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POLICY 3-1.1 MANAGEMENT OF FUNDS

The Hanover County School Board shall manage and control the funds made available to the School Board for the public schools and may incur costs and expenses. The division superintendent or his designee shall be responsible for administering the School Board budget consistent with School Board policies and applicable state and federal law. The division superintendent or his designee shall use appropriate fiscal planning and management methods modeled after the best accepted business practices and directed toward the educational goals of the school division.

If the Hanover County Board of Supervisors approves the School Board budget by total expenditures, funds may be transferred by the School Board from one category to another. If funds are appropriated by major classifications, no funds shall be expended by the School Board except in accordance with such classifications without the consent of the Board of Supervisors. The division superintendent or his designee may be authorized by the School Board to make line item transfers within a category.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-89 through 22.1-124; Virginia Board of Education Regulations Governing Classification of Expenditures, 8VAC 20-210-10 and Governing Financial Retention Schedule, 8 VAC 20-260-10.

Recodified: August 2000

ACCOMPANYING REGULATION

REGULATION 3-1.1 BUDGET: TRANSFER OF FUNDS

In accordance with Policy 3-1.1, the division superintendent is authorized to transfer funds within major budget categories. Transfers within the major budget categories that do not affect the categorical totals require approval as follows:

1. Budget transfers in excess of \$75,000 must be approved by the School Board.
2. The division superintendent must approve budget transfers in excess of \$20,000 and up to \$75,000.
3. The division superintendent’s designee may approve budget transfers up to \$20,000.

Budget transfer requests will be initiated and approved by the cost center manager on the appropriate form. The request will provide specific justification for the requested budget transfer. The financial services office will maintain a log of all budget transfers, which will be available for School Board review.

POLICY 3-1.2 TEXTBOOK FUNDS

The Hanover County School Board shall maintain a separate fund to account for all textbook expenditures and receipts. Funds from textbook sales, including the cost of replacing lost and damaged textbooks, shall be received, accounted for and disbursed in compliance with regulations of the Virginia Board of Education. All individual school textbook accounts shall be audited at least once per year.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-251; Virginia Board of Education Regulations Governing Textbook Fund Management and Handling on Local Level, 8 VAC 20-270-10.

Recodified: August 2000

POLICY 3-1.3 CAFETERIA FUNDS

The Hanover County Public Schools' food service and cafeteria program shall be maintained on a self-sustaining basis. In the event that funds for the operation of the program appear to be insufficient during the fiscal year, the Hanover County School Board may appropriate such funds as are necessary to sustain the current program. All cafeteria funds shall be accounted for in a separate bank account.

School Food Services/Cafeteria Budget

The division superintendent or his designee has the responsibility of presenting to the School Board a school food services/cafeteria budget in which estimated receipts of cash and commodities are balanced with the estimate of disbursements required to run the food services program in a manner that satisfies state and federal requirements. For further information about the school cafeteria program operation, please see Policies 4-5.1 and 4-5.2.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-24, 22.1-89.1, 22.1-207.3; Virginia Board of Education Regulations Governing School Breakfast Programs, 8 VAC 20-580-10 and Governing School Lunch –Sale of Food Items, 8 VAC 20-290-10.

Recodified: August 2000

POLICY 3-1.4 RECORD KEEPING

Generally

The division superintendent and/or the designated records manager for the Hanover County Public Schools shall assume the responsibility for seeing that all records are retained in a safe, economical and efficient manner in compliance with Virginia law, Virginia Board of Education regulations, and state and local retention schedules and regulations as further defined in the manual for Hanover County Public Schools Records Management. No records shall be destroyed without the authorization of the division superintendent or designated records manager on forms of the Virginia State Library and Archives.

Responsibility

The division superintendent or his designee shall keep an accurate account of all receipts and disbursements of school funds. Such records shall be kept by the clerk of the School Board under supervision of the division superintendent. The division superintendent shall inspect the accounts of the clerk of the School Board frequently to see that such accounts are neatly and accurately kept and that all school funds are properly applied.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-16, 22.1-17, 22.1.20, 22.1-68, 22.1-89.2, 22.1-280.1, 22.1-287 through 22.1-289; Virginia Board of Education Regulations, Governing Financial Retention Schedule, 8 VAC 20-260-10.

Recodified: August 2000

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3-2.1 ANNUAL OPERATING BUDGET

3-2.2 CAPITAL IMPROVEMENT PLAN

POLICY 3-2.1 ANNUAL OPERATING BUDGET

The Hanover County School Board annual budget is the financial outline of the Hanover County Public Schools' education and support programs. It presents a proposed plan of expenditures and the expected means of financing those expenditures. After adoption, it provides the primary means of managing expenditures.

The fiscal year is defined as beginning on the first day of July and ending on the thirtieth day of the following June.

The division superintendent is responsible for seeing that the annual school budget is prepared and presented to the School Board for adoption. The annual budget will reflect estimated revenues, sources of these revenues, estimated expenditures, and the planned amounts which may be spent under each account code.

The division superintendent or his designee shall prepare a budget calendar identifying all deadlines for the annual budget making process. The calendar shall include a work session for reviewing the budget and at least one public hearing on the budget. Notice of the time and place for the public hearing must be published at least ten days in advance, in a newspaper having general circulation within the school division.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 15.2-2500 through 15.2-2513, 22.1-90 through 22.1-95, 22.1-97 through 22.1-98; Virginia Board of Education Regulations Governing Classification of Expenditures, 8 VAC 20-210-10, and Governing Reduction of State Aid When Length of School Term Below One Hundred Eighty School Days, 8 VAC 20-520-10.

Recodified: August 2000

ACCOMPANYING REGULATION

REGULATION 3-2.1 PREPARATION AND APPROVAL

Preparation

On or before March first of each year the division superintendent shall present to the Hanover County School Board an operating budget which contains a complete financial plan for the operation of the public schools for the ensuing fiscal year. The budget shall be organized in accordance with state law and guidelines set forth by the Virginia Board of Education and shall contain both a line-item and program expenditure format.

