

HARDIN COUNTY SCHOOLS

Purchasing Manual

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HARDIN COUNTY SCHOOLS
HELPING CHILDREN SUCCEED

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Hardin County Schools
Kentucky Model Procurement Code

Kentucky law provides two basic methods of procurement for local school districts. These methods are Model Procurement (KRS 45A) and the Bid Law (KRS 424.260). The Bid Law requires less record keeping but very little flexibility. Model Procurement requires more written documentation but provides more purchase options. The KDE Division of Finance recommends Model Procurement for school districts. As of 1989, the Hardin County Schools has been operating under the Model Procurement code.

The superintendent is hereby designated as the chief purchasing officer for Hardin County Schools. The superintendent delegates the finance officer to act as purchasing officer with authority to oversee purchasing and to make written determinations and findings with respect thereto.

All Hardin County Schools staff with purchasing authority is encouraged to acquire goods, services or construction through local bids, cooperative bids, (KPC) or state price contract. This is the most efficient method of procurement. If these methods are not feasible, non-competitive negotiations or small purchase policy may be used. Note that there are different levels of documentation required for alternative procurement methods. Please refer to applicable sections of the purchasing manual for more information.

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 Hardin Co School 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.445.

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 using HB 218 form (see pg. 28).

What must be bid?

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. Artificially splitting an order to avoid the total is illegal and is punishable by fine and/or imprisonment. 'Aggregate amount' (as defined in 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. Items, the need for which could not reasonably be established in advance, need not be included in the aggregate amount. 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.

If a bid vendor offers the item, it must be purchased from the bid vendor unless the item meets applicable criteria. 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. The following are not required to be bid under the terms of the Kentucky Model Procurement code but may be bid if it is determined by the local district that it is in the best interest to do so:

Non-Competitive Negotiations

A local public agency may purchase through noncompetitive negotiation only when a written determination is made that competition is not feasible and it is further determined in writing that:

1. An emergency* exists which will cause public harm as a result of the delay in competitive procedures; or
2. The item is from a **sole** manufacturer (not available from any other source) (not by brand, but by salient features); copyright materials (source must be the holder or owner of the copyright);
3. The purchase is for the services of a licensed professional, such as an attorney, physician, psychiatrist, CPA, RN, an educational specialist or an artist such as a sculptor, aesthetic painter or musician; or
4. The purchase is for perishable items purchased on a weekly or more frequent basis, such as fresh fruits or vegetables (not canned items);
5. The purchase is for replacement parts where the manufacturer or franchise is the only source available to supply parts for manufacturer's equipment;
6. The purchase is for proprietary items for resale;
7. The purchase is for reasonable expenditures made on authorized trips outside of the boundaries of the local public agency;
8. The purchase is for supplies which are sold at public auction;
9. The contract is for life, health, accident, liability, workers compensation and unemployment insurance;

10. The purchase is for supplies at reduced prices that will afford a purchase savings** to the local public agency;
11. In school districts the contract relates to an enterprise in which the buying or selling by students is a part of the educational experience.

**An emergency must be documented in writing and documentation attached to the invoice and purchase requisition and retained in the paid invoice file. Emergency procedures may be used for things like a boiler explosion or waterline break. The superintendent would use emergency procedures when the delay caused by competitive procedures might result in harm to students, staff or the general public. Only the Superintendent has the authority to declare something an emergency.*

***Both the Model Procurement Law and the Board's Model Procurement Policy allow for the purchase of supplies at reduced prices that will afford a purchase at a significant savings to the district. A purchase of items at reduced costs will be treated in the same manner as small purchase items, and written justification and documentation will be with the paid invoice file. (See Appendix A for the price quote/significant savings form)*

The determination as to the level of savings which allows a staff member to purchase outside bid prices contract, etc., is subjective. It is difficult to determine to what extent 45A.380, which authorizes purchases at reduced prices/savings, supersedes 45A.345 aggregate amount, which refers to like items with a cost of \$20,000 or more. Attorney General Opinion states that "a local public agency may enter into contracts by noncompetitive negotiations and without bidding, if it simply makes a written determination that competitive negotiations are not feasible and the contract is for a sale of supplies at reduced prices that will afford a purchase at savings to the local public agency."

Bidding Information (State, Coop, Local)

Hardin County Schools use 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, 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. A copy of applicable State, GSA and other contracts are available online. 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 that goods and services are being acquired at a rate that overall are 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, vehicles, chairs, and file cabinets are typical products for which state/federal contracts are established.

State Price Contracts may be accessed via the following website:

<http://finance.ky.gov/services/eprocurement/Pages/contractinginfo.aspx>

• **Cooperative Bids**

Cooperative groups of school districts also bid items (i.e. GRREC, KPC, HPC etc.) typically on an annual basis in an attempt to obtain better pricing. The Hardin County Board of Education currently is a cooperative member. Cooperatives bid various items in large quantities in an effort to provide cost savings for school districts. Cooperative bids 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:

- a. local bid award is in place for like items.
- b. state, GSA or other multi-agency contract is available for similar items that would afford savings to the district.
- c. significant savings to the district.

A list of all applicable cooperative contracts is available online on the district finance page.

KPC Awarded Vendor List:

<http://kpc4me.com/all-awarded-vendors>

GRREC Bidding Opportunities:

<http://www.grrec.ky.gov/bids/resources>

• **Local Bids**

The Hardin County School District 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 listings of all local bid awards are available in the district finance office. All such bids must be approved at a meeting of the Board of Education. The length of the contract will be determined by the superintendent/designee as deemed in the best interest of the district, not to exceed three years in most cases.

Small Purchases by Local Public Agencies 45A.385

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. **All purchases of Kentucky Education Technology System (KETS) components shall adhere to KETS architectural standards and procedures or have KETS office approval.**

▪ Tips When Obtaining Quotes from Vendors

- If obtaining phone quotes, advise vendors you're obtaining quotes from several vendors. You cannot share the names of other vendors from whom quotes are being obtained.
- For email/fax quotes, have vendor email/fax his quote, terms, etc. to you complete with their signature.
- Always give a *complete* address for the "Ship To" location. Don't use P.O. Box Numbers.
- If possible, always make freight terms F.O.B. Destination, not F.O.B. Factory.
- Contact the manufacturer if a Brand Name is required to determine authorized dealers to promote competition.

Credit Card Procedures

Hardin County School District has implemented the JP Morgan Chase MasterCard Purchasing Card Program to facilitate the purchase and payment of low cost goods and services. The main purpose of this program is to establish a more efficient, cost-effective method of purchasing items for District programs and activities. Purchasing Cards are a privilege and facilitate acquisition of goods for the organization. Purchasing Cards must only be issued to employees who have the recurrent need to make purchases, and have a history of complying with all purchasing and financial policies. All cards will remain secured in a file cabinet and checked out when given approval from the Associate Superintendent Finance or the Director of Finance. All prospective cardholders must sign out the Purchasing Card and agree to the conditions.

Only the Superintendent and Transportation Department will be issued cards not housed in the Finance Department. The Superintendent and Transportation Dept. will use their cards as needed. The transportation department will issue the cards to bus drivers for fuel and other bus items only. The Superintendent will use her card for purchases she deems necessary for the school district. Each party will submit monthly receipts to the Director and Finance and Accounts Payable clerk.

The Director of Finance is responsible for administering the program for the District. The JP Morgan Chase MasterCard Purchasing Card is similar to any other Visa Card, except that all statements must be paid in full each month. It includes controls to make it functional for large organizations. These controls ensure the card can be used only for specific commodity purchases

and vendor types within specific dollar limits. ***Improper card use may result in card cancellation and disciplinary action, which could result in termination of employment and/or criminal prosecution!***

Each school or department using the card will be responsible for processing the purchase order or standard invoice to approve the charge. They are responsible for getting all documents to Sheila Adams within 15 days or less to give Finance ample time to reconcile the credit card statement. The school or department must ensure that all District purchasing and financial guidelines are adhered to. ***Using the Purchasing Card does not supplant any of the policies required to make purchases with District Funds.***

Acceptable and Unacceptable Purchasing Card Uses

*Using the Purchasing Card does not supplant any of the policies required to make purchases with District funds.

The following are some of the acceptable uses:

- Travel-
 - Meals purchased for traveling student groups – Employees must follow per diem travel guidelines
 - Airline Reservations
 - Emergency Circumstances
- Office Supplies
- Copies
- Food for Meetings Purchased Locally
- Emergency Subscriptions- Fees or Dues to be paid with board card only
- Educational Supplies
- Online Resources
- Technology Supplies

The following are some of the unacceptable uses:

- 1099 Expenditures - (i.e., Referees or Police Supervision)
- Any item exceeding your budget or card limit Any merchant, product or service reasonably considered an inappropriate use of District Funds
- Any computer equipment that is NOT on the approved technology list; i.e. routers, hubs, wireless access points, switches, network cables, memory, hard drives, (internal or external,) optical drives, CD, DVD.
- **Anything that plugs into the District Network!**
- ATM Machines
- Cash Advances
- Cash Cards for the purpose of purchasing supplies, services or equipment
- Computers
- Computer Software for multiple computers or a server

- Gift Cards (Please reference Employee Gifts and Awards Guidelines)
- Any meals over the amounts specified in the per diem instructions
- Software
- Unauthorized Travel
- Kentucky State Sales Tax (except travel related items)
- Personal Use- (You will be held responsible for any items deemed personal).

Built-in Card Restrictions

Vendor Types

Some vendors Merchant Category Code's (MCC's) have been "blocked" from usage in the program. If you present your card to any of these vendors, the transaction will be denied. If you are denied and feel the denial should not have occurred, call the 800 number on your card or the Director of Finance. JP Morgan Chase will determine if you were denied because of merchant blocking or exceeding the monthly credit limit or single purchase limit imposed on your card.

Cardholder Monthly Spending Limit

This limit is the maximum dollar amount authorized for a cardholder within a 30-day period. It is replenished automatically the day after the billing date. This amount may be set lower or higher by your site supervisor and approval by the Director of Finance.

Cardholder Single Purchase Limit

This limit restricts the amount of any single purchase. It can be comprised of single or multiple items purchased at one time from a single supplier. Purchasing limits may be set anywhere from \$100 to \$1000 for most employees. The Director of Finance may request higher limits for Financial Secretaries, Administrators and other staff with special purchasing needs.

