



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6000

ACTIVITY FUND ACCOUNTING AND EXPENDITURE PROCEDURES

The Board of Education is directed by state law to exercise control over all funds on hand or received from students or other extracurricular activities conducted in the school district. In compliance with Section 5-129 of the Oklahoma School Code (Okla. Stat. tit. 70, §5-129) the following local policies are established to govern Activity Fund Accounting and Expenditures.

Any funds derived from sources specified in Section 5-129 (B) which have been designated by the Board of Education as "Activity Funds" shall be deposited with the Chief Financial Officer of Broken Arrow Public Schools for further credit to specific sub-accounts within the Administrative Office Activity Fund as may be directed by the Board of Education in accordance with the guidelines and procedures established in the Policy. Each school within the District shall have an activity fund designated as that site's School Activity Fund for receipt of such revenues. Any Activity Funds received by the Chief Financial Officer which are not allocated by Board of Education resolution for distribution to specific School Activity Fund site accounts shall be retained in the Administrative Office Activity Fund. The Board of Education may direct, by written resolution, that any balance in excess of the amount needed to fulfill the function or purpose for which the Administrative Office Activity Fund was established may be transferred to another account. The Chief Financial officer shall be the Custodian of the Administrative Office Activity Fund.

Custodians of Activity Funds shall be the principals of each school in the district or such other persons as may be designated from time to time by the Board of Education. All Activity Fund Custodians must become familiar with all provisions of activity fund accounting under the requirements of Section 5-129.

In addition to the accounting procedures and requirements set forth by Section 5-129, the Board of Education has adopted the following additional guidelines and policies which must be observed carefully by all Activity Fund Custodians.

Deposit of Funds

The Board of Education designates that revenues generated from the following sources shall be designated as Activity Funds:

1. Admissions to athletic contests, school or class plays, carnivals, parties, dances and all summer camps.
2. Sale of student activity tickets.
3. Concession sales.
4. Dues, fees, donations to student clubs or other organizations provided that membership in such clubs or organizations shall not be mandatory.
5. Income or Revenue resulting from the operation of student organizations or club projects, provided such revenue is not derived from the sale of property, supplies, products or other assets belonging to the school district.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6000

ACTIVITY FUND ACCOUNTING AND EXPENDITURE PROCEDURES

6. Deposits for or collections for the purchase of class pictures, rings, pins, announcements, calling cards, annuals, banquets, student insurance, and other such personal items; provided the cost of such items shall not be charged against other school funds.
7. Other income collected for use by school personnel and other school-related adult functions.

All other income, revenue, deposits or collections of any nature, including but not limited to: laboratory fees, fees for the use of equipment owned by or rented by the school district; deposits or assessments for breakage or supplies used in instructional courses; sale, exchange, lease or rental of property, supplies or products originally acquired from funds belonging to the school district or through the management, use of production of property belonging to the school district; shall be deposited in accordance with the provisions of Section 335 of Title 62 of the Oklahoma Statutes.

Disbursements from the School Activity Funds shall be made by check signed by the Activity Fund Custodian and countersigned by the Co-Custodian of the School Activity Fund. Activity Funds shall not be used for any purpose other than that for which the account was originally created. The Board of Education, at the beginning of each fiscal year and as needed during each fiscal year, shall approve all School Activity Fund sub-accounts, all sub-account fund-raising activities and all purposes for which the monies collected in each sub-account can be expended. Provided, the Board of Education may direct by written resolution that any balance in excess of the amount needed to fulfill the function or purpose for which the Administrative Office Activity Fund, any School Activity Fund or sub-account within any School Activity Fund was established, may be transferred to another account or sub-account by the Custodian of the fund.

Funds in other Activity Funds and similar organizations are subject to control of the Board of Education as part of the district's activity funds if the activities are actually those of students acting under the guidance and direction of adults.

Regulations for Administration of Activity Funds

The State Board of Education and the Broken Arrow Board of Education establish the following regulations for the administration of activity funds:

The Board of Education may appoint a Custodian for each school to administer the school's School Activity Fund sub-account. Unless otherwise specified by the board, the building principal shall serve in that capacity and the building secretary shall serve as treasurer of the fund.

The Administrative Office Activity Fund Custodian and each School Activity Custodian shall give a Surety Bond of not less than \$1,000.00, and such bond shall be filed with the clerk of the Board of Education. Payment for the bond is to be made from the General Fund.

Deposits to or transfers from any account may be authorized by the Board of Education except that no transfers shall be made from the School Lunch Account, Clearing Account, and Petty Cash Account.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6000

ACTIVITY FUND ACCOUNTING AND EXPENDITURE PROCEDURES

The School Activity Fund Custodian shall not use funds in one account for another purpose unless a transfer is granted as provided by law. (This requires a written resolution by the Board of Education as authority for the transfer.)

