

TCSA Model Board Policy Series

Module 100: Financial Operations Charter Board Policy
for Tejano Center for Community Concerns, Inc.

100.020 ANNUAL OPERATING BUDGET

The governing body (“Board”) the Tejano Center for Community Concerns (TCCC), which is the charter holder for the Raul Yzaguirre School for Success (RYSS), adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Budget Process

SECTION 1.1. FASRG. The President & CEO will ensure that TCCC follows a budgeting process for RYSS that is consistent with the requirements in the Budgeting Module of the Texas Education Agency’s (“TEA”) Financial Accountability System Resources Guide.

SECTION 1.2. The President & CEO is responsible for the preparation of the annual budget.

SECTION 1.3. Campus Improvement Plan. Each year before the annual operating budget is drafted the President & CEO shall ensure that a campus improvement plan, which is based on a needs assessment of TCCC, is drafted and finalized. The needs assessment and campus improvement plan shall be completed in time to consider during the annual budget preparation process. The campus improvement plan shall inform the drafting of the annual budget.

SECTION 1.4. Adoption. The Board shall formally adopt the budget, in a meeting open to the public, before the fiscal year of September 1st begins and before the expenditure of any funds.

SECTION 1.5. Minutes. The Secretary of the Board will record the adoption of the budget and any amendments in the Board meeting minutes in which the adoption occurs.

SECTION 1.6. Post-Adoption. After the adoption of the budget the President & CEO and the Board shall review actual fund disbursements compared to the adopted budget and make amendments as needed. This shall occur soon after actual student enrollment is determined.

SECTION 2. Fiscal Compliance

The President & CEO shall ensure that TCCC complies with all state and federal laws and rules concerning the budget and related processes of the school, including but not limited to, laws and rules concerning online budget posting and financial solvency.

100.040 USE OF STATE FUNDS

The governing body (“Board”) of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Use of State Funds

The President & CEO of TCCC shall ensure that the school uses state funds only for lawful purposes.

SECTION 2. Prohibition Against Co-mingling of Charter & Non-Charter Business

The President & CEO shall ensure that the business activities of TCCC that are not directly related to the management and operation of TCCC shall be kept in a separate and distinct accounting, auditing, budgeting, reporting, and recordkeeping systems from those recording the business activities of TCCC.

SECTION 3. Interested Transaction

SECTION 3.1 Each member of the Board shall comply with all conflict of interest laws and rules applicable to affected board members.

SECTION 3.2. The President & CEO shall ensure that the employees of TCCC shall comply with all conflict of interest laws and rules applicable to affected employees.

SECTION 3.3 The President & CEO shall ensure that the following shall be recorded in the accounting, auditing, budgeting, reporting, and recordkeeping systems for the management and operation of the school:

- a. Financial transactions between the school and the non-charter activities of the charter holder;
- b. Financial transactions between the school and officer or employee of the charter holder or the school;
- c. Financial transactions between the school and a member of the governing body of the charter holder or the school;
- d. Financial transactions between the school and a management company charged with managing the finances of a school; and
- e. Financial transactions between the school and any other person or entity in a position of influence over the charter holder or the school.

100.060 STATE FISCAL COMPLIANCE (UPDATED JANUARY 2014)
(TCSA NOTE: POLICY ON THIS SUBJECT LEGALLY REQUIRED)

The governing body (“Board”) of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Fiscal Year

The TCCC Board adopts September 1st as the fiscal year for TCCC.

SECTION 2. Financial Accounting

Section 2.1 Compliance. The President & CEO shall ensure that TCCC fully complies with: generally accepted accounting principles, Texas Education Agency’s (“TEA”) Financial Accountability System Resource Guide, TEA’s Student Attendance Accounting Handbook, Public Education Information Management System (PEIMS), and any other applicable federal or state standards for financial management systems. Where applicable, the TCCC’s CFO should certify information regarding financial reports and records.

Section 2.2 Financial Reporting. The President & CEO, or designee, shall make an accurate, current, and complete disclosure of financially assisted activities in accordance with financial reporting requirements of each grant or subgrant.

