

MANAGEMENT AND ACCOUNTING OF FUNDS

General:

Community Strategies, Inc. a/k/a Epic Charter Schools, Epic One-on-One and Epic Blended (collectively, the "School") as the Board of Education (the "Board") for the School and the employees of the School are charged with a public trust to receive, expend, and account for the monies and property of the School. These resources are to be managed in an efficient and lawful manner, with the objective of maximizing their availability for and contribution to the School's educational programs. No indebtedness shall be created in excess of the funds on hand available for payment of such indebtedness, except as provided by law and approved by the Board. No School funds shall be used to pay for any indebtedness created in excess of the total adopted budget for expenditures for such funds, except as provided by law and approved by the Board. The Superintendent shall be responsible for receiving and properly accounting for all funds of the School, pursuant to School policy and applicable law.

Accounting System:

The School shall utilize an accounting system which conforms to the requirements of the State Department of Education and to good accounting practices and procedures.

Annual Budget:

The school budget is a written document which presents the Board's plans for the allocation of resources into an explicit expenditure plan to sustain and improve the educational function of the School. The budget shall be based on the educational needs and financial ability of the School, as cooperatively identified by the Superintendent, the School's management company, school staff, and the Board. The budget shall be balanced and shall provide for adequate reserves.

Audits:

It is the policy of the Board to employ an auditor for the School. The Board shall select an auditor experienced in municipal accounting approved by the State Board of Education. The auditor shall serve at the discretion of the Board and for such compensation as the Board may determine. The auditor's duties will be to assist the Board in preparing district budgets and to make such reports as may be required.

The Board will provide for and cause to be made an annual audit of the School district for each fiscal year. The audit shall be a financial audit and a compliance audit of all School funds. Audits will be made at the end of each fiscal year at a minimum and may be required by the Board at more frequent intervals.

A written report of the audit shall be furnished to the Board by the auditor. The Board will conduct a final exit interview with the auditor at an open Board meeting. The Superintendent shall be responsible for filing copies of the audit as required by law.

Deposits:

As required by law, the Treasurer shall be responsible for the deposit of all revenues received by the School in the School's depository bank. The Treasurer shall maintain a record of all revenues and deposits and shall provide periodic reports to the Board.

MANAGEMENT AND ACCOUNTING OF FUNDS (continued)**Fund Balance:**

In order to meet the School's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board establishes an acceptable range for the general fund year-end fund balance. Based on an analysis of the School's cash flow and the need for a contingency, the targeted minimum annual fund balance for the general fund is 3% of annual revenue with a maximum fund balance of 10% but could be outside this range with approval from the board of the final audit or other final action taken after the close of a fiscal year. For purposes of this policy, the term annual revenue refers to the total amount of annual general fund collections, including the previous year's fund balance, as of June 30.

The annual fund balance for all other funds will be based on an analysis of cash flow requirements, the need for a contingency, and any legal or program requirements as may be established by state law or regulations.

Inventories:

The Superintendent or designee shall be responsible for maintaining accurate inventories of all School equipment, vehicles, and fixed assets purchased with both public funds and private donations. All equipment purchased with federal funds shall be labeled in accordance with the rules and regulations of the State Department of Education. To the extent allowed by law, assets with an original value of Two Hundred Fifty Dollars or more will be maintained on the inventory log.

Investments:

The Treasurer shall invest School funds which will not be required for immediate expenditure in those instruments, obligations, and investments authorized by law. The Treasurer shall maintain appropriate records of all investments made and interest received and shall provide periodic reports to the Board regarding the School's investments. The School may develop any appropriate regulations and/or procedures applicable to the investment of School funds.

Preliminary Estimate of Needs:

Not later than October 1st of each year, the Board shall prepare, on a form prescribed by the State Board of Education, a preliminary estimate of the amount(s) of money and tax rate(s) which it then believes will be required for the School for the ensuing fiscal year.

Warrants:

Warrants for the payment of School funds shall be issued according to law. The Treasurer shall maintain a register of warrants. The Board shall require at least two authorized signatures on all warrants. The signatures of these persons may be facsimile or digital signatures as authorized by law. No blank warrants shall be signed. Any void warrant shall be so marked and shall have the signature section removed and destroyed. The Treasurer shall retain void warrants.

Reports:

The School's administration shall prepare and present to the Board periodic financial reports which show the financial condition of the School.

CONTRACTING AND PURCHASING POLICY

The Board authorizes the Superintendent to purchase materials, supplies, equipment and services for the School. The following guidelines and procedures will be used for purchasing:

I. Purchasing Policy:

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts to make purchases on behalf of the School with a maximum authority per purchase of \$150,000 with a ten (10%) variance allowed for any adjustments to purchase price as may reasonably arise prior to Board approval.
- C. As specified in state law, no contract will be made between the School and any member of the Board or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures:

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

- 1. Board of Education. The Board shall:
 - a. Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000 and for any payments to the management company, Epic Youth Service, Inc..
 - b. Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
 - c. Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent.
 - d. Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (continued)

2. Superintendent or designee. The Superintendent shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent, or designee, shall:
- a. Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
 - b. Ensure that appropriate Board policies are put into effect.
 - c. Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
 - d. Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
 - e. Recommend changes in policies, practices or procedures to the Board.
 - f. Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%).
 - g. Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
 - h. Review requisitions submitted by School personnel for adherence to Board policy.
 - i. Create purchase orders from approved requisitions.
 - j. Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and / or equipment being purchased by the School;
 - k. Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
 - l. Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
 - m. Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
 - n. Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
 - o. Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
 - p. Ensure approved encumbrances are listed in the board of education minutes;
 - q. Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
 - r. Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
 - s. Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
 - t. Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
 - u. Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
 - v. Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (continued)

B. Requirements for Issuance of Purchase Order

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Authorization to Purchase

Purchases for all funds except Child Nutrition shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price in excess of \$150,000 shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 may be made upon approval of the Superintendent with the subsequent presentation and approval by the Board.
3. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
4. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent, or designee.
5. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.

III. Blanket Purchase Orders:

Based on the guidelines provided in state statute, the School may issue blanket purchase orders for recurring purchases (62 O.S. §310.8).

Summary of Expenditure Procedures:

1. Employee Submits Requisition to Fiscal Agent
2. Fiscal Agent Approves Requisition
3. Encumbrance Clerk Verifies that Funds are Available to Encumber
4. Encumbrance Clerk Issues Purchase Order
5. Encumbrance Submitted to School Board for Approval in excess of \$150,000; if less than \$150,000, School Board may authorize encumbrance and purchase after contract signed and order is placed.
6. School Board Approves Encumbrance in excess of \$150,000
7. Order is Placed for Services/Materials Requested
8. Encumbrance Clerk Verifies Services/Materials Received by School
9. Items are added to the inventory / asset logs
10. Payment Issued to Vendor

CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic Blended Learning Charter (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or his/her designee to purchase materials, supplies, equipment and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

I. General Policies

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.
- C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

1. Board of Education. The Board shall:
 - a) Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000.
 - b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
 - c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or his/her designee.
 - d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:

- a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
- b) Ensure that appropriate Board policies are put into effect.
- c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
- d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
- e) Recommend changes in policies, practices or procedures to the Board.
- f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
- g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
- h) Review requisitions submitted by School personnel for adherence to Board policy.
- i) Create purchase orders from approved requisitions.
- j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
- k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
- l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
- m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
- n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
- o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
- p) Ensure approved encumbrances are listed in the board of education minutes;
- q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**B. Requirements for Issuance of Purchase Order**

