



Policy 702: Purchasing Policy

Adopted: February 10, 2014

Revised: June 27, 2016 & April 28, 2025

Adopted by: BLC Board of Directors

PURPOSE:

To outline the requirements for purchasing materials, products, or services and ensure that all purchasing supports the educational programs of Bdote Learning Center (BLC) by providing the necessary supplies, equipment, and services to carry out the mission and objectives of the school. The purpose of this policy is to establish procedures for carrying out purchasing, procurement and contracting functions of the charter school and to provide efficient management of public monies and ensure compliance with all applicable state and federal laws including requirements when using federal funds to make purchases under Minnesota's federal Charter Schools Program (CSP) and other grants.

GENERAL STATEMENT:

- It is the policy of the BLC to utilize resources to the greatest benefit of our students' education and to establish procedures for all expenditures made with charter school funds to ensure efficiency, economy, legal compliance, internal control, ethical behavior by all staff members, and fairness in dealing with vendors.
- It is the policy of the school to purchase competitively without prejudice and in accordance with the applicable provisions of law and to seek maximum value for every dollar expended.
- The School Director and Operations Manager will employ purchasing procedures which comply with all applicable laws and rules of the state.
- Follow a free and open competitive process in securing products or services.
- Properly document purchasing activities and decisions.
- Observe the special rules for kinds of purchases typically used under the federal Charter School and Special Education Programs.
- All purchases will follow federal, state, and local statutes and regulations including specific requirements found in the Code of Federal Regulations (CFR) and Uniform Grant Guidance (UGG) for governmental sub-recipients and for sub-recipients that are non-profit organizations (e.g. CSP sub-grantees).

RELATIONS WITH VENDORS:

- BLC will seek business and bids from all eligible vendors, regardless of race, creed, color, sex, national origin, age or handicap.
- No favoritism will be extended to any vendor. Each order will be placed based on quality, price and delivery; past services being a factor if all other considerations are equal.
- Purchases cannot be processed through BLC for personal use.
- Since BLC is tax-exempt, all purchases using school funds shall be made using the school's sales and use tax number.

AUTHORIZATION FOR PURCHASES:

If a purchase total exceeds \$5,000, School Board approval is required and purchasing quotes should be obtained in compliance with the Competitive Purchasing section below. Purchases or contracts estimated to cost less than \$5,000 shall be determined as much as possible by documented verbal or written quotations, or by direct negotiations. Purchases made with federal funds require additional competitive purchasing



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requirements and should be reviewed with the School Director prior to ordering (see Appendix A for proper procurement process under federal grant programs).

COMPETITIVE PURCHASING:

- Competitive purchasing practices must be used for all purchases of materials or services more than \$50,000.
 - All contracts and purchase requests and supporting documentation must be pre- approved and signed by the School Director.
 - Written quotations or sealed bids must be secured
 - BLC may utilize state contracts or valid joint powers contracts, or
 - Receive bids and proposals from vendors and contractors.
- Purchases or contracts estimated to cost more than \$50,000 should be submitted to the School Director. They require a formal contract and must be based on two or more written requests for quotes or written requests for proposals, or by utilizing state contracts or valid joint powers contracts. The School Director may require a sealed bid process.
- Purchases or contracts estimated to cost more than \$100,000 require a formal bid process and must be based on sealed bids with prior authorization from the School Director or School Board. All formal contracts more than \$100,000 must be approved by the School Board. For all documentation of materials or contracts more than \$100,000, copies of the Sealed Bid Requests, copies of all Bids submitted, etc., shall be kept on file at the school as proof that the formal bid process was followed.
- Annual contract renewals that fall within a three (3) year renewal period, can be approved and signed by the school director or designee as applicable each of three (3) consecutive years.