Section 2.3. Accounting Records. The President & CEO, or designee, shall maintain records that adequately identify the source and application of funds provided for activities assisted with state or federal funds.

Section 2.4. Internal Control. The President & CEO, or designee, shall maintain effective control and accountability of all federal grant and sub-grant cash, real and personal property, and other assets obtained with federal funds. The President & CEO, or designee, shall safeguard all such property and assure that it is used solely for authorized purposes.

SECTION 3. Grant Management Standards

Section 3.1 Compliance. If TCCC received a grant directly from a state or federal agency the President & CEO shall ensure that TCCC is in compliance with the grant requirements of that state of federal agency.

Section 3.2. Employee Time Sheet. If an TCCC employee's compensation is funded by any grant, the President & CEO shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

Section 3.3. Signature. The President & CEO shall ensure that the time sheets will contain the signatures of the employee that completed the time sheet, a school official, and the TCCC grant manager.

SECTION 4. Annual Audit by the Charter

Section 4.1. Annual Audit. Annually, the President of the Board for TCCC shall ensure the engagement of a certified public accountant ("CPA") to have the financial and programming operations of TCCC audited. TCCC shall select and contract only with CPAs that are licensed by the Texas State Board of Public Accountancy and registered as a provider of public accounting services.

Section 4.2. Filing with TEA. The President & CEO shall ensure that TCCC timely files a copy of the annual audit report with the TEA division responsible for school financial audits. The report shall include a certificate of the Board which will include the original signatures of both the presiding officer and the secretary of the Board. The certificate shall indicate if the Board approved or disapproved the contents of the report along with the date of the Board's approval or disapproval. This approval or disapproval shall be supported in the Board's meeting minutes. The President & CEO shall ensure that if the Board disapproved the audit, it shall still be filed with TEA along with a statement identifying the reason(s) for Board disapproval.

Section 4.3. Disclosure of Interest. On behalf of the TCCC, the President & CEO shall ensure that all persons with a substantial interest in a management company are separately disclosed in the annual audit.

SECTION 5. Annual Financial Statement (UPDATED JANUARY 2014)

Section 5.1. Annual Financial Statement. The President & CEO of TCCC shall prepare, or cause to be prepared, an annual financial statement for each fund subject to the authority of the Board during the fiscal year showing:

- a. The total receipts of the fund, itemized by source of revenue, including taxes, assessments, service charges, grants of state money, gifts, or other general source from which funds are derived;
- b. The total disbursements of the fund, itemized by the nature of the expenditure; and

- c. The balance in the fund at the close of the fiscal year.

Section 5.2. Posting of Annual Financial Statement. The President & CEO, or designee, shall ensure that the annual financial statement is posted continuously on the school's Internet website.

SECTION 6. Annual Financial Management Report

Section 6.1. The President & CEO shall ensure that TCCC complies with the reporting procedures TEA develops for charter holders to prepare and distribute the school's annual financial management report.

SECTION 7. Audit by the Commissioner

Section 7.1. TCCC and its officers, employees and agents shall fully cooperate with an audit by the commissioner of education and will take all actions necessary to secure the cooperation of a management company.

SECTION 8. Attendance Accounting

Section 8.1. Compliance. The President & CEO shall ensure that TCCC complies with the TEA Student Attendance Accounting Handbook and all other laws and rules concerning charter school student attending accounting, reporting, and record keeping.

Section 8.2. Responsibility. The President & CEO, chief campus leaders and teachers of TCCC will be responsible to the Board of TCCC and to maintain accurate, current student attendance records;

Section 8.3. When Attendance is taken. Attendance at TCCC will be determined by the commissioner of education's administrative regulations, currently in 19 TAC 129.21. TCCC will not change the established period in which absences are recorded during the school year;

SECTION 9. PEIMS Data Standard

Section 9.1. PEIMS. The President & CEO shall ensure that TCCC's fiscal accounting system is compatible with PEIMS data standards and conforms to Generally Accepted Accounting Principles.

