

delegate to the Educational Service Provider the responsibility for making such deposits in a timely manner in the account(s) identified by the Board.

PURCHASING (Revised 7-1-2020)

The School will follow purchasing practices in accordance with applicable law, including MCL 380.1274, 380.1267, 15.321 and 18.1268.

The purpose of this Policy is to provide guidance for purchasing at the School in a manner that will:

1. Ensure the best possible price and quality to meet student needs; and
2. Ensure compliance with state law and Board policy.

The Chief Administrative Officer has the final authority in ensuring funds are expended and managed according to the budget and Board policy. Part of this responsibility may be delegated to the School Leader, other School staff or the Academy Director, and they will be held accountable for following purchasing procedures.

All purchasing must be completed in accordance with applicable conflict of interest laws.

All purchases are subject to administrative approval and School staff may be held accountable for failure to follow appropriate procedures. It is improper for anyone to incur purchasing obligations on behalf of the School without the proper approval process.

Before making a purchase, the School Leader shall determine whether the proposed purchase is subject to bid, whether sufficient funds have been allocated in the budget, and whether the material might be available elsewhere in the School.

General Principles

- A. Before making any purchases, all vendors will be verified against the suspended and/or debarred list maintained by the State of Michigan.
- B. For purposes of this policy, a Michigan-based business means a business that would qualify for Michigan preference for procurement contracts under MCL 18.1268. This geographical preference shall not apply to contracts paid with Federal funds and shall not be inconsistent with federal statutes and regulations.
- C. In the event of an emergency situation, normal purchasing requirements can be waived assuming compliance was not possible and the purchaser acted in good faith. An emergency situation is one in which immediate action is required in order to protect life and limb or to preserve valuable property. Board notification, where needed, will be sought after the fact as soon as it is reasonably possible.
- D. The Academy Director, Board members and School staff shall not accept any gifts or favors from vendors and/or suppliers which might, in any way, influence their recommendations on eventual purchasing decisions.

Minor Purchases

- A. For purchases with a total value of \$10,000 or less, the purchaser is expected to use his or her best judgment to obtain the best price, but will not be required to produce multiple quotes unless the effort required is small and the potential savings significant.

Major Purchases

- A. For purchases with a total value of more than \$10,000 up to the competitive bid threshold as adjusted annually by the Michigan Department of Education (MDE), the purchaser will be required to produce evidence of price competition. Ordinarily, three quotations from major suppliers should be obtained.
- B. The Board should be notified of these purchases.
- C. The following may be evidence of price competition:
 - 1. Written quotations from vendors;
 - 2. Catalog prices taking into account any discounts the School may be entitled to receive;
 - 3. Reliance on bids taken by other governmental or non-profit organizations, i.e., the State of Michigan; and
 - 4. Price quotations obtained by phone with proper documentation.

Competitive Bidding (No Sealed Bids)

Supplies, Materials and Equipment Purchases

- A. As required by Michigan law, the purchase of supplies, materials, and equipment in a single transaction exceeding the competitive bid threshold, as adjusted annually by the Michigan Department of Education, shall require competitive bids and approval by the School Board of Directors.
- B. When competitive bids are solicited under this section, the bid request must contain the following:
 - 1. Specifications for the supplies, materials and equipment being purchased;
 - 2. Payment terms, delivery and warranty requirements; and
 - 3. Specifications as to how the offer must be submitted, including address and deadline for submission.
- C. Competitive bids are not required for
 - 1. Items purchased costing less than the competitive bid threshold;
 - 2. Items purchased through the cooperative bulk purchasing program operated by the department of management and budget; and
 - 3. Food purchased in a single transaction costing less than \$100,000.