Public Hearings

Opportunity shall be provided for the public to be heard regarding its educational priorities both before and after the formulation of the division superintendent's budget.

Board Approval

On or before April 1 the School Board shall act to approve (with or without revision) the division superintendent's budget and shall forward it to the Hanover County Board of Supervisors, together with a request for approval of the budget and the required appropriation. Included with the budget shall be a message from the division superintendent containing a description of the important features of the budget plan, an explanation of all salient changes in estimated receipts and recommended expenditures as

compared with the current and preceding fiscal years and a summary of the proposed budget showing these comparisons.

Final Board Action

Following action by the Hanover County Board of Supervisors on the total budget, the School Board shall give final approval to the budget within the framework of the funds available.

POLICY 3-2.2 CAPITAL IMPROVEMENT PLAN

The Hanover County School Board, in cooperation with the division superintendent, shall draft a capital improvement plan which will project school division capital needs over a ten-year period, and as is further described in School Board Policy 4-3.2. Individual capital projects shall be assigned priorities. The plan shall be reviewed and updated annually. Copies shall be submitted to the Hanover County Board of Supervisors.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-79 (3), 22.1-253.13:6 (A).

Recodified: August 2000

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POLICY 3-3.1 CUSTODY AND DISBURSEMENT OF SCHOOL FUNDS

All public money, except money generated by school activities and classified "school activity fund (internal) accounts" (see School Board Policy 3-3.9), must be deposited with the Hanover County Treasurer, who shall be in charge of the receipts, custody and disbursement of Hanover County School Board funds. Checks must be drawn on the School Board account by the Hanover County Treasurer, Hanover, Virginia.

Receipt/Disbursement of Funds

The School Board shall receive monthly reports regarding the receipt of revenues and the expenditure of school funds. The School Board authorizes the fiscal agent (discussed in "Authorized Signatures" below) to receive revenue and make payments on behalf of the School Board and under the supervision of the division superintendent.

State Funds

State funds, both categorical and general, are based upon objective formulae. The division superintendent or his designee shall file the reports and forms to secure the amount of state funds to which the school board is entitled.

Federal Funds

The receipt and use of federal funds must be approved by the School Board. The School Board may request of the Hanover County Board of Supervisors an appropriation in anticipation of the receipt of federal funds for any specific project or program. The funds for such federally funded program or project shall be maintained and accounted for in accordance with state and federal requirements.

Authorized Signatures

Authorized signatures for all checks for the payment of claims against the School Board shall be those of the Hanover County Administrator and the Hanover County Treasurer. The School Board shall, at its annual organizational meeting, appoint an agent to represent the School Board in financial and contractual matters, including review and approval of all claims. A record of such approval and order or authorization shall be made and kept with the records of the School Board.

Personal Loans

No personal loans of any kind shall be made from school funds.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-88 through 22.1-90, 22.1-116, 22.1-122.

Recodified: August 2000

POLICY 3-3.2 FINANCIAL ACCOUNTING AND REPORTING

The division superintendent or his designee shall establish and be responsible for implementing an accounting system that satisfies the Virginia Department of Education's regulations regarding accounting practices and that is consistent with applicable federal, state, and local laws. The Hanover County School Board shall receive monthly financial statements, including statements of revenues and expenditures, showing the financial condition of the school division as of the last day of the preceding month.

Inventories

The division superintendent or his designee shall be responsible for the inventory of all fixed assets of the school division. Each school shall keep a complete inventory of all equipment listing the make, source, date of purchase, model, serial number, and other identifying data.

School Level Accounting System

Each school is required to maintain an accurate, up-to-date accounting system of all money collected and disbursed by the school. These funds will be deposited in accounts in the name of the school. Each school shall keep a complete inventory of all equipment, listing the make, source, date of purchase, model, serial number, and other identifying data.

A record of all receipts and disbursements will be maintained in accordance with the Hanover County Student Activity Funds Procedures Manual (see Policy and Accompanying Regulation 3-3.9) as promulgated by the division superintendent and in accordance with regulations issued by the Virginia Board of Education.

Each principal shall prepare and forward to the division superintendent or his designee monthly financial statements, including a statement of revenues and expenditures, showing the financial condition of the school as of the last day of the preceding month.

Audits

In accordance with state and federal law, all financial records of the school division will be audited following the close of each fiscal year.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 15.2-2511, 22.1-68, 22.1-90, 22.1-115 through 22.1-121, 22.1-122; Virginia Board of Education Regulations Governing Financial Records Retention Schedule, 8 VAC 20-260-10; Governing Textbook Fund Management and Handling on Local Level, 8 VAC 20-270-10; Governing School Lunch Sale of Food Items, 8 VAC 20-290-10; Governing School Activity Funds 8-VAC 20-240-10; and Governing the School Breakfast Programs, 8 VAC 20-580-10.

Recodified: August 2000

POLICY 3-3.3 REPORTING PER PUPIL COSTS

The division superintendent shall annually notify each parent, guardian or other person having control or charge of a child enrolled in the Hanover County Public Schools in writing, of the estimated per pupil cost for public education in the school division for the coming year. Such notification shall include all information prescribed by the Virginia Board of Education and shall comply with § 22.1-92 (A) of the Code of Virginia.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-92 (A).

Recodified: August 2000

POLICY 3-3.4 PETTY CASH FUNDS

The Hanover County School Board may, by resolution, establish one or more petty cash funds not exceeding \$2,000 each. Each such fund shall be established and administered consistent with the provisions of Virginia Code § 22.1-123. All expenditures from petty cash funds shall be supported by receipts. Any such fund shall be handled as an imprest fund and reimbursed by check on a regular bank account so that the sum remaining in the fund and the amount expended as shown by the receipts shall remain constant at all times.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-123.