Sub-accounts for the Administrative Office Activity Fund or for any School Activity Fund may be established by the Board of Education by whatever name or style deemed best suited to fit needs for which the revenue was collected. When approved by the Board of Education, student organizations or club projects may include fund raising activities, the revenues from which may be used for the purpose of purchasing goods or services otherwise considered to be General Fund Expenditures. Balances in sub-accounts that have been inactive for 3 years may be transferred to the General student activity account with approval by the Board of Education.

Separate bank accounts may be established for School Lunch (Child Nutrition Fund) or other programs, but funds shall be accounted for by the Activity Fund Custodian in charge, and disbursements shall be made as provided by law.

A general or miscellaneous account may be established within the Administrative Office activity fund or any School Activity Fund to which all unobligated or uncommitted monies may be transferred.

Receipts for collections shall be given by the School Activity Fund Custodian and should be given in all other cases where possible. Tickets shall be used for admissions in order to establish an internal control and check system for the activity fund.

Restrictions on Use of Activity Fund Accounts

The following restrictions are imposed by the Board of Education as local requirements:

Funds deposited into the picture fund or a similar sub-account within the School Activity Fund shall be expended only for purchases which may be used or appreciated by all the students or a large group of students in the school.

Funds deposited into a sub-account which is derived directly from profits solely obtained through the work efforts of teachers or through purchase of items by teachers, may be expended for purchases which may be used or appreciated by the teaching faculty.

Purchase of any property for personal use (i.e., a gift for teacher, individual, etc.) is prohibited from any activity account funded by student efforts unless said funds were raised with the express intent to make such purchases and this fund purpose was approved by the Board. Accounts established by and for adults may be used to buy gifts of a personal nature within established guidelines.

Source: *Administrative Policy effective December, 1985.*
Broken Arrow Board of Education policy revised, June 20, 1988.
Broken Arrow Board of Education policy revised, February 15, 1999.
Broken Arrow Board of Education policy revised, July 13, 2009.
Broken Arrow Board of Education policy revised, July 10, 2017.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6000

ACTIVITY FUND ACCOUNTING AND EXPENDITURE PROCEDURES

Broken Arrow Board of Education policy revised, May 13, 2019.

Broken Arrow Board of Education policy revised, July 17, 2023.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

Purpose

The purpose of this policy is to establish policies and procedures in connection with tax-exempt obligations (the "Bonds") issued by Broken Arrow Public Schools, ISD #3 of Tulsa County, State of Oklahoma (the "Issuer"), so as to maximize the likelihood that all applicable post-issuance requirements of the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations") needed to preserve the tax-exempt status of the Bonds are met. The Issuer reserves the right to use its discretion as necessary and appropriate to make exceptions or create additional provisions as circumstances warrant. The Issuer also reserves the right to change these policies and procedures from time to time.

General

Proceeds of the Issuer's Bonds are used to finance certain facilities and equipment. Federal tax law limitations apply to the Issuer's Bonds. These limitations apply throughout the life of the outstanding Bonds. Some of these "over the life" limitations relate to the investment of proceeds of the Bonds, and others relate to the use and expenditure of the proceeds of the Bonds. A failure to meet these "over the life" limitations at any time during the life of the Bonds could result in the retroactive and prospective loss of the tax-exempt status of the Bonds or the imposition of additional taxes or assessments on the Issuer.

The Board of Education of the Issuer has the overall, final responsibility for monitoring whether the Issuer is in compliance with post-issuance federal tax requirements for the Issuer's Bonds. However, the Board of Education assigns to the Issuer's Chief Financial Officer (the "Compliance Officer") the primary operating responsibility to monitor the Issuer's compliance with post-issuance federal tax requirements for the Issuer's Bonds.

The Compliance Officer shall be aware of options for voluntary corrections for failure to comply with post-issuance compliance requirements (such as remedial actions under Section 1.141-12 of the Regulations and the United States Treasury's Tax-Exempt Bonds Voluntary Closing Agreement Program) and take such corrective action when necessary and appropriate.

The Compliance Officer shall review post-issuance compliance procedures and systems on a periodic basis, but not less than annually.

Post-Issuance Tax Compliance Requirements

External Advisors / Documentation

The Issuer shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Bond issuance process to identify requirements and to establish procedures necessary or appropriate so that the Bonds will continue to qualify for tax-exempt status. The Issuer also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Bonds to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with any potential changes in use of Bond-financed or refinanced assets.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

The Issuer shall be responsible to determine (or obtain expert advice to determine) whether arbitrage rebate calculations have to be made for the Bond issue. If it is determined that such calculations are or are likely to be required, the Issuer shall engage expert advisors (each a "Rebate Service Provider") to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, or else shall ensure that it has adequate financial, accounting and legal resources of its own to make such calculations. The issuer shall make any rebate payments required on a timely basis.

The investment of Bond proceeds shall be managed by the Issuer in accordance with applicable statutory provisions. The Issuer shall maintain adequate records regarding the investments and transactions involving Bond proceeds.