Competitive Bidding (Sealed Bids)

Material and Labor for construction, addition, repair or renovation of a school building

- A. As required by Michigan law, purchases of material and labor for the construction of a new school building, or addition to, repairs or renovation of an existing school building exceeding the competitive threshold for construction, as adjusted annually by the Michigan Department of Education, shall require competitive bids and a sealed bid process as prescribed under Michigan law.
- B. Competitive bids under this section are not required for
 - 1. Repair work normally performed by the School; and
 - 2. Emergency situations where failure to repair a school building would have a detrimental effect on the building or on the health, safety and welfare of the students.
- C. In evaluating competitive bids, the best price is not automatically the lowest price, but the following factors should be taken into account:
 - 1. Costs of shipping and pick-up;
 - 2. Adherence with delivery schedules and/or completion of project timeline;
 - 3. Reasonable estimates of supply and maintenance costs over the lifetime of the items purchased;
 - 4. Past performance of the proposed supplier;
 - 5. Compatibility of the product with existing equipment; and
 - 6. Resale or salvage value at the end of the item's useful life.

Services

The procurement of services by the School over \$100,000 is subject to approval by the School Board of Directors.

Federal Purchasing

Purchasing using Federal funds and for federally-funded programs shall be conducted in accordance with applicable Federal law.

BUDGET (Revised 7-1-2020)

The Academy Director and the School Leader shall present a proposed budget and/or analysis to the Board and hold a public hearing prior to the adoption of the budget. The Board shall review the analysis of the proposed budget prior to its adoption. The annual budget adopted by the Board represents the allocation of resources required to operate the School. The Board places the responsibility of administering the budget, once adopted, with the Academy Director.

Budget Preparation and Amendment

The Board has fiscal responsibility to safeguard the financial interests of the School. The annual budget is a financial expression of the School's operating plan. Its preparation is, therefore, one of the most important functions performed by the School Board. The budget shall be designed to carry out that plan in a thorough and efficient manner. The Academy Director and the School Leader shall present a proposed budget to and/or analysis to the Board for their review. The Board shall review the analysis of the proposed budget prior to its adoption. Once adopted, the budget deserves the support of all members of the Board regardless of their position before its adoption.

In order to allow adequate time for the preparation and review of the proposed budget, the Board directs the Academy Director to present budget assumptions to the Board at least 30 days before adoption of the subsequent years budget.

When presented for review, the Academy Director will follow the Uniform Budget & Accounting Act that dictates what information should be included. In short, for the original budget adoption, the 2 most recent years and subsequent year will be shown by function code. For subsequent budgets in the same fiscal year, any prior adopted budgets will be presented by function code.

When funds allocated to a major function are insufficient for a proposed expenditure, the Board may, by an amendment resolution, transfer funds to that function from another function. However, the Academy Director and School Leader shall determine that the necessary surplus funds do exist in the other function and the proposed expenditure is educationally warranted in the current fiscal year.

Budget Adoption

The annual budget adopted by the Board represents the allocation of resources required to operate the School. The final adoption of the proposed annual budget shall be made by the Board after the completion of the public hearing, but no later than June 30th. The public budget hearing will be conducted in accordance with the law.

Budget Implementation

The Board places the responsibility of administering the budget, once adopted, with the Academy Director. The Academy Director shall keep the Board informed as to problems or concerns as the budget is being implemented.

The Academy Director and School Leader shall be authorized to proceed with making financial commitments, purchases, and other expenditures within limits provided in the budget, limitations stated in Board policies, and within legal authority expressed in State statutes.

Listings of expenditures, appropriate financial reports, and budget comparison reports shall be submitted monthly to the Board to keep members informed as to the status of the budget and overall financial condition of the School.

If, during the fiscal year, it appears to the Academy Director that actual revenues are significantly less than estimated revenues, including the available equity upon which then appropriations from the fund were based, the Academy Director shall present to the Board recommended amendments in alignment with the General Appropriations Act that will prevent expenditures from exceeding revenues. Such recommendations shall be in accordance with requirements of the law and provisions of negotiated agreements.

CROWDFUNDING (Approved 4-15-20)

“Crowdfunding” refers to a campaign to collect typically small amounts of money from a large number of individuals to finance a project or fundraise for a specific cause. Through the use of