Recodified: August 2000

POLICY 3-3.5 PURCHASING

The Hanover County School Board will seek to procure high quality goods and services at reasonable cost and will ensure that all procurement procedures are conducted in a fair and impartial manner in accordance with the Virginia Public Procurement Act and the State and Local Government Conflict of Interests Act. The division superintendent and/or his designee shall have overall administrative responsibility for the management and control of the funds made available to the School Board for the purchases of goods and services for the school division.

All purchasing for the school division using appropriated funds shall be accomplished using the service and support of Hanover County’s Purchasing Division and in compliance with Hanover County’s purchasing policies, regulations and procedures. In his role as the school division’s fiscal agent, the assistant superintendent of business and operations or his/her designee shall serve as purchasing agent for the school division. In this capacity, the assistant superintendent of business and operations or his/her designee shall approve all school division requests for purchases using appropriated funds. Any purchase made contrary to the provisions hereof is not authorized and the School Board shall not be bound thereby.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 2.2-3100 through 2.2-3131, 2.2-4300 through 4377, 22.1-89 and 22.1-296.1

*Recodified: August 2000
Amended: August 14, 2007, September 10, 2013*

ACCOMPANYING REGULATION

REGULATION 3-3.5 PURCHASING

These purchasing regulations are established in accordance with the Virginia Public Procurement Act for use by employees of the Hanover County Public Schools, who, in the course of their duties, must procure goods and services by the expenditure of public funds. Strict adherence to these procedures will ensure that optimum value is received for each taxpayer dollar spent and that school division requirements are met in a timely manner. The success of the purchasing process depends upon all employees conscientiously following these procedures.

These purchasing procedures are not designed to answer every question relating to purchasing. Rather, they provide the foundation for an efficient system meeting the needs of the school division.

Purchasing Responsibilities

Purchasing, receiving and property control are responsibilities shared among school employees as follows:

Division Superintendent

The division superintendent shall have administrative responsibility for all purchasing by the school division. The division superintendent shall establish procedures that will provide the foundation for an efficient procurement system and will meet the procurement needs of the school division.

Assistant Superintendent of Business and Operations

The assistant superintendent of business and operations shall serve as purchasing agent for the school division. In this capacity, the assistant superintendent of business and operations shall purchase or contract for all supplies, materials, equipment and contractual services required by the school division, subject to federal and state law and

School Board policies. The assistant superintendent of business and operations shall direct and manage all phases of the School Board's purchasing system.

As fiscal agent for the school division, the assistant superintendent of business and operations is the only school board appointee that may obligate the assets of the district. As such, any contract using appropriated funds must bear the signature of the assistant superintendent of business and operations.

Principal/Cost Center Manager

The principal/cost center manager shall make the determination of needs at his site, and shall follow the appropriate purchasing method to acquire services and materials to satisfy those needs. He shall ensure that purchases are charged to the proper budget code and are made within available funds.

Purchasing Department

The purchasing department shall provide service and support in the procurement process for the entire school division. Purchasing department personnel shall serve as a resource for principals/cost center managers for the acquisition of goods and materials and evaluation of products and vendors. The purchasing department shall seek to ensure that procurement procedures follow applicable laws and policies, and that goods and services are available when needed and at a reasonable cost.

School Board Attorney

The School Board attorney shall review contracts as requested by the division superintendent or assistant superintendent of business and operations.

Contact With Vendors

No agents, salespersons, or solicitors shall engage in any sales activities with teachers or students at a school without written permission of the division superintendent's office. Such written permission shall first be presented to the principal of the school. Teachers should not be called from class to meet with salespersons. An exception to this policy may exist when the principal authorizes individual staff members to contact an individual salesperson or solicitor.

General Methods of Procurement

Fair and open competition is a basic tenet of public procurement. It reduces the opportunity for favoritism and inspires public confidence that contracts are awarded equitably and economically. A variety of procedures are available to legally contract for goods and services that meet the test of fair and open competition. Some of the procedures also recognize that the time and expense involved do not warrant more formal means of competition for lower value orders. Depending upon the circumstances, purchasing personnel will select the most appropriate methods to use.

Quotes obtained from vendors are of two types: informal or formal. An informal quote is a quote obtained by the principal/cost center manager or purchasing office when a written solicitation is not issued. Informal quotes may be either obtained by telephone or in writing. A formal quote is a quote obtained by the purchasing office for which a written solicitation is issued. Formal quotes must be written. Note that a purchase order is required for any purchase exceeding \$5,000.

The general methods of procurement which will normally be used are:

I. Small Purchases - Not Exceeding \$30,000.00

Any procurement not exceeding \$30,000 may be made by following this procedure, provided that the requirements are not artificially divided so as to circumvent competitive sealed bidding requirements.

Negotiation and competition are major components of small purchase procurement, even though competitive sealed bidding is not required. The following procedures should be followed:

a. Purchases -Not Exceeding \$5,000.00

Principals/cost center managers may make direct small purchases valued at less than \$5,000 (including any shipping charges involved) at their discretion and within their available funds, provided delivery is expected within 30 days. Such purchases must be charged to the proper budget code, as determined by the finance department. Lack of appropriate available funds may result in denial of payment from division funds and the individual placing the order being held personally responsible for payment. If this procedure is used, vendor invoices must be directed to the principal or cost center manager's attention. Once the invoice is received, it should be attached to a payment voucher (Exhibit A) and sent to the accounts payable department for payment. If delivery of goods/services is expected within 30 days, neither a purchase requisition nor a purchase order is required. If delivery of goods/services is expected to extend beyond 30 days, a purchase requisition (Exhibit B) must be submitted to the purchasing department so that a purchase order (Exhibit C) can be generated (See subsection b, below). This will ensure a timely commitment of school funds prior to acquisition of the goods/services.

A **single** informal quote may be obtained for the purchase of goods/services not costing more than \$5,000. Purchases may not be arbitrarily "split" to qualify under the \$5,000 limit.

