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** Options chosen
(GF) ADDED TO

BUSINESS and FINANCIAL MANAGEMENT

7.1—FISCAL YEAR

The District's fiscal year shall begin July 1 and end on the following June 30.

Legal Reference: A.C.A. § 6-20-410

Date Adopted:

Last Revised:

7.2—ANNUAL OPERATING BUDGET

The Superintendent shall be responsible for the preparation of the annual operating budget for the District. The Superintendent shall present the budget to the Board for its review, modification, and approval.

The budget shall be prepared in the electronic format as prescribed by the State Board of Education and filed with the Division of Elementary and Secondary Education no later than September 30 of each year.

The approved budget shall provide for expenditures that are within anticipated revenues and reserves. The District Treasurer shall present monthly reconciliation reports and a statement on the general financial condition of the District monthly to the Board.

Any changes made to the budget shall be in accordance with District policy and state law.

Legal References:

A.C.A. § 6-13-701(e)(3)

A.C.A. § 6-20-2202

Date Adopted: 04.19.10

Last Revised: 06.18.18

7.3—MILLAGE RATE

At least sixty (60) days in advance of the school election when the electors shall determine the annual ad valorem property tax for the District, the Board shall publish at least one time in some newspaper published or having a bona fide circulation in the county where the district's property lies the District's proposed budget, which shall include a millage rate sufficient to provide the funds necessary for the District's operation.

Legal References: A.C.A. § 6-13-622
 Arkansas Constitution: Article 14 Section 3 (c) as amended by Amendment 74

Date Adopted: Before 06.11.11
Last Revised: 04.20.20

7.4—GRANTS AND SPECIAL FUNDING

The Superintendent or his/her designee may apply for grants or special funding for the District. Any grants or special funding that require matching District resources shall receive Board approval prior to the filing of the grant's or special resource's application.

Date Adopted:

Last Revised:

7.5—PURCHASES AND PROCUREMENT

Purchases shall be made in accordance with State laws and procurement procedures governing school purchases that are deemed to be in the best interest of the District and are the result of fair and open competition between qualified bidders and suppliers. No bids shall be taken for professional services.

DEFINITIONS

“Commodities” are all supplies, goods, material, equipment, computers, software, machinery, facilities, personal property, and services, other than personal and professional services, purchased on behalf of the District.

“micro-purchases” are purchases with a value of less than ten thousand dollars (\$10,000) when purchased with Federal funds.

“Professional services” are legal, financial advisory, architectural, engineering, construction management, and land surveying professional consultant services.

“Specifications” means a technical description or other description of the physical and/or functional characteristics of a commodity.

Commodities

The superintendent shall develop procedures for the procurement of micro-purchases that provide for the distribution of purchases between eligible vendors to the extent possible.

Purchases of commodities with a purchase price of more than \$10,000 require prior Board approval; however, if an emergency exists, the Superintendent may waive this requirement.

The district shall notify in writing all actual or prospective bidders, offerors, or contractors who make a written request to the district for notification of opportunities to bid. The notification shall be made in sufficient time to allow actual or prospective bidders, offerors, or contractors to submit a bid or other appropriate response. The board shall accept bids submitted electronically by email or fax for any and all district purchases, unless specified to be submitted by other means or methods, and except those bids which have been specified to have a designated date upon which the bids shall be opened. The superintendent shall be responsible for ensuring submitted bids, whether written, faxed, or emailed, are retained in accordance with policy 7.15—RECORD RETENTION AND DESTRUCTION.

The district will not solicit bids or otherwise contract for a sum greater than twenty-five thousand dollars (\$25,000) with vendors that are on the “excluded parties list” if the contract is to be paid from federal funds.

All purchases for a Federal program with an estimated purchase price between ten thousand dollars (\$10,000) and twenty-one thousand two hundred eighty-four dollars (\$21,284) and all purchases of commodities with an estimated purchase price that equals or exceeds twenty-one thousand two hundred eighty-four dollars (\$21,284) shall be procured by soliciting bids. Specifications shall be devised for all commodities to be bid that are specific enough to ensure uniformity of the bid and yet not so restrictive that it would prevent competitive bidding. The bid specifications shall not include the name or identity of any specific vendor. The Board reserves

the right to reject all bids and to purchase the commodity by negotiating a contract. In such an instance, each responsible bidder who submitted a bid shall be notified and given a reasonable opportunity to negotiate.

Bids shall be awarded after careful examination of the details of the bid to determine the best overall value to the District. In instances where the low bid was not accepted, a statement of the reasons the low bid was not accepted shall be attached to the bid. Bidders submitting written bids shall be notified in writing of the bid award.

Whenever possible, a preference will be given to small and minority businesses; women's business enterprises; and labor surplus area firms.

The District shall provide a preference to Arkansas residents whenever the District is accepting bids to purchase materials and equipment as part of a construction project if:

- a. One (1) or more Arkansas residents who submitted bids made written claim for a preference at the time they submitted a bid; and
- b. An Arkansas resident's bid does not exceed the lowest qualified bid from a nonresident by more than five percent (5%).

If the qualifications for the Arkansas resident preference are met, then the District shall take the lowest bid from an Arkansas resident regardless of whether the Arkansas resident was one of the individuals who requested the preference.