Monthly Reconciliation

Receipts and/or invoices must be reconciled monthly with the Purchase Card statement. The cardholder is responsible for resolving all discrepancies. After the Purchase Card Statement has been reviewed and any adjustments made, it should be signed certifying that all purchases have been made in accordance with District policy, and returned to the Director of Finance along with all required documentation.

Purchasing Card Administration

The Associate Superintendent of Finance or Director of Finance will determine whom cards are issued to, and how the cards will be used. The Purchasing Card Administrator (Director of Finance or Associate Superintendent of Finance) : must oversee the use of all cards.

Cards will be issued three different ways:

1. Issue the card to the employee in his or her name. The employee keeps the card and has total responsibility for its use. (Superintendent)

2. Sign out the card to the employee in his or her name, but the card is kept secured at all times and made available to the cardholder as needed. (Finance)
3. Sign out the card in the department's name that can be checked out and used by various employees. (Transportation and Hardin County Board Of Education)

Cardholder Responsibilities

1. If you are issued a card in your own name, sign the back immediately and always keep it in a secure place! Even though the card is issued in your name, it is the property of Hardin County Board of Education, and is only to be used for authorized District purchases. We recommend that District Purchasing Cards **not** be kept with personal credit cards to minimize the exposure of using the District Purchasing Card for personal use.
2. If you terminate, the card must be returned to the Director of Finance.
3. **Immediately** notify JP Morgan Chase Customer Service and the District Card Administrator if your card is lost or stolen or you suspect fraudulent use.
4. You should be aware of dispute procedures. It is the cardholder's responsibility to resolve any disputes. Instances that may prompt a dispute are: goods lost in transit, charges posted incorrectly, merchandise returned, damaged merchandise, incorrect item received, tax added/changed, or incorrect quantity. You should dispute an unauthorized charge that is posted on your monthly Purchase Card Statement. Try to resolve the problem with the vendor first. If you disagree with a charge and have **not been able to resolve it with the vendor**, MasterCard regulations require that you notify JP Morgan Chase, in writing, within **sixty (60) days** after the statement date.
5. When your card is denied, call JP Morgan Chase Customer Service while still at the vendor. If the denial is due to a blocked code or a charge exceeding the single transaction limit or the monthly limit, contact the Director of Finance. With proper approval, JP Morgan Chase can authorize the transaction
6. The Credit Card Sign In/Out Log (FA-SA-13) is an ongoing record of when the credit card is signed out and signed in and by whom. The dates and times are listed on the log. This form is regulated by the Accounting Procedures for Kentucky School Activity Funds (*Redbook*).
7. All approvals are required and must be obtained prior to signing out the card. The approvals shall be in the form of a purchase order or standard invoice.
8. Cardholders are responsible for staying within their budget(s) account balance.
9. It is the Director of Finance responsibility to send the Purchase Card Statement to the cardholder or designee for approval and reconciliation.
10. The cardholder must ensure all purchase documentation (receipt, invoice, purchase order, registration forms, etc.) is securely attached to the billing statement. If necessary, put the

documentation in an envelope and attach the envelope to the Purchase Card Statement. Missing documentation or other audit exceptions must be noted with an explanation which must be approved by the Director of Finance.

11. Normally most vendors will not charge sales tax. It is the responsibility of the cardholder to inform the vendor of the District's nontaxable tax status for each purchase. The Purchasing Card is labeled as exempt from sales tax. If the vendor charges sales tax in error, the card user is liable. Contact the vendor to remove the sales tax from the receipt, or personally pay the sales tax to the school or department. If the sales tax is paid to the school/department, the receipt from the school/department must be attached to the purchase documentation.
12. The cardholder will not lend their Purchasing Card to anyone.
13. The cardholder must sign all receipts and/ or the Purchase Card Statement and obtain any special approvals required by the operating unit when a purchase order and/or standard invoice cannot be created. **By signing receipts and/or the statement, the cardholder is certifying that the purchases are made in accordance with District Policy and State law.**
14. It is the responsible of the Director of Finance to have a current fiscal year Purchase Card Agreement on file at all times. When a new card is issued, the Director of Finance will complete all documentation and setup the cardholder's card information. It is suggested that a single purchasing card transaction limit be set between \$100 and \$1000 by the administrator. The cardholder's address should be the school or department address. A list of all cardholders must be maintained by the site supervisor for their location.
15. Notify all Purchasing Card holders of the Purchase Card Statement which needs to be reconciled and returned no later than 15 days from purchase. Attach all receipts to the Purchase Card Statement as they are returned from the cardholders and verify the totals.
16. The Director of Finance reviews the Purchase Card Statements returned for posting. The posting must be done before the bank reconciliation and monthly board report. **All problems (missing receipts, sales tax payments, personal purchases, missing approvals, etc.) must be noted and recorded in the comment field for that transaction. Failure to do so will result in an audit write up.**

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 competitive 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 measures 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:

- (a) General fund;
- (b) Capital outlay allotment under KRS 157.420; and
- (c) 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 situations 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:

- (a) Is regularly maintained by the manufacturer or vendor of an item; and
- (b) Is either published or otherwise available for inspection by customers; and
- (c) 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 requirements 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 expiration, 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 . . ." mean that no person is required, authorized, or permitted to do the act prescribed.

Model Procurement Code (MPC) – The procurement procedures described in Kentucky Revised Statutes 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.

Noncompetitive 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 so that the 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:

- (a) Project design and specifications;
- (b) Construction management;
- (c) Construction;
- (d) Commissioning;
- (e) On-going services as required;
- (f) Measurement and verification of savings for guaranteed energy, water, and wastewater savings contracts; and
- (g) 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 or offeror - A person who has the capability in all respects to perform fully the contract requirements, 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 timeliness 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 are 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 requisitions or 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 but 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 West Virginia that is able to furnish the desired commodity or service.

Expense Reimbursement for Travel 03.125/03.225

REIMBURSEMENT

Travel vouchers reimbursed by **School Activity Funds** shall be submitted within **one (1) week of the travel**. No requests for travel reimbursement will be considered unless filed and approved on the proper form and accompanied by itemized supporting documentation.

Without proper documentation, individuals shall not receive reimbursement, and, if it is determined that reimbursement was made based on incomplete or improper documentation, the individual may be required to reimburse the District.

Receipts are required for all reimbursements. Receipts are defined as any preprinted invoice, from a hotel, motel, restaurant or other establishment, showing the date of service, the amount charged for the service, the location where the service was performed and a description of the expenditure.

Travel reimbursement requests and supporting documents must be approved by the Immediate Supervisor of the School/Department and/or Project Director of the funding source. All requests with required signatures and supporting documentation must be in the Finance/Accounts Payable Office by the deadline designated by the Finance Department in order to be paid at the next scheduled Board meeting.

Requests for travel reimbursements not paid by school activity funds should be filed within sixty (60) days with the exception that June travel for the preceding fiscal year must be filed for reimbursement by July 10 of the new fiscal year.

Allowable expenses are:

MILEAGE

In-district travel between the employee's official work station and the destination will be reimbursed at the state rate. Mileage commuting between the employee's home and official work station shall not be paid. The District Mileage Chart will be used to calculate mileage between the Central Office and schools and/or school to school. Travel outside the District requires prior approval by the Superintendent/Immediate Supervisor and the Council in SBDM schools. Mileage will be calculated between the employee's official work station or home, whichever is the lesser, and reimbursed at the state rate.

Mileage for in-state travel shall be based on an official Kentucky mileage map. An explanation should accompany any variance in excess of ten (10) miles per round-trip. Mileage for out-of-state travel shall be based on the most recent edition of a Rand McNally or AAA Road Atlas.

Expense Reimbursement for Travel

GASOLINE

Actual cost of gasoline and oil purchased and placed in a Board-owned vehicle by an employee while engaged in school-related travel. Receipts are required.

PARKING FEES/TOLLS

All parking fees and tolls incurred in school-related travel and approved on the out-of-District travel request form. Receipts are required. (Tolls are not to be charged for District vehicles being operated in state in an official capacity.)

CAR RENTAL

Car rental charges when approved by the Superintendent/Immediate Supervisor and the Council in SBDM schools. Receipts are required.

COMMON CARRIERS

All charges or fares necessary for travel on common carriers (plane, bus, train, subway, taxi, ferry, etc.). Sightseeing and pleasure tours are not reimbursable. Receipts are required.

AIRFARE EXPENSES

Reimbursement for baggage handling shall be made for up to 2 bags per flight and a receipt is required. No additional upgrades for seating or check in will be reimbursed.

OUT-OF-STATE TRAVEL

Reimbursement for out-of-state travel by privately owned vehicles shall be made on the basis of airplane coach fare or mileage rate, whichever is the lesser amount.

FOOD

The number of meals allowed will be determined by the dates and times of the meeting as approved on the out-of-District travel request form. Documentation such as an agenda is required to support breakfast and dinner meals that do not fall within authorized travel times. Meals will not be reimbursed for day trips when an overnight stay is not approved. The employee will be reimbursed based on that receipt which can include tip and tax up to the ALLOWED per-diem rate. Itemized receipts are required for all reimbursements.

Receipts are defined as any preprinted invoice, from a hotel, motel, restaurant or other establishment, showing the date of service, the amount charged for the service, the location where the service was performed and a description of the expenditure. More than one receipt per meal is allowed, but reimbursement will not exceed the per-diem rate.

Allowances will still be made when that travel is in the "high rate" area.

Per-diem allowance for meals (receipts required) when an overnight stay is approved will be reimbursed to the employee based on the current state-approved rates for "standard" and "high rate" areas. Rates are as follows:

REIMBURSEMENT FOR NON HIGH-RATE AREAS		
Breakfast	Authorized travel prior to 6:30 A.M.	\$7.00
Lunch	Authorized travel 11 A.M. -2 P.M.	\$8.00
Dinner	Authorized travel after 7:30 P.M.	\$15.00

REIMBURSEMENT FOR HIGH-RATE AREAS*		
Breakfast	Authorized travel prior to 6:30 A.M.	\$8.00
Lunch	Authorized travel 11 A.M. -2 P.M.	\$9.00
Dinner	Authorized travel after 7:30 P.M.	\$19.00

* “High-rate area” means a city or metropolitan area in which it has been recognized that higher meal costs and lodging rates have historically prevailed and that has been designated by the Secretary of the Finance and Administration Cabinet as a high-rate area. The Cabinet’s policies and procedures manual contains a list of “high-rate areas.” A list of “high-rate areas” accompanies this policy.