CONFLICT OF INTEREST:

- No employee, officer, or school board member of Bdote Learning Center shall participate in the selector or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: the employee, officer, or board member, any member of his/her immediate family, his/her partner, or any organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award.
- Bdote Learning Center officers, employees, or board members will neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to sub agreements.
- If an employee misuses funds distributed by the school, the Director of Administration, Special Education Coordinator, and Director of Operations will discuss the incident with the staff member. Corrective action will be put in place, along with required Code of Conduct training (see link below.) Upon a second incident, staff will be removed from any fiscal duties and formal documentation will be recorded in their personnel file
- Uniform Grant Guidance 2 CFR §200.318
 - – Standards of Conduct (Conflict of Interest)
 - § Immediate Family Member
 - § Significant Other
 - § Business Partner
 - § Employer (current or immediate future) of family member or partner
 - § Stockholder
 - Standards of Conduct must contain disciplinary action
 - <http://mn.gov/mmb/internalcontrol/executivebranchagencyrequirements/codeofconducttraining/>

PAYING FOR GOODS & SERVICES:



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- All payments for goods and services are to be made promptly. It is BLC's intent to maintain continuing good will of vendors to ensure the maximum educational value for every dollar expended.
- Proper internal controls, including segregation of duties, will be established and maintained over the order of and payments for goods and services.

PROCEDURE:

Determine procurement method based on need, cost, and source availability.

- Additional requirements for Special Education Procurement include:
 - That the LEA ensures that each purchase or contract:
 - is allowable, necessary and reasonable as defined by federal and state requirements.
 - is an eligible cost of providing special education services and is not a cost the LEA would incur in the absence of special education services.
 - complies with federal and state procurement and accounting standards; and
 - is supported by adequate source documentation including approval by the appropriate LEA official(s).
 - Additionally, if purchase of service, supply or equipment is the result of a student need, be sure it is documented in the student's IEP.
 - a written code of standards of conduct governing the performance of their employees engaged in the selection, award and administration of contracts.
 - Guiding Questions:
 - In the absence of special education needs, would this cost exist? Yes or No?
 - Is this cost also generated by students without disabilities? Yes or No?
 - If it is a child specific service, program, supply or equipment, is the need documented in the student's IEP? Yes or No? or...
 - Will this item, service or project expand and enhance the direct instruction of students with disabilities? Yes or No? or...
 - Will this training expand and enhance the IEP process? Yes or No? or....
 - Will this professional development opportunity (training) expand and enhance delivery of IEP specific disabilities services?

THE FOUR PERMITTED PROCUREMENT METHODS:

Depending on the scarcity of the item or service desired, and the size of the purchase; different methods of procurement are available for use by CSP sub-grantees under federal regulations.

- **Small purchases** (34 CFR 80.36(d)(1)):
 - May be used for procurement of **\$5,000 or less** in the aggregate:
 - Identify and/or enumerate scope of services or standards of products.
 - Prepare Request for Proposal (RFP) or Request for Quote (RFQ) – One quote minimum required.
 - Fill out purchase order or requisition and process through the School District's Business Office. (Director of Operations)
 - Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.
 - Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.
 - All purchase orders and requisitions must be signed and dated by an authorized official of the School District. (Director of Administration or Director of Operations)
 - Director of Operations will maintain the following required documentation for a minimum of 7 years. Supporting documentation should include items listed: Quotes, if applicable; - Special Education Teacher, Purchase order- Special Education Teacher, Approval for purchase with



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signature and date; - Director of Administration, Signed and dated contract, if applicable; - Director of Administration, Packing slips, if applicable; - Administrative Assistant, Invoice(s); - Director of Operations, Approval for payment; - Director of Administration, Cancelled check, EFT payment or bank statement showing payment; - Director of Administration and Director of Operations, Description justifying the purchase as an eligible cost for special education; - Special Education Teacher, Page from IEP identifying need (i.e. Service Page, etc.); - Special Education Teacher, and Prior written approval from MDE, if applicable.

- INCLUDE ONLY THE ITEMS ABOVE USED BY YOUR DISTRICT – IF YOU LIST ITEMS HERE, YOU WILL NEED TO PRODUCE OR BE FOUND NONCOMPLIANT.