The following commodities may be purchased with State funds without soliciting bids provided that the purchasing official determines in writing that it is not practicable to use other than the required or designated commodity or service, and a copy of the written determination is attached to the purchase order:

1. Commodities in instances of an unforeseen and unavoidable emergency;
2. Commodities available only from the federal government;
3. Utility services;
4. Used equipment and machinery; and
5. Commodities available only from a single source.

Commodity purchases with Federal funds may be purchased without soliciting bids only when one or more of the following circumstances apply:

1. The item is available only from a single source;
2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. The Federal awarding agency or appropriate unit of the Division of Elementary and Secondary Education expressly authorizes the noncompetitive purchase in response to a written request from the District; or
4. After solicitation of a number of sources, competition is determined inadequate.

The District may purchase a new motor vehicle, other than a school bus, without soliciting bids if, at the time of the purchase, the:

- a. Purchase is from a motor vehicle dealer licensed in Arkansas;
- b. Purchase price of the motor vehicle does not exceed the fleet price awarded by the Office of State Procurement; and

- c. Motor vehicle to be purchased is the same make and model motor vehicle as the make and model the fleet price was awarded for by the Office of State Procurement.

Prospective bidders, offerors, or contractors may appeal to the district's superintendent if they believe the district failed to follow district bidding and purchasing policy or state law.

Any award of a contract shall be subject to revocation for ten (10) working days from:

- The initial awarding of the contract; or
- If an appeal is received, resolution of the appeal.

The intent is to provide prospective bidders, offerors, or contractors the opportunity to appeal the bid award if they believe the facts warrant an appeal. Any appeal shall be **in writing by certified mail** and received by the district office, "attention to the superintendent" within seven (7) calendar days following the initial and revocable award of the contract.

If the district receives an appeal of a bid award, they shall notify, in writing, those prospective bidders, offerors, or contractors who have made a written request to the district for notification of opportunities to bid that an appeal has been submitted. The notification shall state:

- that the contract award has been halted pending resolution of the appeal and could be revoked;
- the reasons for the appeal;
- that the recipient of the letter may respond to the protested issues identified in the appeal;
- the date the decision on the appeal will be made and notification sent;
- that if the appeal is upheld, the bidding process will be re-opened;
- that if the bidding is re-opened, changes will be made to the request for bids as necessary to satisfy the reasons for upholding the appeal.

The sole authority to resolve any appeal made relating to this policy shall rest with the superintendent. The superintendent's decision shall be final and conclusive. In the event the district upholds an appeal, the sole responsibility of the district to the aggrieved bidder(s) shall be the re-opening of the bidding process.

Except when prohibited by law, the District reserves the right to extend or renew a contract that was previously awarded under the process governed by this policy and law, provided the extension or renewal meet the following criteria:

1. The equipment and services provided under the extended or renewed contract meets or exceeds the specifications of the original bid.
2. The extended or renewed contract agreement complies with the state of Arkansas's documentation requirements.
3. The cost of the extended or renewed contract is the same or less than the original contract.
4. The extension or renewal is approved by the local school board.

Professional Services

The District does not use a bidding process when procuring professional services. Instead, when the District needs to procure professional services, the District shall:

1. Select three (3) qualified firms;
2. Determine the most qualified firm by considering, at a minimum, the:

- Specialized experience and technical competence of the firm with respect to the type of professional services required;
 - Capacity and capability of the firm to perform the work in question, including specialized services, within the time limitations fixed for the completion of the project;
 - Past record of performance of the firm with respect to such factors as control of costs, quality of work, and ability to meet schedules and deadlines; and
 - Firm's proximity to and familiarity with the area in which the project is located;
3. Negotiate a contract for the project with the most qualified firm.

When negotiating a contract, the District and the selected firm shall jointly prepare a detailed, written description of the scope of the proposed services. If the District is unable to negotiate a satisfactory contract with the firm selected, negotiations with that firm shall be terminated and the District shall negotiate a contract with the next most qualified firm. In the event the District is unable to negotiate a contract with any of the original selected firms, the District shall reevaluate the necessary professional services, including the scope and reasonable fee requirements, and return to step one.

The District encourages firms who provide professional services to submit annual statements of qualifications and performance data to the District. The District shall request any additional information as needed for a particular public project.

Legal References: A.C.A. § 6-21-301, 303, 304, 305, 306, 307
 A.C.A. § 6-24-101 et seq.
 A.C.A. § 15-4-3801 et seq.
 A.C.A. § 18-44-503
 A.C.A. § 19-11-259
 A.C.A. § 19-11-801 et seq.
 A.C.A. § 22-9-203
 2 C.F.R. § 200.67
 2 C.F.R. § 200.319
 2 C.F.R. § 200.320
 2 C.F.R. § 200.321
 2 C.F.R. § 200.324
 48 C.F.R. § 2.101

Date Adopted: 04.19.10

Last Revised: 06.29.20

7.5F—COMMODITIES BIDDER AFFIDAVIT

NAME OF SCHOOL DISTRICT

NAME OF COUNTY

I, _____, hereby state:

(1) I am the duly authorized agent of _____, the bidder submitting the competitive bid which is attached to this statement. I certify the facts as detailed below pertaining to the non-existence of collusion among and between bidders and state officials, as well as to the facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.

(2) I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.

