whom a price agreement has been made if the supplies and/or equipment meet all terms and conditions specified in the price agreement except for price and if the price reduction is offered to all participants in the price agreement. Price reductions may be accepted even if the reduced price requires the purchase of a specified quantity of units different from the quantity stated in the original price agreement.

Small Purchases

District small purchase procedures may be used for any contract in which the aggregate amount does not exceed $20,000.00.5

Bidders’ Log

Under procedures developed by the Superintendent, the District shall establish an active log of competitive bidders by area of product and/or service.

**Background Check for Contractors**

The Superintendent shall require that a contractor who works on school premises during school hours when students are present to submit, at no expense to the District, to a national and state criminal history background check by the Kentucky State Police and the Federal Bureau of Investigation and to provide a letter from the Cabinet for Health and Family Services stating that there are no findings of substantiated child abuse or neglect on record in keeping with [KRS 160.380](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/160-00/380.pdf&requesttype=krs).

The Superintendent may require that a contractor who does not have contact with students to submit, at no expense to the District, to a national and state criminal history background check by the Kentucky State Police and the Federal Bureau of Investigation and to provide a letter from the Cabinet for Health and Family Services stating that there are no findings of substantiated child abuse or neglect on record. These provisions shall become part of the contractual obligation of the contractor and shall be reflected in the bid specifications, or, if the contract is not subject to bid requirements, in the negotiations with the contractor.

Link to DPP-156 Central Registry Check and more information on the required Cabinet Letter:

<http://manuals.sp.chfs.ky.gov/chapter30/33/Pages/3013RequestfromthePublicforCANChecksandCentralRegistryChecks.aspx>

“Contractor” shall refer to any adult who is permitted access to school grounds pursuant to a current or prospective contractual agreement with the school, school board, school district, or school-affiliated entity, at times when students are present. The term “contractor” includes an employee of a contractor.6

References:

1[KRS 45A.343](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/343.pdf&requesttype=krs)

2[KRS 45A.070](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/070.pdf&requesttype=krs); [KRS 160.290](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/160-00/290.pdf&requesttype=krs); [KRS 45A.380](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/380.pdf&requesttype=krs)

3[KRS 160.303](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/160-00/303.pdf&requesttype=krs); [200 KAR 005:400](http://policy.ksba.org//documentmanager.aspx?requestarticle=/kar/200/005/400.htm&requesttype=kar); [KRS 45A.494](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/494.pdf&requesttype=krs)

4[KRS 156.076](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/156-00/076.pdf&requesttype=krs)

5[KRS 45A.385](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/385.pdf&requesttype=krs)

6[KRS 160.380](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/160-00/380.pdf&requesttype=krs)

72 C.F.R. 200.318

 [OAG 77‑518](http://policy.ksba.org//documentmanager.aspx?requestarticle=/civil/opinions/OAG77518.htm&requesttype=oag); [OAG 77‑548](http://policy.ksba.org//documentmanager.aspx?requestarticle=/civil/opinions/OAG77548.htm&requesttype=oag); [OAG 79-501](http://policy.ksba.org//documentmanager.aspx?requestarticle=/civil/opinions/OAG79501.htm&requesttype=oag); [OAG 82-170](http://policy.ksba.org//documentmanager.aspx?requestarticle=/civil/opinions/OAG82170.htm&requesttype=oag); [OAG 82-407](http://policy.ksba.org//documentmanager.aspx?requestarticle=/civil/opinions/OAG82407.htm&requesttype=oag)

 [KRS 45A.343](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/343.pdf&requesttype=krs); [KRS 45A.352](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/352.pdf&requesttype=krs); [KRS 45A.345](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/345.pdf&requesttype=krs); [KRS 45A.360](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/360.pdf&requesttype=krs); [KRS 45A.365](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/365.pdf&requesttype=krs); [KRS 45A.370](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/370.pdf&requesttype=krs)