Expense Reimbursement for Travel

FOOD (CONTINUED)

Special meal functions are to be claimed as part of registration fees must be supported by an agenda or supporting documentation.

Meals and mileage will not be reimbursed for District-sponsored meetings within the District.

Any food receipts submitted containing alcohol will not be accepted by Finance.

LODGING

Reimbursement for hotel or motel charges incurred in school-related travel shall be reimbursed for a conference that is of a two (2)-day or more duration. Overnight lodging will not be approved for meetings of 50 miles or fewer from the Board Central Office (unless evening activities are scheduled). Lodging shall not exceed the cost of a single-room rate unless approved by the Immediate Supervisor, the Superintendent, the Board, or the SBDM Council when appropriate. Personal proof of payment is required.

REGISTRATION FEES

Fees for attendance or admission to conferences or other events provided by sponsors of authorized meetings. Personal proof of payment is required.

OUT-OF-POCKET EXPENSES

With prior approval, out-of-pocket expenses for teaching materials or postage for Board/School mail. Receipts are required.

Kentucky sales tax will not be reimbursed.

EMERGENCY REPAIRS TO VEHICLES

Reimbursement will be made for emergency repairs or to road service to Board-owned vehicles if incapacitated while out of District. Drivers may not obligate the Board for major repairs without the permission of the Director of Transportation or Superintendent.

SUPERINTENDENT'S TRAVEL EXPENSES

Prior to granting approval for payment, the Board shall review itemized reimbursement requests for the Superintendent's travel expenses in an open board meeting.

REFERENCES:

[KRS 160.290](#); [KRS 160.410](#); [KRS 175.525](#)

[OAG 80-395](#)

United States v. Correll, 389 U.S. 299 (1967)

Accounting Procedures for Kentucky School Activity Funds

Procedures for Hardin County Travel:

IN-DISTRICT TRAVEL VOUCHER

Form #AP581

Complete all blanks as follows:

- Name
- Employee # which can be found in Munis, check with your bookkeeper
- Send Check To – Check box and fill in blank with your location, we do not mail check stubs
- Date –The date you travel
- Miles – The distance between your location and the location you are traveling to
- Description of In-District Travel – Where you are traveling to and from
- Unit price - The state mileage chart is located on the board’s web page, <http://www.hardin.k12.ky.us/TravelReimbursement.aspx> it is updated quarterly
- Amount – Take the number of miles and multiply by unit price (4 X .46 = 1.84)
- Vendor number, which is different than your employee number, is located in Vendor Inquiry in Munis check with bookkeeper
- Funding source ORG#, Object, and Project (e.g. PPA 0051118-0581-9005) Work with your principal and bookkeeper
- Supervisor signature / Employee signature required to process for payment
- Per auditors the form must be completed in ink
- Board Policy states that travel should be submitted within 60 days
- Send to Finance to Melissia Conder

All travel reimbursements to Hardin County School employees are paid electronically; you will receive an EFT advice at your school. If you have any question please feel free to contact me at any time, Melissia Conder 270-769-8947.

PTF FORM

Form #AP580

Hardin County Schools board policy and procedures requires all out of district travel to be pre-approved and a PTF form completed. For insurance purposes we are required to have a PTF form completed anytime you are out of the building or school.

Complete all blanks as follows:

- Name
- Employee # which can be found in Munis, check with your bookkeeper
- Today's Date is the date the form is completed
- Position/Title – What you do
- School/Co Dept. – your location
- Meeting title – Name of your meeting, training, or conference
- Location – Building where the meeting, training, or conference is located
- City – Where the meeting, training, or conference is located
- State - Where the meeting, training, or conference is located
- Start Date – Date of event
- Start Time – Time the event will start
- End Date – Date you will return from event
- End Time – Time the event will end
- Leaving for meeting on: Date – Date you will leave for event
- Time – Time you will be leaving for event
- Overnight stay – Check yes or no
- A sub requested – Check yes or no
- Students will be on trip – Check yes or no

LIST ALL PROJECTED TRIP COSTS:

- Mileage – This will be the estimated amount until you return from the event - The state mileage chart is located on the board's web page, <http://www.hardin.k12.ky.us/TravelReimbursement.aspx> it is updated quarterly.
- Meals – Board Policy states it will only reimburse meals for an approved overnight stay, this will also be estimated until you return. Board policy states that a receipt is required for each meal and will only be paid up to the per-diem, if the receipt is less than the per-diem then we will pay the lesser amount (e.g. if your breakfast receipt is \$6.50 and the per-diem is \$7.00, we can only pay \$6.50)
- Registration – You can either pay and be reimbursed or a PO can be generated. If PO is generated make sure you attach a copy of the PTF with PO and invoice

- Lodging - You can either pay and be reimbursed or a PO can be generated. If PO is generated make sure you attach a copy of the PTF with PO and invoice
- Airfare - You can either pay and be reimbursed or a PO can be generated. If PO is generated make sure you attach a copy of the PTF with PO and invoice
- Other cost – This would include but not limited to parking, taxi, tolls or any other allowable travel expense. A receipt is required for reimbursement
- Applicant’s Signature – Employee who is completing the PTF form
- Personal PO – This is if a PO is generated for employee who is completing the PTF form
- Supervisor’s Signature – This should be completed by either the principal or superintendent, superintendents signature is required for principals and all associate superintendents
- Funding source ORG#, Object, and Project (e.g. PPA 0051118-0581-9005) Work with your principal and bookkeeper

The PTF four part form should be torn apart once approved and sent as stated on the bottom of each copy.

- White Supervisor
- Yellow Finance
- Pink File with personal reimbursement
- Goldenrod will be the individuals copy to keep

****Make sure if you are paying a Vendor other than an employee for any type of travel, such as registration, lodging, airfare or any other travel that you ALWAYS include a photo copy of the PTF for each person attending.**

REIMBURSEMENT VOUCHER FOR PROFESSIONAL MEETING TRAVEL FORM

Form #AP582

Fill in all blanks that apply

- Employee name
- Employee # which can be found in Munis, check with your bookkeeper
- Send Check To – Check box and fill in black with your location, we do not mail EFT advices
- Meeting location – City - State
- Date and time of departure
- Date and time of return
- Mileage if you drive - The state mileage chart is located on the board’s web page, <http://www.hardin.k12.ky.us/TravelReimbursement.aspx> it is updated quarterly
- Meals – Board Policy states it will only reimburse meals for an approved overnight stay. Board policy states that a receipt is required for each meal and will only be paid up to the per-diem. If the receipt is less than the per-diem then we will pay the lesser amount (e.g. if your breakfast receipt is \$6.50 and the per-diem is \$7.00, we can only pay \$6.50). A receipt (200 KAR 2:006) is defined as means any preprinted invoice, from a hotel, motel, restaurant or other establishment, showing the date of service, the amount charged for the service, the location where the service was performed and a description of the expenditure.

If you stayed overnight (please follow guidelines on classified and certified board policy) which are attached. Only 1 receipt for each meal is allowed and the trip has to fall within the meal time hours on board policy please see attached (6:30 a.m. to 7:30p.m.).

- Registration

Send in personal proof of payment, which would be credit card statement or copy of check.

- Lodging

Send in personal proof of payment, which would be credit card statement or copy of check.

- Airfare

Send in personal proof of payment, which would be credit card statement or copy of check.

Reimbursement for baggage handling shall be made for up to 2 bags per flight and a receipt is required. **Early bird check-in is not an allowable expense to be reimbursed.**

- Other

A receipt is required for all reimbursements.

- Vendor number - Which is different than your employee number and is located in Vendor Inquiry in Munis check with bookkeeper
- Funding source ORG#, Object, and Project (e.g. PPA 0051118-0581-9005) work with your principal and bookkeeper. See coding below:
 - **0581 Travel Mileage** - Amounts paid for expenditures for mileage associated with staff travel for the school district. **ALL MILEAGE INCLUDING OUT OF DISTRICT IS CODED TO 0581.**
 - **0585 Travel - Meals**- Amounts paid for expenditures for meals associated with staff travel for the school district. Receipts required and per diem rates applied.
 - **0586 Travel – Hotels**- Amounts paid for expenditures for hotels associated with staff travel for the school district.
 - **0589 Travel – Other**- Amounts paid for expenditures for other staff travel which cannot be classified elsewhere within the series. **Examples: Taxis, Parking Fees, Airfare, & Tolls.**
- Payment Approval Signature - make sure the supervisor has signed off on it
- Total Amount – This should be the total of what you are asking to be reimbursed
- Signature – This is where the employee will sign once the voucher is completed

Send in your Reimbursement Voucher in the order below to ensure timely processing

1. PO (if you have one)
2. Reimbursement voucher (will be first in line if no PO is generated)
3. All receipts you are submitting for reimbursement
4. Pink PTF
5. Meeting agenda if you have a copy

Account Coding

Account coding of POs and invoices is critical to the accuracy and reliability of financial data generated by the district. The account code used to requisition 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 payment 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:

0401118 0610

The first part of the account code (0401118) 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.

040 | 1 | 118

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

The fourth digit of the Org represents the Fund. General Fund accounts are a 1 and Special Revenue is 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 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 project codes 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 Hardin County Schools 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 the 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 should cancel the PO:

Encumbrance	Revenue	Expenditure	Available
0	500	90	410

Types of Purchase Orders

There are three types of purchase orders: (standard) purchase 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.

Emergency purchase order – An emergency purchase order may be used only in the event of a bona fide emergency declared by the Superintendent or his designee.

Approval of Purchase Orders

In accordance with Board Procedure 04.3111, 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 through workflow. As part of the approval process, 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 person is set up in workflow to approve.

Payment of Invoices

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 or standard invoice 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 will be kept on file at the school or department level.

Original invoices are required to process a payment. Payments shall not be made from statements. When the receiving document is received, the bookkeeper will match it to the invoice and approved purchase order and send to the finance department for payment.