(3) Neither the bidder nor anyone subject to the bidder's direction or control has been a party:

(A) To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;

(B) To any collusion with any state official or employee as to quantity, quality, or price in the prospective contract, or as to any other terms of the prospective contract; or

(C) In any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.

(4) I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

Signature

Subscribed and sworn to before me this ____ day of _____, 20__.

Notary Public

7.5F2— FOOD SERVICE COMMODITIES BIDDER AFFIDAVIT

NAME OF SCHOOL DISTRICT

NAME OF COUNTY

I, _____, hereby state:

(1) I am the duly authorized agent of _____, the bidder submitting the competitive bid which is attached to this statement. I certify the facts as detailed below pertaining to the non-existence of collusion among and between bidders and state officials, as well as to the facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the awarding of any contract pursuant to the bid to which this statement is attached.

(2) I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of the bid.

(3) Neither the bidder nor anyone subject to the bidder's direction or control has been a party:

(A) To any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding;

(B) To any collusion with any state official or employee as to quantity, quality, or price in the prospective contract, or as to any other terms of the prospective contract; or

(C) In any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the awarding of a contract.

(4) I hereby guarantee that the specifications outlined in the bid shall be followed as specified and that deviations from the specifications shall occur only as part of a formal change process approved by the Board of Directors of the school district.

(5) I hereby certify that the bid, unless specifically exempted by the USDA, is for agricultural commodities that have been produced in the U.S. or if the bid contains food products that at least 51% of food in the product was produced in the U.S. I understand that the district shall not accept any product that does not meet this requirement and is not liable for any loss I may incur as a result of such refusal to accept.

Signature

Subscribed and sworn to before me this ____ day of _____, 20__.

Notary Public

7.6—ACTIVITY ACCOUNT

The District shall maintain an account of activity funds. The funds for the account are those revenues derived from the sale of tickets to athletic contests or other school sponsored activities; the sale of food other than that sold in the cafeteria; the sale of soft drinks, school supplies, and books; and fees charged by clubs and organizations.

Activity funds are considered “school funds” and as such may only be spent for school related purposes.

The Superintendent shall be the custodian of all activity funds and shall be responsible and accountable for the funds. The Superintendent may appoint a co-custodian for each school in the District who shall also be responsible for the activity funds he/she maintains.

Legal References: A.C.A. § 6-13-701 (g)
 A.C.A. § 6-20-417

Date Adopted:
Last Revised: June 16, 2011

7.7—CASH IN CLASSROOMS

No cash or checks are to be left in any classroom overnight. Staff, other than the District bookkeeper, who collect funds in the course of their employment should deposit the funds daily with the bookkeeper. Bookkeepers should deposit daily, unless otherwise directed by the superintendent or business manager.

Date Adopted: UK

Last Revised: 07-16-12

7.8—PERSONAL PROPERTY

To avoid confusion and the potential for misunderstandings, District staff who bring personal property to school to use in the performance of their jobs should label the items with their names. Any such items should be removed from the school at the close of school each year. The District assumes no responsibility for damage to, or the loss of, personal property brought to District facilities by District staff.

Date Adopted:

Last Revised:

7.9—PROPERTY INSURANCE

The Superintendent shall be responsible, with approval of the Board, for maintaining adequate insurance coverage for all District properties. At a minimum, the District will purchase insurance coverage sufficient to meet the requirements by the Arkansas Commission for Public School Academic Facilities and Transportation.

Legal References: A.C.A. § 6-21-114(d)
Arkansas Commission for Public School Academic Facilities and Transportation Rules
Governing Property Insurance Requirements

Date Adopted:
Last Revised: June 16, 2011

7.10—PUBLIC USE OF SCHOOL BUILDINGS

It is the policy of the Board that District school buildings may be used by citizens of the District to conduct lawful meetings for social, civic, or recreational purposes provided such meetings do not interfere with the regular school work and proper protection is afforded the district against the potential costs of such use. The Superintendent shall be responsible, with Board approval, for establishing procedures governing such use of school buildings. The governing procedures shall be viewpoint neutral. Building principals shall be consulted to determine if there exists any conflict with planned school activities prior to other groups being allowed to use school facilities.

The District shall establish a fee schedule for the school facilities the District intends to make available for public use. The fee schedule shall be individualized for each school facility and shall be based on a formula³ that allows the District to reclaim the actual costs incurred by the District from the use of the facility.

School facilities that do not appear on the District's fee schedule shall not be available to the public.

The District shall also require **any** non-school related group using a district facility to provide proof of having purchased sufficient active and current general liability insurance to cover the damage to, or the cost to entirely replace the structure(s) and furnishing(s), if necessary due to the loss of, or damage to, District property.

Organizations using school facilities assume full and complete responsibility for the conduct of all persons, regardless of age, associated with their use of the facility while they are in or about the facility. Smoking or the use of tobacco or products containing tobacco in any form or the use of drugs or intoxicants is prohibited. Firearms of any kind are not allowed on school property unless the person carrying the firearm is permitted to do so by law as defined in A.C.A. § 5-73-120 or the individual has a valid conceal carry license and leaves the concealed handgun in the individual's locked vehicle.

Legal References:

A.C.A. § 5-73-119
A.C.A. § 5-73-120
A.C.A. § 6-10-130
A.C.A. § 6-21-101
Arkansas Constitution Article 14, § 2

Date Adopted: 04.15.13

Last Revised: 06.18.18

7.11—USE OF SCHOOL FUNDS FOR NON-SCHOOL RELATED PURPOSES

School funds shall not be used for political, charitable, or humanitarian purposes.