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Quotations and Competitive Pricing

1. Purchases of items with a cost of \$5,000 or more should be based upon three (3) competitive price quotes, where possible, to obtain the best price possible.
2. Purchases of less than \$5,000 may be made without documented price quotes. When pricing is comparable, such purchase will be distributed equitably among qualified suppliers where practicable.
3. Requisitions and orders cannot be split to avoid quotation requirements.
4. Purchases made from vendors with pricing obtained through the cooperative bidding of the State or another governmental unit or purchasing cooperative as allowed under state law shall be deemed to have been made in conformance with the requirements for quotes or bids and may be utilized when determined to be in the best interest of the School.
5. Every effort should be made to obtain the best quality of goods and services at the lowest possible price. Due to the unique nature of some goods and services, the following are exempt from quotation requirements:
 - a) Expenditures for items which are peculiar to a single vendor and that could not be supplied by other vendors. A completed "Sole Source" affidavit shall accompany all such expenditures and must be approved by the Finance Office.
 - b) Procurement made necessary because of unforeseen emergency, disaster, or act of God that requires immediate acquisition to preserve School property or to protect public health or safety, upon declaration of such emergency by the Superintendent or his/her designee. Ratification of such emergency expenditures shall be required by the Board of Education at the next regularly scheduled Board meeting.
 - c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
 - d) Utility services and postage.
 - e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
 - f) Items purchased with grant funding where the item was specifically approved in the grant.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

D. Contracts, Agreements, and Quotes

Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g. monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or his/her designee may choose to require a Contract Approval Form in all cases.

E. Authorization to Purchase

Purchases that do not require a contract shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price of \$150,000 or more shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000 but greater than \$50,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 but greater than \$50,000 may be made upon approval of the Superintendent or Deputy Superintendent of Finance with the subsequent presentation and approval by the Board.
3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon approval of the Deputy Superintendent for the department initiating the purchase with presentation and approval by the Board as included in the monthly Purchase Order report. Such purchases must be within the allowed budget for the Deputy Superintendent's department(s).
4. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
5. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent or designee.
6. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.
7. All purchase orders must have Board approval prior to the issuance of a warrant/check.

III. Blanket Purchase Orders:

Based on the guidelines provided in state statute (62 O.S. §310.8), the School may issue blanket purchase orders for recurring purchases necessary to maintain day-to-day operations. Purchases under a blanket purchase order are limited to items that are appropriate for the description and account coding shown on the purchase order.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**IV. Conflict of Interest**

No employee, officer, or agent of the School shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees who interact socially with School business partners outside of the work relationship should use good judgment or avoid any situation which could create a perceived conflict of interest or preference.

V. Gifts and Gratuities

A. School employees and members of the Board who are responsible for the selection, recommendation, and approval of School vendors, products, supplies, and services shall abide by the School Laws of Oklahoma which limit an employee from receiving gifts, gratuities, or benefits that would influence the purchase of materials or supplies by the School. All employees are expected to act with honesty and integrity when representing and conducting the School's business.

B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.

C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.

D. Employees who are invited to participate in a customer appreciation event or offered a gift that has a value of \$100 or more must report such gift to the Superintendent or his/her designee prior to acceptance of the gift or participation in the event. The Superintendent or his/her designee will review the request and take action on the request as he/she deems necessary. When in doubt as to whether or not to accept a gift or participate in an activity, it is best to say no and not accept it.

E. Employees may not accept meals, or promotional items from an individual vendor that would have an aggregate value of more than \$100 within a calendar year without reporting them to the Superintendent. With prior approval, employees may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations, training, or fostering needed business relationships.

F. Prizes that are won by an employee through a random drawing, such as a door prize, shall be considered outside the regulations of this policy provided the drawing is not directly associated with a specific business transaction.

Each employee is personally responsible for compliance with all provisions of this policy. Violation of the standards in this policy will result in disciplinary action which may include reprimand, termination of employment, and/or legal action.

CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or his/her designee to purchase materials, supplies, equipment and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

I. General Policies

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.
- C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

1. Board of Education. The Board shall:
 - a) Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000.
 - b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
 - c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or his/her designee.
 - d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:

- a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
- b) Ensure that appropriate Board policies are put into effect.
- c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
- d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
- e) Recommend changes in policies, practices or procedures to the Board.
- f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
- g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
- h) Review requisitions submitted by School personnel for adherence to Board policy.
- i) Create purchase orders from approved requisitions.
- j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
- k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
- l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
- m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
- n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
- o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
- p) Ensure approved encumbrances are listed in the board of education minutes;
- q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**B. Requirements for Issuance of Purchase Order**

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Quotations and Competitive Pricing

1. Purchases of items with a cost of \$5,000 or more should be based upon three (3) competitive price quotes, where possible, to obtain the best price possible.
2. Purchases of less than \$5,000 may be made without documented price quotes. When pricing is comparable, such purchase will be distributed equitably among qualified suppliers where practicable.
3. Requisitions and orders cannot be split to avoid quotation requirements.
4. Purchases made from vendors with pricing obtained through the cooperative bidding of the State or another governmental unit or purchasing cooperative as allowed under state law shall be deemed to have been made in conformance with the requirements for quotes or bids and may be utilized when determined to be in the best interest of the School.
5. Every effort should be made to obtain the best quality of goods and services at the lowest possible price. Due to the unique nature of some goods and services, the following are exempt from quotation requirements:
 - a) Expenditures for items which are peculiar to a single vendor and that could not be supplied by other vendors. A completed "Sole Source" affidavit shall accompany all such expenditures and must be approved by the Finance Office.
 - b) Procurement made necessary because of unforeseen emergency, disaster, or act of God that requires immediate acquisition to preserve School property or to protect public health or safety, upon declaration of such emergency by the Superintendent or his/her designee. Ratification of such emergency expenditures shall be required by the Board of Education at the next regularly scheduled Board meeting.
 - c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
 - d) Utility services and postage.
 - e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
 - f) Items purchased with grant funding where the item was specifically approved in the grant.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

D. Contracts, Agreements, and Quotes

Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g. monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or his/her designee may choose to require a Contract Approval Form in all cases.

E. Authorization to Purchase

Purchases that do not require a contract shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price of \$150,000 or more shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000 but greater than \$50,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 but greater than \$50,000 may be made upon approval of the Superintendent or Deputy Superintendent of Finance with the subsequent presentation and approval by the Board.
3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon approval of the Deputy Superintendent for the department initiating the purchase with presentation and approval by the Board as included in the monthly Purchase Order report. Such purchases must be within the allowed budget for the Deputy Superintendent's department(s).
4. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
5. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent or designee.
6. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.
7. All purchase orders must have Board approval prior to the issuance of a warrant/check.

III. Blanket Purchase Orders:

Based on the guidelines provided in state statute (62 O.S. §310.8), the School may issue blanket purchase orders for recurring purchases necessary to maintain day-to-day operations. Purchases under a blanket purchase order are limited to items that are appropriate for the description and account coding shown on the purchase order.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**IV. Conflict of Interest**

No employee, officer, or agent of the School shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees who interact socially with School business partners outside of the work relationship should use good judgment or avoid any situation which could create a perceived conflict of interest or preference.