Small Purchase (or Procurement) Cards

Purchasing cards (P-Cards) offer the School Division the opportunity to streamline its procedures for procuring and paying for small dollar goods and services. The P-Card program reduces the volume of accounts payable transactions and the associated administrative costs by eliminating vendor invoices and consolidating multiple vendor payments into one monthly payment to the contracted charge card vendor. The P-Card also provides a means by which goods may be purchased for the school division via the Internet.

While the use of a P-Card leads to accounting efficiencies, school employees must maintain strict internal control over the use of cards and ensure that relevant procurement guidelines are observed. The P-Card should be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures.

Reference the P Card Procedure Manual for additional information.

b. Purchases from \$5,000.01 - \$15,000.00

A minimum of **three informal quotes** must be obtained for any purchase of goods/services expected to cost between \$5,000.01 and \$15,000.00. Purchases may not be arbitrarily "split" to qualify under the \$15,000 limit. Particularly where a service is involved, an effort should be made to define the character, quality and scope of the services. For goods, a similar effort should be made to develop a brief summary of the desired characteristics and quality of the commodity. This can be done in reference to performance, physical characteristics, or both.

Purchases in this category require the submission of a purchase requisition to the purchasing department. The principals/cost center managers may submit a purchase requisition with a description of the goods/services to be procured and then the purchasing office will obtain the required quotes; **or**, the principal/cost center managers may obtain the required quotes and submit a purchase requisition with quotes attached or listed on the back of the purchase requisition. All information requested on the back of the requisition form should be completed for each additional vendor contacted.

The purchasing office may obtain additional quotes and must approve the award; therefore, vendors should not be given authorization to deliver goods/services and should not be given competitors' names, other prices quoted or be notified of the apparent low quote until a purchase order has been issued. The issuance of the purchase order becomes the award. Prior to award, vendors should not be provided any information about other vendors' quotes.

c. Purchases from \$15,000.01 - \$30,000.00

Only Purchasing Department staff may purchase goods or services that exceed \$15,000. They will solicit the three required (informal) quotes. The school division requires that a purchase order be issued and vendors should not deliver goods or perform services without a written purchase order.

II. Purchases over \$30,000.00

Prequalification of Bidders

The division superintendent or his designee, upon consultation with appropriate personnel, is authorized to prequalify bidders prior to any solicitation of bids, whether for goods or services, by requiring prospective bidders to submit such information as the division superintendent or his designee and appropriate personnel shall deem appropriate, including samples, financial reports, and references; provided, however, that opportunity to prequalify shall be given to any prospective bidder and a determination of failure to qualify shall be documented by the division superintendent or his designee.

In considering any request for prequalification, the division superintendent or his designee shall determine whether there is reason to believe that the bidder possesses the management resources, financial soundness, and history of performance which indicate apparent ability to successfully complete the plans and specifications of the invitations for bid. The division superintendent or his designee may employ standard forms designed to elicit necessary information.

Prequalification of a bidder shall not constitute a determination that the bidder is responsible, and such bidder may be rejected as nonresponsible on the basis of

subsequently discovered information. Failure of a bidder to prequalify with respect to a given procurement shall not bar the bidder from seeking prequalification as to future procurements, or from bidding on procurements which do not require prequalification.

Formal Written Quotes – Goods & Nonprofessional Services Purchases \$30,000.01 to \$50,000.00

Only Purchasing Department staff may solicit and receive formal written quotes. A minimum of four quotes is required and a purchase order is required. For services only, a written two-party contract is required. The school division requires that a purchase order be issued and vendors should not deliver goods or perform services without a written purchase order.

Formal Bids and Contracts - Purchases greater than \$30,000.00 for Professional Services and \$50,000 for Goods or Nonprofessional Services

The division superintendent or his designee shall provide for the purchase of goods and services exceeding \$30,000. Said purchases shall be made in accordance with School Board policies and in compliance with the Virginia Public Procurement Act.

Formal bid procedures are required for all purchases of professional services that exceed \$30,000 or leases of supplies, materials, equipment or nonprofessional services requiring an estimated expenditure of \$50,000 or more. For the purchases of such goods and services, one of two (2) methods of procurement may be followed as permitted by applicable law:

Competitive Sealed Bidding

Only Purchasing Department staff may issue and receive competitive sealed bids. This method of procurement involves:

1. The issuance of an Invitation for Bid with a purchase description/specification and all contractual terms and conditions applicable to the procurement.
2. A public opening of bids at a predesignated time and place.
3. Unconditional acceptance of a bid without alteration or correction, except as authorized by law or regulation.
4. Award of the contract to the responsive and responsible bidder who has submitted the lowest bid that meets the requirements and criteria set forth in the Invitation for Bid.

Competitive Sealed Bidding is not required for the procurement of professional services. All facets of the bidding process will be conducted by the purchasing office and all requests for bids and proposals shall be prepared for the signature of the assistant superintendent of business and operations. Bid bonds, payment bonds and performance bonds will be required for formal bid purchases in cases where there is a significant potential for loss to the School Board resulting from unacceptable performance or default.

After selection of the successful vendor, a contract may be prepared by the School Board and the vendor, with legal assistance from the School Board's attorney as necessary. The assistant superintendent of business and operations shall sign all contracts as fiscal representative of the School Board.

Competitive Negotiations

Where permitted by law, including for the acquisition of professional services, the School Board may purchase goods and services through competitive negotiations.

Only Purchasing Department staff may issue and receive Requests for Proposals. This method of procurement involves:

1. Issuance of a written Request for Proposal (RFP) indicating in general terms that which is sought to be procured, specifying the factors which will be used in evaluating the proposal and containing or incorporating by reference the other applicable contractual terms and conditions, including any unique capabilities or qualifications which will be required of the contractor.
2. Public notice of the RFP at least ten (10) days prior to the date set for receipt of proposals by posting in a public area normally used for posting of public notices or by publication in a newspaper of general circulation in the area in which the contract is to be performed, or both. In addition, proposals may be solicited directly from potential contractors.

