

Policy DFA-2: REVENUES FROM INVESTMENTS/USE OF SURPLUS FUNDS

Status: DRAFT

Original Adopted Date: 04/15/2002 | Last Revised Date: 09/23/2019

**25A UPDATE EXPLANATION
(Version 2)**

Districts should replace DFA-2 with the new draft of DFA included in this update. See the explanation on DFA for more information on these changes.

(District Utilizes a Registered Investment Advisor to Manage Some or All of Its Investments)

The DistrictCommonName board of education authorizes and appoints the superintendent or designee as the finance officer of the school district to invest surplus school district moneys that are determined as not being needed within a reasonable period of time for the operation of the district. The finance officer shall follow procedures adopted by the board in making investments and obtaining the best interest rates reasonably attainable. Collateralized investments will comply with the requirements of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989.

I. Scope

Except as otherwise provided, this policy applies to the investment of all operating funds of the district.

1. Pooling of Funds

Except for cash in certain restricted and special funds, the district will consolidate cash balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

2. External Management of Funds

Investment through external programs, facilities and professionals operating in a manner consistent with this policy will constitute compliance.

II. General Objectives

The primary objectives, in priority order, of investment activities shall be safety, liquidity and yield.

1. Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The district will minimize credit risk, the risk of loss due to the failure of the security issuer or credit provider, by:

- Pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with whom the district will do business.
- Diversifying the portfolio so that potential losses on individual securities will be minimized.

b. Interest Rate Risk

The district will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for

ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

- Investing operating funds primarily in shorter-term securities.

2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). A portion of the portfolio also may be placed in bank certificates of deposits or repurchase agreements that offer same-day liquidity for short-term funds.

3. Yield

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance to the safety and liquidity objectives described above. The core of investment is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity except when:

- The early selling of security with declining credit minimizes loss of principal.
- Replacing a given security with another would improve the quality, yield or target duration of the portfolio.
- The liquidity needs of the portfolio require that the security be sold.

III. Standards of Care

1. Prudence

All participants in the investment process shall act responsibly as custodians of the public trust. The standard of prudence to be used by the finance officer shall be the "prudent investor" rule, which reads: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

2. Ethics and Conflicts of Interest

Officers and employees of the district involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Officers, employees and the investment officer shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Officers and employees of the district shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the district.

3. Delegation of Authority

Authority to manage the investment program is granted to the finance officer and/or another duly authorized external professional organization (to be collectively known as the "investment officer"), including the Missouri Securities Investment Program. Responsibility for the operation of the investment program is hereby delegated to the investment officer, who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy. The investment officer shall ensure that the investment program's operations are in accordance with the established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Procedures should include references to safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of authorized subordinate officials.

IV. Investment Transactions

1. Authorized Financial Dealers and Institutions

A list will be maintained of financial institutions authorized to provide investment transactions. In addition, a list also will be maintained of approved security brokers/dealers selected by creditworthiness as determined by the finance officer and approved by the board. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15(c)3-1 (uniform net capital rule).

All financial institutions and brokers/dealers who desire to become qualified for investment transactions must supply the following to the finance officer as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of applicable state registration.
- Completed broker/dealer questionnaire.
- Confirmation of having read, understood and agreed to comply with the district's investment policy.

The finance officer will conduct an annual review of the financial condition and registration of qualified financial institutions and brokers/dealers.

2. Internal Controls

The finance officer is responsible for establishing and maintaining an internal control structure that will be reviewed annually with the district's independent auditor. The internal control structure shall be designed to ensure that the assets of the district are protected from loss, theft or misuse and to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits require estimates and judgments by management.

The internal controls shall address the following points:

- Prevention of collusion.
- Separation of transaction authority from accounting and recordkeeping.
- Custodial safekeeping.
- Avoidance of physical delivery securities.
- Clear delegation of authority to subordinate staff members.
- Written confirmation of transactions for investments and wire transfers.
- Development of a wire transfer agreement with the lead bank and third-party custodian.

3. Delivery vs. Payment

All trades where applicable will be executed by delivery vs. payment to ensure that securities are deposited in eligible financial institutions prior to the release of funds. All securities shall be perfected in the name of or for the account of the district and shall be held by a third-party custodian as evidenced by appropriate safekeeping receipts.

V. Suitable and Authorized Investments

1. Investment Types

In accordance with and subject to restrictions imposed by current statutes, the following list represents the entire range of investments that the district will consider and that shall be authorized for the investments of funds by the district.

- a. Securities issued by State of Missouri/Political Subdivisions – The district may invest in obligations of the Missouri government and its political subdivisions for which the full faith and credit of the issuer is pledged for the payment of principal and interest.
- b. United States Treasury Securities – The district may invest in obligations of the United States government for which the full faith and credit of the United States is pledged for the payment of principal and interest.
- c. United States Agency Securities – The district may invest in obligations issued or guaranteed by any agency or any wholly owned corporation of the U.S. government as described in section V (2) of this policy.
- d. Securities Issued by Instrumentalities/Government-Sponsored Enterprises of the United States – The district may invest in obligations of instrumentalities or government-sponsored enterprises of the United States, including supranational organizations created by an act of Congress or treaty to which the United States is a party. Debt obligations of supranational organizations must have received the highest rating issued by one or more nationally recognized statistical rating organizations, and no more than five percent of the total market value of the portfolio may be invested in the obligations of any supranational organization.
- e. Repurchase Agreements – The district may invest in contractual agreements between the district and commercial banks or primary government securities dealers. The purchaser in a repurchase agreement (repo) enters into a contractual agreement to purchase U.S. Treasury or government agency securities while simultaneously agreeing to resell the securities at predetermined dates and prices. Such securities shall have a market value of 102 percent of the value of the repurchase agreement, and the term of such agreement must not exceed 90 days.
- f. Collateralized Public Deposits (Certificates of Deposit) – The district may invest in instruments issued by financial institutions that state that specified sums have been deposited for specified periods of time and at specified rates of interest. Except to the extent insured by the Federal Deposit Insurance Corporation (FDIC), the certificates of deposit are required to be backed by acceptable collateral securities as described in § 30.270, RSMo., or insured (in whole or in part) by the FDIC.