V. Gifts and Gratuities

A. School employees and members of the Board who are responsible for the selection, recommendation, and approval of School vendors, products, supplies, and services shall abide by the School Laws of Oklahoma which limit an employee from receiving gifts, gratuities, or benefits that would influence the purchase of materials or supplies by the School. All employees are expected to act with honesty and integrity when representing and conducting the School's business.

B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.

C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.

D. Employees who are invited to participate in a customer appreciation event or offered a gift that has a value of \$100 or more must report such gift to the Superintendent or his/her designee prior to acceptance of the gift or participation in the event. The Superintendent or his/her designee will review the request and take action on the request as he/she deems necessary. When in doubt as to whether or not to accept a gift or participate in an activity, it is best to say no and not accept it.

E. Employees may not accept meals, or promotional items from an individual vendor that would have an aggregate value of more than \$100 within a calendar year without reporting them to the Superintendent. With prior approval, employees may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations, training, or fostering needed business relationships.

F. Prizes that are won by an employee through a random drawing, such as a door prize, shall be considered outside the regulations of this policy provided the drawing is not directly associated with a specific business transaction.

Each employee is personally responsible for compliance with all provisions of this policy. Violation of the standards in this policy will result in disciplinary action which may include reprimand, termination of employment, and/or legal action.

MANAGEMENT AND ACCOUNTING OF FUNDS

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") and the employees of the School are charged with a public trust to receive, expend, and account for the monies and property of the School. These resources are to be managed in an efficient and lawful manner, with the objective of maximizing their availability for and contribution to the School's educational programs. No indebtedness shall be created in excess of the funds on hand available for payment of such indebtedness, except as provided by law and approved by the Board. No School funds shall be used to pay for any indebtedness created in excess of the total adopted budget for expenditures for such funds, except as provided by law and approved by the Board. The Superintendent shall be responsible for receiving and properly accounting for all funds of the School, pursuant to School policy and applicable law.

Accounting System:

The School shall utilize an accounting system which conforms to the requirements of the State Department of Education and to good accounting practices and procedures.

Annual Budget:

The school budget is a written document which presents the Board's plans for the allocation of resources into an explicit expenditure plan to sustain and improve the educational function of the School. The budget shall be based on the educational needs and financial ability of the School, as cooperatively identified by the Superintendent, the Treasurer, school staff, and the Board. The budget shall be balanced and shall provide for adequate reserves.

Audits:

It is the policy of the Board to employ an auditor for the School. The Board shall select an auditor experienced in municipal accounting approved by the State Board of Education. The auditor shall serve at the discretion of the Board and for such compensation as the Board may determine. The auditor's duties will be to assist the Board in preparing district budgets and to make such reports as may be required.

The Board will provide for and cause to be made an annual audit of the School district for each fiscal year. The audit shall be a financial audit and a compliance audit of all School funds. Audits will be made at the end of each fiscal year at a minimum and may be required by the Board at more frequent intervals.

A written report of the audit shall be furnished to the Board by the auditor. The Board will conduct a final exit interview with the auditor at an open Board meeting. The Superintendent shall be responsible for filing copies of the audit as required by law.

Bank Access and Account Reconciliations:

The Treasurer shall have signatory control and full access to all District bank and investment accounts. The Assistant Treasurer shall have view only access to all District bank and investment accounts, with no signatory control. All District bank accounts shall be reconciled monthly by a qualified person who is not under the direct supervisory authority of the Treasurer. A report of such reconciliation(s) will be

MANAGEMENT AND ACCOUNTING OF FUNDS (CONTINUED)

presented to the Board. The Treasurer is authorized to initiate intra-district transfers to facilitate cash management. No transfer of funds outside the district shall occur without a Board approved Encumbrance or other such authorization.

Deposits:

As required by law, the Treasurer shall be responsible for the deposit of all revenues received by the School in the School's depository bank. The Treasurer shall maintain a record of all revenues and deposits and shall provide periodic reports to the Board.

Fund Balance:

In order to meet the School's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board establishes an acceptable range for the general fund year-end fund balance. Based on an analysis of the School 's cash flow and the need for a contingency, the targeted minimum annual fund balance for the general fund is 5% of annual expenditures with a maximum fund balance of 14%, but could be outside this range with approval from the Board of the final audit or other final action taken after the close of a fiscal year.

Inventories:

The Superintendent or designee shall be responsible for maintaining accurate inventories of all School equipment, vehicles, and fixed assets purchased with both public funds and private donations. All equipment purchased with federal funds shall be labeled in accordance with the rules and regulations of the State Department of Education. To the extent allowed by law, assets with an original value of Two Hundred Fifty Dollars or more will be maintained on the inventory log.

Investments:

The Treasurer shall invest School funds which will not be required for immediate expenditure in those instruments, obligations, and investments authorized by law. The Treasurer shall maintain appropriate records of all investments made and interest received and shall provide periodic reports to the Board regarding the School's investments. The School may develop any appropriate regulations and/or procedures applicable to the investment of School funds.

Reports:

The School's administration shall prepare and present to the Board periodic financial reports which show the financial condition of the School.

Warrants:

Warrants for the payment of School funds shall be issued according to law. The Treasurer shall maintain a register of warrants. The Board shall require at least two authorized signatures on all warrants. The signatures of these persons may be facsimile or digital signatures as authorized by law. No blank warrants shall be signed. Any void warrant shall be so marked and shall have the signature section removed and destroyed. The Treasurer shall retain void warrants.

CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or his/her designee to purchase materials, supplies, equipment and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

Deleted: The following guidelines and procedures will be used for purchasing:

I. General Policies

Deleted: Purchasing Policy

Deleted: ;

A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.

B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.

Deleted: to make purchases

C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).

Deleted: purchase

D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.

Deleted: with a ten (10%) variance allowed for any adjustments to purchase price as may reasonably arise prior to Board approval

E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).

Deleted: Board

F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

1. Board of Education. The Board shall:

a) Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000.

Deleted: and for any payments to the management company, Epic Youth Service, Inc.

b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.

c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or his/her designee.

d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:

- a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
- b) Ensure that appropriate Board policies are put into effect.
- c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
- d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
- e) Recommend changes in policies, practices or procedures to the Board.
- f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
- g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
- h) Review requisitions submitted by School personnel for adherence to Board policy.
- i) Create purchase orders from approved requisitions.
- j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
- k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
- l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
- m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
- n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
- o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
- p) Ensure approved encumbrances are listed in the board of education minutes;
- q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

B. Requirements for Issuance of Purchase Order

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Quotations and Competitive Pricing

1. Purchases of items with a cost of \$5,000 or more should be based upon three (3) competitive price quotes, where possible, to obtain the best price possible.
2. Purchases of less than \$5,000 may be made without documented price quotes. When pricing is comparable, such purchase will be distributed equitably among qualified suppliers where practicable.
3. Requisitions and orders cannot be split to avoid quotation requirements.
4. Purchases made from vendors with pricing obtained through the cooperative bidding of the State or another governmental unit or purchasing cooperative as allowed under state law shall be deemed to have been made in conformance with the requirements for quotes or bids and may be utilized when determined to be in the best interest of the School.
5. Every effort should be made to obtain the best quality of goods and services at the lowest possible price. Due to the unique nature of some goods and services, the following are exempt from quotation requirements:
 - a) Expenditures for items which are peculiar to a single vendor and that could not be supplied by other vendors. A completed "Sole Source" affidavit shall accompany all such expenditures and must be approved by the Finance Office.
 - b) Procurement made necessary because of unforeseen emergency, disaster, or act of God that requires immediate acquisition to preserve School property or to protect public health or safety, upon declaration of such emergency by the Superintendent or his/her designee. Ratification of such emergency expenditures shall be required by the Board of Education at the next regularly scheduled Board meeting.
 - c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
 - d) Utility services and postage.
 - e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
 - f) Items purchased with grant funding where the item was specifically approved in the grant.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

D. Contracts, Agreements, and Quotes

Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g. monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or his/her designee may choose to require a Contract Approval Form in all cases.