Selection must be made from two (2) or more offerors deemed to be fully qualified and best suited among those submitting proposals on the basis of the factors involved in the Request for Proposal, including price, if so stated, of the offerors so selected. Price shall be considered, but need not be the sole determining factor. Should the School Board determine in writing that only one offeror is fully qualified, or that only one offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that offeror.

Change Orders

Change orders are required for increases in purchase orders that exceed 10% of the total purchase order amount. For example, a purchase order that was issued for \$50,000 must have a change order issued if the cost increases by \$5,000 or more.

Change orders must be requested on purchase requisition forms. The form is completed as usual with a notation that it is a change order to a previously issued purchase order. THE PURCHASE ORDER NUMBER MUST BE INCLUDED ON THE REQUISITION. Backup documentation for the change order must be attached to the requisition.

No fixed-priced contract may be increased by more than twenty-five percent (25%) of the amount of the contract or \$50,000, whichever is greater without the advance written approval of the School Board.

III. Special Procurement Situations

Non-Competitive Negotiations

Sole Source

A contract may be awarded without competition when the division superintendent or his designee determines in writing, after conducting a review of available sources, that there is only one source for the required goods or services. The division superintendent or his designee shall conduct negotiations, as appropriate, as to price, delivery and terms. A record of the sole source procurement will be maintained in the permanent files of the purchasing department. The School Board shall issue a written notice stating that only one source was determined to be practicably available and identifying that which is being procured, the contractor selected, and the date on which the contract was or will be awarded. The notice shall be posted on the Hanover County Public Schools website, and in addition, may be published in a newspaper of general circulation on the day the School Board awards or announces its decision to award the contract, whichever occurs first.

Emergency Procurement

An emergency shall be deemed to exist when goods or services are needed to restore or continue an essential service and where the time required to follow normal purchasing procedures may endanger the safety, health or welfare of the public or of the School Board's employees or facilities.

The assistant superintendent of business and operations and others whom the division superintendent may designate are authorized to make purchases under emergency conditions. Emergency procurement shall be made with such competition as is practicable under the circumstances. A written determination of the basis for the emergency and for the selection of the particular contractor shall be included in the contract file. The School Board shall issue a written notice stating that the contract is being awarded on an emergency basis, and identifying that which is being procured, the contractor selected, and the date on which the contract was awarded or will be awarded. The notice shall be posted on the Hanover County Public Schools website, and in addition, may be published in a newspaper of general circulation on the day the School Board awards or announces its decision to award the contract, whichever occurs first, or as soon thereafter as is practicable.

IV. Participation of Small, Minority, Service-Disabled Veteran, and Women Owned Businesses

The purchasing department shall administer a program to facilitate small, minority-owned, service-disabled veteran and women-owned business participation. This program shall include, but not be limited to the following:

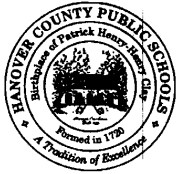
Competitive sealed bids and requests for proposals, or notices of the issuance thereof, shall be posted to eVA for the applicable categories for the goods/services sought. eVA includes certified SWAM vendors as provided by the State Department of Minority Business Enterprise. All SWAM vendors for selected commodity codes will receive notification through eVA.

V. Purchasing Procedures

The Finance Office shall from time to time publish and distribute purchasing procedures to those employees whose positions require supervision or administration of procurement of goods and services. Such published procedures shall be maintained in each school building principal's office and the finance office.

Revised: March 23, 2004, August 19, 2008, July 1, 2011, September 6, 2012

EXHIBIT C



Hanover County Public Schools

200 BERKLEY STREET
ASHLAND, VIRGINIA 23005-1399
TELEPHONE (804) 365-4500
FAX (804) 365-4661

PURCHASE ORDER NO.	CHANGE ORDER NO.

Purchase Order Number must appear on all packages, invoices and shipping papers.
Please send two copies of all invoices.

VENDOR: (Please see reverse for instructions to vendors.)

BILL TO:

SHIP TO:

PHONE:

FAX:

VENDOR NO.:

FEI/SS NO.:

ISSUE DATE		DATE REQUIRED		REQ. NO.	E.O.B.	PAYMENT TERMS	
ITEM	QTY	UNIT	DESCRIPTION			UNIT PRICE	EXTENDED PRICE

BUDGET CODES

AMOUNT

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FOR QUESTIONS CONCERNING THIS ORDER, PLEASE CONTACT:

PURCHASING AGENT

POLICY 3-3.6 VENDOR RELATIONS

Generally

No vendor, agent, or sales representative may enter the Hanover County Public Schools to advertise or sell goods or services to employees or students unless otherwise provided herein. Any person/persons found soliciting goods or services to students and employees in the public schools or on School Board property during school hours shall be subject to legal action.

Vendors will not be permitted to make appointments with individual Hanover County School Board employees without the permission of the principal and/or the division superintendent or his designee. No vendor will be permitted to arrange demonstrations of products or services, take orders for goods or services to be used for a trial period, or take orders to be billed to the school or school division without prior authorization from the division superintendent or his designee.

This does not prevent authorized representatives of firms regularly supplying goods and services to the school division from having access to the schools in the course of their routine business duties.

Sales to Students

The sale of items during the school day, other than food in the cafeteria, shall be limited to those items and times approved by the division superintendent or his designee. The proceeds from any such sales shall be used for school-related activities.

Vending Machines

Vending machines dispensing food, beverages, or personal necessities for student consumption and use are permitted in the schools subject to state and federal school food service regulations and to approval by the division superintendent or his designee.

Sales After School Hours

The division superintendent or his designee may permit school-sponsored organizations to sell food items and materials related to the school after school hours.