Federal law provides that a depositor's security agreement that tends to diminish or defeat the interest of the FDIC in an asset acquired by it as receiver of an insured depository shall not be valid against the FDIC unless the agreement:

- Is in writing;
 - Was approved by the board of directors of the depository or its loan committee; and
 - Has been continuously, from the time of its execution, an official record of the depository institution.
- g. Bankers' Acceptances – The district may invest in bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers' acceptances. The district may invest in bankers' acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized statistical rating organization. Purchases of bankers' acceptances may

not exceed 180 days to maturity. No more than 75 percent of the portfolio may be invested in a combination of bankers' acceptances and commercial paper.

- h. Commercial Paper – The district may invest in commercial paper issued by domestic corporations that have received the highest rating issued by a nationally recognized statistical rating organization. Eligible paper is further limited to issuing corporations that have a total commercial paper program size in excess of \$250,000,000. No more than 75 percent of the total market value of the portfolio may be invested in the combination of commercial paper and bankers' acceptances. Commercial paper issues must be subject to periodic credit reviews and daily monitoring of news research and analysis, and a monitoring program must be established to promulgate best practices credit monitoring.

2. United States Agency Security Selection

The following list represents the entire range of United States Agency Securities that the district will consider and that shall be authorized for the investment of funds by the district. Additionally, the following definitions and guidelines should be used in purchasing the instruments:

- a. U.S. Government Agency Coupon and Zero Coupon Securities – Bullet coupon bonds with no embedded options with maturities of five years or less.
- b. U.S. Government Agency Discount Notes – Purchased at a discount with maximum maturities of one year.
- c. U.S. Government Agency Callable Securities – Restricted to securities callable at par only with final maturities of five years or less.
- d. U.S. Government Agency Step-Up Securities – The coupon rate is fixed for an initial term. At coupon date, the coupon rate rises to a new, higher, fixed term. Restricted to securities with final maturities of five years or less.
- e. U.S. Government Agency Floating Rate Securities – The coupon rate floats off one index restricted to coupons with no interim caps that reset at least quarterly.
- f. U.S. Government Mortgage-Backed Securities – Restricted to securities with final maturities of five years or less.

3. Investment Restrictions and Prohibited Transactions

To provide for the safety and liquidity of the district's funds, the investment portfolio will be subject to the following restrictions:

- a. Borrowing for investment purposes ("leverage") is prohibited.
- b. Instruments known as variable rate demand notes, floaters, inverse floaters, leveraged floaters and equity-linked securities are not permitted. Investment in any instrument that is commonly considered a derivative investment (e.g., options, futures, swaps, caps, floors and collars) is prohibited.
- c. Contracting to sell securities not yet acquired in order to purchase other securities for the purpose of speculating on developments or trends in the market is prohibited.
- d. No more than five percent of the total market value of the portfolio may be invested in bankers' acceptances or commercial paper issued by any one issuer.

4. Collateralization

Collateralization will comply with the requirements of FIRREA. Collateralization will be required on two types of investments:

- a. Certificates of Deposit. In order to anticipate market changes and provide a level of security for all

funds, the market value (including accrued interest) of the collateral shall be at least 100 percent or the greater of the amount of certificates of deposit plus demand deposits with the depository, less the amount, if any, that is insured by the FDIC or the National Credit Unions Share Insurance Fund.

All securities that serve as collateral against the deposits of a depository institution must be safekept at a non-affiliated custodial facility. Depository institutions pledging collateral against deposits must, in conjunction with the custodial agent, furnish the necessary custodial receipts within five business days from the settlement date.

The district will have a FIRREA-compliant depository contract and pledge agreement with each depository. This will ensure that the district's security interest in collateral pledged to secure deposits is enforceable against the depository.

b. **Repurchase Agreements**

The securities for which repurchase agreements will be transacted will be limited to United States Treasury and United States Government Agency securities that are eligible to be delivered via the Federal Reserve Fedwire book entry system. Securities will be delivered to the district's designated custodial agent. Funds and securities will be transferred on a delivery vs. payment basis. In addition to the collateral requirements above, the district shall also have in place a Master Repurchase Agreement and Custodian Bank Agreement to hold such securities.

VI. Investment Parameters

1. **Diversification**

The investments shall be diversified to minimize the risk of loss resulting from overconcentration of assets in specific maturity, specific issuer, or specific class of securities. Diversification strategies shall be established and periodically reviewed. At a minimum, diversification standards by security type and issuer shall be:

- a. U.S. Treasury securities having principal and/or interest guaranteed by the U.S. government – 100 percent
- b. Collateralized time and demand deposits – 100 percent
- c. U.S. government agencies, instrumentalities and government-sponsored enterprises – No more than 70 percent
- d. Collateralized repurchase agreements – No more than 75 percent
- e. U.S. government agency callable securities – No more than 50 percent
- f. Commercial paper and bankers' acceptances – No more than 75 percent combined

2. **Maximum Maturities**

To the extent possible, the district shall attempt to match its investments with anticipated cash flow requirements. Investments in repurchase agreements shall mature and become payable not more than 90 days from the date of purchase. Investments in bankers' acceptances and commercial paper shall mature and become payable not more than 180 days from the date of purchase. All other investments shall mature and become payable not more than five years from the date of purchase. The district shall adopt weighted average maturity limitations that should not exceed three years and are consistent with the investment objectives.