The local board of education is required to approve substantially all payments before they are released to vendors per board policy 04.3111. The board approves payments at each regular meeting. A detailed list of checks to be released is provided to the board a week in advance of the meeting to allow sufficient time for review. Finance will include all invoices ready to pay (invoice #, approved purchase order #, and check amount) which are received prior to the 20th of each month. Any invoices not ready for payment by that date will be included in the next month's payments unless it meets one of the exceptions below.

Interim check runs will be made no more frequently than each Wednesday and only for those purchases specified below. The Board shall give subsequent approval to all budgeted disbursements made between meetings of the Board. In accordance with board procedure 04.3111 payments that can be made in the interim without prior approval of the board are:

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.**

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.

Gifts

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. No gift cards are to be purchased with any district or school funds unless approved by Director of Finance.

Determination of Worker Status for Purchased Professional Services

The Internal Revenue Service requires employers to make appropriate determination of worker 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 New Vendor Request form and submit to Finance along with W-9 form. Finance/HR 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 and security officers assigned by the Kentucky High School Athletic Association (KHSAA) are always paid as independent contractors and are exempt from the determination process described above.

Purchasing Fixed Assets

Fixed assets are defined as real or personal, stand-alone property that has an estimated life of greater than one year and an original cost equal or greater than \$5,000.

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.

Grant Guidelines

OBJECTIVE

Hardin County Public Schools utilizes grants to strengthen its mission- to create a collaborative community that ensures all students achieve at high levels and graduate prepared to excel in a global society. Grants are an important part of the education profession, and your leadership in this area is very important to our students and our schools.

This section of the manual is a source of applicable grant administration requirements to help all stakeholders manage their grants in conjunction with the provisions of the Office of Management and Budget (OMB) Uniform Guidance. Our intent is for the manual to serve as a reference for financial management and grant administration to enhance your understanding of the policies and requirements governing Federal financial assistance.

It is our desire to help increase your success and to minimize problems that may occur in management of the grant contract. This manual provides an overview of the life cycle of a grant, and an analysis of the processes related to financial management and grant administration. Additionally, this manual focuses on ensuring compliance with the Federal Audit Requirements.

INTRODUCTION

Grants are an award of financial assistance intended to stimulate or support a public purpose. There are three phases of a grant: pre-award, post-award, and end of the grant. Each phase will be discussed based upon Hardin County Public Schools' policies and procedures.

INITIATION (PRE-AWARD) PHASE

To initiate a Grant/Award Program in the Hardin County Public Schools, certain policies & procedures must be followed. The first area of this manual will detail the information necessary to be in compliance with the Hardin County Board of Education on receiving external funding, requirements of District budget coding, and procedures to assist in establishing the number of positions paid, as approved in the grant application. The program director may be requested to provide input on creating the master time calendar of fiscal tasks to be completed as stated in the grant/award document as it applies to the Consolidated Plan of the district.

IMPLEMENTATION (POST-AWARD) PHASE

It is during the Implementation (Post-award) Phase of a program that a unique project number is assigned to the project by the finance office. This number is used to identify a program in MUNIS. The financial management requirements that Hardin County Public Schools must comply with when receiving grant funds come from a variety of sources including: federal law, regulations, uniform guidance, and administrative manuals, which all prescribe financial and general business management practices for various grant programs. Agencies, such as the General Accounting Office (GAO) and the Office of Management and Budget (OMB) issue guidance that is binding on all grantor agencies in their supervision of grantee financial management.

The Implementation (Post-award) Phase of most grants/awards is compacted into a 12-month period, with the actual dates depending upon the funding agency. This makes it very important to implement the fiscal plan of spending expeditiously as possible.

This manual provides instructions on all areas of the fiscal operation to assist in expending the total funding within the designated time frame. Emphasis should be placed on the financial management requirements of both the District and the Funding agency.

END-OF-THE-GRANT PHASE

Many grants/awards have very specific financial reporting requirements that must be followed at the end of the grant. These requirements vary from submission of early financial reports to 90-day closeout procedures and administrative programmatic reports. The Federal Program Director's office will strictly adhere to the agency's reporting requirements. Also, the program director and the grants compliance officer will work in collaboration with the finance office to fulfill all fiscal reporting requirements of the funding agency, as well as, to supply any additional program information required for the completion of the grant closeout phase.

GRANT APPLICATION

Central Office staff is prepared to facilitate the writing of grant proposals and the identification of funding sources. The staff can also help with the technical questions related to budget, personnel, and District policies and procedures. You should contact finance before you begin the process of developing a grant proposal.

Process for Grants Development & Submission

- All grants, regardless of funding amount must be approved by the Superintendent, prior to submission. That approval process begins with the grant writing resource specialist. This is a five part process: 1) Finding a funding opportunity/grant; 2) Intent to apply process; 3) Proposal development; 4) Proposal approval; and 5) Proposal submission.
- Finding a grant: There are numerous of funding opportunities. However the key is finding an opportunity that 1) is a good fit for your idea, and 2) for which the school/district is eligible to apply. The district grants staff has a limited amount of time to devote to researching opportunities. Because of this, the funding opportunities' database has been developed and is being updated. If you have a project for which need funding, please check the database first. Once you find a possible funding source, get the ok from the principal or supervisor to proceed with the intent to apply process.

ORIGINAL CONTRACT

Before a grant-funded program can begin implementation--or before any grant funds can be spent--all of the legal documents (contracts and award letters) must be **completely** processed. The original signed contract from the funding agency is needed to initiate the grant program through the finance office. ***Included with the contract should be an Award Letter specifying financial-report form(s) required by the funding agency and a time schedule for submission of such reports.*** Any additional information required by the funding agency, other than direct expenses from the coded budget, must be well-defined and must be submitted to the finance office as part of the total fiscal responsibilities.

The award letter should also provide the reimbursement guidelines and the budget period to continue the grant setup and operation. Most agencies will either reimburse after expenses have been incurred on a monthly/quarterly basis or will send money on an advance-request basis. The budget period identifies the beginning and end dates of the grant. The award letter must be documented by the funding agency.

In addition, if the funding of the grant/award is from the federal government, it will be identified by a **Catalog of Federal Domestic Assistance (CFDA) number**. The CFDA number is a unique number created in the Catalog of Federal Domestic Assistance (CFDA) database. It tracks all domestically-funded Federal programs available to state and local governments (including the District of Columbia); federally-recognized Indian tribal governments; territories (and possessions) of the United States; domestic public, quasi-public, and private profit and nonprofit organizations and institutions; specialized groups; and individuals. Please supply this number at the same time the contract is brought to the finance office.

*See the Original Contract Checklist on the following page to verify that you have the required documents for the grant.

****IMPORTANT NOTE:** The Superintendent is the ONLY person authorized sign the Grant Agreements for H C S . Grants cannot be implemented until both the Superintendent and the funding agency's signatures are obtained.

ORIGINAL CONTRACT CHECKLIST

- GRANT AWARD LETTER

- BUDGET FORM

- CFDA # (if applicable)

- LIST OF EMPLOYEES (associated with this Grant)

- REIMBURSEMENT GUIDELINES

- FUNDING SOURCE

- REPORTING REQUIREMENTS

ESTABLISHING POSITIONS AND HIRING PERSONNEL

ESTABLISHING A NEW POSITION ON A GRANT

Establishing a new position with the District requires the following steps:

1. Based on federal grant requirements, each Program Director will send each location their allocation for the upcoming school year.
2. Each site determines staffing, based on allocations, and contacts both HR Dept and the respective Programs Director.
3. If position exists under staffing polices, no board action required.
4. For new positions a decision paper must be completed by Program Director and submitted to the HR Dept and Superintendents office for board approval.

Once Board approval is obtained and the budget is set up in MUNIS, a HR Requisition (REQ) should be requested from the location. The HR Dept will need the following information before issuing a REQ:

1. Position Title (must match title on job description)
2. Work location
3. Effective date the position should be charged to the program/grant
4. Account codes (org, object and project) for the salary
5. Time to be charged to the program/grant (FTE status)
6. Board approval date

Once the REQ is approved, Human Resources will create the position and forward the information to the hiring authority.

HIRING PERSONNEL ON A GRANT

THE HIRING PROCESS

1. Program Directors ensure the availability of funds and communicate with HR who issues a REQ to establish positions or fill existing vacancies.
2. All sites use Talent Ed to obtain appropriate candidates for interviewing.
3. The hiring authority i n t e r v i e w s candidates and provides the name of the recommended candidate to hire to the HR Dept.
4. The hiring authority contacts the candidate they recommend for the position.
5. The hiring authority submits the hire in Talent Ed and interviewees names to HR Dept for processing.

6. If the position is rejected, the hiring authority will make a determination on whether to repeat the interview process or extend an offer to a prior candidate. .
7. When the position has been filled, the hiring authority will send a copy of the hire to the Programs Director.

FILLING EXISTING VACANT POSITIONS

1. When a position is vacated, the employee will complete a vacancy/separation notice. The original will be sent to the HR Dept and HR will communicate with the Programs Director.
2. If an employee resigns at your location, Send Human Resources a copy of the resignation letter so that the resignation can be processed in MUNIS and an end date given on the pay screens.
3. Human Resources will post the position on the HCS website and the KDE Website if certified.
4. If the employee who is leaving has an end date in MUNIS, the HR Dept will issue a REQ and follow the steps described in "Hiring Process" above.

PAYROLL CHANGES

Each pay period the budget/grant manager should access their MUNIS payroll report(s) listing the names of employees being charged to the program/grant. The budget/grant manager must notify the HR Dept of any employee changes or corrections that will affect salary charges to the program/grant. The HR/Finance Dept will verify the need for the changes or corrections and, if approved, will send the coding change/correction in MUNIS.

PAYROLL

The records that are to be submitted to the Payroll office to have employees of the District paid for time worked can be categorized four ways: regular payroll, substitutes, extra service, and extended employment. **ALL PAYROLL IS PAID ACCORDING TO THE BOARD APPROVED SALARY SCHEDULES FOR THE CURRENT YEAR.**

<http://www.hardin.k12.ky.us/Employees.aspx>

REGULAR PAYROLL

The regular payroll is used for reporting time worked for HCS employees for their regular job and appropriate work year.