 [KRS 45A.420](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/420.pdf&requesttype=krs); [KRS 45A.445](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/445.pdf&requesttype=krs); [KRS 45A.455](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/455.pdf&requesttype=krs); [KRS 45A.460](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/460.pdf&requesttype=krs); [KRS 45A.620](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/045A00/620.pdf&requesttype=krs)

 [KRS 65.027](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/065-00/027.pdf&requesttype=krs); [KRS 160.151](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/160-00/151.pdf&requesttype=krs); [KRS 164A.575](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/164A00/575.pdf&requesttype=krs); [KRS 176.080](http://policy.ksba.org//DocumentManager.aspx?requestarticle=/KRS/176-00/080.pdf&requesttype=krs)

 Kentucky Educational Technology Systems (KETS)

Related Policies:

05.6; 06.4; 07.13

Adopted/Amended: 7/23/2018

Order #: 6

# FISCAL MANAGEMENT 04.41

Fraud Prevention

All employees, Board members, consultants, vendors, contractors and other parties maintaining a business relationship with the District shall act with integrity and due diligence in matters involving District fiscal resources.

Definition

As used in this policy, “fraud” refers to intentionally misrepresenting, concealing, or misusing information in an attempt to commit fiscal wrongdoing. Fraudulent actions include, but are not limited to:

* Behaving in a dishonest or false manner in relation to District assets, including theft of funds, securities, supplies, or other District properties.
* Forging or altering financial documents or accounts illegally or without proper authorization.
* Improper handling or reporting of financial transactions.
* Personally profiting as a result of insider knowledge.
* Disregarding confidentiality safeguards concerning financial information.
* Violating Board conflict of interest policies.
* Mishandling financial records or District assets (destroying, removing, or misusing).

Staff Responsibilities

Employees who suspect that financial fraud, impropriety or irregularity has occurred shall immediately report those suspicions to their immediate supervisor and/or the Superintendent/designee who shall have the primary responsibility for initiating necessary investigations. If the Superintendent is an alleged party in the fraud complaint, provision shall be made for addressing the complaint to the Board chairperson.

Investigations shall be conducted in coordination with legal counsel and other internal or external departments and agencies as appropriate.

The Superintendent/designee shall inform employees with financial/accounting responsibilities of the following anti-fraud standards established by the Board:

1. The District shall operate in a culture of honesty and ethical behavior with employees doing all within their power to further that goal.
2. Employees shall comply with all laws, rules, regulations and court orders of the Commonwealth of Kentucky and of the United States, as well as Board policy addressing fiscal matters.
3. Employees shall practice good stewardship of District financial resources, including timely reporting of fraudulent expenditures.
4. Employees with financial/accounting responsibilities shall support and follow sound business practices to the best of their ability and in keeping with their assigned responsibilities and job-related training by:
	1. Maintaining and protecting District financial records;
	2. Performing one’s job with the highest attention to detail to minimize and prevent error, falsification of accounting records, and omission of transactions;
	3. Reporting knowledge of fraud or suspected fraud, including intentional misstatements and omissions of amounts or disclosures;
5. Guarding against misappropriation of assets;
6. Refusing to reveal investment activities engaged in or contemplated by the District to unauthorized persons or agencies; and
7. Resisting incentives, pressures, and negative attitudes that detract from performance of assigned responsibilities.

Internal Controls/Investigations

The Superintendent/designee shall be responsible for developing internal controls to aid in preventing and detecting fraud or financial impropriety or irregularity within the District. Reports of suspected fraudulent activities shall be investigated in a manner that protects the confidentiality of the parties and avoid unfounded accusations. Employees involved in the investigation shall be advised to keep information about the investigation confidential.

If an investigation substantiates occurrence of a fraudulent activity, the Superintendent/designee shall issue a report to appropriate personnel and to the Board of Education. Final disposition of the matter and any decision to file a criminal complaint or refer the matter to the appropriate law enforcement and/or regulatory agency for independent investigation shall be made in consultation with legal counsel. Results of the investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate need to know.

