

# Policies for Review - 2<sup>nd</sup> Reading

April 1, 2024

DA - Post Issuance Tax Compliance Policy and Procedures

DD - Funding Proposals and Applications

DDAG - Grant Project Managers

DFD - Interscholastic Sports Admission Charges

DI - Fiscal Accounting and Reporting

DJ - Purchasing

DJ-P - Purchasing Procedures

*Current GSD Policy for review. Attorney Graham has advised this policy be repealed.  
Policy Committee agrees and suggests withdrawing this policy.  
2-9-2024 Policy Committee  
3-4-2024 First Reading  
3-6-2024 Sent to GEA  
4-1-2024 Second Reading*

## **POST-ISSUANCE TAX COMPLIANCE POLICY AND PROCEDURES FOR TAX-EXEMPT OBLIGATIONS**

The purpose of this Post-Issuance Tax Compliance Policy and Procedures is to establish policies and procedures in connection with tax-exempt bonds and notes (the “Bond” or “Bonds”) issued by Gilford School District, New Hampshire (the “Issuer”) so as to maximize the likelihood that all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Bonds are met.

1. Compliance Coordinator:

- a) The Assistant Superintendent for Business (“Coordinator”) shall be responsible for monitoring post-issuance compliance.
- b) The Coordinator will maintain a copy of the transcript of proceedings in connection with the issuance of any tax-exempt obligations. The Coordinator will obtain such records as are necessary to meet the requirements of this policy.
- c) The Coordinator shall consult with bond counsel, a rebate consultant, financial advisor, Internal Revenue Service (“IRS”) publications and such other resources as are necessary to understand and meet the requirements of this policy.
- d) Training and education of the Coordinator and his/her staff will be sought and implemented upon the occurrence of new developments and upon the hiring of new personnel to implement this policy.

2. Record-Keeping.

a) Financing Transcripts. The Coordinator shall confirm the proper filing with the IRS of an 8038 Series return, and maintain a transcript of proceedings for all tax-exempt obligations issued by the Issuer, including but not limited to all tax-exempt bonds, notes and lease-purchase contracts. Each transcript shall be maintained for as long as the Bonds are outstanding, plus three (3) years after the final redemption date of the Bonds. Said transcript may be maintained in electronic format and shall include, at a minimum:

- 1) Form 8038s;
- 2) minutes, resolutions, and certificates;
- 3) certifications of issue price from the underwriter, if applicable;
- 4) formal elections required by the IRS;

*Current GSD Policy for review. Attorney Graham has advised this policy be repealed.  
Policy Committee agrees and suggests withdrawing this policy.*

*2-9-2024 Policy Committee*

*3-4-2024 First Reading*

*3-6-2024 Sent to GEA* 5) trustee statements, if applicable;

*4-1-2024 Second Reading* 6) records of refunded bonds, if applicable;

7) correspondence relating to bond financings;

8) reports of any IRS examinations for bond financings;

9) documents related to governmental grants associated with construction, renovation or purchase of bond financed facilities, if applicable; and

10) publications, brochures, and newspaper articles, where applicable.

b) Modification to Financing Documents. The Coordinator shall determine if there is any “significant modification” to bond documents resulting in reissuance under Treasury Regulations §1.1001-3, in consultation with bond counsel and any other legal counsel and financial advisor. The Coordinator shall retain proof of filing new Form 8038 and relevant documentation plus final rebate calculation on pre-modification bonds.

3. Proper Use of Proceeds. The Coordinator shall review the resolution authorizing issuance for each tax-exempt obligation issued by the Issuer and shall:

- a) obtain a computation of the yield on such issue from the Issuer’s financial advisor;
- b) create a separate Project Fund (with as many sub-funds as shall be necessary to allocate proceeds among the projects being funded by the issue) and a separate Cost of Issuance Fund as necessary to allocate proceeds to Bond issuance costs into which the proceeds of the issue shall be deposited, as applicable;
- c) review all requisitions, draw schedules, draw requests, invoices and bills requesting payment from the Project Fund;
- d) determine whether payment from the Project Fund is appropriate, and if so, make payment from the Project Fund (and appropriate sub-fund if applicable);
- e) maintain records of the payment requests and corresponding records showing payment;
- f) maintain records showing the earnings on, and investment of, the Project Fund;
- g) ensure that all investments acquired with proceeds are purchased at fair market value;
- h) identify bond proceeds or applicable debt service allocations that must be invested with a yield-restriction and monitor the investments of any yield-