No employee of the District shall use school time, school property, school personnel, or school equipment for the purpose of furthering the interests of any political party, the campaign of any political candidate or the advocacy of any political issue or ballot issue whether partisan or non-partisan. School employees may participate as part of a community organization that is renting a school facility for a political purpose so long as the event is not during school time or the employee takes personal or vacation leave, with prior approval of his/her supervisor, for the time the employee is attending the event.

Any school employee found guilty or who pleads guilty, or nolo contendere to the use of District funds to support any ballot measure shall be immediately suspended, and recommended for termination by the superintendent.

The Board of Directors is not prohibited from expressing an opinion on a ballot measure through the passage of resolution or proclamation. School employees are allowed to verbally express their views on a ballot measure other than in an attempt to persuade a student to the employee's point of view.

District employees and members of the Board of Directors may incur incidental expenditure of District funds for travel costs when speaking at an event in which a ballot measure is discussed if the subject matter of the speaking engagement is within the scope of the person's official duties and responsibilities.

District funds may be used to disseminate public information at a public speaking engagement. The incidental use of District resources may be used to prepare an analysis of the public information if such information is within the scope of the person's official duties and responsibilities.

Legal References: Arkansas Constitution Article 14 § 2
 A.C.A. § 7-1-103
 A.C.A. § 7-1-111
 A.C.A. § 21-8-402

Date Adopted: 08.18.08

Last Revised: 04.18.16

7.12—EXPENSE REIMBURSEMENT

The requirements of this policy shall govern reimbursement for expenses related to travel and/or attendance at conferences and professional development activities incurred by district employees and/or members of the Board of Directors on behalf of the district. Employees are only eligible for reimbursement for travel expenses for travel which has been approved in advance. Original receipts must accompany all requests for reimbursement to the extent that such receipts are customarily available. For a receipt to be valid it should contain the name of the issuing company, the date, and the amount. No cash advances shall be made for travel. Mileage, lodging, and meal expenses will not be reimbursed when incurred for the personal convenience of the employee and not required by the reason for the travel. Reimbursement for travel shall be for the lesser of the cost between travel by air or by car with some consideration allowed for length of time of the method of travel.

To the extent practicable, employees shall have the district pay initial conference and professional development registration fees and associated necessary materials. In the occasional circumstances where this is not practical, the district shall reimburse the employee for such fees if they were authorized in advance and are supported with proper receipts.

The district will not reimburse expenses of any non-school board member or non-employee who accompanies the school board member or employee during his/her school related travel.

Reimbursable Expenses

Mileage that is driven for a district sanctioned purpose in an employee's personal vehicle shall be reimbursed provided appropriate documentation is submitted establishing the date and time, place, and purpose of the travel. Mileage shall be reimbursed at the current rate authorized by the state/IRS and shall be based on the shortest, most reasonable, route available.

Meals may be reimbursed for traveling when receipts are presented for the actual expense to the extent that they are not lavish and are reasonable based on circumstances, including tips up to 20%.

Tips paid by a school employee for meals associated with travel as defined in this policy are reimbursable for up to 20% of the cost of the meal provided the employee submits a receipt for the meal as part of an "accountable plan" for reimbursement. Tips are not allowed if an employee is reimbursed using a "per diem" plan.

Meal expenses incurred by the superintendent or other administrators as necessary, in the performance of their duties when meeting with state officials or consultants may be reimbursed on a prorated, per person basis in line with the mandates of this policy. Such expenses shall only be reimbursed when the expenditure is likely to result in a tangible benefit to the district.

Travel necessitating overnight lodging shall be reimbursed to the extent that it is not lavish and is reasonable based on circumstances of the expenditure. Proper documentation establishing the date and time, place, and purpose of the travel must be submitted along with a receipt for the overnight accommodations. To the extent practicable, employees shall receive assistance from administrators or their designee in arranging travel plans to help keep expenses to a minimum.

Expenses not covered

The district shall not reimburse the following items/categories of expenses.

- Alcoholic beverages;
- Entertainment expenses – including sports or sporting events; pay per view or game expenses at motels;
- Replacement due to loss or theft;
- Discretionary expenses for items such as clothing or gifts;
- Medical expenses incurred while on route to or from or at the destination of the reason for the travel;
- Optional or supplementary insurance obtained by the employee for the period covered during the travel.

Credit Cards

Only those employees specifically issued credit cards to be used in the performance of their jobs to purchase goods, services, or supplies on behalf of the district shall be allowed to use such cards. Employees who incur reimbursable expenses as defined in this policy are expected to pay for them initially by any means they choose and then submit their request for reimbursement. The district assumes no responsibility for the payment of any personal credit card charges incurred by a district employee.

Airport Associated Expenses

Receipts for airport associated expenses are required for reimbursement. All airline flights shall be by coach/economy class. Upon arrival at their destination, employees are expected to take the less expensive option between a taxi and an airport shuttle service to his/her hotel or meeting site. When circumstances dictate that a rental car is necessary and/or the most economical approach to the travel requirements, the least expensive car that will accomplish the job should be rented. The district shall not reimburse for any kind of rental car supplemental insurance.