References:

Governmental Accounting Standards

[KRS 7.410](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C007-00%5C410.pdf%26requesttype%3Dkrs); [KRS 158.155](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C158-00%5C155.pdf%26requesttype%3Dkrs)

[725 KAR 001:030](file:///C%3A%5Cdocumentmanager.asp%3Frequestarticle%3D%5Ckar%5C725%5C001%5C030.htm%26requesttype%3Dkar); [KRS 171.420](file:///C%3A%5CDocumentManager.asp%3Frequestarticle%3D%5CKRS%5C171-00%5C420.pdf%26requesttype%3Dkrs)

Records Retention Schedule, Public School District

Related Policies:

01.61

03.17/03.27

03.1721/03.2721

04.8; 04.81

Adopted/Amended: 08/19/2013

Order #: 35

# FISCAL MANAGEMENT 04.8

Disposal of School Property

Bids or Auction

The Superintendent shall advise the Board when certain properties are no longer needed for public school purposes. Upon receiving this report, the Board may, at such time as it deems proper and after compliance with applicable state1 or federal regulations, authorize the disposal of school properties through closed sealed bids, public auction, or sale for at least the fair market value established by certified appraisal. The Board reserves the right to reject any and all bids.

Refurbished Surplus Technology

If the District receives a written determination that surplus technology does not meet Kentucky Education Technology System standards, it may choose to distribute the refurbished surplus property to eligible low-income students.

First priority shall be given to eligible students in the free or reduced lunch program, and they or their parent/guardian must request the property in writing.

Efforts will be made to involve local businesses and organizations to participate in refurbishing efforts with career and technical programs and student organizations.

The Superintendent shall designate the staff member(s) who shall review requests and make recommendations for approval of the Superintendent/designee. The District shall document to whom the technology is distributed.

References:

1[KRS 160.290](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/160-00/290.pdf&requesttype=krs)

 [KRS 160.335](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/160-00/335.pdf&requesttype=krs); [KRS 45A.425](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/045a00/425.pdf&requesttype=krs)

 [702 KAR 004:090](http://policy.ksba.org/documentmanager.asp?requestarticle=/kar/702/004/090.htm&requesttype=kar); [704 KAR 003:455](http://policy.ksba.org/documentmanager.asp?requestarticle=/kar/704/003/455.htm&requesttype=kar)

 [OAG 91-85](http://policy.ksba.org/documentmanager.asp?requestarticle=/civil/opinions/oag9185.htm&requesttype=oag); [OAG 76-291](http://policy.ksba.org/documentmanager.asp?requestarticle=/civil/opinions/oag76291.htm&requesttype=oag)

 34 CFR 80.32

Adopted/Amended: 09/25/2008

Order #: 30

# FISCAL MANAGEMENT 04.9

Audits

Selection of Auditor

On or before January 15th, the Superintendent shall prepare advertisements for the interviewing and hiring of a Board auditor.

Interviews shall be conducted in closed session during regular or special called meetings during the month of February. The hiring shall be determined at the first Board meeting in March.

Hiring shall be for one (1) year with a renewable yearly contract for the next two (2) years.

This hiring process shall begin again on the final year of the renewed contract.

Approval and Report

Before any audit is initiated, the Superintendent shall secure the necessary approval from the state agencies. The Superintendent shall be responsible for the distribution of copies of each audit to members of the Board and appropriate state agencies. The Board shall see that actions are taken to respond to significant deficiencies and material weaknesses identified in the audit report.

All audits shall be conducted in compliance with requirements for local school districts established by the State Committee for School District Audits.