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- i) restricted funds to ensure that the yield on such investments does not exceed the yield to which such investments are restricted;
- j) maintain records related to any investment contracts, credit enhancement transactions, and the bidding of financial products related to the proceeds; and
- k) monitor and maintain records of the reimbursement of costs previously expended by the Issuer to ensure that such reimbursement occurs not more than 18 months after the later of (i) the dates of the expenditures or (ii) the date the project/asset was placed in service (but not more than 3 years after the original expenditures were paid) except with respect to those expenditures for which the Issuer obtained a certificate of licensed engineer/architect to the effect that (I) at least five (5) years was necessary to complete the construction of the part of the project for which such expenditures were required; and (II) such expenditures shall be reimbursed not more than five (5) years after the date that the original expenditures were paid.

4. Arbitrage/Rebate Compliance and Timely Expenditure of Proceeds. The Coordinator shall review the No Arbitrage and Tax Certificate (or equivalent) (the "Certificate") for each tax-exempt obligation issued by the Issuer and the expenditure records provided in Section 2 of this policy, above, and shall ensure that the Issuer takes the following actions:

- a) monitor and ensure that proceeds of each such issue are spent within the temporary period set forth in the Certificate;
- b) if at the time of issuance, it appears that that the Bonds will qualify for the small issuer exception to the rebate requirement, the Coordinator will monitor the amount of subsequent tax-exempt obligations issued or proposed to be issued in the calendar year in which the Bonds closed to ensure that the Issuer does not exceed the \$5 million or \$15 million threshold, as applicable, in such calendar year;
- c) if at the time of issuance, based on reasonable expectations set forth in the Certificate, it appears likely that the issue will qualify for an exemption from the rebate requirement, the Issuer may defer taking any of the actions set forth in subsection (c) below. Not later than the time of completion of construction or acquisition of the project, and depletion of all funds from the Project Fund, the Issuer shall make a determination if the expenditure of the Bond proceeds qualified for an exemption from the rebate requirements based on spending within a 6 month, 18 month or 2 year

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

- d) if at the time of issuance it appears likely that arbitrage rebate calculations will be required, or upon determination that calculations are required pursuant to (c) above, the Issuer shall:
  - i. engage the services of expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Bond proceeds, or else shall ensure that it has adequate financial, accounting and legal resources of its own to make such calculations, and, prior to each rebate calculation date, cause the trustee or other financial institution investing bond proceeds to deliver periodic statements concerning the investment of Bond proceeds to the Rebate Service Provider;
  - ii. provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
  - iii. monitor efforts of the Rebate Service Provider;
  - iv. assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Bonds, and no later than 60 days after the last Bond of each issue is redeemed;
  - v. during the construction period of each capital project financed in whole or in part by Bonds, monitor the investment and expenditure of Bond proceeds and consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 2 years, as applicable, following the issue date of the Bonds;
  - vi. retain copies of all arbitrage reports, trustee statements and other documents as required herein; and
  - vii. in lieu of engaging an outside Rebate Service Provider, the Issuer may make a determination that it has sufficient capabilities using its own personnel, supported by its regular accounting and legal

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advisers, to be able to make the required rebate calculations. Such determination shall be evidenced in writing with specific reference to the personnel and advisers to carry out the calculations, and such written determination shall be maintained in the records of the bond transaction.