Arbitrage Yield Restriction and Rebate Requirements

The Compliance Officer shall be responsible for overseeing compliance with arbitrage yield restriction and rebate requirements under federal tax regulations, as follows:

1. Monitor compliance with the applicable "temporary period" (as defined in the Code and Regulations) exceptions for the expenditure of Bond proceeds, and provide for yield restriction on investments including "yield reduction payments" (as defined in the Code and Regulations) where applicable. Generally, there is a 3-year temporary period for capital projects.
2. Ensure that investments acquired with Bond proceeds are purchased at fair market value. In determining whether an investment is purchased at fair market value, any applicable safe harbor under the Code and Regulations may be used.
3. In the case of any issue of Bonds for an "advanced refunding" (as defined in the Code and Regulations), coordinate with the Issuer's financial advisor and any escrow agent to arrange for the purchase of the refunding escrow securities, arrange for the computation of the yield on such escrow securities by an outside verification agent, and monitor compliance with applicable yield restrictions.
4. If, at the time of Bond issuance, based on reasonable expectations set forth in the tax certificate/agreement executed at the time of Bond issuance (the "Tax Certificate"), it appears likely that the Bond issue will qualify for an exemption from the rebate requirement, the Issuer may defer taking any of the actions set forth in subsection (5). Not later than the time of completion of construction or acquisition of the project (or, in the case of a refunding, the redemption of the refunded bonds), and depletion of all funds from the borrowed money fund, the Issuer shall make a determination if expenditure of the Bond proceeds qualified for exemption from the rebate requirements based on the "small issuer" exception or spending within 6 months, 18 months, or 24 months after issuance. As of the adoption of these procedures, the Issue will qualify for the "small issuer" or "spending exceptions" to the general rebate requirements under the following circumstances:



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

Exception Circumstances

Small Issuer An issue (other than a refunding issue) qualifies for the small issuer exception only if the issuer reasonably expects as of the issue date to issue, or in fact issues, \$5M or less in tax-exempt governmental bonds during that calendar year. The aggregation rules of section 148(f)(4)(D) of the Code should be considered when determining whether this exception applies. The \$5M limit shall be increased when financing public school capital expenditures by the lesser of \$10M or so much of the aggregate face amount of the bonds attributable to financing the construction.

6-Month Section 1.148-7(c) of the Treasury regulations provides an exception to rebate if the gross proceeds of the bond issue are allocated to expenditures for governmental or qualified purposes that are incurred within 6 months after the date of issuance.

18-Month Section 1.148-7(d) of the Treasury regulations provides an exception to rebate if the gross proceeds of the bond issue are allocated to expenditures for governmental or qualified purposes which are incurred within the following schedule: 1) 15% within 6 months after the date of issuance; 2) 60% within 12 months after the date of issuance; and 3) 100% within 18 months after the date of issuance.

2-Year Section 1.148-7(e) of the Treasury regulations provides that an exception to rebate is available with respect to construction issues financing property to be owned by a governmental entity or 501(c)(3) organization when certain available construction proceeds are allocated to construction expenditures within the following schedule: 1) 10% within 6 months after the date of issuance; 2) 45% within 12 months after the date of issuance; 3) 75% within 18 months after the date of issuance; and 4) 100% within 24 months after the date of issuance.

If a rebate exemption is determined to be applicable, the Issuer shall prepare and keep in the permanent records of the Bond issue a memorandum evidencing this conclusion together with records of expenditure to support such conclusion. If the transaction does not qualify for rebate exemption, the Issuer shall initiate the steps set forth in (5) below.

5. If at the time of Bond issuance it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (4) above, the Issuer shall:
 - engage the services of a Rebate Service Provider and, prior to each rebate calculation date, deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
 - provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
 - monitor efforts of the Rebate Service Provider;
 - assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

- during the construction period of each capital project financed in whole or in part by Bonds, monitor the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Bonds; and
- retain copies of all arbitrage reports as described below under "Record Keeping Requirements."
- in lieu of engaging an outside Rebate Service Provider, the Issuer may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal advisers, to be able to make the required rebate calculations. Such determination shall be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination shall be maintained in the records of the bond transaction.

Use of Bond Proceeds and Bond-Financed or Refinanced Assets

The Compliance Officer shall be responsible for:

- monitoring the use of Bond proceeds (including investment earnings and including reimbursement of expenditures made before bond issuance) and the use of Bond-financed or refinanced assets (e.g., facilities, furnishings or equipment) throughout the term of the Bonds to ensure compliance with covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- maintaining records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Bonds (including investment earnings and including reimbursement of expenditures made before bond issuance), including, if necessary a final reallocation of Bond proceeds within 18 months after each project financed by the Bonds is placed in service in accordance with Section 1.148-6(d) of the Regulations;
- consulting with bond counsel and other legal counsel and advisers in the review of any change in use of Bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- conferring at least annually with personnel responsible for Bond-financed or refinanced assets to identify and discuss any existing or planned use of Bond-financed or refinanced assets, to ensure that those uses are consistent with all covenants and restrictions set forth in the Tax Certificate relating to the Bonds;
- to the extent that the Issuer discovers that any applicable tax restrictions regarding use of Bond proceeds and Bond-financed or refinanced assets will or may be violated, consulting promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary;



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

All relevant records and contracts shall be maintained as described below.