For **regular payroll**, all employees whose regular salaries are to be paid from the grant/awards monies should have been set up with the proper accounting codes and school assignments through the Department of Human Resources. Once this process has taken place, the employee automatically comes into the payroll as it is generated each pay period.

If the employee is **paid on an annualized salary**, the name will appear alphabetically on the automatically generated Aesop Attendance Reports. Salaried employees not based at a school are reported on an attendance tracking report submitted by the department through which they work.

If the employee is **hourly**, the employee time sheet must be approved by the site supervisor and forwarded to the Program Director for coding and approval. The time sheet is then sent to the HR Dept with the appropriate leave cards if any time off was taken.

SUBSTITUTES

If pay for substitute employees has been approved in a grant/awards budget, the substitute codes for that position should have been entered into the system through the HR Dept in order for subs to be paid from the grant.

Substitutes sign in electronically at the schools on a school generated Absence Form under the name of the person for whom they are subbing. When the absence report is submitted to payroll, the sub is paid under the appropriate allocated funding source as the employee for whom they worked.

EXTRA DUTY

Extra Duty is work done in addition to the employee's regular job or work year. Some examples of extra service are:

- Professional Development - Payments to employees for workshop attendance.
- **Workshop** presentation.
- **Textbook** selection and curriculum writing.
- **Community** Education
- After school work - payments to employees for work after their regular workday during their regular work year. This is work performed other than their regular position.

GENERAL INFORMATION

1. Only district employees may be compensated through the payroll system. Employees may only be compensated at Board approved rates for Extra Duty duties. The rates should be obtained from the Department of Human Resources.
2. Holidays, leave time, etc. are not paid on Extra Duty.
3. Forms for Extra Duty submitted to payroll **must** be originals signed by the supervisor and Project Director/Grant Budget manager. They **must** contain all accounting codes, the employee's name, employee number, MUNIS number, date of service, rate of pay found in district salary schedule), and total amount due. Payment could be delayed if any **of** the previous information is missing.
4. To be paid in a timely manner, requests for payment should follow the normal payroll cut off dates.
5. Extra Duty forms may be downloaded from the web page.
6. Hourly employees will be compensated at an overtime rate for work over 40 hours per week, as outlined in Board Policy.

EXTENDED EMPLOYMENT

Extended Employment is time worked in a regular position and paid at a regular daily rate, but for days beyond the normal school calendar year of 187/183 days. Once this determination is made, Human Resources will be notified of the number of days required for the position and the employee will be entered into the system with the appropriate accounting codes and number of days. All extended days must be board approved.

PROCUREMENT

Oftentimes, it is necessary and required to procure goods and/or services in order to accomplish the goals of a grant program. Therefore, standards have been established to ensure that the goods and/or services are obtained in a prudent manner and in compliance with the Federal regulations.

NON-PERSONNEL EXPENDITURES

Non-personnel expenditures are made following the principles outlined in the purchasing manual located on the following pages 3-7. A purchase order must be generated *PRIOR* to obtaining goods or services.

PURCHASE ORDER PROCESSING FOR PAYMENT

To process a purchase order for payment, the Accounts Payable Dept needs the following:

1. The "ACCOUNTS PAYABLE" copy of the purchase order.
2. Proof of receipt signed and dated by the receiver.
3. The original invoice(s).

Purchasing Procedures for Grant Managers:

1. Determine Need
2. Determine an adequate funding source- Ensure funding is located in the proper object code and initiates a Budget Transfer if necessary
3. Research HCS Bids, State price contracts, KETS, KEDC, UK, LFUCG and GSA contracts to determine if required item(s) is under contract. If contract vendor will abide by the prices and conditions offered the initiating contracting agency, the item(s) may be purchased utilizing the contract. Purchases of any dollar amount are appropriate. Complete the Purchase Order (PO) referencing the appropriate agency and contract number.
4. Item(s) may be purchased outside of the price contracts if:
 - A. The item(s) meet the specification of contracts awarded by the agencies listed in #3
 - B. The items are available at a lower price
 - C. The purchase does not exceed \$2,500.00
 - D. The District's Finance or Purchasing Officer has certified compliance with (A) and (B) (Board Policy 04.32)

5. If the aggregate amount to be purchased is less than \$20,000.00 (small purchase procedures) and the item is not available via price contract, the following procedures shall be followed:
 - A. **Purchases less than \$2,500.00-** Use best effort to obtain the lowest price from a responsible and responsive bidder for the supplies, services or construction to be purchased
 - B. **Purchases equal to or exceed \$2,500.00 but less than \$20,000.00-** the following procedures shall be followed:
 - a. A minimum of three (3) potential suppliers shall be solicited for quotes (see Non-Competitive Purchases if quotes cannot be obtained)
 - b. Between \$2,500 and \$10,000- telephone or catalog quotes are acceptable. A file shall be maintained indication the quoted price, vendor, contact name, date of quote and other information obtained. PO shall include the statement that the purchase is the "**lowest of three quotes**".
 - c. Between \$10,000 and \$20,000- A minimum of three (3) written quotes shall be solicited from potential bidders or suppliers. (See Non-Competitive Purchases if quotes cannot be obtained) The requirement of written quotations may be dispensed with if time does not permit the submission of written quotations, providing that the quotation is subsequently verified in writing by the bidder. The purchase order shall include the statement that the purchase is the "**lowest of three written quotes**".
 - d. Quotes shall be retained for a period of five (5) years for auditing purposes.
6. **Over \$20,000 Procedures (unless item is currently under contract per item #3)** If the aggregate total of the item(s) to be purchased exceeds \$20,000. (Aggregate is defined as *total dollar amount purchased throughout the District 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.*)
 - A. Send a request for Bid initiation.
 - B. Include the following: Item(s) to be purchased, complete and detailed specifications, quantities to be purchased, and the source of funds that will be used to pay for the item(s) acquired by the Bid.
7. **Non-Competitive Purchases-** Any non-competitive purchase in excess of \$2,500.00 can only be accomplished after a written determination is made that competition is not feasible and it is further determined in writing that:
 - A. An emergency exists (this can be declared only if the Superintendent or his Designee certifies that an emergency exists) which will cause harm to HCS in competitive procedures;

- B. For contractual services where no competition exists, such as telephone service, electrical energy, and other public utility services;
- C. Where rates are fixed by law or ordinance;
- D. For Library books;
- E. For interests in real property;
- F. The contract is for the services of a licensed professional, such as attorney, physician, psychiatrist, psychologist, certified public accountant, registered nurse or education specialist; 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 architectural or engineering services;
- G. The contract is for the purchase of perishable items purchased on a weekly or more frequent basis, such as fresh fruits, fresh vegetables, fresh fish or fresh meat;
- H. The contract is for replacement parts where the need cannot be reasonably anticipated and stockpiling is not feasible;
- I. The contract is for proprietary items for resale;
- J. In school districts, the contract relates to an enterprise in which the buying or selling by students is a part of the educational experience;
- K. The contract or purchase is for expenditures made on authorized trips outside of the boundaries of the local public agency;
- L. The contract is for the purchase of supplies which are sold at public auction or by receiving sealed bids;
- M. The contract is for group life insurance, group health and accidental insurance, group professional liability insurance, Workman's Compensation insurance and unemployment insurance;
- N. When no bids have been received from responsive and responsible bidders following an Invitation for Bids distributed in accordance with KRS 45A.365, HCS may proceed to acquire supplies, services or construction by non-- competitive negotiations in accordance with KRS 45A.380.

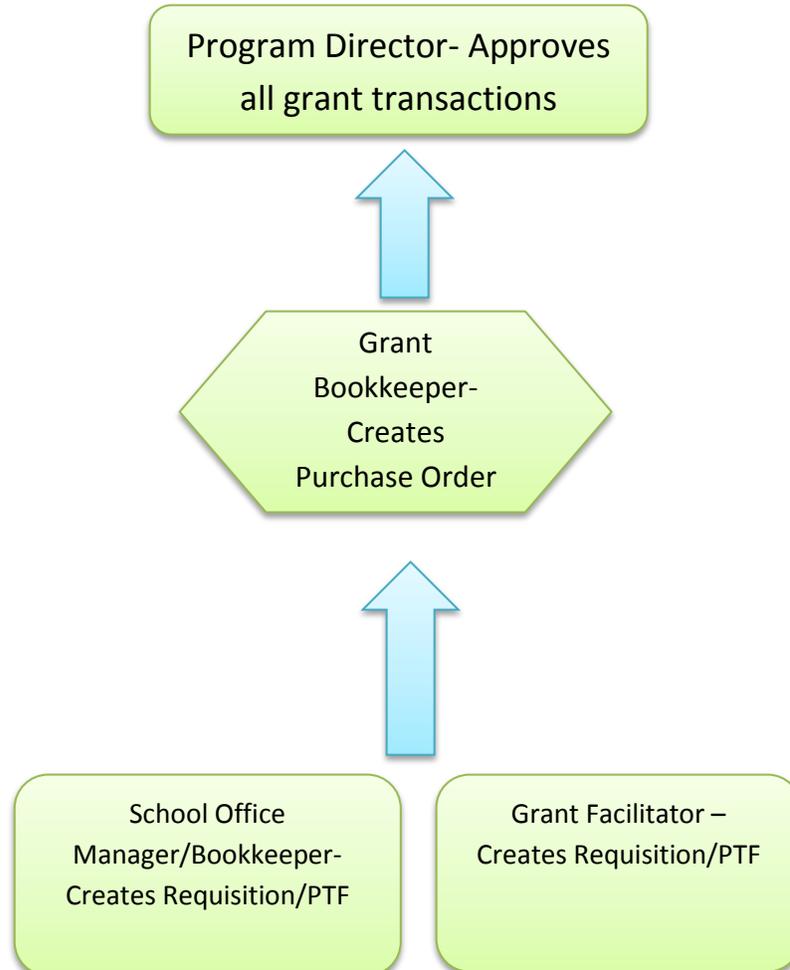
PROCEDURES FOR PAYMENTS RELATED TO TRAVEL

The procedures for payments related to travel can be found in the purchasing manual pages 24-32.