5. Proper Use of Bond Financed Assets.
- a) The Coordinator shall maintain appropriate records and a list of all bond financed assets. Such records shall include the actual amount of proceeds (including investment earnings) spent on each of the bond financed assets.
- b) With respect to each bond financed asset, the Coordinator will monitor and confer with bond counsel with respect to all proposed:
- i. management contracts,
  - ii. service agreements,
  - iii. research contracts,
  - iv. naming rights contracts,
  - v. leases or sub-leases,
  - vi. joint venture, limited liability or partnership arrangements,
  - vii. sale of property, or
  - viii. any other change in use of such asset.
- c) Section 141 of the Code sets forth private activity tests for the purpose of limiting the volume of tax-exempt bonds that finance activities of persons other than state and local governmental entities. These tests serve to identify arrangements that actually or reasonably expect to transfer the benefits of tax-exempt financing to non-governmental persons, including the federal government. The Coordinator shall provide to the users of any bond financed property a copy of this Compliance Policy and other appropriate written guidance advising that:
- i. “Private business use” means use by any person other than the Issuer, including business corporations, partnerships, limited liability companies, associations, non-profit corporations, natural persons engaged in trade or business activity, and the United States of America and any federal agency, as a result of ownership of the property or use of the property under a lease, management or service contract (except for certain “qualified” management or service contracts), “naming rights” contract, “public-private partnership” arrangement, or any similar use arrangement that provides special legal entitlements for the use of the bond financed property;

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- ii. No more that 10% of the proceeds of any tax-exempt bond issue (including the property financed with the Bonds) may be used for private business use, of which no more than 5% of the proceeds of the tax-exempt bond issue (including the property financed with the bonds) may be used for any “unrelated” private business use – that is, generally, a private business use that is not functionally related to the government’s purposes of the Bonds; and no more that the lesser of \$5,000,000 or 5% of the proceeds of a tax-exempt bond issue may be used to make or finance a loan to any person other than a state or local government unit;
- iii. Before entering into any special use arrangement with a non-governmental person that involves the use of bond financed property, the Coordinator will consult with bond counsel, provide bond counsel with a description of the proposed non-governmental use arrangement, and determine whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond financed property; and
- iv. In connection with the evaluation of any proposed non-governmental use arrangement, the Issuer will consult with bond counsel to obtain federal tax advice in whether that use arrangement, if put into effect, will be consistent with the restrictions on private business use of the bond financed property, and, if not, whether any “remedial action” permitted under §141 of the Code may be taken as means of enabling that use arrangement to be put into effect without adversely affecting the tax-exempt status of the Bonds.
- d) The Coordinator shall maintain a copy of any such proposed agreement, contract, lease or arrangement, together with the response by bond counsel with respect to said proposal for at least three (3) years after retirement of all tax-exempt obligations issued to fund all or any portion of bond financed assets;
- e) The Coordinator shall consult with bond counsel and other legal counsel and advisers in the review of any change in use of bond-financed or refinanced assets to ensure compliance with all covenants and restrictions set forth in the Certificate;
- f) The Coordinator shall confer at least annually with other personnel responsible for bond-financed or refinanced assets to identify and discuss any existing or planned use of bond-financed or refinanced assets, to

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ensure that those uses are consistent with all covenants and restrictions set forth in the Certificate; and

- g) To the extent that the Coordinator discovers that any applicable tax restrictions regarding use of bond proceeds and bond-financed or

refinanced assets will or may be violated, the Coordinator shall consult promptly with bond counsel and other legal counsel and advisers to determine a course of action to remediate all nonqualified bonds, if such counsel advises that a remedial action is necessary.

6. Bank Qualification. If the Bonds are issued in a par amount of \$10 million or less and designated by the Issuer as “bank qualified” under Section 265(b)(3) of the Code, the Coordinator will monitor the amount of subsequent tax-exempt obligations issued or proposed to be issued in the calendar year in which the Bonds closed to ensure that the Issuer does not exceed the \$10 million threshold in such calendar year.

7. General Project Records. For each project financed with tax-exempt obligations, the Coordinator shall maintain a copy of all material documents relating to capital expenditures financed or re-financed by tax-exempt proceeds, until three (3) years after retirement of the tax-exempt obligations or obligations issued to refund those obligations including (without limitation), the following:

- a) appraisals, demand surveys or feasibility studies,
- b) applications, approvals and other documentation of grants,
- c) depreciation schedules,
- d) contracts respecting the project, including construction contracts,
- e) purchase orders,
- f) invoices,
- g) trustee requisitions and payment records,
- h) documents relating to costs reimbursed with Bond proceeds, and
- i) records identifying the assets or portion of assets that are financed or refinanced with Bond proceeds, including a final allocation of proceeds.