References:

[702 KAR 003:130](http://policy.ksba.org/documentmanager.asp?requestarticle=/kar/702/003/130.htm&requesttype=kar); [702 KAR 003:150](http://policy.ksba.org/documentmanager.asp?requestarticle=/kar/702/003/150.htm&requesttype=kar)

[KRS 156.255](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/156-00/255.pdf&requesttype=krs); [KRS 156.265](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/156-00/265.pdf&requesttype=krs)

[KRS 156.275](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/156-00/275.pdf&requesttype=krs); [KRS 156.285](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/156-00/285.pdf&requesttype=krs)

[KRS 160.290](http://policy.ksba.org/documentmanager.asp?requestarticle=/krs/160-00/290.pdf&requesttype=krs)

[OAG 61‑407](http://policy.ksba.org/documentmanager.asp?requestarticle=/civil/opinions/oag61407.htm&requesttype=oag)

Governmental Accounting Standards Board, [Statement on Auditing Standards (SAS) No. 112](http://policy.ksba.orghttp://www.aicpa.org/download/members/div/auditstd/au-00325.pdf)

Adopted/Amended: 09/25/2008

Order #: 30

# FISCAL MANAGEMENT 04.92

Uniform Guidance

Federal funds received by the District are to be administered and federally funded personnel expensesdocumented in accordance with applicable Uniform Grant Guidance requirements.1

References:

12 C.F.R 200.430(i)

 2 C.F.R. Part 200

Related Policies:

01.11

08.1345

Adopted/Amended: 7/24/2017

Order #: 9

**KRS** **45A.365 Competitive sealed bidding.**

(1) All contracts or purchases shall be awarded by competitive sealed bidding, which may include the use of a reverse auction, except as otherwise provided by KRS 45A.370 to 45A.385 and for the purchase of wholesale electric power by municipal utilities as provided in KRS 96.901(1).

(2) The invitation for bids shall state that the award shall be made on the basis of the lowest bid price or the lowest evaluated bid price. If the latter is used, the objective measurable criteria to be utilized shall be set forth in the invitation for bids. The invitation for bids shall include the reciprocal preference for resident bidders described in KRS 45A.494.

(3) Adequate public notice of the invitation for bids and any reverse auction shall be given prior to the date set forth for the opening of bids. The notice may include posting on the Internet or publication in a newspaper of general circulation in the local jurisdiction at least seven (7) days before the date set for the opening of the bids and any reverse auction. Nothing in this section shall prohibit additional notice, posting, or publication, nor shall additional notification, posting, or publication extend the required notice period. The public notice shall include the time and place the bids will be opened and the time and place where the specifications may be obtained.

(4) The bids shall be opened publicly or entered through a reverse auction at the time and place designated in the invitation for bids. Each written or reverse auction bid, together with the name of the bidder, shall be recorded and be open to public inspection. Electronic bid opening and posting of the required information for public viewing shall satisfy the requirements of this subsection.

(5) A contract shall be awarded with reasonable promptness by written notice to the responsive and responsible bidder whose bid is either the lowest bid price or the lowest evaluated bid price after the application of any reciprocal preference for resident bidders required by KRS 45A.494.

(6) The local public agency may allow the withdrawal of a bid where there is a patent error on the face of the bid document, or where the bidder presents sufficient evidence, substantiated by bid worksheets, that the bid was based upon an error in the formulation of the bid price.

**Effective:** June 25, 2013

**History:** Amended 2013 Ky. Acts ch. 44, sec. 2, effective June 25, 2013. -- Amended 2010 Ky. Acts ch. 63, sec. 7, effective July 15, 2010; and ch. 162, sec. 12, effective July 15, 2010. -- Amended 2000 Ky. Acts ch. 510, sec. 2, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 120, sec. 13, effective July 15, 1998. -- Created 1978 Ky. Acts ch. 110, sec. 74, effective January 1, 1980.