E. Authorization to Purchase

Purchases that do not require a contract shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price of \$150,000 or more shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000 but greater than \$50,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 but greater than \$50,000 may be made upon approval of the Superintendent or Deputy Superintendent of Finance with the subsequent presentation and approval by the Board.
3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon approval of the Deputy Superintendent for the department initiating the purchase with presentation and approval by the Board as included in the monthly Purchase Order report. Such purchases must be within the allowed budget for the Deputy Superintendent's department(s).
4. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
5. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent or designee.
6. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.
7. All purchase orders must have Board approval prior to the issuance of a warrant/check.

Deleted: for all funds except Child Nutrition

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III. Blanket Purchase Orders:

Based on the guidelines provided in state statute (62 O.S. §310.8), the School may issue blanket purchase orders for recurring purchases necessary to maintain day-to-day operations. Purchases under a blanket purchase order are limited to items that are appropriate for the description and account coding shown on the purchase order.

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Deleted: (62 O.S. §310.8).

CONTRACTING AND PURCHASING POLICY (CONTINUED)

IV. Conflict of Interest

No employee, officer, or agent of the School shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees who interact socially with School business partners outside of the work relationship should use good judgment or avoid any situation which could create a perceived conflict of interest or preference.

V. Gifts and Gratuities

A. School employees and members of the Board who are responsible for the selection, recommendation, and approval of School vendors, products, supplies, and services shall abide by the School Laws of Oklahoma which limit an employee from receiving gifts, gratuities, or benefits that would influence the purchase of materials or supplies by the School. All employees are expected to act with honesty and integrity when representing and conducting the School's business.

B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.

C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.

D. Employees who are invited to participate in a customer appreciation event or offered a gift that has a value of \$100 or more must report such gift to the Superintendent or his/her designee prior to acceptance of the gift or participation in the event. The Superintendent or his/her designee will review the request and take action on the request as he/she deems necessary. When in doubt as to whether or not to accept a gift or participate in an activity, it is best to say no and not accept it.

E. Employees may not accept meals, or promotional items from an individual vendor that would have an aggregate value of more than \$100 within a calendar year without reporting them to the Superintendent. With prior approval, employees may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations, training, or fostering needed business relationships.

F. Prizes that are won by an employee through a random drawing, such as a door prize, shall be considered outside the regulations of this policy provided the drawing is not directly associated with a specific business transaction.

Each employee is personally responsible for compliance with all provisions of this policy. Violation of the standards in this policy will result in disciplinary action which may include reprimand, termination of employment, and/or legal action.

Deleted: §
 Summary of Expenditure Procedures: §
 §
 Employee Submits Requisition to Fiscal Agent §
 Fiscal Agent Approves Requisition §
 Encumbrance Clerk Verifies that Funds are Available to Encumber §
 Encumbrance Clerk Issues Purchase Order §
 Encumbrance Submitted to School Board for Approval in excess of \$150,000; if less than \$150,000, School Board may authorize encumbrance and purchase after contract signed and order is placed §
 School Board Approves Encumbrance in excess of \$150,000 §
 Order is Placed for Services/Materials Requested (Items are added to the Inventory / asset logs) §
 §
 Encumbrance Clerk Verifies Services/Materials Received by School §
 Items are added to the Inventory / asset logs §
 Payment Issued to Vendor
 Moved (insertion) [1]
 Moved up [1]: Items are added to the Inventory / asset

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CONTRACTING AND PURCHASING POLICY

The Board authorizes the Superintendent to purchase materials, supplies, equipment and services for the School. The following guidelines and procedures will be used for purchasing:

I. Purchasing Policy:

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts to make purchases on behalf of the School with a maximum authority per purchase of \$150,000 with a ten (10%) variance allowed for any adjustments to purchase price as may reasonably arise prior to Board approval.
- C. As specified in state law, no contract will be made between the School and any member of the Board or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures:

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

- 1. Board of Education. The Board shall:
 - a. Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000 and for any payments to the management company, Epic Youth Service, Inc..
 - b. Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
 - c. Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent.
 - d. Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (continued)

2. Superintendent or designee. The Superintendent shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent, or designee, shall:
- a. Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
 - b. Ensure that appropriate Board policies are put into effect.
 - c. Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
 - d. Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
 - e. Recommend changes in policies, practices or procedures to the Board.
 - f. Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%).
 - g. Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
 - h. Review requisitions submitted by School personnel for adherence to Board policy.
 - i. Create purchase orders from approved requisitions.
 - j. Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and / or equipment being purchased by the School;
 - k. Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
 - l. Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
 - m. Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
 - n. Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
 - o. Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
 - p. Ensure approved encumbrances are listed in the board of education minutes;
 - q. Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
 - r. Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
 - s. Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
 - t. Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
 - u. Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
 - v. Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (continued)

B. Requirements for Issuance of Purchase Order

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Authorization to Purchase

Purchases for all funds except Child Nutrition shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price in excess of \$150,000 shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 may be made upon approval of the Superintendent with the subsequent presentation and approval by the Board.
3. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
4. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent, or designee.
5. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.

III. Blanket Purchase Orders:

Based on the guidelines provided in state statute, the School may issue blanket purchase orders for recurring purchases (62 O.S. §310.8).

Summary of Expenditure Procedures:

1. Employee Submits Requisition to Fiscal Agent
2. Fiscal Agent Approves Requisition
3. Encumbrance Clerk Verifies that Funds are Available to Encumber
4. Encumbrance Clerk Issues Purchase Order
5. Encumbrance Submitted to School Board for Approval in excess of \$150,000; if less than \$150,000, School Board may authorize encumbrance and purchase after contract signed and order is placed.
6. School Board Approves Encumbrance in excess of \$150,000
7. Order is Placed for Services/Materials Requested
8. Encumbrance Clerk Verifies Services/Materials Received by School
9. Items are added to the inventory / asset logs
10. Payment Issued to Vendor

MANAGEMENT AND ACCOUNTING OF FUNDS

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") and the employees of the School are charged with a public trust to receive, expend, and account for the monies and property of the School. These resources are to be managed in an efficient and lawful manner, with the objective of maximizing their availability for and contribution to the School's educational programs. No indebtedness shall be created in excess of the funds on hand available for payment of such indebtedness, except as provided by law and approved by the Board. No School funds shall be used to pay for any indebtedness created in excess of the total adopted budget for expenditures for such funds, except as provided by law and approved by the Board. The Superintendent shall be responsible for receiving and properly accounting for all funds of the School, pursuant to School policy and applicable law.

Accounting System:

The School shall utilize an accounting system which conforms to the requirements of the State Department of Education and to good accounting practices and procedures.

