

<b>POLICY</b>	<b>BOARD OF EDUCATION OF FREDERICK COUNTY, MARYLAND</b>
<b>FISCAL PROCEDURES</b>	<b>POLICY 205</b>
<b>205.1 Operating and Capital Budgets</b> <b>205.2 Purchases of Goods and Services</b> <b>205.3 Audits</b> <b>205.4 Records and Reports</b>	

**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 are 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. Goods and Services Exceeding \$25,000

The Board shall follow the procedures required by state law for procurement of materials. The Superintendent shall adopt regulations concerning purchasing procedures. The Board shall advertise for bids where the cost of any school building, improvements, supplies, equipment, or services exceeds the sum of twenty-five thousand dollars (\$25,000). Approval of bid awards will be made by the Board or its

designee based upon recommendation of staff. Approval of bid awards \$25,000 or less will be made by the Superintendent or designated representative based upon recommendation of staff.

**B. Goods and Services Costing Between \$12,500 and \$25,000**

Three (3) competitive quotations will be solicited by telephone or in writing for goods and services exceeding \$12,500 but which cost no more than \$25,000. These competitive quotations will be obtained by the requisitioner and shall be attached to the original requisition or in the reconciliation documentation for procurement card transactions.

**C. Single or Sole Source Procurements**

Procurement of goods and services costing more than \$12,500 but less than \$25,000 that are not quoted/bid and are single or sole sources shall be approved by the Purchasing Manager. Procurement of goods and services costing more than \$25,000 that are not quoted/bid and are single or sole sources shall be approved by the Purchasing Manager, Chief Financial Officer, and the Superintendent. The Superintendent will inform the Board on at least a quarterly basis regarding these purchases.

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

**D. 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 \$25,000 approved by the Chief Financial Officer or the Superintendent must be reported with supporting documentation to the Board of Education at its next regular meeting.

**E. 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.

## 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.

<b>Legal Reference</b>	§§ 5-101 and 5-112 Education Article, <i>Annotated Code of Maryland</i>		
	§ 13-107 State Finance and Procurement Article, <i>Annotated Code of Maryland</i> /"Sole Source Procurement"		
	COMAR 13A.02.01.02.C & COMAR 13A.02.01.02.D "Records and Reports"		
	COMAR 13A.02.07.04 "Audits of Financial Statements"		
<b>Source Document</b>	<i>Financial Reporting Manual for Maryland Public Schools</i>		
<b>Policy History</b>	Reviewed 2018	Adopted 3/10/04	Revised 7/11/18