Information Reporting

After delivery of the bond proceeds, the Financial Advisor shall provide the Issuer with the completed IRS Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, or 8038-GC, Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales, as applicable. The Compliance Officer shall sign and date the form and then mail it certified mail, return receipt requested, to the Internal Revenue Service. As of the date of the adoption of these procedures, the form is required to be filed by the 15th day of the second calendar month following the quarter in which the bonds were issued. The Issuer shall retain a copy of the executed form and the return mail receipt with the other documents associated with the tax exempt bonds.

Qualified Tax-Exempt Obligations

If the Issuer issues "qualified tax-exempt obligations" in any year, the Compliance Officer shall monitor all tax-exempt financings (including lease purchase arrangements and other similar financing arrangements) to assure that the "small issuer" limit (currently, \$10,000,000) is not exceeded.

Record Keeping Requirement

The Compliance Officer shall be responsible for maintaining the following documents for the term of each issue of Bonds (including refunding Bonds, if any) plus at least six years:

- a copy of the Bond closing transcript(s) and other relevant documentation delivered to the Issuer at or in connection with closing of the issue of Bonds;
- a copy of all material documents relating to capital expenditures financed or refinanced by Bond proceeds, including (without limitation) construction contracts, purchase orders, invoices, requisitions and payment records, as well as documents relating to costs reimbursed with Bond proceeds and records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of Bond proceeds; and
- a copy of all records of investments, investment agreements, arbitrage reports and underlying documents, in connection with any investment agreements, and copies of all bidding documents, if any.

While document retention is typically accomplished through the maintenance of hard copies, records may be kept in electronic format so long as applicable requirements, such as Revenue Procedure 97-22, are satisfied. IRS bond agents have been instructed to request documents and information in electronic format. IRM 4.81.5.7.2.4 (11-01-09). For this reason it is advisable to retain records relating to the Issuer's bonds in electronic format whenever practical.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

Continuing Disclosure

Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities in a principal amount in excess of \$1,000,000. Unless the Issuer is exempt from compliance with the Rule as a result of certain permitted exemptions, the Transcript for each issue of Bonds will include an undertaking by the Issuer to comply with the Rule. The Compliance Officer will monitor compliance by the Issuer with its undertakings, which may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events." As of the adoption of these procedures, the Issuer is required to give notice of the occurrence of any of the following events:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the ~~IRS~~ Internal Revenue Service of proposed or final determinations of taxability, ~~and~~ Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security (~~including Build America Bonds~~);
7. Modification to rights of security holders;
8. Bond calls, if material;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the securities, if material;
11. Rating changes;
12. Tender offers;
13. Bankruptcy, insolvency, receivership or similar event of the Issuer or obligated person;
14. Consummation of a merger, consolidation, or acquisition involving the Issuer or another obligated person, or the sale of all or substantially all ~~the of its~~ assets ~~of the obligated person~~, other than in the ordinary course of business, the entry of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; ~~and~~
15. Appointment of a successor or additional trustee or the change of name of a trustee, if material;-
16. Incurrence of a financial obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of financial obligation of the Issuer or obligated person, any of which affect security holders, if material; and
- ~~15-~~17. Default, event of accelerations, termination event, modification of terms, or other similar events under the terms of financial obligation of the Issuer or obligated person, any of which reflect financial difficulties.

Whenever Issuer obtains knowledge of the occurrence of a foregoing listed event, they shall within ten (10) business days file a notice of the occurrence with the Municipal Securities Rulemaking Board (MSRB) through EMMA and each State Repository, if material.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6155

POST-ISSUANCE TAX COMPLIANCE for TAX-EXEMPT BONDS

Education Policy

It is the policy of the Issuer that the Compliance Officer and his or her staff, as well as the principal operating officials of those departments of the Issuer for which property is financed with Bond proceeds should be provided with education and training on federal tax requirements applicable to tax-exempt bonds. The Issuer recognizes that such education and training is vital as a means of helping to ensure that the Issuer remains in compliance with those federal tax requirements in respect of its Bonds. The Issuer will therefore enable and encourage those personnel to attend and participate in educational and training programs offered by professional trade associations and other entities with regard to the federal tax requirements applicable to tax-exempt bonds.

Source: *Broken Arrow Board of Education policy adoption, March 7, 2016.*
Broken Arrow Board of Education policy revised, July 17, 2023.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160

PURCHASING AND PROCUREMENT

This policy shall govern the purchase of all goods and services by the District, and all contracts entered into by the District.

The Board of Education authorizes the Superintendent and/or designee to establish written procedures for the procurement of supplies and services in accordance with federal and state law, this policy, and generally accepted governmental purchasing practices. Purchasing of goods and services is contingent upon the availability of funding. All non-salary related purchases, debts and/or financial obligations against the District shall be incurred as authorized and processed in accordance with this policy and corresponding purchasing manual.