Annual Budget:

The school budget is a written document which presents the Board's plans for the allocation of resources into an explicit expenditure plan to sustain and improve the educational function of the School. The budget shall be based on the educational needs and financial ability of the School, as cooperatively identified by the Superintendent, the Treasurer, school staff, and the Board. The budget shall be balanced and shall provide for adequate reserves.

Audits:

It is the policy of the Board to employ an auditor for the School. The Board shall select an auditor experienced in municipal accounting approved by the State Board of Education. The auditor shall serve at the discretion of the Board and for such compensation as the Board may determine. The auditor's duties will be to assist the Board in preparing district budgets and to make such reports as may be required.

The Board will provide for and cause to be made an annual audit of the School district for each fiscal year. The audit shall be a financial audit and a compliance audit of all School funds. Audits will be made at the end of each fiscal year at a minimum and may be required by the Board at more frequent intervals.

A written report of the audit shall be furnished to the Board by the auditor. The Board will conduct a final exit interview with the auditor at an open Board meeting. The Superintendent shall be responsible for filing copies of the audit as required by law.

Bank Access and Account Reconciliations:

The Treasurer shall have signatory control and full access to all District bank and investment accounts. The Assistant Treasurer shall have view only access to all District bank and investment accounts, with no signatory control. All District bank accounts shall be reconciled monthly by a qualified person who is not under the direct supervisory authority of the Treasurer. A report of such reconciliation(s) will be

MANAGEMENT AND ACCOUNTING OF FUNDS (CONTINUED)

presented to the Board. The Treasurer is authorized to initiate intra-district transfers to facilitate cash management. No transfer of funds outside the district shall occur without a Board approved Encumbrance or other such authorization.

Deposits:

As required by law, the Treasurer shall be responsible for the deposit of all revenues received by the School in the School's depository bank. The Treasurer shall maintain a record of all revenues and deposits and shall provide periodic reports to the Board.

Fund Balance:

In order to meet the School's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board establishes an acceptable range for the general fund year-end fund balance. Based on an analysis of the School 's cash flow and the need for a contingency, the targeted minimum annual fund balance for the general fund is 5% of annual expenditures with a maximum fund balance of 14%, but could be outside this range with approval from the Board of the final audit or other final action taken after the close of a fiscal year.

Inventories:

The Superintendent or designee shall be responsible for maintaining accurate inventories of all School equipment, vehicles, and fixed assets purchased with both public funds and private donations. All equipment purchased with federal funds shall be labeled in accordance with the rules and regulations of the State Department of Education. To the extent allowed by law, assets with an original value of Two Hundred Fifty Dollars or more will be maintained on the inventory log.

Investments:

The Treasurer shall invest School funds which will not be required for immediate expenditure in those instruments, obligations, and investments authorized by law. The Treasurer shall maintain appropriate records of all investments made and interest received and shall provide periodic reports to the Board regarding the School's investments. The School may develop any appropriate regulations and/or procedures applicable to the investment of School funds.

Reports:

The School's administration shall prepare and present to the Board periodic financial reports which show the financial condition of the School.

Warrants:

Warrants for the payment of School funds shall be issued according to law. The Treasurer shall maintain a register of warrants. The Board shall require at least two authorized signatures on all warrants. The signatures of these persons may be facsimile or digital signatures as authorized by law. No blank warrants shall be signed. Any void warrant shall be so marked and shall have the signature section removed and destroyed. The Treasurer shall retain void warrants.

MANAGEMENT AND ACCOUNTING OF FUNDS (continued)**Fund Balance:**

In order to meet the School's financial obligations and provide a contingency for emergencies or unexpected expenditures, the Board establishes an acceptable range for the general fund year-end fund balance. Based on an analysis of the School's cash flow and the need for a contingency, the targeted minimum annual fund balance for the general fund is 3% of annual revenue with a maximum fund balance of 10% but could be outside this range with approval from the board of the final audit or other final action taken after the close of a fiscal year. For purposes of this policy, the term annual revenue refers to the total amount of annual general fund collections, including the previous year's fund balance, as of June 30.

The annual fund balance for all other funds will be based on an analysis of cash flow requirements, the need for a contingency, and any legal or program requirements as may be established by state law or regulations.

Inventories:

The Superintendent or designee shall be responsible for maintaining accurate inventories of all School equipment, vehicles, and fixed assets purchased with both public funds and private donations. All equipment purchased with federal funds shall be labeled in accordance with the rules and regulations of the State Department of Education. To the extent allowed by law, assets with an original value of Two Hundred Fifty Dollars or more will be maintained on the inventory log.

Investments:

The Treasurer shall invest School funds which will not be required for immediate expenditure in those instruments, obligations, and investments authorized by law. The Treasurer shall maintain appropriate records of all investments made and interest received and shall provide periodic reports to the Board regarding the School's investments. The School may develop any appropriate regulations and/or procedures applicable to the investment of School funds.

Preliminary Estimate of Needs:

Not later than October 1st of each year, the Board shall prepare, on a form prescribed by the State Board of Education, a preliminary estimate of the amount(s) of money and tax rate(s) which it then believes will be required for the School for the ensuing fiscal year.

Warrants:

Warrants for the payment of School funds shall be issued according to law. The Treasurer shall maintain a register of warrants. The Board shall require at least two authorized signatures on all warrants. The signatures of these persons may be facsimile or digital signatures as authorized by law. No blank warrants shall be signed. Any void warrant shall be so marked and shall have the signature section removed and destroyed. The Treasurer shall retain void warrants.

Reports:

The School's administration shall prepare and present to the Board periodic financial reports which show the financial condition of the School.

MANAGEMENT AND ACCOUNTING OF FUNDS

General:

Community Strategies, Inc. a/k/a Epic Charter Schools, Epic One-on-One and Epic Blended (collectively, the "School") as the Board of Education (the "Board") for the School and the employees of the School are charged with a public trust to receive, expend, and account for the monies and property of the School. These resources are to be managed in an efficient and lawful manner, with the objective of maximizing their availability for and contribution to the School's educational programs. No indebtedness shall be created in excess of the funds on hand available for payment of such indebtedness, except as provided by law and approved by the Board. No School funds shall be used to pay for any indebtedness created in excess of the total adopted budget for expenditures for such funds, except as provided by law and approved by the Board. The Superintendent shall be responsible for receiving and properly accounting for all funds of the School, pursuant to School policy and applicable law.

Accounting System:

The School shall utilize an accounting system which conforms to the requirements of the State Department of Education and to good accounting practices and procedures.

Annual Budget:

The school budget is a written document which presents the Board's plans for the allocation of resources into an explicit expenditure plan to sustain and improve the educational function of the School. The budget shall be based on the educational needs and financial ability of the School, as cooperatively identified by the Superintendent, the School's management company, school staff, and the Board. The budget shall be balanced and shall provide for adequate reserves.

Audits:

It is the policy of the Board to employ an auditor for the School. The Board shall select an auditor experienced in municipal accounting approved by the State Board of Education. The auditor shall serve at the discretion of the Board and for such compensation as the Board may determine. The auditor's duties will be to assist the Board in preparing district budgets and to make such reports as may be required.

The Board will provide for and cause to be made an annual audit of the School district for each fiscal year. The audit shall be a financial audit and a compliance audit of all School funds. Audits will be made at the end of each fiscal year at a minimum and may be required by the Board at more frequent intervals.

A written report of the audit shall be furnished to the Board by the auditor. The Board will conduct a final exit interview with the auditor at an open Board meeting. The Superintendent shall be responsible for filing copies of the audit as required by law.