EXPENDITURE APPROVAL (ACCOUNTS PAYABLE)

The program director is responsible for approving all expenditure vouchers charged to the grant. These include all travel expenses, extra-services payroll expenses, materials, food, or any other miscellaneous expense items. The director is also responsible for the on-line approval of authorization Purchase Orders. All expenses submitted for Travel and Professional Leave must be sent to the Program director with proper documentation. They will be sent to the Accounts Payable Dept, along with original support documentation, for payment approval.

IMPORTANT NOTE: PURCHASE ORDERS MUST BE CREATED PRIOR TO THE INVOICE DATE. FAILURE TO COMPLY COULD RESULT IN AN AUDIT VIOLATION.



PROFESSIONAL SERVICE CONTRACTS

Use of Consultants

Consultants are those individuals retained by the District via contract to provide services to the district or an individual school that current District staff is unable to provide. The kinds of assistance sought from consultants may include, but are not necessarily limited to, services such as: conducting fact-finding studies, surveys, and research; providing counsel and/or training in areas requiring special expertise; and, assisting the District with policy development and/or program recommendations.

Written Proposals

Before entering into any agreement with a consultant, the District shall obtain from the consultant a written proposal that details, at a minimum, the following information regarding the consultant and services to be provided:

1. The qualifications held by the consultant, which offer proof of the individual's experience and expertise in the appropriate service area;
2. The specific tasks to be performed;
3. The target dates for completion of tasks;
4. The method to be used to report results to the District and/or to deliver any "product," e.g., plans, recommendations, training, etc. and;
5. Total costs.

Use of Contracts

Written contracts, based on the above proposal, shall be required in all cases where a consultant is employed by the District. Such contracts shall be approved in advance by Superintendent or their Designee. Such contracts shall specify the full amount to be expended for the contracted services, including amounts for travel and related expenses.

Consultant contracts must be approved in accordance with Board Policy:

CONTRACT GUIDELINES

These guidelines apply to all contracts pertaining to Hardin County Schools (HCS), regardless of the source of funds to be expended.

1. No person shall make an oral contract obligating HCS.
2. The Board shall, through policy, (authorize the Superintendent and/or designee to enter into the following types of contracts:
 - ✓ Memorandum of Understanding and Agreements
 - ✓ State mandated programs that require a contract
 - ✓ The Superintendent or designee is authorized to approve new contracts not exceeding \$20,000, provided there is an appropriate allocation in the Board-adopted budget.
3. Any proposed new contracts costing \$20,000 or more, shall be submitted to the Board for approval and shall be accompanied by figures showing the estimated cost of the project to the District. Subject to the Model Procurement Code (KRS Chapter 45), the Board may require bids for consulting services to be sought.
4. No work can be initiated prior to the contract being signed by all parties.
5. Contracts check list must be completed prior to approval by Associate Supt of Finance. (See page 6).
6. Once contract is signed, the person initiating the contract will verify a completed background check is attached to the contract, if a contracting individual is working with students.
7. The person initiating a contract with an outside party must have the outside party complete a Form W-9 (obtain from School Bookkeeper or from the Central Office) prior to being paid.
8. Upon execution by the outside party, all proposed contracts must be attached to a Contract Checklist, signed by the Principal/Administrator, if applicable, and sent to the supervising administrator to be forwarded to the finance department.
9. Upon approval and execution, the Director of Finance will forward the proposed contract and all other information to the Superintendent.
10. Upon approval and execution, the Superintendent will forward the contract and other information to the Director of Finance.
11. The person initiating the contract shall prepare a standard invoice to obtain payment pursuant to the terms of the contract. Refer to Step #7 regarding Form W-9.
12. The form of a contract proposed by outside parties is acceptable if it complies with the provisions of these guidelines and does not include other unacceptable provisions.
13. If the outside party does not have an existing contract drawn up, the initiating person will either provide an appropriate form or assist in drafting an appropriate document.
14. No person is allowed to enter into a contract for the sale or disposition of school-owned property.

***** CONTRACTS SIGNED BY PRINCIPALS*****

The Board shall, through policy, authorize the Principal to enter into the following types of contracts:

1. Fund-raising endeavors (i.e., picture sales, vending machine leases, T-shirt sales, etc.)
2. Lease/purchase of equipment such as copiers, service contracts, telephone systems.

Contracts other than those listed above shall be reviewed and approved by the Superintendent and/or the Finance Department (Associate Superintendent/Finance Director).

By entering into contracts in the manner set out above, it is the intent of the Board and the administrative staff that the Principal is signing as an agent of the Board and is not to be personally liable for any portion of the contract.

By entering into any contract, the Principal is advised to have the contract reviewed by the Finance Department. In addition, upon the execution of a contract, a copy of the contract shall be forwarded to the Finance Department to be placed on file.

All contracts for services shall be sent to the Finance Dept with the contract checklist attached PRIOR to obtaining the superintendent's signature. The vendor rendering services must be researched and verified to not be on the debarred/suspended list. If the vendor is not on the list, the contract is taken to COO for approval and then forwarded to the superintendent.

Eligibility Checklist for Contracts

Current employees of the district may be used as consultants only if the times during which they are contracted in this role are outside the entire parameters of their calendar work year. Retired employees of the District may be used as consultants; however, they may earn no more than their final daily rate of pay as consultants during the first following their date of retirement.

Checklist for Contracts

1. **Contracts has been reviewed for the following (✓ if applicable, NA if not applicable):**
2. HCS contact person for Contract _____
____ Names and addresses of all parties to the contract
____ A detailed description of the goods or services to be provided
____ Location the contract will be performed
____ Beginning and ending dates of the contract
____ Grounds for termination of the contract are included for both parties
____ Amount of payment, when payment is due, and any conditions governing payment
____ Payment source (who will pay the outside party)
____ Specific designation of the person(s) responsible for administering the contract, approving any goods or services provided, and supervising any persons providing services directly to students
____ Any provisions, such as who will provide supplies or equipment, necessary to clearly explain each party's obligations under the contract
3. ____ Contract amount is _____ (Bidding of service /material is not required)
4. ____ Decision Paper is attached if contract requires Board Approval
5. ____ A certificate of general liability insurance must be attached to the contract if any party contracting with HCSA will work directly with students. (Policy will name HCS as additionally insured and coverage will be \$1,000,000 minimum).
6. ____ If contract party with HCS has an employee working in the district; they will need to provide proof of workers compensation insurance. (Attach to contract)
7. ____ Indemnify clause is included in the contract such as "To the fullest extent permitted by law, the (contractor/vendor) agrees to defend (including attorney's fees), pay on behalf of, indemnify, and hold harmless the (entity), its elected and appointed officials, employees and volunteers and others working on behalf of the (entity) against any and all claims, demands, suits or loss, including all costs connected therewith, and for any damages which may be asserted, claimed or recovered against or from the (entity), its elected and appointed officials, employees, volunteers or others working on behalf of the (entity), by reason of personal injury, including bodily injury or death and/or property damage, including loss of use thereof, which arises out of or is in any way connected or associated with this contract."
8. _____ (Administrator) has reviewed attached contract and supporting documents and will send to Associate Superintendent of Finance or Director of Finance.
9. ____ Contract and supporting documents have been reviewed by Chief Finance Officer or Director of Finance and is approved (date _____).
10. ____ Decision Paper is attached if contract requires Board Approval
11. ____ The attached contract is ready for Board Approval or Superintendent/Designee approval.

CONTRACT

THIS CONTRACT is entered into this [] day of [], 20 [], by and between the **BOARD OF EDUCATION OF HARDIN COUNTY, KENTUCKY**, 65 W A Jenkins Road, Elizabethtown, Kentucky 42701, hereinafter referred to as the Board, and **Enter the Second Party name, street address, City, State and ZIP code** hereinafter referred to as Second Party.

PARTIES: The Board of Education of Hardin County, Kentucky, **Enter School or Department Name** has established the need to **[Describe the need for the contract]** and has determined that this need cannot be met by existing district staff.

Name of Second Party provides **Describe Services provided by the Second Party** and has expertise or needed products as described herein.

PURPOSE: The purpose of this contract is to improve the availability of **Describe services provided by the Second Party**.

NOW, THEREFORE, for and in consideration of the mutual promises set out herein, it is hereby agreed by and between the parties hereto as follows:

1. The Second Party shall provide to the **Enter School Name or Department**, as an independent contractor, services under the direction of **Name of responsible HCS employee**.
2. The second party shall provide **Provide Detail as to When Services/Products are Provided (i.e. Specific Locations, Dates & Times)**.
3. The Board agrees to pay the Second Party for the services/products provided in this contract the amount of \$ []. Additional expenses to be reimbursed are **[list any expense items to be included]**, with a total amount of this contract not exceeding \$ [**Total Amount of Contract**]
4. The Second Party shall provide to the Hardin County Board of Education an invoice for services rendered under this contract and any agreed upon expenses to be reimbursed. Unless otherwise stated, travel and per diem shall be reimbursed based upon the district's current travel policies.
5. The Second Party is not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."
6. This contract may be re-negotiated based upon, but not limited to, increases in services to participants. Any modifications shall be agreed to in writing and signed by both parties.
7. The staff providing services to the Board herein are employees of the Second Party and shall not represent to anyone that they are employees or agents of the Board.
8. Either party shall have the right to terminate this agreement at any time upon a fourteen (14) day written notice, either personally delivered or served by some form of return receipt mail evidencing delivery, to the other party.

REVENUE

Each funding agency, whether local, state, or federal, has unique requirements for requesting the revenue to support a given grant. The Finance Dept will follow the specific procedures established by the granting agency for securing these funds.

In many cases, the granting agencies have very strict regulations that have to be followed or the District could risk delaying or losing revenue. This is especially true when a program is establishing its final total expenses using the time frame the regulations require.

All requests for funds on any grants must be initiated by Finance Dept to ensure that accurate revenue records and financial reports are maintained to meet the requirements of the granting agency and to meet audit standards. In the case of federal funds, the annual audit of the District requires a separate schedule of each grant detailing revenue and expenses identified by a CFDA number (Catalog of Federal Domestic Assistance).