VII. Reporting

1. **Methods**

The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the last quarter. This management summary will be prepared in a manner that will allow the

district to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the governing body of the district. The report will include the following:

- Listing of individual securities held at the end of the reporting period.
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over a one-year duration (in accordance with the Government Accounting Standards Board (GASB) 31 requirements). [Note: This is only required annually.]
- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investment by maturity date.
- Percentage of the total portfolio that each type of investment represents.

2. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market-average rate of return during a market/economic environment of stable interest rates. A series of appropriate benchmarks may be established against which portfolio performance shall be compared on a regular basis.

Investments should be reviewed for possible sale if the securities are downgraded below the minimum acceptable rating levels.

3. Marking to Market

The market value of the portfolio shall be calculated at least quarterly and a statement of the market value of the portfolio shall be issued at least annually to the board. This will ensure that review of the investment portfolio, in terms of value and price volatility, has been performed.

VIII. Policy Considerations

1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempt from the requirements of this policy. At maturity or liquidation, such moneys shall be reinvested only as provided by this policy.

2. Adoption

This policy shall be reviewed annually by the investment officer, and recommended changes will be presented to the board for consideration.

Policy DFA: REVENUES FROM INVESTMENTS/USE OF SURPLUS FUNDS

Status: DRAFT

Original Adopted Date: Pending | **Last Reviewed Date:** 09/23/2019

25A UPDATE EXPLANATION

The Missouri State Treasurer's Model Investment Policy (MSTMIP) is a "safe harbor" under § 30.950.3, RSMo. which says, "The state treasurer shall prepare a model form of an investment policy reflecting the principles set forth herein which shall be made available to political subdivisions in the state. Any political subdivision which formally adopts such a model investment policy shall be deemed to be in compliance with the requirements of this section." The MSTMIP is at <https://treasurer.mo.gov/link/ModelInvestmentPolicy.pdf>.

Boards have discretion on how to meet the legal requirements of a sound investment policy, the first of which is, "commitment to the principles of safety, liquidity and yield, in that order ..." § 30.950.2(1), RSMo. However, the MSTMIP is a one-size-fits-all approach with a limited range of options that may not suit all the needs of some districts.

Over time, both the MSTMIP and the Government Finance Officers Association (GFOA) Sample Investment Policy have changed (see <https://www.gfoa.org/materials/investment-policy>). MSBA believes that it is prudent for boards to review their investment policy and consider what is available.

The text of any customized investment policy should meet the unique needs and circumstances of the district it covers. The MSBA Policy Department cannot give districts specific securities investment advice. Advice on how to customize your investment policy beyond the "safe harbor" model should come from a registered investment advisor. Therefore, this update to DFA permits boards to customize their district's investment policy using advice from a professional to arrive at a sound investment policy tailored to their needs.

MSBA previously offered two versions of this policy, but the revisions in this update mean only one version of this policy is now necessary. Districts should adopt this version, simply coded DFA, rather than revising their former DFA-1 or DFA-2 to ensure proper functionality within the Simbli policy module. Districts that had previously adopted DFA-1 or DFA-2 should move their adoption date from that policy to the new DFA.

The board authorizes the superintendent to invest surplus school district moneys that are determined as not being immediately needed for the operation of the school district. The superintendent is authorized to delegate this authority to another administrator with the knowledge and skills necessary to manage the district's investments. The superintendent or designee shall follow procedures established by the board in making investments and obtaining the best interest rates possible. Collateralized investments will comply with the requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Unless and until the board formally adopts and directs the district to comply with a customized written investment policy upon professional advice from a registered investment advisor, the board adopts and directs the district to follow the Missouri State Treasurer's Model Investment Policy, as may be amended from time to time, which is incorporated herein by reference.

Policy DJFA: FEDERAL PROGRAMS AND PROJECTS

Status: DRAFT

Original Adopted Date: 06/20/2016 | **Last Revised Date:** 12/19/2022

25A UPDATE EXPLANATION

MSBA has updated this policy to keep pace with changes to federal programs finance, operations, and compliance.

The U.S. Office of Management and Budget (OMB) updated its federal program rules in Title II of the Code of Federal Regulations on April 22, 2024, with an effective date of October 1, 2024 (unless a federal agency elects to use an earlier date not prior to July 1, 2024). The OMB's massive rewrite of the rules (89 Fed. Reg. 30046) is to improve federal financial assistance management, transparency, and oversight through more readily accessible and comprehensible guidance.

The Department of Elementary and Secondary Education (DESE) "Fiscal Guidance for Federal Grant Programs" (posted at <https://dese.mo.gov/media/pdf/general-federal-guidance> and last updated in April 2023) requires districts that receive federal funds to comply with federal policies established by legislative or executive authority. Under the guidance, "Subgrantees/recipients must have policies and procedures to implement and perform these requirements. They are to be reviewed as part of an audit of each state and local government or other entity which receives federal financial assistance."

The OMB 2024 changes took effect on October 1, 2024. A DESE guidance document incorporating the 2024 OMB revisions has not been published. However, MSBA consulted DESE before drafting this update in an effort to avoid any future program review issues.

The purpose of this policy is to ensure that federally funded programs and projects in the district are administered in accordance with federal laws. Specifically, this policy governs all purchases of goods, property and services using federal funds and reflects federal conflict of interest rules applicable to board members, employees, and agents involved with the selection of contractors and the approval and administration of contracts for federal programs and projects.