Section 9.2. Account Code Structure. The President & CEO shall ensure that, with the exception of the codes that may be used at local option, TCCC shall use the account code structure described in TEA's Special Supplement to the Financial Accountability System Resources Guide, Nonprofit Charter School of Accounts.

100.080 FEDERAL FISCAL COMPLIANCE (UPDATED JANUARY 2014)

The governing body ("Board") of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Fiscal Requirements under Title I, Part A of NCLB (Title I Responsibility and Accountability)

Section 1.1. Supplement not Supplant. The President & CEO shall ensure that Title I funds will be used to supplement, not supplant regular non-federal funds.

Section 1.2. Documentation. Documentation shall be maintained, or caused to be maintained, by the President & CEO. The documentation must clearly demonstrate the supplementary nature of federal funds.

Section 4. Campus Improvement Plan. The President & CEO shall ensure that Title I funds used by TCCC shall be aligned to the campus improvement plan. There shall be no costs expended that are not directly related to the campus improvement plan.

- a. A comprehensive needs assessment shall be conducted that will inform the drafting of the campus improvement plan. The campus improvement plan shall be aligned to the needs assessment and only needs that can be met with current funding levels shall be addressed in the campus improvement plan.
- b. New goals shall be added as new money is identified.
- c. The President & CEO shall ensure that TCCC shall conduct the needs assessment and campus improvement plan prior to any grant application.

SECTION 2. Federal Grant Allowable Expenditures

Section 2.1. OMB Circulars. Prior to expending funds, the President & CEO shall ensure that TCCC consults the appropriate OMB Circular, applicable to open-enrollment funds are expended in accordance with the circular.

SECTION 3. Time and Effort

Section 3.1. Employee Time Sheet. If a TCCC employee's compensation is funded by any grant, the President & CEO shall ensure that the employee maintains a time sheet on which he or she records the time spent during the work day along with a description of the service he or she performed during that time.

Section 3.2. Signature. The President & CEO shall ensure that the time sheets contain the signatures of the employee that completed the time sheet, a school official, and the TCCC grant manager.

SECTION 4. Charter Schools Program (CSP), NCLB Title V, Part B

Section 4.1. Compliance. If TCCC receives CSP grants, the President & CEO shall ensure that TCCC shall comply and use the federal funds in accordance with all statutes, regulations, and approved applications.

Section 4.2. Fiscal Control. The President & CEO shall directly administer or supervise the administration of any projects funding through CSP funds, and shall use fiscal control and fund accounting procedures that ensure proper disbursement of, and accounting for, federal funds.

Section 4.3. Conflicts of Interest. TCCC Board members and employees shall avoid apparent and actual conflicts of interest. An individual is prohibited from participating in a administrative decision regarding a project funded through CSP funds if the decision is likely to benefit that person or an immediate family member and the person is a public official or has a family or business relationship with TCCC. A person is prohibited from participating in a project to use his or her position for a purpose that is, or gives the appearance of being, motivated by a desire for a private or financial gain for that person or for others.

Section 4.4. Procurement. When using CSP funds to enter into a contract for equipment or services the President & CEO, or President & CEO designee, shall comply with the applicable federal procurement standards. No Board member, employee, officer, or agent of TCCC may participate in the selection, award, or administration of any contract supported by federal funds if a real or apparent conflict of interest exists.

SECTION 5. Use of Federal Grant Funds for Procurement

Section 5.1. Compliance. When expending federal grant funds, the President & CEO, or the President & CEO designee shall ensure compliance by TCCC's employees, officers, and agents with all applicable federal and state procurement standards and policies. Violations of applicable laws or policies may lead to disciplinary consequences including and up to termination of employment or removal from any officer position if applicable. The President & CEO shall ensure compliance with the following provision:

- a. The purchase of unnecessary items will be avoided;