Deposits:

As required by law, the Treasurer shall be responsible for the deposit of all revenues received by the School in the School's depository bank. The Treasurer shall maintain a record of all revenues and deposits and shall provide periodic reports to the Board.

CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or his/her designee to purchase materials, supplies, equipment and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

I. General Policies

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.
- C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law.

II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

1. Board of Education. The Board shall:

- a) Give prior approval for expenditures for one specific item or multiples of the same items in excess of \$150,000.
- b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
- c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or his/her designee.
- d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:

- a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
- b) Ensure that appropriate Board policies are put into effect.
- c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
- d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
- e) Recommend changes in policies, practices or procedures to the Board.
- f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
- g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
- h) Review requisitions submitted by School personnel for adherence to Board policy.
- i) Create purchase orders from approved requisitions.
- j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
- k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
- l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
- m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
- n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
- o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
- p) Ensure approved encumbrances are listed in the board of education minutes;
- q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;
- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**B. Requirements for Issuance of Purchase Order**

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Quotations and Competitive Pricing

1. Purchases of items with a cost of \$5,000 or more should be based upon three (3) competitive price quotes, where possible, to obtain the best price possible.
2. Purchases of less than \$5,000 may be made without documented price quotes. When pricing is comparable, such purchase will be distributed equitably among qualified suppliers where practicable.
3. Requisitions and orders cannot be split to avoid quotation requirements.
4. Purchases made from vendors with pricing obtained through the cooperative bidding of the State or another governmental unit or purchasing cooperative as allowed under state law shall be deemed to have been made in conformance with the requirements for quotes or bids and may be utilized when determined to be in the best interest of the School.
5. Every effort should be made to obtain the best quality of goods and services at the lowest possible price. Due to the unique nature of some goods and services, the following are exempt from quotation requirements:
 - a) Expenditures for items which are peculiar to a single vendor and that could not be supplied by other vendors. A completed "Sole Source" affidavit shall accompany all such expenditures and must be approved by the Finance Office.
 - b) Procurement made necessary because of unforeseen emergency, disaster, or act of God that requires immediate acquisition to preserve School property or to protect public health or safety, upon declaration of such emergency by the Superintendent or his/her designee. Ratification of such emergency expenditures shall be required by the Board of Education at the next regularly scheduled Board meeting.
 - c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
 - d) Utility services and postage.
 - e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
 - f) Items purchased with grant funding where the item was specifically approved in the grant.

CONTRACTING AND PURCHASING POLICY (CONTINUED)

D. Contracts, Agreements, and Quotes

Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g. monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or his/her designee may choose to require a Contract Approval Form in all cases.

E. Authorization to Purchase

Purchases that do not require a contract shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price of \$150,000 or more shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000 but greater than \$50,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 but greater than \$50,000 may be made upon approval of the Superintendent or Deputy Superintendent of Finance with the subsequent presentation and approval by the Board.
3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon approval of the Deputy Superintendent for the department initiating the purchase with presentation and approval by the Board as included in the monthly Purchase Order report. Such purchases must be within the allowed budget for the Deputy Superintendent's department(s).
4. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
5. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent or designee.
6. The Board authorizes the Superintendent or his/her designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.
7. All purchase orders must have Board approval prior to the issuance of a warrant/check.

III. Blanket Purchase Orders:

Based on the guidelines provided in state statute (62 O.S. §310.8), the School may issue blanket purchase orders for recurring purchases necessary to maintain day-to-day operations. Purchases under a blanket purchase order are limited to items that are appropriate for the description and account coding shown on the purchase order.

CONTRACTING AND PURCHASING POLICY (CONTINUED)**IV. Conflict of Interest**

No employee, officer, or agent of the School shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees who interact socially with School business partners outside of the work relationship should use good judgment or avoid any situation which could create a perceived conflict of interest or preference.

V. Gifts and Gratuities

A. School employees and members of the Board who are responsible for the selection, recommendation, and approval of School vendors, products, supplies, and services shall abide by the School Laws of Oklahoma which limit an employee from receiving gifts, gratuities, or benefits that would influence the purchase of materials or supplies by the School. All employees are expected to act with honesty and integrity when representing and conducting the School's business.

B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.

C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.

D. Employees who are invited to participate in a customer appreciation event or offered a gift that has a value of \$100 or more must report such gift to the Superintendent or his/her designee prior to acceptance of the gift or participation in the event. The Superintendent or his/her designee will review the request and take action on the request as he/she deems necessary. When in doubt as to whether or not to accept a gift or participate in an activity, it is best to say no and not accept it.

E. Employees may not accept meals, or promotional items from an individual vendor that would have an aggregate value of more than \$100 within a calendar year without reporting them to the Superintendent. With prior approval, employees may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations, training, or fostering needed business relationships.

F. Prizes that are won by an employee through a random drawing, such as a door prize, shall be considered outside the regulations of this policy provided the drawing is not directly associated with a specific business transaction.

Each employee is personally responsible for compliance with all provisions of this policy. Violation of the standards in this policy will result in disciplinary action which may include reprimand, termination of employment, and/or legal action.



Board Approved 11/17/21

WRITTEN COMPENSATION POLICY

The Board of Education of Community Strategies, Inc., as the governing board of Epic Blended Learning Charter (the "District") hereby adopts this policy.

School employees are compensated strictly in accordance with the Oklahoma Charter Schools Act and as allowed by the Charter Agreement between the Sponsor and the Charter Board. This compensation may include performance-based incentives.

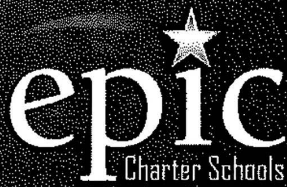
COMPENSATION TERMS

- A. Base Compensation - Employee shall receive a salary of \$1,150 per student assigned to the employee with additional compensation given on a case by case basis for Special Education students you service payable in equal installments on the last day of each month. However, if you are assigned students, as your roster is subject to change, thus is also your compensation. Employer shall deduct or withhold from compensation any and all sums required for federal income and social security taxes, as well as all state or local taxes now applicable or that may become applicable to Employee or Employer in the future. If an employee chooses not to elect health insurance, a cash-in-lieu-of amount will be paid at a lesser rate.
- B. Bonus - As additional compensation for services to be rendered under this Agreement, Employee may be entitled to a bonus on the following basis: Bonus potential is calculated based on three categories:
- 25% - Student Retention
 - 50% - Student Performance
 - 25% - State Standardized Test & MAP Participation

BENEFITS

- A. Insurance - Employer will supply (health, dental, vision, disability, life, other) insurance benefits to Full Time Teachers only. Please refer to the summary plan descriptions for each benefit.

However, salaries may be adjusted based on experience, education, job responsibilities and performance. The board shall also provide for a staff leave program and reimbursement of approved expenses. All employees shall be paid not later than the last business day of the month. All full-time employees who are exempt from the hourly wage requirements of the Fair Labor Standards Act will be paid on a twelve-month basis.



Board Approved 11/17/21

The district will follow its standard travel reimbursement and professional development policies and procedures when spending Award funds, except when a federal requirement is more stringent, in which case the district will adhere to the more stringent requirement. Any travel, conference/professional development participation and expenses will be reasonable, necessary, and related to the federal program tied to the Award.