8. Advance Refundings. The Coordinator, shall be responsible for the following current, post issuance and record retention procedures with respect to advance refunding bonds:

- a) Identify and select bonds to be advance refunded with advice from internal financial personnel, and a financial advisor;
- b) The Coordinator shall identify, with advice from the financial advisor and bond counsel, any possible federal tax compliance issues prior to



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*3-6-2024 Sent to GEA* structuring any advance refunding;

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- e) ~~The Coordinator shall review the structure with the input of the financial advisor and bond counsel, of advance refunding issues prior to the issuance to ensure (i) that the proposed refunding is permitted pursuant to~~
- d) applicable federal tax requirements if there has been a prior refunding of the original bond issue; (ii) that the proposed issuance complies with federal income tax requirements which might impose restrictions on the redemption date of the refunded bonds; (iii) that the proposed issuance complies with federal income tax requirements which allow for the proceeds and replacement proceeds of an issue to be invested temporarily in higher yielding investments without causing the advance refunding bonds to become “arbitrage bonds”; (iv) that the proposed issuance will not result in the issuer’s exploitation of the difference between tax exempt and taxable interest rates to obtain a financial advantage nor overburden the tax exempt market in a way that might be considered an abusive transaction for federal tax purposes; and (v) that the proposed refunding complies with applicable State law.
- e) The Coordinator shall collect and review data related to arbitrage yield restriction and rebate requirements for advance refunding bonds. To ensure such compliance, the Coordinator shall engage a rebate consultant to prepare a verification report in connection with the advance refunding issuance. Said report shall ensure said requirements are satisfied.
- e) The Coordinator shall, whenever possible, purchase SLGS to size each advance refunding escrow. The financial advisor and/or bond counsel shall be included in the process of subscribing SLGS. To the extent SLGS are not available for purchase, the Coordinator shall, in consultation with bond counsel and the financial advisor, comply with IRS regulations.
- f) To the extent the Issuer elects to purchase a guaranteed investment contract, the Coordinator shall ensure, after input from bond counsel, compliance with any bidding requirements set forth by the IRS regulations.
- g) In determining the issue price for any advance refunding issuance, the Coordinator shall obtain and retain issue price certification by the purchasing underwriter at closing.
- h) After the issuance of an advance refunding issue, the Coordinator shall

Current GSD Policy for review. Attorney Graham has advised this policy be repealed.  
Policy Committee agrees and suggests withdrawing this policy.

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3-6-2024 Sent to GEA ensure timely identification of violations of any federal tax requirements

4-1-2024 Second Reading and engage bond counsel in attempt to remediate same in accordance with IRS regulations.

9. Continuing Disclosure. The Coordinator shall assure compliance with

each continuing disclosure certificate and annually, per continuing disclosure agreements, file audited annual financial statements and other information required by each continuing disclosure agreement. The Coordinator will monitor material events as described in each continuing disclosure agreement and assure compliance with material event disclosure. Events to be reported shall be reported promptly, but in no event not later than ten (10) Business Days after the day of the occurrence of the event.

Currently, such notice shall be given in the event of:

- a) Principal and interest payment delinquencies;
- b) Non-payment related defaults, if material;
- c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- d) Unscheduled draws on credit enhancements relating to the bonds reflecting financial difficulties;
- e) Substitution of credit or liquidity providers, or their failure to perform;
- f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the bonds, or material events affecting the tax-exempt status of the bonds;
- g) Modifications to rights of Holders of the Bonds, if material;
- h) Bond calls (excluding sinking fund mandatory redemptions), if material, and tender offers;
- i) Defeasances of the bonds;
- j) Release, substitution, or sale of property securing repayment of the bonds, if material;
- k) Rating changes on the bonds;

Current GSD Policy for review. Attorney Graham has advised this policy be repealed.  
Policy Committee agrees and suggests withdrawing this policy.