- b. The solicitation of bids or offers must provide a clear and accurate description of the requirements to be fulfilled by the bidder, technical requirements to be performed including the minimum acceptable standards, specific features of brand name or equal descriptions that bidders are required to meet, the acceptance of products and services dimensioned in the metric system of measurement, a preference, where economically feasible, for products that conserve natural resources, protect the environment, and are energy efficient;
- c. Positive efforts shall be made to utilize small businesses, minority-owned firms, and women's business enterprises whenever possible and in a legal manner;
- d. The type of procurement instruments used (e.g. purchase order) must be appropriate for the particular procurement;
- e. Contracts are made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement;
- f. Procurement documents shall be made available, upon request, to appropriate government officials when:
 - i. Procurement procedures fail to comply with the standards in this section;
 - ii. The procurement is expected to exceed the small purchase threshold (currently \$25,000) and is to be awarded without a competitive bidding process or there is only one bid received in response to a solicitation;
 - iii. The procurement which is expected to exceed the small purchase threshold, specifies a brand name product;
 - iv. The proposed award over the small purchase threshold is to be awarded to a bidder under a sealed bid procurement; or
 - v. A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

Section 5.2. Open and Free Competition. The President & CEO shall ensure that all procurement transactions are conducted in a manner that provides open and free competition. Awards must be made to the bidder/offer or whose bid/offer is responsive

to the solicitation and is most advantageous to TCCC, considering price, quality, and other relevant factors deemed appropriate.

Section 5.3. Conflicts of Interest. The President & CEO shall ensure that no employee, officer, or agent of TCCC, who has a real or apparent conflict of interest, participates in the selection, award, or administration of a contract supported by federal funds. Employees officer, and agents may also not solicit or accept favors, gratuities, or anything of monetary value from contractors or their agents.

Section 5.4 Record Documentation. The President & CEO shall ensure there is a cost of price analysis made and documented with every procurement action. He/she shall also ensure the evaluation of the contractor performance and document whether the contractor has met the terms, conditions, and specifications of the contract. Procurement records for purchases over the small purchase threshold shall also contain the following information:

- a. The basis for contractor selection;
- b. The justification for lack of competition when competitive bids or offers are not obtained; and
- c. The basis for award cost or price.

Section 5.5. Mandated Contract Provisions. The President & CEO shall ensure that all legally mandated provisions are included in each procurement contract.

SECTION 6. Breakfast Program Child Nutrition Programs *(UPDATED JANUARY 2014)*

Section 6.1 National School Breakfast Program Participation.

If at least 10 percent of enrolled students in RYSS are eligible for free or reduced-price breakfast under the national school breakfast program, provided for by the Child Nutrition Act of 1966, TCCC shall participate in the program and make the benefits of the program available to all eligible students.

Unless the Board has obtained a waiver from the Commissioner for the applicable school year, if at least 80 percent or more of the students in RYSS qualify for a free or reduced-price breakfast under the National School Breakfast Program, TCCC shall provide a free breakfast to every student at the school.

The President & CEO shall ensure the school's compliance with all federal and state rules governing administration of the National School Breakfast Program.

Section 6.2. National School Lunch Program.

The President & CEO or designee shall ensure compliance with all federal and state rules governing the administration of the National School Lunch Program.

100.100. CASH MANAGEMENT & CREDIT CARD PROCEDURES

TCSA Note: The goal is to separate duties as much as possible so as to minimize the risk of misuse of funds.

The governing body (“Board”) of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

School funds are public funds. Consequently, all expenditures of school funds, including cash expenditures, shall be documented and accounted for by daily receipts.

As a general rule, cash will not be used to make purchases except from petty cash, as described below. School checks shall not be made payable to “Cash”.

The President & CEO of TCCC shall ensure that appropriate “separation of duties” are complied with in the handling of all money transactions, including reconciliation.

SECTION 1. Accounting for Cash Transactions

Section 1.1. TCCC’s bank account. All cash transactions shall be recorded in writing, such as by hand written receipt, which shall be signed dated by the individual who received the cash. Staff members who receive or collect money from parents or teachers shall document from whom the money was received and in what amount. A copy of the receipt shall be kept with the cash received. Such money shall be submitted to the Principal or Designee on the same school day as it is received for deposit.

Section 1.2. Depositing Cash. The President & CEO shall be responsible for ensuring that cash received is deposited in TCCC’s bank account. Deposits, and all other cash transactions shall be made , in accordance with the Accounting Policies and Procedures Manual (APPM developed, maintained and published to employees by the CFO.