- **Medium purchases:** procurements of \$5,000 - \$50,000. Rate quotes. School board approval is required. Identify and/or enumerate scope of services or standards of products.
 - Prepare Request for Proposal (RFP) or Request for Quote (RFQ). Including School Information, Scope of work or standards, Deliverables, and Contract terms and conditions.
 - Identify and contact potential vendors (min. 2) and/or publish RFP / RFQ.
 - Assess proposals/quotes received based on contract award criteria (cost, quality, suitability, conformance to specifications, availability, references, best overall ability to fulfill need).
 - Secure school board approval for purchase.
 - Notify the award recipient in writing. Notify declined entities as well.
 - Fill out purchase order and process through the School District's Business Office.
 - All purchase orders and contracts must be signed and dated by an authorized official of the School District.
 - Determine the adequacy of contractor performance.
 - Establish reasonable payment schedules defining amount and timing of funds to be paid (recommend payment *after* services rendered).
 - Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.
 - Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.
 - Contracts can be made for two years with an additional two-year extension without signing.
 - Maintain required documentation for a minimum of 7 years.
- **Competitive Proposals** (34 CFR 80.36(d)(3)):
 - A procurement more than the small purchase threshold (**more than \$50,000**) may not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures followed under the "small purchases" approach.
 - The leadership team, including the Director of Administration, Director of Operations, and/or Special Education Coordinator will determine three vendors to receive competitive bids or proposals from. Once the bids are received, the leadership team will determine which vendor offers the best value. The leadership will use www.sam.gov to ensure that no vendor has been debarred or suspended.
 - May not be inappropriately broken up into smaller components solely to qualify for the less complicated procedures followed under the "small or medium purchases" approach.
 - Bdote Learning Center shall use competitive proposal procedures as outlined by the MN Department of Education, state, federal, and local statutes and regulations.
 - DISTRICT may use CPV to purchase goods and services under contracts established by the state of MN. <http://www.mmd.admin.state.mn.us/pdf/CPVSubscribe2.pdf>



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- Sealed bids will be obtained for purchases of over \$50,000 where competitive pricing is a major factor. Requirements for sealed bids:
 - The invitation for bids will be publicly advertised and the bids must be selected from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.
 - The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services for the bidder to properly respond.
 - All bids will be publicly opened at the time and place prescribed in the invitation for bid.
 - A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.
 - Any or all bids may be rejected if there's a sound documented reason.
- Price cost analysis, including independent estimates will be completed for all sealed bid purchases over \$50,000. Contractors submitting sealed bids are required to submit cost proposals that show the elements (e.g., labor, materials, overhead, profit) of their proposed costs or price.
- **Noncompetitive proposals/sole source procurement** (34 CFR Part 80.36(d) (4)) Noncompetitive negotiations may be utilized only under **very limited circumstances**. The CSP sub-grantee must show that another method of procurement was infeasible because:
 - The item or service was only available from a single source.
 - A public emergency or condition requiring urgency existed which did not permit the use of competitive procurement; or
 - Competition was determined to be inadequate after receiving proposals from numerous sources.
 - Identify and/or enumerate scope of services or standards of products.
 - Fill out "Sped Procurement Database".
 - Prepare Request for Proposal (RFP) or Request for Quote (RFQ), if applicable. Using School Information, Scope of work or standards, Deliverables, and Contract terms and conditions
 - All purchase orders and contracts must be signed and dated by authorized official of the School District.
 - Determine the adequacy of contractor performance.
 - Establish reasonable payment schedules defining amount and timing of funds to be paid (recommend payment *after* services rendered).
 - Ensure items delivered and paid for are consistent with the purchase order and/or contract for the goods or services.
 - Provide that timely payment to vendors occurs once the order is delivered, inspected, accepted, and payment authorized.
 - Maintain required documentation. Supporting documentation should include items listed: Quotes, if applicable, Signed and dated contract, if applicable, Invoice(s) or receipt(s), Cancelled check, if applicable, Page from IEP identifying need (i.e. Service Page, etc.), and Prior written approval from MDE, if applicable.
- **Contracting with small and minority firms and women's business enterprises** (34 CFR Part 80.36 (e)). Bdote Learning Center will take all necessary affirmative steps to assure that small and minority firms and women's business enterprises are used when possible. Affirmative steps include:
 - Placing qualified small and minority business and women's business enterprises on solicitation lists.
 - Assuring that small and minority business and women's business enterprises are solicited whenever they are potential sources.
 - Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises.