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Bankruptcy, insolvency, receivership or similar event of the Issuer;

m) ~~The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive~~

n) agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

o) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

10. Compliance with Continuing Disclosure Filings Under S.E.C. Rule 15c2-12. Under S.E.C. Rule 15c2-12, the Issuer may be required to periodically provide financial documentation, reports, notice and updates of documents to EMMA, the Electronic Municipal Market Access website managed by the Municipal Securities Rulemaking Board. Compliance is required in accordance with the Issuer's Material Events Disclosure Certificate and/or Continuing Disclosure Certificate executed in connection with a bond or note issue.

11. Due Diligence and Remedial Actions. In all activities related to the Issuer's Bonds, the Coordinator and his/her staff will exercise due diligence to comply with the Code provisions governing tax-exempt obligations. The Issuer is aware of (a) the Voluntary Closing Agreement Program (known as "VCAP") operated by the IRS which allows issuers to voluntarily enter into a closing agreement in the event of certain non-compliance with Federal tax requirements and (b) the remedial actions available under Section 1.141-12 of the Income Tax Regulations for private use of bond financed property which was not expected at the time the Bonds were issued.

12. Periodic Review. The Issuer will monitor compliance with the guidelines contained in this policy as well as any other covenants not specifically included herein and will review and update these guidelines at least annually and whenever necessary due to change in law or circumstances.

**(Adopted: 05/16/16)**

*Current GSD Policy for review/reaffirmation. There are no updates in the sample policy.  
2-9-2024 Policy Committee  
3-4-2024 First Reading  
3-8-2024 Sent to GEA  
4-1-2024 Second Reading*

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## **FUNDING PROPOSALS AND APPLICATIONS**

The superintendent will inform the Board of all possible sources of state, federal, and other funds for the support of the schools and/or for the enhancement of educational opportunities. The superintendent is to apprise the Board of its eligibility for general or program funds and to make recommendations for Board action.

When funding is secured, see policy DJ-P, Purchasing Procedures.

**(Adopted: 12/5/05)**

**(Reaffirmed: 5/2/16)**

*Current GSD Policy for review. We do not need this policy as it is covered in policy DAF (Administration of Federal Grant Funds). Policy Committee suggest withdrawing this policy.*

*2-9-2024 Policy Committee*

*3-4-2024 First Reading*

*3-6-2024 Sent to GEA*

*4-1-2024 Second Reading*

## **GRANT PROJECT MANAGERS**

- A project manager will be designated by the superintendent involved to provide oversight to coordination on federal and state grants.
- Project managers will be responsible for monitoring district policies and procedures.
- The expenditure of grant funds will be done in a manner consistent with district guidelines/requirements.

**(Adopted: 6/12/80, 2/20/95)**

**(Revised: 3/4/02, 12/5/05)**

**(Ref. 3300)**

*Current GSD Policy for review. Policy Committee suggest reaffirming.  
2-9-2024 Policy Committee  
3-4-2024 First Reading  
3-6-2024 Sent to GEA  
4-1-2024 Second Reading*

## **INTERSCHOLASTIC SPORTS ADMISSION CHARGES**

All students will be encouraged to attend all interscholastic sports activities. There may be a charge for these events. The administration reserves the right to limit individual student(s) attendance due to inappropriate or unsportsmanlike like conduct.

**(Adopted: 6/16/74, 2/20/95)**

**(Revised: 7/7/75, 9/28/81, 12/5/05)**

**(Ref. 3005)**

*Current GSD Policy for review/reaffirmation. There are no updates in the sample policy.*  
*2-9-2024 Policy Committee*  
*3-4-2024 First Reading*  
*3-6-2024 Sent to GEA*  
*4-1-2024 Second Reading*

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## **FISCAL ACCOUNTING AND REPORTING**

The District's accounting system will be in conformance with the New Hampshire Financial Accounting Handbook published by the State Department of Education. An adequate system of encumbrance accounting will be maintained.

The Board shall receive financial reports and statements (typically presented in May) showing the financial condition of the School District. These statements/reports shall contain estimates to project cost for the fiscal year including actual encumbered expenses. The School Board may ask for a statement or report at any time.