Section 1.3. Petty Cash. Petty cash shall be maintained in a locked box in each campus principal’s office in accordance with the APPM. All disbursements from petty cash shall be documented in writing, indicating the date, amount disbursed, the identity of the individual receiving the funds, and the reason for the disbursement. Receipts from purchases made with petty cash shall be remitted to the campus principal’s office as soon as practicable. Petty cash funds shall not be used to cash checks.

SECTION 2. Checks

Section 2.1. TCCC Checks. Any authorized check drafted on TCCC's bank account must comply with the APPM developed, maintained and published to employees by the CFO. TCCC Directors and employees authorized to sign checks from TCCC's bank account on behalf of TCCC are identified on the AAPM. Each check must be completed in its entirety before it is signed by either party.

Section 2.2. Checks Received. Checks received shall be endorsed "for deposit only" and shall be deposited in accordance with the APPM.

Section 2.3. Check Requests. Services or products rendered, reimbursement requests with original receipts, or mileage reimbursements may receive payment with a check in accordance with the APPM.

Section 2.4. Check Acceptance Policy. Parents of students enrolled at RYSS and employees of TCCC must receive prior notice from TCCC that in the event a check they have submitted to TCCC is returned for insufficient funds, or any other reason, TCCC shall collect from the check maker the amount originally due in addition to any fee assessed to TCCC by the bank because of the returned check.

SECTION 3. Paying Bills with State of Federal Grant Funds

Section 3.1. Grant funds shall not be requested from the Texas Education Agency until TCCC is prepared to pay outstanding balances within three days from when the funds are deposited in a TCCC bank account. The President & CEO shall ensure that all bills, including payroll and related withholding taxes, shall be paid by TCCC within three working days from when such funds are deposited in a TCCC bank account.

SECTION 4. Bank Reconciliations

The President & CEO or President & CEO's designee is responsible for bank reconciliations a minimum of once a month. Each TCCC bank statement, assets, and liabilities shall be reconciled to both the checkbook and the general ledger.

SECTION 5. Credit Card Procedures

Only the following are authorized to use the TCCC credit card: President & CEO, CFO, and the highest level administrator assigned to the Brownsville campus.

All authorized users of the TCCC credit card assume the responsibilities pertaining to the use and reconciliation of the credit card and must follow the APPM. The TCCC credit card shall only be used for school business expenditures. It may not be used for personal purchases and/or cash transactions and shall be maintained by the highest level of security.

Employees issued a TCCC credit card must receive prior, documented approval from President & CEO or designee before the use of the credit card. Each credit card

transaction by any user must be accompanied by appropriate documentation such as original receipts documenting each transaction.

SECTION 6. Activity Funds

Section 6.1. Parent/Volunteer Groups. The President & CEO, or designee, shall develop procedures for parent and school volunteer groups to follow in the collection of funds. Such procedures should distinguish between what the school is collecting and what the parent group is collection. See Texas Education Code §12.108 for allowable fees that may be collected by TCCC.

Section 6.2. Activity Expenditures. The President & CEO or designee, CFO, and Superintendent are authorized to approve activity expenditures

100.120. Accounting for Capital Assets

The governing body (“Board”) of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1.

Section 1.1. Capital Asset. A capital asset for TCCC is an asset that is:

- a. Tangible in nature;
- b. Has a life that exceeds one year;
- c. Is valued at \$5,000 per unit; and
- d. Is reasonably identified and controlled through a physical inventory system.

Section 2.1. Documentation. The President & CEO shall ensure that TCCC maintains accurate records of capital assets in accordance with applicable rules.

Section 1.3. Inventory. The President & CEO will ensure that a physical inventory of capital assets takes place once every two years in accordance with rules.

Section 1.4. Financial and Compliance Report. For purposes of the Financial and Compliance Report, the President & CEO shall ensure that the report includes:

- a. An exhibit in the financial and compliance report identifying all capital assets and the ownership interest of local, state, and federal parties; or
- b. A statement that all property acquired during the term of the RYSS, and all property presently held by RYSS, may be considered public property.