Cross References: 3.20—CERTIFIED PERSONNEL REIMBURSEMENT OF TRAVEL EXPENSES
8.14— CLASSIFIED PERSONNEL REIMBURSEMENT OF TRAVEL EXPENSES

Date Adopted: 08-18-08
Last Revised: 08-19-13 **

7.13—MANAGEMENT AND DISPOSAL OF DISTRICT PROPERTY

Definitions

For the purposes of this policy, the following definitions apply:

“Commodities” are all supplies, goods, material, computers, software, machinery and other equipment purchased on behalf of the district having a useful life of more than one (1) year and an acquisition cost of one thousand dollars (\$1,000) or more per unit.

“Fair market value” means the amount a reasonable buyer would be willing to pay for a particular piece of property based on an objective set of criteria, which may include, but are not limited to: any improvements or damage to the property; the demand for similar property; the selling price for the property by the producer of the property or re-sale outlets; and the value of the property as determined by an independent appraiser.

“Real property” is land and whatever is erected or affixed to land, such as structures or buildings.

“Surplus commodities” are those commodities that are no longer needed, obsolete, irreparable, or worn out.

“Surplus real property” is real property that is not presently needed or foreseen to be needed by the District, and that has been authorized for sale as surplus real property by vote of the School Board. Surplus real property may include unused or underutilized facilities.

“Trash” are those items that would otherwise belong to another category of goods or property defined in this policy, but which, due to the property’s age or an act of God, have less value than it would cost to repair the item. Examples could include, but are not limited to, fire damage, vehicle accidents, extreme age, and/or decline in value of the item.

“Unused or underutilized facility” means a school facility or other real property that:

- As a whole or in a significant portion, is not being used for a public educational, academic, extracurricular, or administrative purpose and the nonuse or underutilization threatens the integrity or purpose of the school facility or other real property as a public education facility; and
- Is not subject to either a lease to a third party for fair market value or an executed offer to purchase by a third party for fair market value as of July 30, 2017.

General Policy

The District’s purchases of commodities shall be in accordance with Policy 7.5—PURCHASES AND PROCUREMENT and, to the extent applicable, the procurement requirements of any granting source of funding used to purchase the commodity. The Superintendent shall develop procedures governing the use, management, and dispersal of commodities. At a minimum, the procedures will cover the following topics:

- labeling all commodities;
- establishing adequate controls to account for their location, custody, and security;
- annually auditing the inventory of commodities and updating a listing of such commodities to reconcile the audit with the district’s inventory records. The audit will be documented and account for any transfer and/or disposal of a commodity.
- Disposing of surplus commodities and surplus real property, whether purchased in whole or in part with federal grant funds or with local funds.

The disposal of school property must be for the benefit of the school district and consistent with good business principles.

Disposal of Surplus Commodities

The Board of Directors recognizes that commodities sometimes become of no use to the District and thus meet this policy's definition of surplus commodities.

The Superintendent or designee(s) will determine the objective fair market value (FMV) of surplus commodities. The District will strive to dispose of surplus commodities at or near their FMV.

The Superintendent may declare surplus any commodity with an FMV of less than one thousand dollars (\$1,000). Surplus commodities with an FMV of less than one thousand dollars (\$1,000) will be periodically sold by the most efficient, cost effective means that is likely to result in sales at or near FMV.

The Superintendent may submit a list of surplus commodities deemed to have a FMV of one thousand dollars (\$1,000) or greater to the Board of Directors for authorization to sell such surplus commodities. Once the Board of Directors has authorized the sale of such surplus commodities, the Superintendent or designee(s) may sell that surplus commodity as the need arises. Items with a FMV of one thousand dollars (\$1,000) or greater will be sold by the most efficient, cost effective means that is likely to result in sales at or near FMV. If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid provided the high bid is at or near FMV without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation, in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold commodities may then, at the discretion of the Superintendent, be disposed of as scrap or junk or be donated to appropriate charitable or education related entities. Computer or technology equipment will be cleansed of data prior to disposal.

Disposal of Surplus Real Property

The Board of Directors recognizes that real property it owns sometimes becomes no longer of use to the District and thus meets this policy's definition of surplus real property.

By February 1 of each year, the District shall submit a report to the Division of Public School Academic Facilities and Transportation (Division) that identifies all unused or underutilized school facilities in the District and the unused or underutilized school facilities, if any, that are designated in the District's facilities master plan to be re-used, renovated, or demolished as part of a specific committed project or planned new construction project.

If the Division classifies a District facility or District real property as being unused or underutilized, the District may appeal the Divisions determination to the Commission for Public School Academic Facilities and Transportation (Commission).

The District shall make unused or underutilized public school facilities available for lease for no more than FMV⁵ to any open-enrollment public charter school (charter) located within the District's geographic boundaries that makes a request under the charter's statutory right of access unless the District makes an affirmative showing by a preponderance of the evidence to the Commission that:

1. The school facility, or the property to which the school facility is attached, will be needed by the District to accommodate future growth of the District; or
2. Use of the school facility or other real property by a charter would have a materially negative impact on the overall educational environment of an educational campus located within five hundred feet (500') of the school facility or other real property sought to be leased by the charter.