Beginning in 1996, the Kentucky Department of Education (KDE) established standards for requesting federal grant funds to ensure compliance regarding cash requests and excess funds sent to local school districts. The purpose is to provide greater efficiency, effectiveness and equity in the exchange of funds. Federal regulations prohibit the draw of excessive funds. No local educational agency (LEA) are to profit from long term cash advances as the federal government loses money on interest payments and borrowing costs. Please refrain from making any changes to the FCR workbook. **Remember MOA requests are not submitted on an FCR.** If there are any questions or concerns regarding grants that do not appear, contact your grants analyst. You may refer to the following link below in the section named **Federal Allocations** for the applicable contact:

<http://education.ky.gov/districts/fin/Pages/Federal-Grants.aspx>

GMAP System

The GMAP System is the web tool used to submit the District Funding Assurances and the Federal Cash Statement of Assurance. Each district should have a least one employee that has access to this system. Step by step video tutorials for using GMAP are located on the Kentucky Department of Education Federal grants website.

District Funding Assurances

A district's funding assurance must be received prior to requesting New Year funds. No New Year funds will be released until the assurances have been submitted to KDE. The district funding assurances need to be completed in GMAP. The link to information about this assurance and email box is listed below. This assurance needs to be sent to KDE no later than June 1.

<http://education.ky.gov/districts/fin/Pages/Comprehensive-District-Improvement-Plan-Funding-and-Finance.aspx>

FEDERAL CASH REQUEST STATEMENT OF ASSURANCES (FCR SOA)

KDE requires an annual Federal Cash Request Statement of Assurance from the District Superintendent or director. The Statement of Assurance should identify who is allowed to send requests, their job titles, the name of the LEA, the signature of the superintendent or director, the date, and provide assurance that the preparation of the forms have been properly reviewed and approved. The Federal Cash Statement of Assurance must be submitted in the GMAP system. If the SOA is missing any of these items it will be rejected and sent back to the LEA. A renewal of the Statement of Assurance will be required at the beginning of each fiscal year and throughout the year as applicable to provide for changes in authorized personnel within the LEA. Payments will not be issued until both a copy of the FCR SOA and the district funding assurance documents are on file at KDE. Historically, some districts have sent requests from multiple individuals during the same month which has led to overpayments. To address this issue KDE asks that one individual send the FCR. Designate the primary staff responsible for sending the FCR on the SOA. All backups should be listed in the event that the primary staff isn't available. KDE will reject FCR's that are sent from the same district from multiple staff for the same period. Any of the individuals listed on the SOA are allowed to do so as long as KDE only receives one request. The beginning of the new fiscal year is July 1st. LEA's should have the SOA's completed and sent no later than June 1. No New Year funding will be paid until the New Year SOA is submitted. This will prevent any held payments that may occur due to KDE not having an up to date SOA on file. New Year payments will be issued before the September 30th deadline as long as all required information has been submitted.

Perkins Plan

The Perkins Plan is submitted on the GMAP system. All eligible LEA's are to submit their Perkins Plan to their CTE coordinator. No Perkins funds will be released until a plan has been submitted. Please have these plans submitted by the end of June.

CLOSING OUT A GRANT

The Grant Closeout is the final stage in the life cycle of a grant. During the phase, the Grant Accounting Department ensures that all applicable administrative actions and required work of a grant have been completed by the grantee. The grant closeout is a combined effort between the Program Directors/Bookkeepers and the finance dept. The closeout process begins 90 days after the end of the grant-funding period.

EQUIPMENT ACQUISITION AND MANAGEMENT

There are a number of government wide rules and standards that govern acquisition and management of equipment purchased through a grant. Follow the rules of the granting agency that govern the disposition, sale, relocation, maintenance of physical inventory, etc., when closing out a program.

FUNDING GUIDELINES

Federal funding guidelines for allowable costs are located in the non-competitive funding matrix on the KDE website.

<http://education.ky.gov/districts/fin/pages/federal-grants.aspx>

GRANT CLOSEOUT CHECKLIST

GRANT CLOSEOUT CHECKLIST

The checklist below should assist in ensuring that the federal requirements for the grant award are met.

One Month Prior to Award Expiration Date:

- Determine if any additional purchases are required for the grant award. All goods and services must be received and completed by the end date of the award.
- Limit the use of purchase orders to those items that can be received prior to the award expiration date.
- Ensure all expenses posted to the award are allowable, reasonable, and allocable.
- Correct any over-expenditure conditions that exist.

0 to 30 Days After Expiration Date:

- Grant team should complete and file program narrative reports, if applicable.
- Ensure that expenditures are not overspent on the grant.
- Ensure that all cost-sharing has occurred, and been documented appropriately.
- Ensure that all effort reports have been signed and returned.
- Obtain and process all final vendor invoices directly related to goods and services charged to the grant.
- Cancel all personnel costs assigned to a program.

30 to 90 Days After Award Expiration Date:

- Assist all parties in the closeout process.
- Identify and close all encumbrances, or open obligations on the grant.
- Close all outstanding purchase orders, if applicable.
- Review indirect cost charges through life award and make any necessary corrections.
- Document cost-sharing and verify that cost-sharing requirements has been met.
- Identify any cost overruns and make any necessary adjustments.
- Verify that the award budget has been spent appropriately.
- Prepare final financial and program reports.
- Return or carryover any unused advance money, appropriately.

Glossary of Terms

Assurances: Documents submitted and/or signed which assure the funder (usually a government agency) that the applicant will comply with all legal requirements (e.g. Drug-free Workplace, Equal Opportunity, access for all, specific requirements of the grant). Information which is included in a proposal.

Budget Period: The period of time from which a budget is approved for an award.

Direct costs: Costs that can be identified with the project (e.g. salary, project materials)

Encumbrance: An anticipated expenditure or an uncompleted or undelivered portion of a purchase agreement

Equipment: Tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.

Fixed charges: Required cost above salary, e.g. unemployment insurance, workman's compensation

Grant Accountant: The person responsible for coordinating all grant accounting functions including: reviewing, consulting, tracking, and financial reporting following the guidelines designated in the Grant Award Notification Letter

Grant Period: The complete length of time the grantee is proposed to be funded to complete the approved activities and/or services under the grant.

Grant Writer: The person responsible for coordinating all grant writing and research functions, including finding funding sources, disseminating information, writing proposals, developing budgets, providing technical assistance to others writing proposals, and providing professional development opportunities in this area.

Indirect costs: Costs which cannot be identified readily and specifically with particular projects or with a specific activity because they are part of the normal operating budget. Often this cost is negotiated between the applicant and the funding agency.

Matching Funds: Sometimes referred to as Cost Share. The amount of money which the *applicant* is spending on the project.

Obligation: A legal liability to pay for a specified amount under a grant or subgrant, or contract for goods or services incurred during the grant period.

Pre-Award: The period before the actual award notification is received.

Post Award: The period after the actual award notification is received.

Program Income: Gross income earned by the recipient that is directly generated by a supported

activity or earned as a result of the award or incidentally.

Program Officer: The Program Officer oversees the application process and manages the program aspect of the project.

Single Audit: An organization wide audit in which an auditor reviews a sampling of programs and management practices to develop a picture of whether the organization as a whole is financially healthy and in compliance with grant and other legal requirements.

Supplies: All tangible personal property other than "equipment."

Supplant: Purchasing items district has approved to pay in the district plan.

Supplement: Increasing the level of funds to make the program larger.

APPENDIX

Travel Expense High Rate Areas

Effective June 1, 2001, the list of High Rate Areas recognized by the Secretary of the Finance and Administration Cabinet for State travel expense purposes is as follows:

Akron, OH	Corporate Limits
Alaska	Entire State
Albuquerque, NM	Corporate Limits
Baton Rouge, LA	Corporate Limits
Biloxi, MS	Corporate Limits
Birmingham, AL	Corporate Limits
Boise, ID	Corporate Limits
Burlington, VT	Corporate Limits
California	Entire State
Canada	All Provinces
Charleston, SC	Corporate Limits
Charlotte, NC	Corporate Limits
Chicago, IL	Cook County and DuPage County
Cincinnati, OH	Corporate Limits
Cleveland, OH	Corporate Limits
Coeur d' Alene, ID	Corporate Limits
Colorado	Entire State
Columbia, SC	Corporate Limits
Columbus, OH	Corporate Limits
Connecticut	Entire State
Des Moines, IA	Corporate Limits
Detroit, MI	Corporate Limits
Florida	Entire State
Gatlinburg/Pigeon Forge, TN	Corporate Limits
Georgia	Entire State
Hawaiian Islands	All Islands
Hilton Head, SC	Island
Hot Springs, AR	Corporate Limits
Indianapolis, IN	Corporate Limits
Jackson Hole, WY	Corporate Limits
Kansas City, KS	Corporate Limits
Kansas City, MO	Corporate Limits
Knoxville, TN	Corporate Limits
Lake Tahoe, NV	Corporate Limits

Las Vegas, NV	Corporate Limits
Little Rock, AR	Corporate Limits
Madison, WI	Corporate Limits
Maine	Entire State
Maryland	Entire State
Massachusetts	Entire State
Memphis, TN	Corporate Limits
Milwaukee, WI	Corporate Limits
Minneapolis, MN	Corporate Limits
Mobile, AL	Corporate Limits
Myrtle Beach, SC	Corporate Limits

(KRS 45.101 and 200 KAR 2:006)

Hardin County Schools
NEW VENDOR REQUEST FORM- Internal

FORM #AP300

REV 01/07

**** DO NOT place your order until you have received your vendor number. A confirmation email will be sent by Finance upon approval of the vendor.**

BUSINESS AND/OR NON-EMPLOYEE

VENDOR NAME	
--------------------	--

ADDRESS	

PHONE # (optional) Area Code and Number	
--	--

Is the vendor on the KEDC Bid List? Y or N

WHAT ITEMS/SERVICES ARE BEING PURCHASED?

--

Social security numbers and/or federal identification numbers are required for vendors that are providing a service for the district. A W-9 form must be filled out for 1099 reporting. W-9's are available on the HCBE Finance website under forms or at www.irs.gov.

DISTRICT EMPLOYEE

Employees of the school district providing a service, which requires payment, **must** be paid **THROUGH PAYROLL.**

Vendor number being requested for an employee of the Hardin County Board of Education should be for personal expense reimbursement only.

EMPLOYEE NAME: _____
EMPLOYEE PAYROLL # _____
DEPT. / SCHOOL: _____

**** Please email this form to jessica.annis@hardin.kyschools.us for review. Allow a 24 hour turnaround time schedule for vendor creation and accessibility.**

**PURCHASE CERTIFICATION
HOUSE BILL 218**

School/Unit: _____

Purchase Date: _____ (Certification date MUST precede purchase date!)