100.140. INVESTMENT OF STATE FUNDS

The governing body ("Board") of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. The President & CEO shall ensure that TCCC invests state funds in accordance with applicable state law and rules. The investment of state funds shall be made with judgment and care and not for speculation, but for investment, considering the probable safety of capital and the probable derived income.

SECTION 2. Investment Management Firm and/or Officer: The President & CEO may determine to recommend to the Board to contract with an investment management firm that is registered under the appropriate governmental entities to provide for the investment and management of school funds. Such a contract shall not exceed two years. If the Board determines to renew any such contract the Board shall issue the appropriate order or resolution.

SECTION 3. Discrete Maintenance of Records. The President & CEO shall ensure that all school investments will be maintained in a discrete, charter investment account, separate from any other of TCCC's accounts.

The Board shall annually review and adopt a school investment policy which shall be publicly available.

100.160 PAYROLL

Section 1.1. Accurate & Timely Payroll. The President & CEO shall ensure that school employees are paid accurately and timely in accordance with applicable laws and rules.

Section 2.2. Paydays. The paydays for all employees shall be determined by the President & CEO as reflected in the TCCC Employee Handbook.

Section 2.3. Withholding of Wages. The President & CEO shall ensure that the wages of school employees are not withheld except as expressly required or expressly permitted by applicable laws and rules.

100.180. PROPERTY

The governing body (“Board”) of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Public Property Held in Trust

Section 1.1. Public Property. An interest in real estate or personal property acquired, improved, or maintained using state funds that were received for RYSS on, or after, September 1, 2001, is public property for all purposes under state law.

Section 1.2. Public Property Held in Trust. Public property is held by the RYSS in trust for the benefit of enrolled students.

SECTION 2. Use of Public Property

Section 2.1. Allowable Use. The President & CEO shall ensure that public property shall only be used for a purpose for which a school district may use school district property and only to implement a program that is described in the open-enrollment charter and is consistent with the Texas Education Code §12.102.

The President & CEO also shall ensure that TCCC employees, agents, contractors, and management companies do not use or apply school public property for any purpose but a program described in TCCC’s charter.

Section 2.2. Exception to Allowable Use. Employees of TCCC may use local telephone service, cellular phones, electric mail, Internet connections, and other electronic communication means for incidental personal use under the following conditions:

- a. Such incidental personal use must not result in any direct cost paid with state funds. If this does happen, the President & CEO shall ensure that the employee which caused the direct cost to be incurred by TCCC shall reimburse TCCC;
- b. Such incidental personal use shall not impede the functions of TCCC;
- c. The use of public property for private commercial purposes is strictly prohibited;
- d. Only incidental amounts of an employee's time for personal matters, comparable to reasonable coffee breaks during the day, are authorized under this section.

SECTION 2.3. Violations of Section 2.

Section 2.3.1. Employee Violations. The President & CEO shall ensure that a violation of Section 2 of this policy by an employee of TCCC shall have disciplinary consequences which may include termination of employment.

Section 2.3.2. Contractor Violations. The President & CEO shall ensure that each contract between TCCC and another party of RYSS facilities includes language stating the allowable use of public property and that a violation of the allowable use may lead to termination of a contract. If a contract is terminated based on a violation of Section 2 of this policy TCCC will compensate the entity for services performed but only as required by law.

Section 2.4. Joint Use of Real Property. The Chair shall ensure that the Board take a separate vote to approve any joint use of real property for charter and non-charter activities. In the meeting minutes of the vote approving the joint use, the Board Secretary shall ensure that the minutes set forth the methodology used to allocate shared costs and the percentage allocation basis between charter and non-charter activities.

SECTION 3. Lease of TCCC Facilities

TCCC may lease its RYSS facilities to various organizations such as those that are educational, religious, or civic in nature. However, the availability of facilities for lease by outside entities will depend on TCCC's own needs and convenience.

100.200 PURCHASING & CONTRACTING

The governing body ("Board") of TCCC adopts the following policy which shall be effective on the date that the policy is adopted by the Board.