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- Establishing delivery schedules, where the requirements permits, which encourage participation by small and minority business and women's business enterprises.
- Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce.
- Business manager will complete random checks of purchases to ensure that small and minority firms and women's business enterprises are being solicited.
- **Debarred and suspended parties** (24CFR Sec. 80.35). Bdote Learning Center must not make any award or permit any award (sub-grant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension's. THE EPLS database located at <http://www.sam.gov> is a Federal government system maintained by GSA as required by [FAR Subpart 9.4](#) and Executive Orders [12549](#) and [12689](#).
 - Prior to contract award financed in whole or part with federal CSP grant or other funds, the School District shall use the EPLS database to ensure proposed contractors are not debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549.
 - To document compliance with this requirement, the School District shall file with each contract: Results of www.sam.gov search; and Certification as part of contract from the contractors that they have not been debarred or suspended from participation in federal, state, or local programs.
 - If there is an emergency and an item needs to be purchased, the request will be made to the Director of the school, either petty cash or the credit card will be issued for the purchase. See Credit Card Procedures.
- **Post Purchase Contracts:** The Special Education team will meet quarterly to review progress reports from all contracted service providers and evaluate the service provided to the students with disabilities. The team will consider attendance, relationship with the students, and effectiveness in providing related services. The service provider will be held to the same standard as the employees, which can be found in the Employee Handbook. If there is any question regarding the contractor's performance, the Special Education Coordinator will discuss the problems and concerns with the provider and then contact the vendor, if not resolved. Payment will be withheld until the problem has been resolved. Further, an alternative provider will be found until the issue or concern can be resolved. Contract length may be for two years with an additional two-year extension without signing a new contract. MN Stat 123B.52 Uniform Grant Guidance 2 CFR §200.318(h)&(i)

CREDIT CARD PROCEDURES

The Director of Administration and Director of Operations are responsible for the issuing, accounting for, monitoring, retrieving, and overseeing compliance with this policy.

- The Board of Directors of BLC will approve the application of a credit card by the Director of Administration or Operations. The application will be completed for the business of the school and will be in the school's name and the Director of Operation's name.
- All purchases with a credit card shall follow established purchasing protocols including first obtaining a purchase order, approval from the designated employee responsible for such, and providing appropriate documentation including invoices and receipts.
- Anyone making unauthorized purchases on a school credit card will be financially responsible for the charges and may face disciplinary consequences.
- All receipts, bank statements, and invoices will be turned into the Director of Operations.

CHECK SIGNING



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The purpose of this policy is to outline the requirements for check-signing. The check-writing policy requires two signatures on all checks. The two signatures required will be from the board chair and treasurer.