The terms of a lease executed between the District and a charter shall provide that the lease shall be cancelled and be of no effect if the charter:

- a. Fails to use the facility or other real property for direct student instruction or administrative purposes within two (2) years of the effective date of the lease;
- b. Closes, has its charter revoked, or has its charter application denied by the charter authorizer; or
- c. Initially uses the facility or other real property, but then leaves the facility or other real property unused for more than one hundred eighty (180) days.

If requested or agreed to by the charter, The District may sell the unused or underutilized facility or other real property to the charter for FMV.

If the District decides to sell, lease, or otherwise transfer ownership of a District facility, a charter located within the District's geographic boundaries shall have a right of first refusal to purchase or lease the facility for FMV. The charter's right of first refusal shall continue for two (2) years after the date the District last used the school facility or other real property as an academic facility.

If the District decides to sell or lease a District facility or other real property that has been identified by the Division as an unused or underutilized school facility to a third party that is not a charter, then the District may not sell or lease the facility until the later of:

- Two (2) years after the date the facility or other real property is identified by the division as an unused or underutilized public school facility, so long as no charter has claimed a right of access or a right of first refusal; or
- Three (3) years from the date the District facility or other real property has been identified by the division as an unused or underutilized public school facility if the District designated the facility or other real property to be reused, renovated, or demolished as part of a specific committed project or planned new construction project in the District's facilities master plan.

The District may petition the division for a waiver of the time restrictions for the sale or lease of a District's unused or underutilized facility. The petition shall include a statement that the District believes that no charter would be interested in leasing or purchasing the unused or underutilized school facility. If the District receives a waiver, the District may immediately sell, lease, or otherwise dispose of the unused or underutilized facility. The District may appeal the denial by the Division of a waiver to the Commission.

The Superintendent may submit a request to the Board of Directors for authorization to sell surplus real property. Once the Board of Directors has authorized the sale of such surplus real property, the Superintendent or designated individual(s) may sell that surplus real property as the need arises and this policy allows. The Superintendent or designee(s) shall be responsible for getting a determination of the objective FMV of surplus real property. The district will strive to dispose of surplus items at or near their FMV. The real property may be listed for sale with a real estate broker, and the Superintendent or designated individual may contract on behalf of the district to pay the usual and customary sales commission for such transactions, upon sale of the

property. If the Superintendent chooses to dispose of the surplus items by bid, the Superintendent or designee(s) may set a minimum or reserve price on any item, and may reject all bids. The Superintendent or designee is authorized to accept the high bid provided the high bid is at or near FMV without further Board action unless the high bid comes under the jurisdiction of Arkansas ethics legislation, in which case the provisions of A.C.A. §§ 6-24-101–107 would apply.

If attempts at public sales fail to produce any interested buyers or bidders, such remaining unsold real property may then, if agreed to by the Superintendent and Board of Directors, be donated to appropriate education related entities, not-for-profit organizations, the county, city, or incorporated town in accordance with the provisions of state law.

Items obtained with federal funds shall be handled in accordance with applicable federal regulations, if any.

The District may not make a part of the disposal of District real property a covenant that prohibits the sale or lease of former District facilities or other real property to a charter that is located within the District's geographic boundaries.

Disposal of Surplus Real Property After Consolidation

Except as otherwise prohibited by this policy, real property of a consolidated school district that is no longer being used for educational purposes and has not been sold, preserved, leased, or donated two (2) years after the effective date of consolidation shall be made available for use by a publicly supported institution of higher education, a technical institute, a community college, a not-for-profit organization, a county, a city, or incorporated town by the Board of Directors for the following purposes:

- Having the real property preserved, improved, upgraded, rehabilitated, or enlarged by the donee;
- Holding of classes by statutorily authorized education related entities; or
- Providing community programs and beneficial educational services, social enrichment programs, or after-school programs.

Trash

Trash, as defined in this policy, may be disposed of in the most cost efficient or effective method available to the district.

Legal References: A.C.A. § 6-13-111
 A.C.A. § 6-13-620
 A.C.A. § 6-21-108
 A.C.A. § 6-21-110
 A.C.A. § 6-21-803
 A.C.A. § 6-21-806
 A.C.A. § 6-21-815
 A.C.A. § 6-21-816
 A.C.A. § 6-24-101–107
 2 C.F.R. § 200.311
 2 C.F.R. § 200.313

Date Adopted: 04.19.10

Last Revised: 06.19.17

7.13.1—FEDERAL GOVERNMENT GRANT FUNDS

The superintendent or his/her designee shall develop procedures governing the procurement, use, management, and disposal of goods, materials, and equipment purchased with federal grant funds. At a minimum, the procedures will cover the following topics.

- ensuring that expenditures of federal grant funds are done in accordance with the requirements placed on those funds by the federal government and/or the procurement requirements specified in Policy 7.5;
- labeling all goods, materials, and equipment purchased with federal funds;
- establishing adequate controls to account for their location, custody, and security;
- annually auditing the inventory of equipment purchased with Title I funds and updating a listing of such equipment to reconcile the audit with the district's inventory system. The audit will be documented and account for any transfers and/or disposals of equipment purchased with Title I funds.

Legal References:

34CFR80.3 through 80.52

Date Adopted: April 16, 2007

Last Revised:

7.14—USE OF DISTRICT CELL PHONES AND COMPUTERS

Board members, staff, and students shall not be given cell phones or computers for any purpose other than their specific use associated with school business. School employees who use a school issued cell phone and/or computer for non-school purposes, except as permitted by District policy, shall be subject to discipline, up to and including termination. School employees may be issued District cell phones if their position requires the employee be available at all times for work related emergencies or the employee be available to speak with others on school related business when the employee is away from the office. Employees issued cell phones for such purposes may use the phone for personal use on an “as needed” basis.