SECTION 1. Public Works Contracts

Section 1.1. Applicable Law: In awarding contracts that will involve the construction, repair, or renovation of a structure, road, highway, or other improvement or addition to real property, the TCCC, will comply with Chapter 271, Subchapter B, of the Local Government Code. The President & CEO shall ensure that all applicable advertisement notice, bid, requirements are satisfied.

Section 1.2. Bidding Threshold. The President & CEO shall engage the applicable law when an expenditure of more than \$25,000.00 in public funds is required.

Section 1.3. Contract Award. The President & CEO shall make a recommendation to the Board concerning the award of a public works projects bid pursuant to this policy.

In determining the contract award, the Board may take into account several factors, including:

- a. The safety records of the bidder;
- b. Whether the bidder, its employees, and agents have relevant and mandatory licensures/registrations;
- c. Complaints and/or accident reports to relevant local and/or state agencies;
- d. The purchase price;

- e. The reputation on the bidder and of the bidder's goods or services;
- f. The quality of the bidder's good or services;
- g. The extend to which the goods or services meet TCCC needs;
- h. The bidder's parts relationship with TCCC;
- i. The impact on the ability of TCCC to comply with the laws and rules relating to historically underutilized businesses;
- j. The total long-term cost to TCCC to acquire the bidder's goods or services;
- k. Any other relevant factor specifically listed in the request for bids or proposals.
- l. Any existing laws, including any criteria, related to historically underutilized businesses; and
- m. Any existing laws or rules related to the use of women, minority, small, or disadvantaged businesses.

Section 1.4. Definition of Safety Records. The safety record includes a bidder's Occupational Safety and Health Administration inspection log for the last three years, a loss analysis from the bidder's insurance career, any known safety violations on previous projects, and a loss history covering all lines of insurance coverage by the bidder.

SECTION 2. Professional Services

Section 2.1. Applicable Law. The President & CEO shall ensure that professional service providers are selected in accordance with the applicable law.

SECTION 3. Cooperative Purchasing Programs

The President & CEO shall ensure full compliance with all applicable law and rules if TCCC has amended its charter to enter into a cooperative purchasing program.

SECTION 4. Other Purchasing and Contracting

Section 4.1 Appropriate Value. In awarding contracts for goods and services that are not governed by Sections 1, 2, 3 of this policy the President & CEO shall ensure that the TCCC received appropriate value for the expenditure.

Section 4.2. Competitive Process Threshold. In an expenditure of school funds for a contract awarded under section 4.1 exceeding \$100.00, which may be modified in the

APPM then the President & CEO shall engage a competitive process before selecting a person or entity to which to make the award.

Section 4.3. Purchase Order Required. The President & CEO shall established procedures identifying a purchase order process as the method for purchasing or expending funds. Approval for a purchase or expenditure of funds must be obtained by the President & CEO or designee before the purchase or expenditure of funds is made.

SECTION 5. Board Approval Required

For any contract or purchase made pursuant to this policy, the board of directors shall approve all contracts valued above \$25,000. The President & CEO and the CFO have authority to make expenditures up to \$25,000, but neither the President & CEO nor the CEO has the authority to bind the board of director or the TCCC to any contract valued above \$25,000. Any contract or purchase valued above this amount that is not approved by the TCCC board of directors is void and ineffective. No individual Board member may direct the President & CEO or the CFO to expend funds or enter into a contract. The authority of President & CEO or the CFO to extend funds up to \$25,000 for any one, single transaction, item, or service does not authorize separate, sequential, or component purchases, for the purpose or effect of exceeding or circumventing the \$25,000 limitation; “component purchases” means purchased in one purchase; “sequential purchases” means purchases, made over a period, of items that in normal purchasing practices would be purchased in one purchase; “separate purchases” means purchases, made separately, of items that in normal purchasing practices would be purchased in one purchase.

SECTION 6. State Travel Management Program

Board members, officers, and employees, engaged in travel on official business of TCCC, shall utilize the travel procedures developed and maintained by the CFO in the APPM who shall be guided by the Texas Comptroller’s State Travel Management Program.