TIME & EFFORT PROCEDURES

- Compensation for Personal services will include all wages, paid currently or accrued, for service of employees rendered during the period of performance under the federal award. May also include fringe benefits. Uniform Grant Guidance 2 CFR §200.430
- Compensation Requirements must be reasonable, follow the laws and/or rules or written policies and must meet the requirements of Federal statute, and is supported by the law. Uniform Grant Guidance 2 CFR §200.430(a)
- Documentation for Time and Effort must include all charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. Uniform Grant Guidance §200.430(i)(1)(i)-(vii)
- Records will be: Supported by a system of internal controls, Accurate, allowable, and properly allocated, Official records of the LEA, and Reflective of total activity. Uniform Grant Guidance §200.430(i)(1)(i)-(vii)
- Records will: include all activities, Comply with accounting policies established by the LEA's policy, Support distribution of the employee's salary or wages among specific activities or cost objects, and Budget estimates alone do not qualify support for charges. Uniform Grant Guidance §200.430(i)(1)(i)-(vii)
- Standards: When time and effort records do not meet the requirements, PARs, Certifications or other supporting documents will be required. Uniform Grant Guidance §200.430(8)
- Cost Objectives Definition: Program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of process, products, jobs, capital projects, etc. Uniform Grant Guidance §200.28
- Support the distribution among specific activities if the employee works on: More than one Federal award, A Federal award and non-Federal award, Two or more indirect activities which are allocated using different allocation bases, An unallowable activity and a direct or indirect cost activity. Uniform Grant Guidance §200.430(i)(1)(vii)
- Single Cost Objective: a single function or a single grant or a single activity May be one cost objective even when paid out of more than one award. Ask, could I pay this employee fully from each federal award if I needed to? Would all activity be eligible under each federal award?
- Multiple Cost Objectives: multiple functions or multiple grants or multiple activities. Activities cannot be paid in full by all grant sources paying individual.
- Monitoring Documentation may include Payroll Reports Supporting documentation, Calendar, schedule, logs, class schedules, with time period applied, employee name & supervisor signature, PARs/Certification and staff schedule with time applied, employee name & supervisor signature, and Payroll Report including School Name, Employee Name, Finance Code, Object Code, Accounting Date, Amount by Line, and Total by Employee.
- Time and Effort Supporting Documents may include PARs/certifications are not specifically required in the Uniform Grant Guidance, recommended that LEAs continue to use these documents to show support for time and effort • It is mentioned once, Uniform Grant Guidance §200.430(8), Gives permission to obtain PARs, Certifications or other supporting documentation if the LEA is not in compliance. Time and Effort Support – Monthly Example to provide Who, Days worked, Hours worked, Activities, and After the fact. Daily Example – Employee schedule.
 - If personnel expenditures are paid with state funds, we anticipate to see: Payroll reports, Staff calendar, logs, class schedule, staff schedule (one of the items for evidence of 100% Special Ed with biannual Time and Effort.) With relevant date applied to, employee name and



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supervisor signature.

- If personnel expenditures are paid with federal funds, we anticipate to see: Payroll reports, PAR/Certification (depending on the cost objective), and Staff schedule reflecting actual work performed

USE OF STATE MONEY 124E.26

SUBDIVISION 1. PURCHASING BUILDINGS

- Bdote Learning Center may not use state money to purchase land or buildings.
- Bdote Learning Center may own land and buildings if obtained through nonstate resources.

SUBD.2. PROCUREMENT POLICY REQUIRED

- Prior to expenditure of any state funds Bdote Learning Center must adopt a procurement policy consistent with subdivision 4.

SUBD.3. ALL PURCHASES

- All purchases using state funds must be made consistent with the procurement policy adopted under subdivision 2.

SUBD.4. REQUIRED POLICY COMPONENTS

- Bdote Learning Center procurement policy must at a minimum include
 - conflict of interest provisions consistent with section 124E.14;
 - thresholds for purchases by employees without board approval.
 - thresholds for purchases that require competitive bidding processes, except that a competitive bidding process must occur for any procurement estimated to exceed \$25,000 and
 - a prohibition on breaking up a procurement into smaller components to avoid the thresholds established in (2) and (3).

SUBD.5. REDUCTION IN AID

If Bdote Learning Center makes a purchase without a procurement policy adopted by the school's board or makes a purchase not in conformity with the Bdote Learning Center's policy, the commissioner may reduce Bdote Learning Center's state aid in the amount equal to the purchase.

Subd.6. Property, financial investments, and contracting.

Bdote Learning Center is subject to and comply with sections 15.054 and 118A.06 governing government property and financial investments and sections 471.38, 471.391, 471.392, and 471.425 governing municipal contracting.

LEGAL REFERENCE:

The following are included for reference purposes only, may not reflect the most current relevant statutory citation, and should not be read to contravene or limit the school's obligations under any federal, state, or local law:

1. Minnesota Statute 120A.20