Concessions

School-related organizations may sell food and other items to spectators at athletic events under regulations of the division superintendent or designee (see School Board Policy and Regulation 3-3.9 and Hanover County Public School's Student Activity Fund Manual). The proceeds from such sales shall be for the benefit of school-related or student activities.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-293(B, D) 11-75, 11-76, 11-77, 11-78.

Recodified: August 2000

POLICY 3-3.7 PAYROLL PROCEDURES

Pay Schedule

All salaries and supplements paid to regular Hanover County School Board employees, substitute or part-time personnel, and student workers will be paid in accordance with the payment schedule approved by the School Board. The payroll office will maintain records that accurately reflect the compensation and related benefits of each employee.

Salary Deductions

Federal and state taxes will be automatically deducted from each school board employee's paycheck based on the most recent withholding statement provided by the employee. In the absence of a withholding statement, deductions will be made based on federal and/or state tax regulations. A list of all voluntary deductions available to employees will be published annually and provided to all employees. Any additional voluntary deduction requests must be recommended by the division superintendent and approved by the School Board.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-296.

Recodified: August 2000

POLICY 3-3.8 TRAVEL AND EXPENSES

Generally

The Hanover County School Board encourages attendance and participation by school personnel at professional meetings, conferences, and other functions that contribute to professional growth and improvement. See School Board Policies 5-4.5, 5-5.6, and 5-7.6. Requests for reimbursement from School Board funds for cost associated with attending such professional; growth opportunities will be honored only for travel approved in advance by cost center managers and for which a statement of travel, with supporting documents, is submitted at the conclusion of the trip.

Advances on Expenses

The School Board may authorize the proper supervisory employees to make an advance for travel expenses upon presentation of an estimate of expenses to be incurred. Advances will be applied against a final itemized statement of actual expenses and any funds advanced in excess of actual expenses shall be immediately refunded. Upon failure to submit an itemized statement with required documentation, the entire amount of the advance shall be returned.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-67, 22.1-78, 22.1-122, 22.1-253.13:5, and 22.1-296.

Recodified: August 2000

ACCOMPANYING REGULATION

REGULATION 3-3.8 TRAVEL AND EXPENSES

Purpose

To establish guidelines and procedures for budgeting and administering travel funds and expenses incurred by school division personnel while engaged in approved official business. Official school business is that which is related to personal professional growth, job related activities, or district representation.

Travel and expenses associated with federal grant monies will be reimbursed in accordance with the Commonwealth of Virginia Travel and Meal Guidelines.

Definitions

Cost Center Manager is defined as the individual who is responsible for budgeting, approving and tracking expenditures for a given school or department. The cost center manager's signature is required as approval for all expenditures charged to their respective cost center.

Local Travel is defined as any school related travel (i .e. school to school, local meetings) within the Metro Richmond area. The Metro Richmond area includes Hanover, Henrico and Chesterfield Counties, the City of Richmond or any location within 30 miles of the Hanover County border.

Non-local Travel is defined as all other locations not identified above.

Alternative method of reimbursement is defined as the Federal Government's Prescribed Maximum Per Diem allowance for the specific destination (city). The per diem allowance is intended to cover all meals incurred by an individual engaged in a district supported travel activity. If the per diem method is selected the employee does not have to submit actual receipts. The employee may elect to submit actual receipts in lieu of the per diem amount if actual expenses exceed the daily allowance.

If an employee's travel encumbers only a portion of a day and all meals do not qualify for reimbursement the following apportionment applies:

Breakfast	20% of the allowable per diem amount
Lunch	30% of the allowable per diem amount
Dinner	50% of the allowable per diem amount

Responsibility

The cost center manager is responsible for ensuring compliance with the provisions of this regulation and for verifying the appropriateness of the travel. The Department of Finance is responsible for verifying the accuracy of the reimbursement voucher and for ensuring that the expenses comply with regulation guidelines and are properly documented.

Guidelines/Procedures

Budget

Every cost center shall include anticipated travel expenses in its annual budget submission as directed in the budget development package.

Cash Advance

In accordance with School Board Policy 3-3.9, the School Board may authorize the cost center managers to make an advance for non-local travel expenses upon presentation of an estimate of expenses to be incurred. Advances will be applied against a final itemized statement of actual expenses or per diem allowance and any funds advanced in excess of actual expenses shall be immediately refunded. An itemized statement and substantiation of expenses (if the per diem allowance is not used) shall be submitted within 10 working days of the employees' return. Failure to

submit an itemized statement with required documentation will result in forfeiture of the entire amount of the advance.

Estimate of expenses should be submitted on the HCPS " Professional Activity Permission Request" form.

Requests for cash advance should be submitted on the HCPS "Payment Voucher" form with appropriate documentation attached (i.e. copy of conference registration form).

Local Travel

Mileage Reimbursement

If possible, a school vehicle should be used for travel. However, if a school vehicle is not available and a personal vehicle is used, mileage reimbursement will be provided based on the roundtrip distance between the site of the employee's origination and destination. Reimbursement will be based upon the Internal Revenue Service allowable mileage rate.

Parking Fees, Tolls, etc.

Employees are entitled to reimbursement for parking fees, tolls, and public transportation costs incurred during the conduct of official business. Original receipts are required for reimbursement.

Requests for reimbursement for local mileage, parking, etc. expenses should be submitted on the HCPS "Statement of Travel and Expenses" form with original receipts attached by the 5th of the month following date of travel.

Meal Reimbursement

Employees who attend official meetings, conferences, seminars, or other work-related activities that **meet through the mealtime**, may request actual reimbursement or the prescribed portion of the Richmond per diem rate. If reimbursement for actual expenses is requested, an original receipt is required.

It is the intent of this regulation to reimburse an employee only for meals that are expected as part of the actual activity. If the meeting is suspended during the mealtime or ends prior to the normal mealtime, reimbursement should not be requested.

Requests for reimbursement for local meals should be submitted on a HCPS payment voucher.