Definitions

Agent – A person or entity acting on behalf of the district who is not an employee of the district.

Contract – As used in this policy, a legal instrument by which the district purchases property or services needed to carry out a program or project conducts procurement transactions funded by a federal award.

Contractor – A person or entity with which the district has an executed contract to carry out a federal program or project. A contractor does not include an entity with which the district contracts that received a federal award or subaward directly from a federal or state agency.

Gratuity – A favor, gift, or anything of monetary value.

Immediate Family – A spouse or dependent child of a board member, employee or agent or any person living in the household of a board member, employee, or agent.

Labor Surplus Area (LSA) Firm – A business located in a civil jurisdiction, such as a county or city, which is designated as an LSA by the U.S. Department of Labor's Employment and Training Administration.

Real, Apparent or Potential Conflict of Interest – A situation in which a board member, employee or agent; any member of a board member's, employee's or agent's immediate family; any business partner of a board member, employee or agent; or any organization that employs or is about to employ a board member, employee or agent has a financial or other interest in a firm the district is considering contracting with or would receive a tangible personal benefit from a firm considered by the district for contracting.

Federal Programs Administration

Federal programs administration must be in accordance with fiscal guidance for federal programs issued by the Missouri Department of Elementary and Secondary Education (DESE) Division of Financial and Administrative Services, guidance from the federal Office of Management and Budget (OMB), and Title 2 of the Code of Federal

Regulations unless otherwise advised by the district's attorney.

The superintendent shall be responsible for coordinating and administering federally funded programs and projects. The superintendent will ensure that the various departments operating these programs and projects do so in accordance with the requirements of the federal award and keep accurate and separate records, as required by board policy and in accordance with administrative procedures. The superintendent may delegate one or more duties to appropriate employees.

If the superintendent is not the purchasing officer for the district, the superintendent will work with the purchasing officer to ensure that goods and services purchased through federal awards comply with state and federal requirements.

District employees will not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant, to:

1. A member of Congress or a representative of a committee of Congress;
2. An inspector general;
3. The Government Accountability Office;
4. A federal employee responsible for contract or grant oversight or management at the relevant agency;
5. An authorized official of the Department of Justice or other law enforcement agency;
6. A court or grand jury; or
7. A management official or other employee of the contractor, subcontractor, grantee, subgrantee, or personal services contractor who has the responsibility to investigate, discover, or address misconduct.

Employees who believe that they have been subjected to a prohibited reprisal may submit a complaint to the inspector general of the federal executive agency involved.

Procurement

In addition to following the requirements of state law, board policy, and district procedures, the purchasing officer will ensure that all supplies, equipment, property and services purchased with federal funds are purchased in accordance with federal law. No purchase will be made unless the purchase was authorized in the approved budget for administration of the grant. Every purchase will be identified in district accounts in accordance with the federal program under which the purchase was made.

Procurement Arrangements Using Strategic Sourcing

When appropriate for the procurement or use of common or shared goods and services, the district may enter into state and local intergovernmental agreements or inter-entity agreements for procurement transactions. These or similar procurement arrangements using strategic sourcing may foster greater economy and efficiency. Documented procurement actions of this type (using strategic sourcing, shared services, and other similar procurement arrangements) will meet the federal competition requirements for procurement transactions.

Solicitation of Bids and Proposals

All notices of solicitation of bids and proposals will include notice that the district encourages bids and proposals from minority businesses, women's business enterprises, service-disabled veterans, and labor surplus area firms.

Bids and Requests for Proposals

Bid specifications and requests for proposals will include a clear and accurate description of the technical requirements for the material, product, property, equipment, or service desired being procured and will identify all

requirements and all other factors that will be used in evaluating bids or proposals.

Bid specifications will not contain features that unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used to define the performance or other requirements. The specific features of the named brand that must be met must be clearly stated.

Contractors who develop or draft specification requirements, statements of work or invitations for bids or requests for proposals for the district must be excluded from bidding on the project.

Pursuant to federal law, the district will not use local or state geographical purchasing preferences when purchasing goods or services related to a federal contract except when such preferences are mandated or encouraged under the applicable federal statutes. When making purchases with federal funds, the district will:

1. Take all necessary affirmative steps to ensure that small businesses, minority businesses, women's business enterprises and LSA firms are used when possible. To that end, the district will:
 - Place qualified small businesses, minority businesses and women's business enterprises on solicitation lists.
 - Solicit bids from small businesses, minority businesses and women's business enterprises when they are potential sources.
 - Divide total project requirements into smaller tasks or quantities, when economically feasible, to permit maximum participation by small businesses, minority businesses and women's business enterprises. This provision shall not be used to artificially divide purchases to avoid bidding requirements or design bid specifications to favor a particular provider.
 - Establish performance and delivery schedules that encourage small businesses, minority businesses and women's business enterprises to participate when doing so is conducive with the program or project.
 - Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 - Require the prime contractor to use the affirmative steps of this policy when selecting subcontractors.

The description may include a statement of the qualitative nature of the property, equipment, or service to be procured. When necessary, the description must provide minimum essential characteristics and standards to which the property, equipment, or service must conform. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to clearly and accurately describe the technical requirements, a "brand name or equivalent" description of features may be used to provide procurement requirements. The specific features of the named brand must be clearly stated. The district must identify any additional requirements the offerors must fulfill and all other factors that will be used in evaluating bids or proposals.

Contractors who develop or draft specifications, requirements, statements of work, or invitations for bids for the district must be excluded from competing on those procurements.