 **KRS 45A.370 Competitive negotiation.**

(1) A local public agency may contract or purchase through competitive negotiation, which may include a reverse auction, upon a written finding that:

(a) Specifications cannot be made sufficiently specific to permit award on the basis of either the lowest bid price or the lowest evaluated bid price, including, but not limited to, contracts for experimental or developmental research work, or highly complex equipment which requires technical discussions, and other nonstandard supplies, services, or construction; or

(b) Sealed bidding is inappropriate because the available sources of supply are limited, the time and place of performance cannot be determined in advance, the price is regulated by law, or a fixed price contract is not applicable; or

(c) The bid prices received through sealed bidding are unresponsive or unreasonable as to all or part of the requirements, or are identical or appear to have been the result of collusion; provided each responsible bidder is notified of the intention to negotiate and is given a reasonable opportunity to negotiate, and the negotiated price is lower than the lowest rejected bid by any responsible bidder.

(2) Proposals shall be solicited through public notice pursuant to KRS 45A.365(3) or any other means which can be demonstrated to notify an adequate number of qualified sources to permit reasonable competition consistent with the nature and requirement of the procurement. The request for proposals shall indicate the factors to be considered in the evaluation, including the reciprocal preference for resident bidders required by KRS 45A.494, and the relative importance of each factor, and the procedures to be followed if a reverse auction is used in the procurement.

(3) Written or oral discussions shall be conducted with all responsible offerors who submit proposals determined in writing to be reasonably susceptible of being selected for award. Discussions shall not disclose any information derived from proposals submitted by competing offerors. Discussions need not be conducted:

(a) With respect to prices, where such prices are fixed by law, regulation, or reverse auction, except that consideration shall be given to competitive terms and conditions; or

(b) Where time of delivery or performance will not permit discussions; or

(c) Where it can be clearly demonstrated and documented from the existence of adequate competition or accurate prior cost experience with that particular supply, service, or construction item that acceptance of an initial offer without discussion would result in fair and reasonable prices and the request for proposal notifies all offerors of the possibility that award may be made on the basis of initial offers.

(4) If discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions. A request for proposals based on revised specifications or quantities shall be issued as promptly as possible, shall provide for an expeditious response to the revised requirements and shall be awarded upon the basis of the lowest bid price or lowest evaluated bid price after application of the reciprocal preference for resident bidders required by KRS 45A.494 submitted by any responsive and responsible offeror. No discussion shall be conducted with offerors after submission of revised proposals except for a compelling reason as determined in writing by the local public agency. The request for proposals shall state that an award is to be made without discussion except as herein provided.

(5) Award shall be made to the responsible offeror whose proposal is determined in writing to be the most advantageous to the local public agency based upon the evaluation factors set forth in the request for proposals and the reciprocal preference for resident bidders required by KRS 45A.494.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 63, sec. 8, effective July 15, 2010; and ch. 162, sec. 13, effective July 15, 2010. -- Amended 1998 Ky. Acts ch. 120, sec. 14, effective July 15, 1998. -- Created 1978 Ky. Acts ch. 110, sec. 75, effective January 1, 1980.

**Legislative Research Commission Note** (7/15/2010). This section was amended by 2010 Ky. Acts chs. 63 and 162, which do not appear to be in conflict and have been codified together.

 **KRS 45A.375 Negotiations after competitive sealed bidding when all bids exceed available funds -- Action when no bids received.**

(1) In the event that all bids submitted pursuant to competitive sealed bidding under KRS 45A.365 result in bid prices in excess of the funds available for the purchase, and the local public agency determines in writing:

(a) That there are no additional funds then available from any source so as to permit an award to the lowest responsive and responsible bidder; and

(b) The best interest of the local public agency will not permit the delay attendant to a resolicitation under revised specifications or revised quantities under competitive sealed bidding as provided in KRS 45A.365; then a negotiated award may be made as set forth in subsections (2) or (3) of this section.