Purchase Orders and Requisitions

Purchase orders will be issued only upon submission and approval of a requisition. The requisition will contain a clear description of the materials or services desired, accompanied by appropriate documentary materials, and including an encumbrance charged against an appropriate appropriations account. The requisition must include the approval of the initiator and the administrators within the designated requisition path to verify the appropriateness of the expenditure and availability of appropriations. The head of the Purchasing Department shall issue a purchase order only after completion of this process. The Board of Education authorizes the Superintendent or designee to issue purchase orders for less than \$50,000 without prior Board of Education approval. All purchase orders of \$50,000 or more shall be issued only with the prior approval of the Board of Education.

A report of encumbrances shall be submitted to the Board of Education in the order of their issuance. This report shall be submitted at each regular meeting of the Board, reflecting encumbrances authorized since the last day of the previous encumbrance report. Approved encumbrances shall become a part of the minutes of the Board of Education meeting and be posted on the District web site.

Requisitions and/or purchase orders cannot be split to avoid bidding, quotation and/or Board approval requirements.

Purchase Order Adjustments

Minor adjustments to approved encumbrances and/or purchase orders may be made without additional Board approval with the following limitations and under the following conditions by the Superintendent or designee:

1. Encumbrances and purchase orders may be reduced by any amount and may be increased by the greater of \$1,000 or 15% of the original, approved amount.
2. An encumbrance or purchase order may be revised administratively for various corrections including vendor address, OCAS coding, substitutions for like goods, and meeting/participant cancellations or changes that do not alter the quantity or amount, except as provided in this section.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160
PURCHASING AND PROCUREMENT

3. A purchase order may be cancelled after the administrator requesting the purchase approves the cancellation. The purchasing or cancelling administrator is then responsible for notifying the vendor of the cancellation.

Minor adjustments to encumbrances and/or purchase orders, not requiring additional Board approval shall be referenced to the original encumbrance.

Emergency Purchases

The Superintendent or designee may declare an emergency and authorize the issuance and payment of emergency encumbrances and purchase orders less than \$50,000 in amount without complying with the bidding and quotation requirements contained in this policy. An emergency may be declared to address conditions resulting from a sudden, unexpected happening or unforeseen occurrence or condition which threatens to endanger public health or safety or where prompt action is required to avoid interruption of critical school business or are necessary to protect the property of the District. As to emergencies involving construction contracts of less than \$35,000, the Board delegates to the Superintendent the authority to declare an emergency under the Competitive Bidding Act. The term “emergency” shall be as defined in said Act.

Bidding, Quotation, and Proposal Requirements

The solicitation for bids, proposals and quotations shall be conducted in accordance with the provisions of this policy and the District’s written purchasing procedures as approved by the Superintendent or designee. Unless otherwise exempted herein, the following informal and formal bidding and quotation limits shall be followed for the purchase of all goods and services procured with all funds. The limit amounts listed are applicable to the entire purchase or project; therefore, no requisition and/or purchase order can be split to avoid bidding, quotation and/or Board approval requirements.

Specific Bidding, Quotation, and Proposal Requirement

1. Less than \$25,000 – Oral or written quotes encouraged from two or more vendors
2. \$25,000 to \$49,999 - Written quotes required from three or more vendors
3. \$50,000 and above – Sealed Proposals in response to a District-initiated Request for Proposal or by sealed bids. The procurement shall be coordinated through the purchasing department.

The Board of Education authorizes the Superintendent or designee to use electronic sealed bids provided there are adequate procedures and controls. Formal sealed proposals or bids shall have a specific opening date, time, and location. Two District representatives, one of which must be an administrator, shall be present during the opening. All proposals and bids will be stamped with the date and time of receipt; opened at the designated time and location and read out loud. Each District representative present shall initial each proposal or bid and/or have a tabulation sheet upon



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160
PURCHASING AND PROCUREMENT

opening the proposals or bids. Bids and quotes shall be awarded to the lowest qualified and responsible bidder who submits the lowest and best bid. The District may consider, in determining the lowest and best bid, which bid represents the “best value” in the sole opinion of the District, taking into consideration the total cost of ownership, including purchase price, quality, ability to deliver, maintenance and service, durability and longevity.

The Public Competitive Bidding Act applies to contracts for new construction and for repairs and maintenance to public buildings.

Bus purchases must be made by sealed bid in accordance with the requirements of OKLA. STAT. tit. 70, § 9-109.

Activity Fund Quotation Requirements

Individual purchases of any quantity of one specific item having a total cost equal to or greater than \$2,500 may be made upon written authorization from the Purchasing department after receiving written price quotations from a minimum of 3 vendors.

Purchases of any single item having a total cost equal to or in excess of \$5,000 are not permitted. No capital assets or outlays are permitted from Activity Funds.