Students who use school-issued cell phones and/or computers for non-school purposes, except as permitted by Policy 4.47— POSSESSION AND USE OF CELL PHONES AND OTHER ELECTRONIC DEVICES, shall be subject to discipline, up to and including suspension or expulsion.

Except when authorized in the SCHOOL BUS DRIVER’S USE OF MOBILE COMMUNICATION DEVICES policies of 3.51 and 8.24, all employees and students are forbidden from using school-issued cell phones while driving any vehicle at any time. Violation may result in disciplinary action up to and including:

- Suspension for students; and
- Termination for employees.

Except when authorized in the SCHOOL BUS DRIVER’S USE OF MOBILE COMMUNICATION DEVICES policies of 3.51 and 8.24, no employee or student shall use any device for the purposes of browsing the internet; composing or reading emails and text messages; or making or answering phone calls while driving a motor vehicle which is in motion and on school property. Violations may result in disciplinary action up to and including:

- Suspension for students; and
- Termination for employees.

Cross References: 3.34—LICENSED PERSONNEL CELL PHONE USE
 3.51—SCHOOL BUS DRIVER’S USE OF MOBILE COMMUNICATION DEVICES
 4.47— POSSESSION AND USE OF CELL PHONES AND OTHER ELECTRONIC DEVICES
 8.24—SCHOOL BUS DRIVER’S USE OF MOBILE COMMUNICATION DEVICES
 8.25— CLASSIFIED PERSONNEL CELL PHONE USE

Legal References: IRC § 132(d)
 IRC § 274(d)
 IRC § 280F(d)(4)
 IRS Publication 15 B
 A.C.A. § 6-19-120
 A.C.A. § 27-51-1504
 A.C.A. § 27-51-1609

Date Adopted: 07.16.12

Last Revised: 06.17.19

7.15—RECORD RETENTION AND DESTRUCTION

It is necessary to maintain district records in a manner that provides for efficient document storage and retrieval and is conducive to eliminating unnecessary record retention. Due to the variety of records that may need to be retained and accessed, the superintendent shall ensure that all staff receive appropriate training to understand this policy. Staff shall also understand the possible ramifications to the district and/or themselves for failure to properly maintain records and follow the requirements contained in this policy.

Definitions

“Directly or directly interested” (“directly”) means receiving compensation or other benefits personally or to an individual’s household from the person, business, or entity contracting with the District.

“Indirectly or indirectly interested” (“indirectly”) means that a family member, business, or other entity in which the individual or a family member has a financial interest will receive compensation or benefits.

“Record” is defined for the purposes of this policy, as an item or items, whether electronic or material, that are created by, at the request of, or received by and purposefully retained by a board member, administrator, or employee in the ordinary course of District business. Examples include, but are not limited to:

- Any kind of correspondence;
- Calendars;
- Computer files and documents (which may include drafts);
- Telephone logs;
- Expense records;
- Audio or video recordings that are created for the purpose of monitoring the security of District property, the safety of District students, or open public meetings;
- Documentation related to transactions or contracts for:
 - Services with Board members, administrators, employees, or members of their families covered under the statutorily defined ethical restrictions associated with a contract for services provided for the District involving a Board member, administrator, or employee who "directly or indirectly" benefits from the contract;
 - An exemption granted by the Division of Elementary and Secondary Education (DESE) from the statutorily defined ethical restrictions associated with a contract for employment or for services provided for the District that involves a District administrator, board member, or employee.

The superintendent shall be responsible for establishing a schedule for the routine destruction of district records that accommodates the needs of the district. The schedule shall specify the length of retention for any records not specifically delineated by this policy and be distributed to staff on a need-to-know basis according to their respective employment duties and responsibilities. The schedule should accommodate the need for records to be stored as a blend of printed, bound and electronically recorded (e.g., audio tape, video tape, micro-fiche, computer disk) material. The superintendent or designee shall ensure the effective and efficient securing, cataloging, storing, and appropriate scheduled destruction of all records.

The following records categories shall be retained for the time specified.

- a. Board of Education Minutes – forever
- b. Personnel files – forever
- c. Student files – until the student receives a high school diploma or its equivalent, or is beyond the age of compulsory school attendance