(2) Where there is more than one (1) bidder, competitive negotiations pursuant to KRS 45A.370 shall be conducted with the three (3) (two (2) if there are only two (2)) bidders determined in writing by the local public agency to be the lowest responsive and responsible bidders to the competitive sealed bid invitation after application of the reciprocal preference for resident bidders required in KRS 45A.494. Such competitive negotiations shall be conducted under the following restrictions:

(a) If discussions pertaining to the revision of the specifications or quantities are held with any potential offeror, all other potential offerors shall be afforded an opportunity to take part in such discussions; and

(b) A request for proposals, based upon revised specifications or quantities, shall be issued as promptly as possible, shall provide for an expeditious response to the revised requirements, and shall be awarded upon the basis of the lowest bid price or lowest evaluated bid price submitted by any responsive and responsible offeror after application of the reciprocal preference for resident bidders required in KRS 45A.494. No discussion shall be conducted with offerors after submission of proposals except for a compelling reason as determined in writing by the local public agency. The request for proposals shall state that award is to be made without discussions except as herein provided.

(3) Where, after competitive sealed bidding, it is determined in writing that there is only one (1) responsive and responsible bidder, a noncompetitive negotiated award may be made with such bidder in accordance with KRS 45A.380.

(4) Where, after invitation for bids has been made in accordance with KRS 45A.365 and no bids have been received from responsive and responsible bidders, the local public agency may proceed to acquire the supplies, services, or construction by noncompetitive negotiations in accordance with KRS 45A.380.

**Effective:** July 15, 2010

**History:** Amended 2010 Ky. Acts ch. 162, sec. 14, effective July 15, 2010. -- Amended 1980 Ky. Acts ch. 250, sec. 11, effective April 9, 1980. -- Created 1978 Ky. Acts ch. 110, sec. 76, effective January 1, 1980.

**KRS 45A.380 Noncompetitive negotiation.**

A local public agency may contract or purchase through noncompetitive negotiation

only when a written determination is made that competition is not feasible and it is

further determined in writing by a designee of the local public agency that:

(1) An emergency exists which will cause public harm as a result of the delay in

competitive procedures;

(2) There is a single source within a reasonable geographical area of the product

or service to be procured;

(3) The contract is for the services of a licensed professional, such as attorney,

physician, psychiatrist, psychologist, certified public accountant, registered

nurse, or educational specialist; a technician such as a plumber, electrician,

carpenter, or mechanic; or an artist such as a sculptor, aesthetic painter, or

musician, provided, however, that this provision shall not apply to architects or

engineers providing construction management services rather than

professional architect or engineer services;

(4) The contract is for the purchase of perishable items purchased on a weekly or

more frequent basis, such as fresh fruits, vegetables, fish or meat;

(5) The contract is for replacement parts where the need cannot be reasonably

anticipated and stockpiling is not feasible;

(6) The contract is for proprietary items for resale;

(7) In school districts the contract relates to an enterprise in which the buying or

selling by students is a part of the educational experience;

(8) The contract or purchase is for expenditures made on authorized trips outside

of the boundaries of the local public agency;

(9) The contract is for the purchase of supplies which are sold at public auction or

by receiving sealed bids;

(10) The contract is for group life insurance, group health and accident insurance,

group professional liability insurance, worker's compensation insurance, and

unemployment insurance;

(11) The contract is for a sale of supplies at reduced prices that will afford a

purchase at savings to the local public agency; or

(12) The contract is with a private real estate developer and contains a requirement:

(a) That the developer increase the size or otherwise improve the collection

capacity of the sanitary sewer or storm water pipe serving the affected

private real estate development; and

(b) That the local public agency pay only the proportional cost of increasing

the size, or otherwise improving the collection capacity, of the sanitary

sewer or storm water pipe over the original collection capacity.

Effective:June 29, 2017

 History: Amended 2017 Ky. Acts ch. 151, sec. 1, effective June 29, 2017. --

Amended 1980 Ky. Acts ch. 250, sec. 12, effective April 9, 1980. -- Created

1978 Ky. Acts ch. 110, sec. 77, effective January 1, 1980.

 **KRS 45A.385 Small purchases by local public agencies.**

The local public agency may use small purchase procedures for any contract for which a determination is made that the aggregate amount of the contract does not exceed twenty thousand dollars ($20,000) if small purchase procedures are in writing and available to the public.