Items Exempt from Bidding, quotation, or Proposal

Because of the unique nature of some goods and services, the items listed below shall be exempt from bidding. However, every effort must be made to create a fair and competitive environment where all vendors who have requested to quote or bid on these items are given the opportunity to have their offer considered.

The method for creating a competitive environment must be in accordance with District quality standards and purchasing procedures. All purchases of \$50,000 or more must still be approved by the Board of Education prior to issuance of an encumbrance or purchase order.

The following goods and services are exempt from bidding, quotation, or proposal requirements:

1. Professional services (audit services, construction management services, architectural services, legal services, insurance, medical services, demographic studies, employment services, drug and alcohol testing and professional consulting services)
2. Travel service (airfare, accommodations, etc.)
3. Goods purchased for student activity fund raisers
4. Goods purchased for resale



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160
PURCHASING AND PROCUREMENT

5. Textbooks, student workbooks, library/media books, maps and globes, and educational and training videos
6. Utilities
7. Postage
8. Software upgrades and specialized source software (excluding off-the-shelf software)
9. Training classes and associated equipment rental
10. Catering events
11. Items available for purchase on an existing state contract, or through the cooperative bidding of another governmental entity, when this is determined to be the best method of purchase
12. Used furnishings, equipment and uniforms
13. District Vehicles, excluding buses, are exempt from sealed bidding. The Director of Purchasing is authorized to directly purchase vehicles for general District use after obtaining quotes and negotiating specifications.

Single (Sole) Source Selections

Single source procurements shall be exempt from bidding provided that said procurements meet the following criteria:

1. The goods and services are unique to a manufacturer/supplier/distributor and no other similar (equal in function, performance, and fit) or like goods or services are available from another supplier.
2. Single source procurements also may be permitted where compatibility of equipment, accessories or replacement parts is of paramount consideration or where service work on the original equipment must be performed to not negate existing warranties.

A single source affidavit will be completed for all single source items over \$5,000 and submitted to the Board of Education.

Reimbursement of Purchased Goods or Services

Employees of the district may be personally reimbursed for the purchase of goods or services under the following conditions:

1. The vendor will not accept a District purchase order



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160

PURCHASING AND PROCUREMENT

2. No alternate vendor is available
3. A situation exists which constitutes an emergency
4. There exists an unforeseen or extenuating circumstance necessitating the personal reimbursement

Such purchases must be authorized in advance of the purchase, and the reimbursement must not be merely for the convenience of the requestor. If authorized, employees shall be reimbursed for the cost of the goods or services plus any associated tax once the goods or services have been received. All requests for reimbursement must be supported with the original itemized receipt. The District assumes no liability for the unauthorized purchase of goods or services by an employee.

Site Issued Credit Cards

Site and department issued credit cards may be used for local purchases at retail establishments who do not accept a purchase order. Purchase order must be encumbered and the purchase must be made on or after the approved date listed on the purchase order. Online orders and requests to increase credit card purchase orders are not allowed. The use of the credit card does not circumvent any other provision of this policy. All credit card receipts must be submitted to accounting@baschools.org within 24 hours of purchase.

Procurement/Purchasing Cards (P-Cards)

P-Cards may be utilized to pay for purchases of goods and services as authorized by state law with the approval of the Superintendent or designee. The procedure for use will be addressed in the District purchasing manual. Purchases made with the P-Card must be supported with a proper purchase order and encumbrance charged against the proper funding source. All P-Card purchases are subject to audit and review. Use of the P-Card does not circumvent any other provision of this policy.

Contracts

A contract is an agreement which creates an obligation to do or not to do a particular thing including, but not limited to, the payment of money. A valid contract requires competent parties, legal consideration, legal subject matter and mutuality of consent and obligation. All contracts must be in writing.

The Board of Education is the only legal entity that may enter into a valid contract obligating the District in any way. School sites, activities, clubs and departments are not legal entities and may not enter into valid contracts for themselves or for the District. Each contract must be approved by the Board and be signed by the President of the Board. Provided, however, the Board of Education may authorize the Superintendent or designee to execute contract documents on behalf of the Board of Education after Board approval of the contract. Contracts signed or authorized by anyone else will not be binding on the District and could result in personal liability for the person signing the contract.

Construction Contracts



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160

PURCHASING AND PROCUREMENT

In accordance with the Public Competitive Bidding Act of 1974, OKLA. STAT. tit. 61, §§ 101-138, public construction contracts of more than \$50,000 for the purpose of erecting any public building or structure, or making any improvements to a building or structure, or minor maintenance or repair work to public school property shall be made only upon submission of sealed bids and shall be awarded to the lowest responsible bidder by the Board of Education. These bids shall be subject to the procedures of the Public Competitive Bidding Act of 1974.

Contracts for minor maintenance or repair to public school property equal to or greater than \$25,000 but less than \$50,000 shall be awarded to the lowest responsible bidder by the receipt of written bids. Contracts for less than \$25,000 for minor maintenance or repair may be negotiated with a qualified contractor. Any contract resulting from such negotiations must be approved by the Board.