Board Approved 1-28-22

CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or their designee to purchase materials, supplies, equipment, and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

I. General Policies

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.
- C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law. A contract may extend beyond the current fiscal year only if there is no obligation of public funds for the subsequent year(s). All such contracts must be ratified prior to the issuance of a PO in a subsequent year.

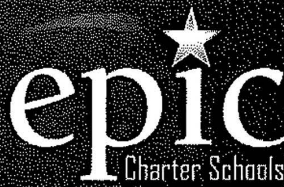
II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

A. Areas of Authority

1. Board of Education. The Board shall:

- a) Give prior approval for any expenditure for one specific item or multiples of the same items in excess of \$150,000.



Board Approved 1-28-22

- b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
 - c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or their designee.
 - d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.
2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:
- a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
 - b) Ensure that appropriate Board policies are put into effect.
 - c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
 - d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
 - e) Recommend changes in policies, practices or procedures to the Board.
 - f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
 - g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
 - h) Review requisitions submitted by School personnel for adherence to Board policy.
 - i) Create purchase orders from approved requisitions.
 - j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
 - k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
 - l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
 - m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
 - n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
 - o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
 - p) Ensure approved encumbrances are listed in the board of education minutes;
 - q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;



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- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

B. Requirements for Issuance of Purchase Order

Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

C. Quotations and Competitive Pricing

- 1. Purchases of items with a cost of \$5,000 or more should be based upon three (3) competitive price quotes, where possible, to obtain the best price possible.
- 2. Purchases of less than \$5,000 may be made without documented price quotes. When pricing is comparable, such purchase will be distributed equitably among qualified suppliers where practicable.
- 3. Requisitions and orders cannot be split to avoid quotation requirements.
- 4. Purchases made from vendors with pricing obtained through the cooperative bidding of the State or another governmental unit or purchasing cooperative as allowed under state law shall be deemed to have been made in conformance with the requirements for quotes or bids and may be utilized when determined to be in the best interest of the School.
- 5. Every effort should be made to obtain the best quality of goods and services at the lowest possible price. Due to the unique nature of some goods and services, the following are exempt from quotation requirements:
 - a) Expenditures for items which are peculiar to a single vendor and that could not be supplied by other vendors. A completed "Sole Source" affidavit shall



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- accompany all such expenditures and must be approved by the Finance Office.
- b) Procurement made necessary because of unforeseen emergency, disaster, or act of God that requires immediate acquisition to preserve School property or to protect public health or safety, upon declaration of such emergency by the Superintendent or their designee. Ratification of such emergency expenditures shall be required by the Board of Education at the next regularly scheduled Board meeting.
 - c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
 - d) Utility services and postage.
 - e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
 - f) Items purchased with grant funding where the item was specifically approved in the grant.

D. Contracts, Agreements, and Quotes

Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g., monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or their designee may choose to require a Contract Approval Form in all cases.

E. Authorization to Purchase

Purchases that do not require a contract shall be made as follows:

1. In excess of \$150,000: A purchase of one specific item or multiples of the same item having an estimated total price of \$150,000 or more shall be made only upon prior approval of such purchase by the Board.
2. Any amount less than \$150,000 but greater than \$50,000: A purchase of one specific item or multiples of the same item having an estimated total price less than \$150,000 but greater than \$50,000 may be made upon approval of the Superintendent or Deputy Superintendent of Finance with the subsequent presentation and approval by the Board.
3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon



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approval of the Deputy Superintendent for the department initiating the purchase with presentation and approval by the Board as included in the monthly Purchase Order report. Such purchases must be within the allowed budget for the Deputy Superintendent's department(s).

4. Purchases of same items are not to be divided in order to circumvent the approved dollar limitations. Quantities of the same item are to be consolidated into a single purchase request whenever possible.
5. Adequate records to substantiate all purchase transactions shall be maintained by the Superintendent or designee.
6. The Board authorizes the Superintendent or their designee to approve emergency expenditures in excess of \$150,000 after consultation with the chair of the Board.
7. All purchase orders must have Board approval prior to the issuance of a warrant/check.
 - a) Issuance of warrants/checks prior to receiving Board approval for purchase orders may become necessary because of an unforeseen emergency, disaster, or act of God. This could also occur if the Board of Education is unable to meet due to a lack of quorum or other unforeseen circumstance. Upon declaration of such an emergency by the Superintendent or their designee, warrants/checks may be issued on non-approved purchase orders on a limited basis in order to ensure continued operation of the school. Ratification of these purchase orders and all warrants/checks issued on non-approved purchase orders shall be obtained from the Board of Education at the next regularly scheduled Board meeting. This emergency and the need to issue warrants/checks shall be communicated to the Board of Education at the time it is declared.

III. Blanket Purchase Orders:

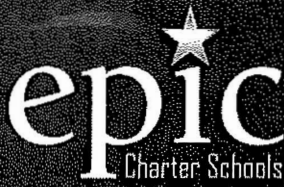
Based on the guidelines provided in state statute (62 O.S. §310.8), the School may issue blanket purchase orders for recurring purchases necessary to maintain day-to-day operations. Purchases under a blanket purchase order are limited to items that are appropriate for the description and account coding shown on the purchase order.

IV. Conflict of Interest

No employee, officer, or agent of the School shall participate in selection or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict of interest would arise when the employee, officer or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Employees who interact socially with School business partners outside of the work relationship should use good judgment or avoid any situation which could create a perceived conflict of interest or preference.

V. Gifts and Gratuities

- A. School employees and members of the Board who are responsible for the selection, recommendation, and approval of School vendors, products, supplies, and services shall abide by the School Laws of Oklahoma which limit an employee from receiving gifts,



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gratuities, or benefits that would influence the purchase of materials or supplies by the School. All employees are expected to act with honesty and integrity when representing and conducting the School's business.

- B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.
- C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.
- D. Employees who are invited to participate in a customer appreciation event or offered a gift that has a value of \$100 or more must report such gift to the Superintendent or their designee prior to acceptance of the gift or participation in the event. The Superintendent or their designee will review the request and take action on the request as they deem necessary. When in doubt as to whether or not to accept a gift or participate in an activity, it is best to say no and not accept it.
- E. Employees may not accept meals, or promotional items from an individual vendor that would have an aggregate value of more than \$100 within a calendar year without reporting them to the Superintendent. With prior approval, employees may accept vendor provided travel, lodging and registration for the purpose of attending professional development conferences, workshops, presentations, training, or fostering needed business relationships.
- F. Prizes that are won by an employee through a random drawing, such as a door prize, shall be considered outside the regulations of this policy provided the drawing is not directly associated with a specific business transaction.

Each employee is personally responsible for compliance with all provisions of this policy. Violation of the standards in this policy will result in disciplinary action which may include reprimand, termination of employment, and/or legal action.



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CONTRACTING AND PURCHASING POLICY

Community Strategies, Inc. as the Board of Education (the "Board") for Epic One On One Charter School (the "School") recognizes that the employees of the School are often required to make purchases or enter into agreements on behalf of the School and/or the Board. The Board authorizes the Superintendent or their designee to purchase materials, supplies, equipment, and services for the School. The following policies will be followed by all employees of the School in purchasing services, supplies, or materials for day-to-day operations of the School. No debt or financial obligation against the School shall be incurred except through properly authorized policies and procedures. All purchases shall be made pursuant to a purchase order system, following established procedures and regulations, and will comply with applicable state and federal laws and regulations of the Oklahoma State Department of Education. This policy applies to purchases made with local, state, and federal funds.