**Effective:** July 15, 2002

**History:** Amended 2002 Ky. Acts ch. 192, sec. 1, effective July 15, 2002. -- Amended 1990 Ky. Acts ch. 95, sec. 2, effective July 13, 1990. -- Amended 1984 Ky. Acts ch. 6, sec. 2, effective July 13, 1984. -- Amended 1980 Ky. Acts ch. 250, sec. 13, effective April 9, 1980. -- Created 1978 Ky. Acts ch. 110, sec. 78, effective January 1, 1980.

 **KRS 45A.390 Cancellation.**

An invitation for bid, a request for proposal or other solicitation may be canceled, or all bids or proposals may be rejected, if it is determined in writing that such action is in the best interest of the local public agency.

**Effective:** January 1, 1980

**History:** Created 1978 Ky. Acts ch. 110, sec. 79, effective January 1, 1980.

 **KRS 45A.420 Cooperative purchasing -- Price agreements with Commonwealth.**

(1) Any local public agency may enter into an agreement for cooperative purchasing with any other local public agency. When the contracting local public agency contracts for supplies, services or construction pursuant to KRS 45A.365, 45A.370, 45A.375, or 45A.380, all other parties to the agreement shall be deemed to have complied with the provisions of those sections.

(2) Nothing in KRS 45A.345 to 45A.990 shall deprive a local public agency from negotiating with vendors for supplies where such supplies are the subject of a price agreement with the Commonwealth of Kentucky provided, however, that no contract executed under this section would authorize a price higher than is contained in the price agreement with the Commonwealth of Kentucky for such specific supplies.

(3) Nothing in KRS 45A.345 to 45A.990 shall deprive a local school district from acquiring supplies outside of price agreements with the Commonwealth of Kentucky if the supplies meet the same specifications as the contract items and the supplies are purchased at a lower price than is contained in the price agreement with the Commonwealth of Kentucky for such specific supplies and the purchase does not exceed two thousand five hundred dollars ($2,500).

**Effective:** July 15, 1996

**History:** Amended 1996 Ky. Acts ch. 89, sec. 3, effective July 15, 1996. -- Amended 1980 Ky. Acts ch. 250, sec. 14, effective April 9, 1980. -- Created 1978 Ky. Acts ch. 110, sec. 85, effective January 1, 1980.

 **KRS 45A.455 Conflict of interest -- Gratuities and kickbacks -- Use of confidential information.**

(1) It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract, or subcontract, and any solicitation or proposal therefor, in which to his knowledge:

(a) He, or any member of his immediate family has a financial interest therein; or

(b) A business or organization in which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner, or employee, is a party; or

(c) Any other person, business, or organization with whom he or any member of his immediate family is negotiating or has an arrangement concerning prospective employment is a party. Direct or indirect participation shall include but not be limited to involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity.

(2) It shall be a breach of ethical standards for any person to offer, give, or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment, in connection with any decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling or other determination, claim or controversy, or other particular matter, pertaining to any contract or subcontract and any solicitation or proposal therefor.

(3) It is a breach of ethical standards for any payment, gratuity, or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

(4) The prohibition against conflicts of interest and gratuities and kickbacks shall be conspicuously set forth in every local public agency written contract and solicitation therefor.

(5) It shall be a breach of ethical standards for any public employee or former employee knowingly to use confidential information for his actual or anticipated personal gain, or the actual or anticipated personal gain of any other person.

**Effective:** April 9, 1980

**History:** Amended 1980 Ky. Acts ch. 250, sec. 16, effective April 9, 1980. -- Created 1978 Ky. Acts ch. 110, sec. 92, effective January 1, 1980.