**Legal Reference:**

*NH Code of Administrative Rules Section Ed. 302:02 (e) (j), Substantive Duties of the Superintendent*

**(Adopted: 1/6/98)**

*Current GSD Policy for review. Change code to DJ to be consistent with NHSBA  
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3-6-2024 Sent to GEA  
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**DJ**  
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## **PURCHASING**

Purchasing procedures will be designed to ensure the best possible price for the desired products and services.

See policy DJ-P for purchasing procedures.

These procedures will require that all purchases are made on properly approved purchase orders, and that for items not put out to bid, price quotations will be solicited.

Special arrangements may be made for ordering perishable and emergency supplies, materials and or services.

### **Legal References:**

*NH Code of Administrative Rules – Section ED 303.01 (b)*

*RSA 194-C:4 II (a)*

**(Revised: 1/6/98, 12/5/05)**

**Gilford School District Policy**



Current GSD Policy. Policy Committee suggest replacing with sample policy DJ-P.  
2-9-2024 Policy Committee  
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3-6-2024 Sent to GEA  
4-1-2024 Second Reading

## PURCHASING PROCEDURES

### REQUISITIONS:

1. Need not be filled out when a purchase order is submitted at the same time.
2. For service calls, the requisitions must be approved and returned before the service agency is contacted—unless there is an emergency, in which case the approval may be given over the telephone by the business administrator or his/her designee.
3. Requisitions for materials, supplies, etc. for less than \$10.00 from a local source should be paid out of petty cash. No advance approval is needed.
4. No requisitions are needed for open accounts or service contract calls.
5. All other requisitions must be approved in advance.

### PURCHASE ORDERS:

1. Should not be filled out for an item/service for less than \$10.00. If possible, it should be paid with petty cash and covered by a requisition which needs no advance approval.
2. Must be typed and show the correct account number on all copies in the appropriate space on the purchase order.
3. Unless otherwise called for, the section on shipping should contain the phrase “*The cheapest way.*”
4. Upon receipt of merchandise/services, the advisement copy of the purchase order should be signed and sent to the central office as promptly as possible. This includes partial shipments in which case copies of the original copy may be forwarded.

### PREPARATION:

1. Prices should be current.
2. Allow 10% for shipping.
3. Extensions should be current.
4. Account numbers must be on each purchase order.
5. No call-in orders without approval. Confirmation orders only for preview.

*Current GSD Policy. Policy Committee suggest replacing with sample policy DJ-P.*

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Goods should not be accepted until the confirming purchase order has been sent to the vendor.

**DJB-P**

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**PROCESSING:**

1. Purchase orders will not be sent out to vendors until they are encumbered.
2. Bookkeepers shall keep a master list of “closed out” accounts so that further purchases orders against those accounts can be returned to the source in a short length of time.
3. Bills from vendors not covered by fully processed orders will not be paid without clearance from the central office.
4. Principals, supervisors of maintenance, central office administrators, etc. are responsible for maintaining expenditure records between financial statements.
5. Purchase orders representing over-encumbrances will be returned to the source.
6. Emergency expenditures should be referred directly to the superintendent or designee.
7. A responsible administrator will review and sign incoming purchase orders for appropriateness.

**(Adopted: 12/13/82, 12/28/88, 2/20/95)**

**(Revised: 1/6/98, 12/5/05)**

**(Ref. 3400, 3402)**

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3-4-2024 First Reading  
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**Gilford School District Policy**

# GILFORD SCHOOL DISTRICT POLICY PURCHASING PROCEDURES

DJ-P  
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*Suggested updated policy to replace current GSD Policy DJB-P.  
2-9-2024 Policy Committee  
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Fiscal management can only be achieved through proper and consistent purchasing procedures for the procurement of supplies, equipment, and services for the Gilford School District. These purchasing procedures are to ensure not only the proper encumbrance for forecast purposes, but to ensure management of funds is in compliance with District policy, generally accepted accounting principles, and the rules of the New Hampshire Department of Education. This procedure shall:

- A. Provide for the consistent accountability of all District funds.
- B. Require that purchases be supported by purchase orders or contracts. Payment shall be made only upon receipt of an original invoice, receipt and acknowledgement by the school or person receiving the goods or service of the completion of the order. When authorized by the Superintendent or Business Administrator to complete a cash purchase, school personnel shall submit the original itemized receipt for reimbursement.
- C. Require school personnel to maintain a clear audit trail from receipt of funds to disbursement of funds.