I. General Policies

- A. Employees of the School are not permitted to make purchases for personal use through any fund of the School.
- B. Board designates the Superintendent with authority to enter into contracts on behalf of the School with a maximum authority per contract of \$150,000.
- C. As specified in state law, no contract will be made between the School and any member of the Board, or any business interest associated with a Board member (Reference: 70 O.S. §5-124).
- D. Board members and/or School employees shall not allow travel related expenses for non-school related activities to be paid for or provided by a vendor or a potential vendor.
- E. Employees of contractors used by the School shall be subject to state statutes regarding convictions of felony offenses (70 O.S. §6-104.48). Contractors will declare that no employee working on School property is currently registered under the provisions of the Oklahoma Sex Offenders Registration Act, or any amendments thereto, or other related laws. Felony searches may be conducted in accordance with state statute (70 O.S. §5-142).
- F. The School should not enter into contracts that encumber public funds for more than one (1) fiscal year; or enter into a contract that causes the School to incur a debt except as authorized by law. A contract may extend beyond the current fiscal year only if there is no obligation of public funds for the subsequent year(s). All such contracts must be ratified prior to the issuance of a PO in a subsequent year.

II. Purchasing Procedures

The purchasing procedures are applicable to all School activities utilizing public funds. The procedures apply to expenditures of public funds for construction or for purchase of materials, supplies, equipment or services, as set forth in 70 O.S. §5-123, and 61 O.S. §101-137.

- A. Areas of Authority
 1. Board of Education. The Board shall:
 - a) Give prior approval for any expenditure for one specific item or multiples of the same items in excess of \$150,000.



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- b) Give approval for routine annual expenditures. This would include but not be limited to recurring annual expenditures such as textbooks and testing.
- c) Accept those purchase orders, which are presented on a monthly basis. The business cycle cut-off date shall be the close of business on the Friday preceding the Board meeting or as determined by the Superintendent or their designee.
- d) Review audits by competent outside authorities to assure compliance with established Board policies related to purchasing.
- 2. Superintendent or designee. The Superintendent and/or designee shall administer the policies of the Board as they pertain to purchasing. In addition, the Superintendent or designee shall:
 - a) Require that efficient business practices govern the purchasing of all materials, supplies, services and equipment required in the operation of the School.
 - b) Ensure that appropriate Board policies are put into effect.
 - c) Initiate administrative practices and procedures which when implemented shall efficiently fulfill the educational objectives of the School.
 - d) Determine that all statutory requirements are observed and complied with in all the purchasing procedures.
 - e) Recommend changes in policies, practices or procedures to the Board.
 - f) Authorize the payment of invoices that do not exceed the original purchase order amount by more than ten percent (10%), provided ten percent (10%) variance does not increase the total cost to \$150,000 or more.
 - g) Administer the purchasing procedures and practices for all purchasing activities of the School including all E-Rate services and materials.
 - h) Review requisitions submitted by School personnel for adherence to Board policy.
 - i) Create purchase orders from approved requisitions.
 - j) Require the delivery of an acceptable invoice by document, facsimile, electronic or other standard form with sufficient information to describe the materials, supplies, services and/or equipment being purchased by the School;
 - k) Review purchasing activities, records and documentation for appropriateness and compliance with policies, procedures and acceptable purchasing practices.
 - l) Identify and develop, as necessary, specifications and service improvements to resolve supply problems.
 - m) Ensure the encumbrance clerk first determines that any encumbrance will not exceed the balance of the appropriation to be charged prior to issuance of a purchase order;
 - n) Ensure the encumbrance clerk charges the appropriate appropriation accounts and credits the affected encumbrances outstanding accounts with the encumbrances;
 - o) Ensure the encumbrances are submitted to the board of education in the order of their issuance at each board meeting subject to any monthly business cycle cut-off date;
 - p) Ensure approved encumbrances are listed in the board of education minutes;
 - q) Ensure that before any purchase is completed, a purchase order or encumbrance is issued;



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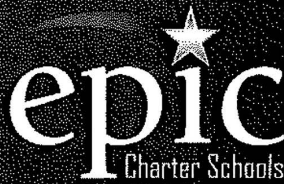
- r) Ensure that prior to any bill being paid for any goods, an itemized invoice clearly describing the items purchased, the quantity of each item, its unit price, and its total cost;
- s) Ensure that the bill and / or invoice is filed in the encumbrance clerk's official records;
- t) Ensure the encumbrance clerk debits the encumbrances outstanding account and credits the accounts payable account for the amount of the approved bill / invoice;
- u) Ensure that an approved bill / invoice is paid by issuing a warrant or check against the designated fund only after ascertaining that proper accounting of the purchase has been made and that the school's files contain the required information to justify the expenditure of public funds; and
- v) Ensure that the Treasurer registers the warrant / check in the warrant / check register, charging the appropriation account and crediting the warrants or checks outstanding account of the designated fund.

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Any material, supplies, service or equipment requested by a duly authorized employee of the School on a purchase requisition shall be purchased by the School provided that the following limitations are complied with: (1) Funds exist in the current year's approved budget; and (2) Proper budgetary assignment of the charge incurred by the purchase shall have been made. Purchase of any material, supplies, services or equipment obligating the Board shall be made only upon issuance of a purchase order or a blanket purchase order.

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- c) Expenditures for professional services provided by uniquely qualified or talented persons including but not limited to speakers, performing artists, audit services, legal services, employment services, medical services, consulting services, travel services and specialty repair or service contracts.
- d) Utility services and postage.
- e) Software licenses, related maintenance agreements, and specialized software; books, films, manuscripts, research references, publication subscriptions, and library materials; and testing and assessment materials that are available only from the sources holding exclusive distribution rights to the materials.
- f) Items purchased with grant funding where the item was specifically approved in the grant.

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Goods and services being purchased on an as needed basis that fall below the thresholds set in Section II-C above that do not require a legal agreement/contract may be procured using a quote or estimate without a Contract Approval Form. Any goods or services that have an ongoing expense commitment (e.g., monthly or quarterly payments, per student fees, hourly rated services) must be approved using the Contract Approval Form regardless of amount. Goods and services that require a legal agreement/contract must be approved using the Contract Approval Form regardless of amount. Any quote or estimate that requires acceptance of indemnity, liability, or any other legally binding terms must be reviewed and approved via the Contract Approval Form. The Superintendent or their designee may choose to require a Contract Approval Form in all cases.

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3. Any amount \$50,000 or less: A purchase of one specific item or multiples of the same item having an estimated total price of \$50,000 or less may be made upon



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- B. Employees, officers or agents shall neither solicit nor accept gifts, gratuities, favors or anything of monetary value from contractors, potential contractors, vendors, or parties to sub-agreements unless specifically provided for in this policy. School vendors shall be informed of the School's policy that any payment (direct or indirect), gift, benefit, or gratuity offered to an employee or member of the board in an effort to influence the business decision to select a specific vendor or product shall be expressly prohibited.
- C. Promotional and advertising novelties with a value less than \$100 are not considered gifts under this policy. Small and clearly identifiable advertising and promotional items such as shirts and hats, infrequent working meals, and food and beverages provided at meetings or social occasions may be accepted. Meals and entertainment shall be infrequent, reasonable, and appropriate. All vendor-provided activities should have a clear business purpose or promote the School's best interest.
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