When making purchases with federal funds, the district will:

1. When possible, ensure that small businesses, minority businesses, women's business enterprises, veteran-owned businesses, and LSA firms are considered as set forth below. Such consideration means:
 - These business types are included on solicitation lists.
 - These business types are solicited whenever they are deemed eligible as potential sources.
 - Dividing procurement transactions into separate procurements to permit maximum participation by these business types. This provision shall not be used to artificially divide purchases to avoid bidding requirements or design bid specifications to favor a particular provider.

- Establishing delivery schedules that encourage participation by these business types.
 - Utilizing organizations such as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
 - Requiring a contractor under federal award to apply this section of this policy to subcontractors.
2. Purchase only items that contain the highest practicable percentage of recovered materials, as defined by the Environmental Protection Agency (EPA), consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000.
 3. ~~Use~~ Procure solid waste management services in a manner that maximizes energy and resource recovery.
 4. ~~Purchase, to the maximum greatest extent practicable, and consistent with law, provide a preference for the purchase, acquisition, or use of domestic goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards, including all contracts and purchase orders for work or products under federal awards.~~
 5. The district should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable.
 6. The district will avoid purchasing unnecessary or duplicate items and will take measures to design procurements to obtain a more economical purchase.
 7. The purchasing officer or designee may search state and federal surplus property offerings to determine whether any items the district needs are available at a lower cost without sacrificing quality.
 8. The district must perform a cost or price analysis for every procurement transaction, including contract modifications in excess of its simplified acquisition threshold.

Noncompetitive Purchasing

A Noncompetitive purchases can be awarded procurement method may be used only if one or more of the following circumstances applies:

1. The aggregate cost does not exceed the micro-purchase threshold in DJF-AP1.
2. The ~~item is available only from~~ procurement transaction can be fulfilled only by a single source.
3. A public exigency or emergency will not permit the delay ~~caused that would result by publicizing resulting~~ from providing public notice of a competitive solicitation.
4. The state or federal awarding entity expressly authorizes noncompetitive procurement in response to a written request submitted by the district.
5. After ~~solicitation of numerous~~ soliciting several sources, competition is determined inadequate.

Contracts

Contracts

The district will award contracts only to responsible contractors that possessing the ability to perform successfully under the terms and conditions of a proposed procurement contract. The district must consider contractor integrity, public policy compliance, proper classification of employees under the Fair Labor Standards Act, past performance record, and financial and technical resources when conducting a procurement transaction.

Time and Materials Contract

When making purchases using federal funds, the district will not use a time and materials contract unless there is a determination that no other contract is suitable, and the district includes a ceiling price that the contractor exceeds at its own risk, and the district oversees the project to ensure efficiency.

Value Engineering Clauses

The district may use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions.

Disputes

The purchasing officer or designee will resolve contract and procurement disputes in accordance with good administrative practice and sound business judgment. The purchasing officer is authorized to contact the district's legal counsel for assistance in resolving disputes.

Procurement Records

The district will maintain records sufficient to detail the history of each procurement transaction. These records must include the rationale for the procurement method, contract type selection, contractor selection or rejection, and the basis for the contract price. The district will retain records as required by federal law.

Conflict of Interest

In addition to acting in accordance with Missouri laws governing conflicts of interest and financial disclosures, board members, employees, and agents participating in the procurement of property and services using federal funds must comply with federal requirements. In cases where federal requirements are more restrictive than state requirements, federal requirements will be followed.

1. Board members, employees, officers, and agents will not participate in the selection, award, or administration of a contract supported by a federal award if they have a real, or apparent or potential conflict of interest. Such a conflict of interest would arise when the employee, board member, employee, officer, or agent, or any member of their immediate family, their partner, or an organization that employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm an entity being considered for a contract.
2. ~~The district will disclose any potential conflict of interest in accordance with the policy of the federal awarding agency.~~
3. Board members, employees, officers, and agents will not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts but may accept unsolicited gifts of nominal value. For the purposes of this policy, a gift of nominal value is defined as an unsolicited gift of \$25 or less unless otherwise defined by federal law.
4. If the district has a parent, affiliate, or subsidiary organization that is not a governmental entity, the district will develop written standards to avoid conflicts of interest with these related organizations (organizational conflicts of interest). A conflict would exist in situations where the district is unable, or appears to be unable, to be impartial in conducting a procurement action involving the related organization because of the relationship with the organization.

Consequences

Board members, employees, and agents are required to immediately report any violation of this policy to the superintendent or board president. In accordance with federal law, the district will disclose to the state or federal agency that awarded the grant all violations of federal and criminal laws involving fraud, bribery, or a gratuity violation potentially affecting the federal award. The disclosure will be made in writing in a timely manner. The superintendent, designee, or board president will submit information about the violation to the state or federal awarding entity and will contact the district's attorney for assistance in making that report. See 2 C.F.R. §§ 200.113 and .318.

Unless excused by the board, board members who violate the provisions of this policy will be prohibited from holding a board office or representing the full board as an official spokesperson or otherwise. Employees who violate this

policy will be disciplined or terminated, and the district will reconsider and potentially end business relationships with agents who violate this policy. In addition, violations of this policy or the laws it references may be reported to law enforcement, the Missouri Ethics Commission, the Attorney General's Office, or DESE and other applicable funding agencies.

Policy GBCBB: PROTECTED STAFF COMMUNICATIONS

Status: DRAFT

Original Adopted Date: 09/23/2019

25A UPDATE EXPLANATION

MSBA has updated this policy to reflect changes to the U.S. Code of Federal Regulations. The U. S. Office of Management and Budget (OMB) emphasized protections for federal programs whistleblowers by adding them to the 2024 OMB rewrite of the Code of Federal Regulations, Title II, Part 200, Subpart C, Pre-Federal Award Requirements and Contents of Federal Awards. MSBA now recommends districts add this new section on protected communications.