Non-Local Travel

Meal Reimbursement

Reasonable meal expenses for non-local travel will be reimbursed at the actual expense or the alternative federal per diem rate, including taxes and tips. For situations in which expenses for meals are not incurred by the employee (e.g. meals are included in registration fees) or for the days in which traveling to/from destination occurs, the

employees will be reimbursed for allowable meals at the actual expense or the prescribed portion of the per diem allowance for that city, rounded to the nearest whole dollar.

Receipts must accompany any request for actual expense reimbursement. It is not necessary to submit receipts if the alternative per diem reimbursement is requested.

Lodging

The cost of lodging includes the room charge and applicable lodging taxes only. Any additional expenses associated with the room (i.e., room service, movies, tips etc.) are not reimbursable.

The employee will be reimbursed for the cost of the "standard" conference hotel room or at a rate comparable to conference room rate. If the employee selects an upgrade from the standard room, the employee will be responsible for the additional charge. If travel does not involve a conference-designated hotel, an attempt should be made by the employee to select the most reasonable alternative.

Transportation

The mode of transportation should be the most cost effective for the school division. If the employee elects an alternative, more costly mode of transportation, the excess charge will not be reimbursed.

Employees are encouraged to use school vehicles for official travel in compliance with the vehicle policy. Use of school vehicles must be prearranged with the Department of Support Services. Expenses for gas, tolls, parking, etc. are reimbursable with receipts.

Requests for reimbursement for all non-local travel expenses should be submitted on a HCPS "Payment Voucher" or 'Professional Conference Reimbursement of Expense Request' form.

Adopted: August 19, 2003

POLICY 3-3.9 SCHOOL ACTIVITY FUNDS

All funds derived from extracurricular school activities, at individual Hanover County schools, such as entertainment, athletic contests, club dues, materials fees and other activities of the school involving school personnel, students or property shall be classified as internal school accounts and shall be administered in accordance with regulations of the Virginia Board of Education.

The division superintendent shall provide all Hanover County schools a student activity fund accounting manual that provides detailed procedures for safeguarding, accounting for, and managing activity funds in accordance with Board of Education regulations. All funds received in connection with school activities shall be handled under the budgetary control of the administration. The division superintendent shall provide an annual report (audit) to the School Board concerning the balances in the internal school accounts.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-89.2; Virginia Board of Education Regulations Governing School Activity Funds, 8 VAC 28-240-10.

Recodified: August 2000

ACCOMPANYING REGULATION

REGULATION 3-3.9 STUDENT ACTIVITY FUND ACCOUNTING MANUAL

The Hanover County Public Schools' finance office shall develop and from time to time publish and regularly revise a Hanover County Student Activity Funds Procedures Manual. Such manual shall be distributed to and maintained by each school principal and the finance office.

POLICY 3-3.10 CASH IN SCHOOL BUILDINGS

In accordance with the Virginia Department of Education's Guidelines for School Activity Funds and Hanover County Student Activity Funds Procedures, cash shall not be left in teachers' desks, lockers, or closets unattended during the school day. Any cash that remains in the school building overnight shall be turned into the school office and placed in the school vault.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-68, 22.1-70, 22.1-78; Virginia Board of Education Regulations Governing School Activity Funds, 8 VAC 20-240-10.

Recodified: August 2000

POLICY 3-3.11 DISPOSAL OF SURPLUS PROPERTY

Equipment and Personal Property

The Hanover County School Board shall apply trade-in allowances on equipment to be replaced against the purchase cost of the new equipment, whenever possible. The school board may dispose of equipment having no trade-in value by informal bid, auction or pre-priced sale and consigned for sale to an auction house or dealer as appropriate to the public. The bidder or purchaser shall certify in all bids and for all negotiated sales that he is not an officer or employee of the school board nor a member of the immediate family of an officer or employee. If reasonable attempts through the bidding or direct sales process to dispose of the items are unsuccessful, then the division superintendent is authorized to arrange for their disposal. Obsolete educational technology hardware and software that is being replaced pursuant to Virginia Code § 22.1-199.1(B)(4) may be donated to other school divisions and to preschool programs in the Commonwealth, or to public school students as provided in guidelines to be promulgated by the Board of Education.

Equipment Purchased with Federal Funds

Disposition of equipment purchased with federal funds shall be in accordance with federal and Virginia laws and regulations.

Real Property

The School Board may dispose of surplus real property as provided by state law.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-68, 22.1-78, 22.1-79(3), 22.1-129, 22.1-199.1(B)(4); Virginia Department of Education Superintendent's Memo No. 197 (October 20, 2000).

Recodified: August 2000

Amended: July 16, 2003

ACCOMPANYING REGULATION

REGULATION 3-3.11 DISPOSAL OF SURPLUS PROPERTY

The following procedures shall be used in declaring Hanover County School Board personal property surplus and disposing of same:

1. Any item or group of items of personal property of the School Board which are declared surplus by the department head or principal to which items are assigned shall be sold by the division superintendent or his designee.
2. Any item of personal property classified as automotive, heavy equipment or heavy machinery must be declared surplus by the division superintendent or his designee.
3. Sales shall be conducted whenever feasible by competitive bids.
4. Sales shall be made subject to the following:
 - a. An item or group of items having a fair market value of five thousand dollars (\$5000) or more shall be advertised at least once in a newspaper having general circulation within Hanover County at least ten (10) days prior to sale. Sale shall be to the highest bidder by sealed bids opened publicly, or at public auction, as advertised.
 - b. An item or group of items having a fair market value of less than \$5,000 shall be sold by the division superintendent or his designee through competitive pricing wherever practical.
 - c. The division superintendent or his designee may withdraw the offer of sale on any personal property at such time as in his opinion is in the best interest of the School Board.

POLICY 3-3.12 NON-LOCALLY FUNDED PROGRAMS

In order to provide the best educational opportunities possible for children of the Hanover County public schools, the Hanover County School Board may seek as many sources of revenue as possible to supplement the funds provided through local appropriation and the basic aid offered by the state.