Purchase requisitions must be entered in the District's financial software containing the budget unit organization and object codes to be charged, and bear the electronic approval of the Principal and/or Director. Orders that must be put to bid or have solicited price quotations must have a copy of the bid or quotation provided. The SAU Business Office shall verify that District policy and correct accounting codes are followed prior to the issuance of a purchase order. It shall be the responsibility of the Principal or Director to request a budget transfer of funds to cover any order that may take an account over-budget. All requisitions will be approved by the Principal and/or Director with final approval by the Business Administrator or their assigned.

Purchases and projects involving expenditures in excess of the following dollar amounts shall be expected to comply with these practices:

- \$0 to \$10,000 Best interest of the District
- \$10,001 to \$20,000 Request at least three (3) written quotes (if available)
- \$20,001 & above Request at least three (3) written quotes in response to District developed Requests for Quotations or Bid documents.

## **GILFORD SCHOOL DISTRICT POLICY DJB - PURCHASING PROCEDURES**

### Exceptions to Bidding or Written Quotation Requirements:

- Purchases made through collaborative purchasing groups.
- Purchases of utilities, where competitive sources are not available.
- Purchases involving the acquisition of personal or professional services.
- Purchases of proprietary maintenance contracts, where alternate “authorized” sources are not available.
- Renewal of current vendor service contracts where quality and timely performance is a critical requirement and where the Business Administrator determines renewal is in the best interest of the District.
- Purchases involving minor repairs.
- Purchases involving major repairs where bidding or formal request for quotation (RFQ) requirements are waived by the Business Administrator due to the urgency of the repair.
- Purchases involving a non-competitive procurement of product or service or Board approved sole source vendors.
- Any other purchases deemed to be within the best interest of the District and approved by the Board.

No exception shall be made nor procedure followed that is contrary to New Hampshire or Federal law.

All bids and Requests for Proposals shall be issued from the SAU Business Office unless otherwise stated by the Superintendent.

Purchase orders to be used in every possible instance. Blanket purchase orders may be issued to vendors where repeated purchases of incidental items take place. All blanket purchase orders must be approved by the Business Administrator. The requirement for purchase orders may be waived by the Business Administrator.

In the event that a function and object line would become over expended, the expenditure must be approved by the Superintendent or designee. Every effort shall be made to find savings in other areas of the budget to offset such expenditure.

The Superintendent, with the advice of the Business Administrator, may institute a partial or full freeze on expenditures at any time to protect the District against a potential deficit.

All purchasing, whenever possible and in the best interest of the District, shall be done cooperatively through collaborative purchasing groups (e.g. State of New Hampshire bids and

## **GILFORD SCHOOL DISTRICT POLICY DJB - PURCHASING PROCEDURES**

U.S. Communities) or with other districts and/or municipalities to take advantage of lower prices for bulk purchasing, and to reduce the administrative costs involved in bidding.

Any individual who places an order without complying with the purchase order or ~~p-card~~ procedures shall be responsible for the payment of or return of the items received.

Administrative procedures relating to purchasing shall be recommended by the Business Administrator and approved by the Superintendent of Schools.

In the event of an emergency, the Superintendent or Business Administrator may approve a purchase outside the regular procedure. The Board shall be notified immediately of such purchases over \$2,500.

All changes to this procedure require School Board approval.

### **Federal Funds**

All purchases for property and services made using federal funds are conducted in accordance with all applicable Federal and State laws and regulations, the Uniform Grant Guidance, and the District's written policies and procedures. See Board Policy DAF

### **Legal References:**

*NH Code of Administrative Rules – Section ED 303.01 (b)*  
*RSA 194-C:4 II (a)*