The district respects the opinions of district employees and will not take action against district employees solely for speech that is protected by state or federal law. The superintendent or designee may contact the district's attorney prior to taking disciplinary action to ensure compliance with these laws.

While there are numerous statutes, constitutional provisions, and court cases on this subject, this policy is intended to address only the requirements of § 105.055, RSMo.

Definitions

Disciplinary Action – Any dismissal, demotion, transfer, reassignment, suspension, reprimand, warning of possible dismissal, or withholding of work, regardless of whether the withholding of work has affected or will affect a district employee's compensation.

District Employee – Any employee, volunteer, intern, or other individual performing work or services for the district.

Employee Responsibilities

The district encourages district employees to be mindful of the impact their communication may have on the school district community and expects employees to take responsibility for their own communications regardless of whether the communication occurs while off duty or working. District employees are prohibited from representing their opinions as those of the district and are required to clarify, when necessary, when they are speaking as an individual and not as a representative of the district. All communications made by an employee while working for or representing the district must be professional.

Protected Communications

District administrators or supervisors will not prohibit an employee from discussing the operations of the district, either specifically or generally, with any member of the legislature, the state auditor, the attorney general, a prosecuting or circuit attorney, a law enforcement agency, the news media, members of the public, or any state official or body charged with the investigation of misconduct listed in this policy unless allowed by law.

Unless a disclosure is prohibited by law, neither the district nor its administrators and supervisors will prohibit a district employee from, or take disciplinary action against a district employee for, disclosing an alleged prohibited activity under investigation, any related activity, or any information the district employee reasonably believes to be evidence of:

1. A violation of any law, rule, or regulation;
2. Mismanagement;
3. A gross waste of district funds;
4. An abuse of authority;
5. Any violation of district policy;
6. A waste of public resources;
7. Any alteration of technical findings or communication of scientific opinion;

8. A breach of professional ethical canons; or
9. A substantial and specific danger to public health or safety.

All district employees and volunteers who have reasonable cause to suspect fraud must immediately report that suspicion to an administrator or supervisor pursuant to policy DA.

No administrator or supervisor shall require a district employee to provide notice prior to disclosing any activity listed above or prevent a district employee from testifying before a court or an administrative or legislative body regarding any alleged prohibited activity or disclosure of information.

Protected Communications Regarding Federal Programs

District employees will not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information that the employee reasonably believes is evidence of gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant, to:

1. A member of Congress or a representative of a committee of Congress;
2. An inspector general;
3. The Government Accountability Office;
4. A federal employee responsible for contract or grant oversight or management at the relevant agency;
5. An authorized official of the Department of Justice or other law enforcement agency;
6. A court or grand jury; or
7. A management official or other employee of the contractor, subcontractor, grantee, subgrantee, or personal services contractor who has the responsibility to investigate, discover, or address misconduct.

Employees who believe that they have been subjected to a prohibited reprisal may submit a complaint to the inspector general of the federal executive agency involved.

Requests for Information and Testimony

In general, and in accordance with law, the district will comply with legislative requests for information as well as any requests for information by a court or other legislative body. Likewise, the district will cooperate in situations where a court or legislative body seeks district employee testimony regarding any alleged prohibited activity.

District employees who receive a legislative request for information are required to inform district administrators or supervisors. District employees are also required to provide district administrators or supervisors information regarding the substance of any testimony the district employee makes to legislators on behalf of the district.

Leaving Work Areas

District employees are required to follow all applicable rules and supervisor instructions regarding attendance. A district employee may not leave assigned work areas during normal work hours to discuss district operations or to make protected disclosures under this policy, particularly in situations where students would be left unsupervised, unless the employee:

1. Is reporting suspected child abuse or neglect;
2. Is asked by a legislator or legislative committee to appear before a legislative committee;
3. Is otherwise entitled by law or as part of ~~his or her~~ their duties to leave the assigned work area; or
4. Has requested and received permission from an administrator or supervisor to be relieved of ~~his or her~~ their

job duties for the purposes of reporting misconduct to the appropriate district authority. Such requests will be granted as soon as practical given the nature of the employee's job duties.

Unprotected Communications

Regardless of any protections afforded in this policy, a district employee may be disciplined for communicating information if the employee knew the information was false; if the information was disclosed in violation of the Missouri Sunshine Law or any other law; or if the disclosure was related to the employee's own violations, mismanagement, gross waste of funds, abuse of authority, or endangerment of public health or safety.

Policy IGBCA: PROGRAMS FOR HOMELESS STUDENTS

Status: DRAFT

Original Adopted Date: 04/15/2002 | **Last Revised Date:** 06/22/2021

25A UPDATE EXPLANATION

The Department of Elementary and Secondary Education (DESE) has issued "Homeless Dispute Resolution Regarding the Education of Homeless Children and Youth Dispute Resolution (722(g)(1)(C) of the McKinney-Vento Homeless Assistance Act)" as the process for resolving disputes concerning eligibility, school selection, or school enrollment for homeless students or youth. The document is posted at dese.mo.gov/media/pdf/homeless-dispute-resolution-2024.

MSBA has updated this policy by shortening the section on disputes that now refers explicitly to the DESE document for the sake of compliance reviews and to guide the district's homeless liaison.

The board of education recognizes that homeless students are particularly vulnerable and need special assistance to access and benefit from the education environment. Therefore, the district, in accordance with state and federal law and the Missouri state plan for education of the homeless, will give special attention to ensure that homeless students in the district are promptly identified and have access to a free and appropriate public education and related support services.