To ensure coordination and to avoid confusion in developing proposals and making application for specially funded programs, the division superintendent may establish standard procedures for the preparation of proposals and their review. The division superintendent shall also ensure that none of the conditions for accepting such special funds conflicts with the policies of the School Board, the objectives of the school division, or state law.

The division superintendent may submit proposals or applications for special grants prior to approval by the School Board. No such application or proposal shall be binding on the School Board without its approval.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-78, 22.1-79, 22.1-88, 22.1-89, 22.1-122.

Recodified: August 2000

ACCOMPANYING REGULATIONS

REGULATION 3-3.12 REQUEST TO APPLY FOR A GRANT – FORM

Hanover County School Board employees applying for special grants must complete the attached "Request to Apply for a Grant" form and return the completed form to their immediate supervisor for processing and approval by the division superintendent or his designee.

REQUEST TO APPLY FOR A GRANT

NAME OF GRANT: _____ DATE: _____

FEDERAL STATE PRIVATE AMOUNT: _____

REIMBURSEMENT REQUEST SCHEDULE: _____

(MONTHLY, QUARTERLY, SEMI-ANNUALLY, ANNUALLY)

SIGNATURES / INITIALS:

(PERSON RESPONSIBLE FOR GRANT) _____

(ASSISTANT SUPT./DIRECTOR) _____

(FINANCE DEPARTMENT) _____

(SUPERINTENDENT OF SCHOOLS) _____

DATE GRANT APPROVED: _____

PERIOD COVERED BY GRANT:

FROM _____ TO _____

AMOUNT GRANT APPROVED FOR: _____

SIGNATURES / INITIALS:

(PERSON RESPONSIBLE FOR GRANT) _____

(ASSISTANT SUPT./DIRECTOR) _____

(FINANCE DEPARTMENT) _____

(SUPERINTENDENT OF SCHOOLS) _____

AMENDMENTS TO GRANT

ADDITIONAL FUNDS GRANTED FOR THIS PERIOD: _____

DATE: _____ REVISED GRANT AMOUNT: _____

SIGNATURES / INITIALS:

(PERSON RESPONSIBLE FOR GRANT) _____

(ASSISTANT SUPT./DIRECTOR) _____

(FINANCE DEPARTMENT) _____

POLICY 3-3.13 FINES AND FEES

Generally

The Hanover County School Board shall assess and collect only such fees as authorized by applicable law and the Virginia Board of Education.

The division superintendent is expected to protect the taxpayers of Hanover County by making every effort to collect all bills due the school division. Although its intention is not to jeopardize the educational opportunities of students because of the oversight or financial inability of parents, the School Board believes there are important educational values to be learned concerning the payment of obligations. Therefore, the division superintendent will take every fair and reasonable action to ensure the receipt of payment for fines, fees, damages and services.

After exhausting other approaches to the delinquent accounts of adults, the division superintendent is authorized to retain the services of the School Board's legal counsel in the effort to secure collections, advising School Board members of this action as is appropriate under the circumstances. However, no lawsuit shall be filed without the approval of the School Board in a regular or special meeting.

Book Fines and Fees

All students shall be required to pay for damages to or loss of textbooks, library books and division materials and will be required to pay fees as assessed by the School Board except in cases of documented hardship. Hardship cases will be required to furnish conditions in writing before fines and fees will be waived. No pupil's scholastic report card or diploma shall be withheld because of nonpayment of any fee or charge.

Significant Amounts

The division superintendent shall be authorized to utilize the following procedures for the collection of significant amounts: 1) letters requesting payment to parents and/or guardian; 2) contact with employer of parent or parent and/or guardian; 3) preliminary action through the School Board's legal counsel; or 4) institute lawsuit, upon approval by School Board.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-70, 22.1-78, 22.1-79(3), 22.1-253; Virginia Board of Education Rules Governing Fees and Charges, 8 VAC 20-370-10.

Recodified: August 2000

POLICY 3-3.14 GIFTS, GRANTS AND BEQUESTS

The division superintendent or his designee shall be responsible for seeing that any gifts, grants, and/or bequests to any individual Hanover County Public School or to the Hanover County School Board shall be properly administered in compliance with Virginia law.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-126.

Recodified: August 2000

ARTICLE IV: RISK MANAGEMENT

TABLE OF CONTENTS

3-4.1 INSURANCE

3-4.2 BLANKET BONDS

POLICY 3-4.1 INSURANCE

Insurance Management

The Hanover County School Board shall maintain adequate insurance to cover all insurance risks relating to the activities of School Board members and employees, and all real and personal property owned or leased by the School Board. The terms of the coverage shall be reviewed at least annually by the division superintendent or his designee. The division superintendent is authorized to change coverages when necessary and inform the School Board of any such changes.

Property Insurance

The School Board shall maintain insurance coverage on all vehicles, buildings and their contents owned by the School Board. The division superintendent or his designee shall periodically solicit bids from insurance companies to provide insurance on vehicles, buildings, contents, and liability coverage. The division superintendent shall recommend to the School Board a valuation of property on an annual basis for purposes of insurance coverage. When approved by the School Board, this statement of value shall be placed on file with the Virginia Insurance Rating Bureau.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, §§ 22.1-84, 22.1-188 through 22.1-198; Virginia Board of Education Regulations Governing Pupil Transportation Including Minimum for School Buses, 8 VAC 20-70-10.

Recodified: August 2000

POLICY 3-4.2 BLANKET BONDS

Before beginning their duties, the division superintendent, principals, secretaries, Hanover County School Board clerk, deputy clerk, and all others who handle funds in the local schools shall be covered by a blanket bond of at least five thousand dollars (\$5,000) assuring faithful performance. Premiums shall be paid by the School Board.

LEGAL REFERENCE: Code of Virginia, 1950, as amended, § 22.1-76.

Recodified: August 2000
