Purpose:

To outline expectations of the Board of Education (Board) as they relate to operating and capital budget processes, procurement, and audits.

Policy Statement:

The Board is committed to pursuing and utilizing all resources strategically and responsibly to achieve identified outcomes and inspire public confidence by clear communication and transparency throughout the fiscal decision making process.

Definitions:

Single source procurement – occurs when staff actively seeks one supplier although more than one is available

Sole source procurement – occurs when only one vendor can provide the service or product

205.1 Operating and Capital Budgets

The Superintendent shall annually prepare an operating budget, a capital budget, and a five-year plan for school construction for the Board to discuss and consider public comment throughout the budget process. The Board will schedule at least one public hearing on the operating budget annually and then submit the budget to the County Executive and County Council, as well as the state, for approval by the applicable deadlines. Allocations to schools and administration of the budget are responsibilities of the Superintendent and his/her staff.

205.2 Purchases of Goods and Services

A. The Board of Education of Frederick County shall review and, if deemed appropriate, approve all contracts greater than the competitive bidding limit established in §5-112 of the Education Article, Annotated Code of Maryland.
The Board shall follow the procedures required by state law for procurement of materials and any applicable federal grant procurement requirements. The Superintendent shall adopt FCPS Regulation 200-07 detailing purchasing procedures.

B. Single or Sole Source Procurements

Procurement of goods and services costing more than the bidding limit established in §5-112 of the Education Article ¹ and are not quoted/bid and are single or sole sources, shall be approved by staff. The Superintendent will inform the Board on a quarterly basis regarding these purchases.

Written justification for a single source or sole source procurement from the department supervisor or principal is required.

C. Emergency Procurements

Emergency repairs qualify as an exception to the state law on bidding. When time is of the essence in securing a building, the Chief Financial Officer or the Superintendent are authorized to make emergency single source procurements. An emergency procurement in excess of the bidding limit established in §5-112 of the Education Article ² shall be approved by staff and must be reported with supporting documentation to the Board of Education at its next regular meeting.

D. The Board supports the use of contracts that are awarded by other public agencies, intergovernmental organizations, and cooperative bidding.

205.3 Audits

The Board will appoint an auditor no later than the regular April Board meeting, unless the auditor’s contract is awarded for a time period longer than one (1) year which will allow compliance with Maryland law. The Superintendent shall submit the name of the audit firm to the State Superintendent of schools for approval by May 1 of the fiscal year to be audited. The audit shall be made in accordance with standards and regulations prescribed by the State Board of Education and the results of such examination shall be a public record and shall be reported to the State Superintendent of schools and the County Executive and County Council on such form or forms and in such manner as the State Board of Education may prescribe.

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¹ Increases competitive bid thresholds for State entities including LEAs to $50,000.
² Increases competitive bid thresholds for State entities including LEAs to $50,000.
205.4 Records and Reports

The Chief Financial Officer shall present a mid-year financial report to the Board for all operating funds with approved budgets with the exception of quarterly financial reports for the Capital Improvement Plan (CIP). The Chief Financial Officer, jointly with the Superintendent, will publish an annual report, by deadlines as dictated by statute, which will include a management discussion and analysis of the financial condition of the school system.

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<tr>
<th>Legal Reference</th>
<th>§ 5-101 and 5-112 Education Article, Annotated Code of Maryland</th>
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<td>§ 13-107 State Finance and Procurement Article, Annotated Code of Maryland/“Sole Source Procurement”</td>
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<td>COMAR 13A.02.01.02.C &amp; COMAR 13A.02.01.02.D “Records and Reports”</td>
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<td>COMAR 13A.02.07.04 “Audits of Financial Statements”</td>
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<td>2 C.F.R. §200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards</td>
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<tr>
<td>Source Document</td>
<td>Financial Reporting Manual for Maryland Public Schools</td>
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<td>Office of Management and Budget Memorandum, M-18-18 dated June 20, 2018</td>
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<tr>
<td>Policy History</td>
<td>Reviewed 2018, 2019</td>
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