Eligibility for Services

Homeless students are individuals who lack a fixed, regular, and adequate nighttime residence and include the following:

1. Children and youths who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason; are living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations; are living in emergency or transitional shelters; or are abandoned in hospitals.
2. Children and youths who have a primary nighttime residence that is a public or private place not designated for or ordinarily used as a regular sleeping accommodation for human beings.
3. Children and youths who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings.
4. Migratory children who meet one of the above-described circumstances.

District Liaison for Homeless Students

The board designates the following individual to act as the district's liaison for homeless students (homeless liaison):

Assistant Superintendent for Operations
206 S Roney, Carl Junction, MO 64834
Phone 417-649-7026/Fax 417-649-6594

The homeless liaison shall designate and train another district employee to serve as the homeless liaison in the absence of the homeless liaison.

School of Origin

For the purposes of this policy, "school of origin" is defined as the school that the student attended when permanently housed or the school in which the student was last enrolled, including a public preschool. When the student completes the final grade level served by the school of origin, the term shall then include the designated receiving school at the next grade level for all feeder schools.

Enrollment

The selected school shall immediately enroll the homeless student even if the student is unable to produce records normally required for enrollment, such as previous academic records, immunization or other health records, proof of residency, or other documentation, and even if the student has missed any application or enrollment deadlines during

any period of homelessness. Students will be awarded appropriate credit for full or partial coursework in accordance with board policy. Outstanding fines, fees, or absences shall not present a barrier to enrollment of the student. However, the district may require a parent/guardian of a homeless student to submit contact information.

Placement

The district will consider the best interest of the homeless student, with parental involvement, in determining whether the student should be enrolled in the school of origin or the school that nonhomeless students who live in the attendance area in which the homeless student is actually living are eligible to attend. In determining the best interest of the student, the district will:

1. Presume that keeping the student in the school of origin is in the student's best interest except when doing so is contrary to the request of the student's parents/guardians or the student if unaccompanied by a parent/guardian.
2. Consider student-centered factors related to the student's best interest, including factors related to the impact of mobility on achievement, education, health, and safety of homeless students, giving priority to the request of the homeless student's parents/guardians or the unaccompanied youth.

The choice regarding placement shall be made regardless of whether the homeless student lives with a parent/guardian or has been temporarily placed elsewhere. If the student is unaccompanied, the homeless liaison shall assist the student in placement or enrollment decisions, give priority to the views of the student, and provide the student with notice of the student's right to appeal the district's decision.

If the district determines that placement should be in the school of origin, the student will continue to be educated in the school of origin for the duration of the homelessness when the student's family becomes homeless between academic years or during an academic year, and for the remainder of the academic year even if the student becomes permanently housed during the academic year.

If the district determines that it is not in the best interest of the student to attend either the school of origin or the school requested by the parents/guardians or unaccompanied youth, the district shall provide a written explanation of the reasons for its determination. The explanation shall be given in a manner and form understandable to the parents/guardians or unaccompanied youth and shall include information regarding the right to appeal the district's determination.

The written explanation will include:

1. A description of the action proposed or refused by the district;
2. An explanation of why the action was proposed or refused;
3. A description of any other options the district considered;
4. The reasons other options were rejected;
5. A description of any other relevant factors to the district's decision and information related to the eligibility or best interest determination, including the facts and evidence relied upon and their sources;
6. Appropriate timelines to ensure any relevant deadlines are not missed; and
7. Contact information for the local liaison and the state coordinator for homeless students (state coordinator) and a brief description of their respective roles.

Services

Each homeless student shall be provided services comparable to the services offered to other students in the district including, but not limited to, transportation services; education services for which the student meets the eligibility criteria, such as education programs for disadvantaged students, students with disabilities, and gifted students; programs in career and technical education; school nutrition programs; preschool programs; before- and after-school care programs; and programs for English learners. Homeless students will not be segregated in a separate school or program within a school based on the students' status as homeless.

The district will coordinate services for homeless students with local social service agencies and other agencies or entities providing services to homeless students and their families, including services and programs funded under the Runaway and Homeless Youth Act. The district will also coordinate transportation, transfer of school records, and other activities with other school districts.

Unaccompanied Youths

An unaccompanied youth is a student who is not in the physical custody of a parent or legal guardian. The liaison will work with unaccompanied youths on issues unique to their situations, such as informing them of their status as independent students under laws applicable to higher education and informing them that they may obtain assistance from the homeless liaison to receive verification of this status for the purposes of applying for federal student aid.

The homeless liaison, a school counselor, or a school social worker will verify, when applicable, that a student is an unaccompanied youth as defined in federal law.

Transportation

If the homeless student's school of origin, including a public preschool, and temporary housing are located in the district, the district will provide transportation to and from the school of origin at the request of the parents/guardians or homeless liaison, provided it is in the best interest of the student.

If the homeless student's school of origin and temporary housing are located in two different school districts, the districts may agree on a method to apportion the responsibility and costs for providing transportation to the school of origin. If no agreement is reached, the districts will equally share the responsibility and costs for transporting the student. If a homeless student becomes permanently housed in the middle of the school year, the district will continue to provide transportation to the school of origin for the remainder of the school year.

Transportation to the school of origin shall be provided even if a homeless preschooler who is enrolled in a public preschool moves to another district that does not provide a widely available or universal preschool.

Records

When a homeless student enrolls in the district or a district school, the district will immediately contact the school the homeless student last attended in order to obtain academic or other relevant records.

Any records ordinarily kept by the school for each homeless student (including immunization or other health records, academic records, birth certificates, guardianship records, and evaluations for special services or programs) shall be maintained so that the district is equipped to provide the student with appropriate services, make necessary referrals, and transfer records in a timely fashion when a homeless student enters a new school district. Copies of records shall be made available upon request to students or parents/guardians in accordance with the Family Educational Rights and Privacy Act (FERPA).