E-Rate Procurement

In selecting service providers for all eligible goods and/or services for which Universal Service Fund (E rate) support will be requested, the District shall:

1. Make a request for competitive bids for all eligible goods and/or services for which e-rate funding will be requested and comply with applicable state and local procurement processes included in its documented policies and procedures.
2. Wait at least four weeks after the posting date of the FCC Form 470 on the USAC Schools and Libraries website before making commitments with the selected service providers.
3. Consider all bids submitted and select the most cost-effective offering, with price being the primary factor considered.
4. Keep control of the competitive bidding process by not surrendering control to a service provider who is participating in the bidding process and not including service provider contact information on the FCC Forms 470. It is the administration's policy to retain all E-Rate records for a period of ~~five~~ten years after the last date of service in accordance with FCC ~~F~~Fifth ~~R~~Report and ~~e~~OOrder (para. 47, FCC 04-190, adopted August 4, 2004). The FCC extended the document retention period to ten years in the E-Rate Modernization Order (FCC 14-99) and clarified that the record retention and audit requirements apply to all program participants, including any consortium that includes schools and libraries. (para 47, C.F.R. § 54.516(a)).

Food Procurement for Child Nutrition Program

All Child Nutrition purchases for goods and services shall be procured in compliance with 7 C.F.R. Part 3016 and State Law and in accordance with the guidelines of the purchasing manual. All purchases will be made pursuant to a Board approved purchase order or contract.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160

PURCHASING AND PROCUREMENT

Per Federal Regulations (2 CFR200.321), Broken Arrow Schools Child Nutrition Program complies with the Buy American provision and supports small, minority, and women-owned businesses whenever possible.

Child Nutrition will adhere to the Board of Education approved Child Nutrition Procurement Plan.

Prohibited Purchasing Practices

District employees and Board Members are expressly forbidden from accepting gratuities from any vendor or supplier. Gratuities as specified under this policy include anything of value (cash or assets easily convertible to cash, travel, lodging, appliances, automobiles or their use, or any other form of special treatment paid or given to an employee or Board Member) which might influence the employee's selection of a vendor or supplier.

Promotional and advertising novelties or meals with a total value of \$100 or less per year, per employee/Board Member, per vendor, are not considered gratuities under this policy.

With prior Board approval, the District may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations or training.

Employees or members of the Board of Education are not permitted to make purchases for personal use through any fund of the District, including the school activity funds.

Collusion in buying, kickbacks or other agreements or arrangements with vendors intended to benefit or advantage the vendor or to benefit or provide personal advantage to school personnel is strictly prohibited by law and Board policy. This policy in no way restricts clearly stated discounts or benefits to the District.

Violations of Purchasing Policy

District employees violating this policy, exceeding their purchasing authority or incurring an expense without a pre-approved purchase order may be held personally and financially liable and subject to disciplinary action including, but not limited to, suspension, demotion, termination or legal action.

Other

The District will maintain a vendor list. In an effort to create a fair and competitive opportunity for vendors to do business with the District, any vendor or supplier may request to be added to the District's master vendor list. Vendors who fail to satisfy their obligations to the District may be removed by the Board or the Superintendent from the vendor list at any time and for any length of time.

Procurement/Purchase Cards as authorized by state law must be approved by the Superintendent or designee. The procedure for use will be addressed in the District purchasing manual.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6160
PURCHASING AND PROCUREMENT

The District will only be legally obligated to pay vendors for delivered materials, supplies and services ordered pursuant to state purchasing laws and District purchasing policies and regulations. This policy applies to all funds. Individuals and entities who do business with the District are placed on notice that no bill will be paid unless relevant statutes, policies and regulations governing purchases with the District have been followed, and that no District employee has authority to obligate the District for materials, supplies, or services ordered on behalf of the District unless the individual has complied with the purchasing rules of the District.

Source: *Broken Arrow Board of Education policy adoption, February 17, 1992.*
Broken Arrow Board of Education policy revised, February 7, 2000.
Broken Arrow Board of Education policy revised, September 18, 2000.
Broken Arrow Board of Education policy revised, September 15, 2008.
Broken Arrow Board of Education policy revised, July 13, 2009.
Broken Arrow Board of Education policy revised, November 8, 2010.
Broken Arrow Board of Education policy revised, August 1, 2011.
Broken Arrow Board of Education policy revised, November 12, 2012.
Broken Arrow Board of Education policy revised, July 15, 2013.
Broken Arrow Board of Education policy revised, August 10, 2015.
Broken Arrow Board of Education policy revised, July 10, 2017.
Broken Arrow Board of Education policy revised, November 12, 2018.
Broken Arrow Board of Education policy revised, December 10, 2018.
Broken Arrow Board of Education policy revised, May 13, 2019.
Broken Arrow Board of Education policy revised, July 17, 2023.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6190

EMPLOYEE TRAVEL

This policy shall govern employee travel and reimbursement of expenses incurred by employees or school board members while participating in authorized educational conferences or school business travel. All official District travel shall be properly authorized, reported, and reimbursed, if applicable, in accordance with Board policy, the laws of the State of Oklahoma, State of Oklahoma Travel Policy, and other applicable Federal or IRS rules and regulations.