Vendor: _____

LIST ITEM(S) TO BE PURCHASED:

DESCRIPTION COST BID PRICE

1. _____
2. _____
3. _____
4. _____

TOTAL \$ _____ \$ _____

I certify that the item(s) listed above meet or exceed the standards and specifications fixed by the following (check the appropriate box):

_____ State Price Contract No. _____

_____ Federal (GSA) Price Contract No. _____

_____ Local School District Bid No. _____

_____ Other Entity Bid (Provide entity name & bid number): _____

I further certify that the sales price of this purchase is lower than the sales price in the noted bid and/or contract.

District Finance Officer

Certification Date

Project Codes

The Kentucky Department of Education prescribes project code numbering conventions and the specific codes for many state and federal grants. KDE-assigned project codes for state and federal grants are included in this appendix following the district assigned project codes.

Fund 1 Projects

*****X**

* = District may define

X = the fourth digit shall be an "X"

Fund 1 per Pupil Projects

9***

* = School unit number

Fund 2 Projects

*****B**

* = District may define unless KDE has already assigned a project code for use

B = The fourth digit represents the year in which the project began; "B" represents fiscal year 2016, "C" represents fiscal year 2017, "D" represents fiscal year 2018, etc.

Fund 22 Projects

7***

* = School unit number

Fund 360 Projects

8#**

8 = the first digit shall be "8"

* = District may define

= the fiscal year it was created, FY16 projects will end with a "6".

State and Federal Project Codes

120A	2015-EXTENDED SCHOOL SERVICES
125A	2015-FRYSC
12LA	2014-COMPULSARY ATTENDANCE GRANT
130A	2015-GIFTED & TALENTED
135A	2015-KERA PRESCHOOL
140A	2015-PROFESSIONAL DEVELOPMENT-STATE
15FA	TRANSFERRED FF FUNDS-INSTRU RESOURC
160A	2015-INSTRUCTIONAL RESOURCES-STATE
162A	2015-TECHNOLOGY GRANT
168A	2015-SAFE SCHOOLS GRANT
16EA	2015-PD-LEADERSHIP & MENTOR FUND
182A	2015-READ TO ACHIEVE
186A	2015-COMMONWEALTH DIPLOMA PROGRAM
18CA	2015-VOCATIONAL EDUC 20% SEEK
197A	2015-RESOURCE TEACHER (MOA)
197AL	2015-MOA-KDE-EDUC RECOV LEADER
197AS	2015-MOA-KDE-EDUC RECOV SPECIALIST
205A	2015-CHILD NUTRITION-COMMODITIES
209A	2015-SUMMER FEEDING PROGRAM
310A	2015-TITLE I-A
310AD	2015-TITLE I-PROF DEV OF DISTR IMPR
310AM	2015-TITLE I-PARENT INVOLVEMENT
311A	2015-TITLE I-C-MIGRANT EDUCATION
313A	2015-TITLE I-D-NEGLECTED/DELINQUENT
313AT	2015-TITLE I-D-NEGL & DELINQ ADD'L
320A	2015-TITLE I - SCHOOL IMPROVEMENT
333AD	2015-STATE PROF DEV GRANT
337A	2015-IDEA BASIC-SPECIAL EDUCATION
337AC	2015-IDEA BASIC-SP ED - CEIS FUNDS
337AP	2015 IDEA B - BASIC PRIVATE
343A	2015-IDEA SPECIAL EDUC. PRESCHOOL
343AC	2015-IDEA SPECIAL EDUC. PS CEIS
343AP	2015-IDEA PS PRIVATE SCHOOL
345A	2015-TITLE III-LIMITED ENGL PROFIC.
348A	2015-PERKINS TITLE I, PART C, VOC

376A	2015-COMMUN.-BASED WORK TRANSITION
401A	2015-TITLE II-A-TEACHER QUALITY
436A	2015 Kid-Friendly RTT-D
655A	2015-HEAD START
120B	2016-EXTENDED SCHOOL SERVICES
125B	2016-FRYSC
130B	2016-GIFTED & TALENTED
135B	2016-KERA PRESCHOOL
140B	2016-PROFESSIONAL DEVELOPMENT-STATE
160B	2016-INSTRUCTIONAL RESOURCES-STATE
162B	2016-TECHNOLOGY GRANT
168B	2016-SAFE SCHOOLS GRANT
16EB	2016-PD-LEADERSHIP & MENTOR FUND
182B	2016-READ TO ACHIEVE
186B	2016-COMMONWEALTH DIPLOMA PROGRAM
18CB	2016-VOCATIONAL EDUC 20% SEEK
197B	2016-RESOURCE TEACHER (MOA)
197BL	2016-MOA-KDE-EDUC RECOV LEADER
197BS	2016-MOA-KDE-EDUC RECOV SPECIALIST
205B	2016-CHILD NUTRITION-COMMODITIES
209B	2016-SUMMER FEEDING PROGRAM
310B	2016-TITLE I-A
310BD	2016-TITLE I-PROF DEV OF DISTR IMPR
310BM	2016-TITLE I-PARENT INVOLVEMENT
311B	2016-TITLE I-C-MIGRANT EDUCATION
313B	2016-TITLE I-D-NEGLECTED/DELINQUENT
313BT	2016-TITLE I-D-NEGL & DELINQ ADD'L
320B	2016-TITLE I - SCHOOL IMPROVEMENT
333BD	2016-STATE PROF DEV GRANT
337B	2016-IDEA BASIC-SPECIAL EDUCATION
337BC	2016-IDEA BASIC-SP ED - CEIS FUNDS
337BP	2016 IDEA B - BASIC PRIVATE
343B	2016-IDEA SPECIAL EDUC. PRESCHOOL
343BC	2016-IDEA SPECIAL EDUC. PS CEIS
343BP	2016-IDEA PS PRIVATE SCHOOL
345B	2016-TITLE III-LIMITED ENGL PROFIC.
348B	2016-PERKINS TITLE I, PART C, VOC
376B	2016-COMMUN.-BASED WORK TRANSITION
401B	2016-TITLE II-A-TEACHER QUALITY

436B	2016 Kid-Friendly RTT-D
655B	2016-HEAD START

7005	DISTRICT ACTIVITY FUNDS- EHMS
7008	DISTRICT ACTIIVTY FUNDS-WOODLAND
7013	DISTRICT ACTIVITY FUNDS- JHHS
7014	DISTRICT ACTIVITY FUNDS-LAKEWOOD
7015	DISTRICT ACTIIVTY FUNDS-BLUEGRASS
7017	DISTRICT ACTIIVTY FUNDS-CREEKSID
7018	DISTRICT ACTIIVTY FUNDS-HEARTLAND
7020	DISTRICT ACTIVITY FUNDS- GCB
7021	DISTRICT ACTIIVTY FUNDS- NORTH PARK
7030	DISTRICT ACTIIVTY FUNDS- HOWEVALLEY
7040	DISTRICT ACTIIVTY FUNDS-NEW HIGHLAN
7050	DISTRICT ACTIIVTY FUNDS- LIN TRAIL
7070	DISTRICT ACTIIVTY FUNDS- ECCC
7075	DISTRICT ACTIVITY FUNDS- NHHS
7077	DISTRICT ACTIIVTY FUNDS- JTA
7079	DISTRICT ACTIIVTY FUNDS- RADCLIFF
7080	DISTRICT ACTIIVTY FUNDS- NORTH MID
7090	DISTRICT ACTIIVTY FUNDS- RINEYVILLE
7165	DISTRICT ACTIIVTY FUNDS- VINE GROVE
7168	DISTRICT ACTIIVTY FUNDS- WHMS
7190	DISTRICT ACTIVITY FUNDS- CHHS
7210	DISTRICT ACTIIVTY FUNDS- MEADOWVIEW
9005	PER PUPIL ALLOC EXP-EAST HARDIN
9008	PER PUPIL ALLOCATION EXP-WOODLAND
9012	PER PUPIL ALLOC - BROWN ST ALT PROG
9013	PER PUPIL ALLOC EXP-JOHN HARDIN HS
9014	PER PUPIL ALLOCATION - LAKEWOOD
9015	PER PUPIL ALLOCATION EXP-BLUEGRASS
9017	PER PUPIL ALLOCATION EXP-CREEKSID
9018	PER PUPIL ALLOC-HEARTLAND ELEM
9020	PER PUPIL ALLOC EXP-G C BURKHEAD
9021	PER PUPIL ALLOCATION-NORTH PARK
9030	PER PUPIL ALLOCATION EXP-HOWEVALLEY
9040	PER PUPIL ALLOC EXP-NEW HIGHLAN
9050	PER PUPIL ALLOC EXP-LINCOLN TRAIL
9060	PER PUPIL ALLOCATION EXP-LAKEWOOD
9070	EARLY COLLEGE & CAREER CENTER
9075	PER PUPIL ALLOC EXP-NORTH HARDIN

9077	PER PUPIL ALLOC EXP-J T ALTON
9079	PER PUPIL ALLOCATION EXP-RADCLIFF
907X	ECCC EQUIPMENT BUDGET
9080	PER PUPIL ALLOCATION-NORTH MIDDLE
908X	WOODLAND LOCAL FUNDS
9090	PER PUPIL ALLOC EXP-RINEYVILLE
9110	PER PUPIL ALLOCATION EXP-SONORA
9140	PER PUPIL ALLOCATION EXP-UPTON
9165	PER PUPIL ALLOC EXP-VINE GROVE
9168	PER PUPIL ALLOC EXP-WEST HARDIN
9170	PER PUPIL ALLOCATION EXP-WESTERN
9190	PER PUPIL ALLOC EXP-CENTRAL HARDIN
9210	PER PUPIL ALLOC EXP-MEADOWVIEW

Munis Source Codes

AJE	Post last year adjustments	
API	Accounts Payable Invoiced	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	
POE	Purchase Order Entry	
POL	Purchase Order Liquidation	
POM	Purchase Order Maintenance	
PRJ	Payroll Journal	Created in Payroll Distribution

SOY	Start of Year	
YEC	Year End Closing	