Information about a homeless student's living situation shall be treated as a student education record and shall not be deemed to be directory information under FERPA.

Homeless Liaison Responsibilities

The homeless liaison will attend all required professional development and other technical assistance activities as determined appropriate by the Department of Elementary and Secondary Education (DESE). The district shall inform school personnel, service providers, and advocates working with homeless families of the duties of the homeless liaison. The homeless liaison will ensure that:

1. Homeless students, including homeless preschool-age children and unaccompanied youths, are identified by school personnel through outreach and coordination activities with other entities and agencies.
2. Homeless students, including unaccompanied youths, are enrolled in and have a full and equal opportunity to succeed in schools in the district.
3. Homeless families and students, including unaccompanied youths, have access to and receive education services for which they are eligible, including Head Start and Early Head Start, early intervention services under the Individuals with Disabilities Education Act, and preschool programs administered by the district, as well as

referrals to healthcare services, dental services, mental health and substance abuse services, housing services, and other appropriate services based on their assessed needs.

4. The parents/guardians of homeless students are informed of the educational and related opportunities available to their students and are provided with meaningful opportunities to participate in the education of their students.
5. Public notice of the educational rights of homeless students is disseminated in locations frequented by parents/guardians, youths, and unaccompanied youths, including schools, family shelters, public libraries, and soup kitchens, in a manner and form understandable to the parents/guardians and youths.
6. Enrollment disputes are mediated in accordance with law.
7. The parents/guardians of homeless students and unaccompanied youths are fully informed of all transportation services, including transportation to the school of origin, and are assisted in accessing transportation to the selected school.
8. Unaccompanied youths will be assisted in placement or enrollment decisions, their views will be considered, and they will be provided notice of the right to appeal.
9. School personnel providing services to homeless students and their parents/guardians receive professional development and other support.
10. Students who need to obtain immunizations or medical or immunization records will receive assistance.
11. The district collects and reports reliable, valid, and comprehensive data to DESE regarding homeless students.
12. All homeless high school students receive information and individualized counseling regarding college readiness, college selection, the application process, financial aid, and the availability of on-campus supports.
13. Every effort is made to enroll preschool-age homeless children in preschool if they are not already enrolled.

Disputes

Parents/Guardians or unaccompanied youths may appeal district decisions regarding eligibility, enrollment or placement. The district will make every effort to resolve complaints or disputes at the district level. The homeless liaison will provide the parents/guardians or unaccompanied youth a written explanation of any decision related to school selection or enrollment, including the right to appeal such decisions, and inform the parents/guardians or unaccompanied youth of the district's complaint resolution process when a question or complaint arises concerning the education of a homeless student.

1. If the parent/guardian or unaccompanied youth has a complaint regarding the education of a homeless student, the person must notify the homeless liaison. The homeless liaison serves as the intermediary between the homeless student and the school where the student is seeking enrollment. The homeless liaison shall provide a copy of or access to the district's policies addressing the education of homeless students and the district's complaint form to the parents/guardians or unaccompanied youth.
2. The parents/guardians or unaccompanied youth can file a complaint in writing with the homeless liaison. The homeless liaison will provide a written resolution of the dispute or a plan of action within five days of the date the complaint was received by the homeless liaison. The parties may mutually agree to an extension of time; however, every effort should be made to resolve the complaint in the shortest possible time.
3. If the dispute is not resolved by the homeless liaison, the parents/guardians or unaccompanied youth may file a written complaint with the superintendent or designee for review. The superintendent or designee will provide a written resolution or plan of action within five days of the date the complaint was received by the superintendent or designee. The parties may mutually agree to an extension of time; however, every effort should be made to resolve the complaint in the shortest amount of time.
4. If the dispute is not resolved at the superintendent level, the parents/guardians or unaccompanied youth may file a written complaint with the board of education. The board will provide a written resolution of the dispute or a plan of action within 30 days of the date the complaint was received by the board. If the dispute is not

resolved by the board in a manner satisfactory to the parents/guardians or unaccompanied youth, an appeal may be brought to DESE in accordance with the state dispute resolution process, which the homeless liaison will provide to the parents/guardians or unaccompanied youth.

While the dispute process is ongoing, the student in question must be enrolled and allowed to fully participate in school activities as well as receive transportation, if requested, to the school in which the parents/guardians or unaccompanied youth seeks enrollment. The district shall make translators, interpreters or other support services available without charge and in the appropriate language to parents/guardians and unaccompanied youths who are English learners, use a native language other than English or need additional supports due to a disability. The district will use the then-current DESE "Homeless Dispute Resolution Regarding the Education of Homeless Children and Youth Dispute Resolution (722(g)(1)(C) of the McKinney-Vento Homeless Assistance Act)" recommended complaint resolution process when a dispute arises regarding the education of a homeless child or youth.

The dispute resolution process is intended to represent each party's views for objective consideration so that disagreements can be resolved expeditiously and in keeping with the McKinney-Vento provisions. The district homeless liaison will handle disputes concerning eligibility, school selection, or enrollment in school for homeless children or youth. During the dispute, homeless children or youth must be enrolled and fully participating in school activities as well as receive transportation, if requested, to the school in which the parent/guardian or unaccompanied homeless youth seeks enrollment during the dispute. The district liaison will carry out the dispute resolution procedures as quickly as possible after receiving notice of a dispute. Every effort must be made to resolve the complaint or dispute at the district level before it is brought to DESE. It is the district's responsibility to inform the parent/guardian or unaccompanied homeless youth of the district's Complaint Resolution Procedure when a question arises concerning the education of a homeless child or youth.