The Board of Education authorizes the Superintendent and/or Chief Financial Officer to establish procedures for travel and per diem expenses in accordance with federal and state law and this policy. All District travel must be approved in advance, with authorization based on the availability of funds, staffing requirements for the work area, the relationship of the activity to the employee's role in the District, and the employee's role within the organization sponsoring the activity.

An individual traveling on District business is responsible to exercise the same care in incurring expenses that a prudent individual would exercise if traveling on personal business. Excess costs for food and tips, materials and supplies, circuitous routes, luxury accommodations or auto rentals, ground transportation for personal reasons and/or outside conference hours and vicinity, and services not necessary or justified in the performance of District business are to be avoided as standard practice.

Travel authorized from an appropriated fund is arranged and coordinated through the District travel desk. This will include conference/meeting registration, airfare, and lodging. Requests for rental cars must be accompanied by written justification of need, and, if approved, are the responsibility of the traveler to book. Individuals wishing to travel on District business shall submit a completed and approved Travel Requisition to the travel desk 30 days in advance of the requested travel.

Employees traveling for district business are prohibited from benefiting personally from district paid travel. Travel vouchers which may be received from district paid travel expenses are the property of the district and must be surrendered to the District upon return from travel. Employees may not use district paid air travel or hotel accommodations to obtain reward points for frequent traveler benefit programs.

Travel Cancellation

Employee travel arrangements are not subject to cancellation unless one of the following circumstances apply:

- a. An unforeseen employee emergency occurs which prevents the travel; supervisor approval required
- b. Arrangements can be made for another employee to replace the employee originally booked without additional expense to the District
- c. A District business necessity

Except as noted above, cancellation fees, change fees, and no-show fees incurred by the District for voluntary trip cancellation or changes after booking are the responsibility of the employee and will be reimbursed to the District by the employee.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6190

EMPLOYEE TRAVEL

Travel Expense Reimbursement

Reimbursements to the employee or Board member for authorized travel may include, mileage and travel only expenses such as ground transportation, parking, toll charges, luggage fees (~~two~~one checked bags round trip, ~~only~~), etc.

Meal allowance may be authorized only for travel that requires an overnight stay. Employees on authorized overnight travel may be approved to receive a daily per diem allowance equal to the per diem meal rate (minus incidental expenses) established by the Internal Revenue Service for the geographic location to which the travel has occurred. Reimbursements will not be made for any expenses of a personal nature, including, but not limited to personal phone calls, over-the-counter medications, reading materials, alcoholic beverages, movies, in-room refreshments, room service, valet service, etc.

Cash advances are not permitted from an appropriated fund.

The mileage basis for transportation reimbursement for use of privately-owned vehicles shall be in accordance with the prevailing rate established by the Internal Revenue Service. Reimbursement may be made for travel expenses incurred both within and without the District when a personal automobile is used for District business, provided that no reimbursement will be allowed for travel between regular work site and the residence of an employee or Board member. Mileage reimbursement includes daily local travel between school sites by assigned district-wide or multi-site employees; employees on school business (bank, warehouse, etc.); and travel to conferences or other business approved by the employee's supervisor. In the event an employee chooses to drive a personal vehicle rather than travel by airplane on District business, the amount reimbursed for mileage shall be the lesser of the cost of a coach airline ticket or mileage at the established IRS rate. Mileage shall be reimbursed only for the most direct route, and it must be calculated to and from the employee's work site.

The Office of the Superintendent (or designee) reserves the right to specify the number of personal cars that may be approved for a particular trip whenever a group of employees attends the same conference. If a school vehicle is provided for the trip, an employee may be reimbursed only the actual transportation expenses incurred, i.e., parking, tolls, etc.

Detailed itemized receipts for all travel expenses, excluding meals, will be required at the completion of travel before reimbursement will be issued. Reimbursement will not be made if a receipt is lost.

Source: *Broken Arrow Board of Education policy revised, February 2, 1981.*
Broken Arrow Board of Education policy revised, October 7, 1991.



SECTION VI: BUSINESS, TECHNOLOGY & OPERATIONS POLICY 6190

EMPLOYEE TRAVEL

Broken Arrow Board of Education policy removed from Policy Book and placed in Procedure Book, April 8, 1996.

Broken Arrow Board of Education policy rewritten and removed from Procedure Book and replaced in Policy Book, June 5, 2000.

Broken Arrow Board of Education policy revised, August 6, 2001.

Broken Arrow Board of Education policy revised, June 21, 2004.

Broken Arrow Board of Education policy revised, July 13, 2009.

Broken Arrow Board of Education policy revised, July 10, 2017.

Broken Arrow Board of Education policy revised, November 9, 2020.

Broken Arrow Board of Education policy revised, July 17, 2023.