- d. Student records of attendance/graduation – forever
- e. Financial Records – five (5) years
- f. Documentation, including letters of approval, related to transactions or contracts for services covered by this policy and Arkansas statutes for Board members or members of their families or for waivers granted to District employees - thirteen years
- g. Documentation relating to payments or reimbursements made by a vendor on behalf of a board member, administrator, or employee for travel, lodging, food, registration, entertainment, or other expenses – Three (3) years
- h. Employment applications, including applicant lists, applicant interview evaluations, documentation in response to requests for reasons for a failure to be interviewed and/or hired, and hiring determinations - five (5) years
- i. Expenditures made with federal grant monies – governed by the terms of each grant
- j. Video Surveillance Recordings – the timeline established in Policy 4.48—VIDEO SURVEILLANCE AND OTHER STUDENT MONITORING
- k. Emails – The length of time set in the District’s Information Technology Security procedures
- l. Documents filed with the IRS, including those required in Policy 7.23-Health Care Coverage and the Affordable Care Act – four (4) years
- m. Statewide assessment security agreement – Three (3) years
- n. Recordings of open public meetings – One (1) year
- o. Reports and related documentation filed with the Auditor of State on abandoned property – Ten (10) years
- p. Record of each query made of the Federal Motor Carrier Safety Administration Commercial Driver's License Drug and Alcohol Clearinghouse and the results of each query – Three (3) years
- q. Employee consent to query the Federal Motor Carrier Safety Administration Commercial Driver's License Drug and Alcohol Clearinghouse – Three (3) Years from the latest query
- r. Reports from the Commercial Driver Alcohol and Drug Testing Database of the Office of Driver Services of the Arkansas Department of Finance and Administration – Three (3) years
- s. Records required by the District’s sexual harassment policies – seven (7) years

The superintendent or designee shall be responsible for determining when there is a need to interrupt the routine destruction of records. When the superintendent or designee makes the decision to cease the routine disposal of records, staff affected by the decision shall be promptly informed of the decision and of the nature of records that are to be retained; such records shall be retained until the superintendent or designee has authorized their destruction. Employee training on the district’s records retention schedule shall specifically include information on the records that may need to be retained due to pending disciplinary or legal actions that otherwise would be subject to routine disposal. If an employee has doubt about the need to retain any record otherwise scheduled for destruction, he/she shall consult with the superintendent or designee prior to destroying such records.

The records’ storage system devised by the superintendent and designee(s) shall be organized in a manner that enables the efficient retrieval of data and documents. The district shall have adequate backup of electronically stored critical data. The system shall be communicated to employees in a manner that enables them to understand and follow the system’s requirements.

In retaining and destroying records, no employee shall:

- Destroy, alter, mutilate, conceal, cover up, falsify, or make a false entry in any record that may be connected to a disciplinary matter or lawsuit or to a matter within the jurisdiction of a federal or state agency, in violation of federal law and regulations or state law and rules.

7.16—INFORMATION TECHNOLOGY SECURITY

The superintendent shall be responsible for ensuring the district has the necessary components in place to meet the district's needs and the state's requirements for information technology (IT) security. To aid the superintendent in creating, monitoring, and updating the District's IT Security system, the superintendent shall appoint an information security officer (ISO). The ISO shall be responsible for:

- a) Overseeing the District-wide IT security system;
- b) Development of District IT policies and procedures;
- c) Development and leading of employee training on the IT Security requirements;
- d) Ensuring compliance with the adherence to the Division of Elementary and Secondary Education (DESE) IT Security standards.

The ISO shall work with other IT staff, the superintendent, and district management appointed by the superintendent to develop a District IT Security system necessary to meet the requirements of this policy and DESE's standards. The IT security system shall contain the necessary components designed to accomplish the following:

1. The District IT security system shall contain mechanisms, policies, procedures, and technologies necessary to prevent disclosure, modification, or denial of sensitive information.

For the purposes of the IT Security system, "sensitive data" is any and all student and employee data that is either personally identifiable information (PII) or any non PII information that, if assembled together, would allow a reasonable person to identify an individual. Sensitive data includes, but is not limited to:

- Student personally identifiable information, except as allowed by the Family Educational Rights and Privacy Act (FERPA); and
- Employee personally identifiable information, except as required by Ark. Code Ann. § 6-11-129.

All District employees having access to sensitive information shall receive annual IT security training, which shall emphasize the employee's personal responsibility for protecting student and employee information.

2. Physical access to computer facilities, data rooms, systems, networks and data will be limited to those authorized personnel who require access to perform assigned duties.

User workstations shall not be left unattended when logged into sensitive systems or data that includes student or employee information. Workstation settings shall be set for automatic log off and require a password for the system to restore from screensavers.

All equipment that contains sensitive information shall be secured to deter theft. No sensitive data shall be retained on laptops and/or remote devices (home computer, thumbdrives, cell phones, CDs, etc.) unless it is encrypted in accordance with the Arkansas State Security Office's Best Practices.

Server rooms and telecommunication rooms/closets shall be protected by appropriate access control. The rooms shall be segregated from general school or District office areas to restrict access. Server room access control shall be enforced using keys to allow unescorted access only to IT or management staff who require the access to perform their job functions.

3. Network perimeter controls will be implemented to regulate traffic moving between trusted internal (District) resources and external, untrusted (internet) entities. All network transmission of sensitive data shall enforce encryption where technologically feasible.

The District shall maintain a network configuration management program that includes at a minimum:

- a) A network diagram identifying all connections, addresses, and purpose of each connection including management approval of all high risk internet facing ports such as mail (SMTP/25), file transport protocol (FTP/20-21), etc.
- b) All public facing (internet) servers and workstations segmented on a demilitarized zone (DMZ) that keeps them separate from the internal District network. Segmentation shall be through router.

All wireless access shall require authentication. The DISTRICT wireless networks will deploy network authentication and encryption in compliance with the Arkansas State Security Office's Best Practices. Scans for rogue wireless devices will be conducted at a minimum monthly. Any Rogue wireless device shall be disabled.

Remote access with connectivity to the District internal network shall be achieved using encryption. Appropriate WARNING BANNERS shall be implemented for all access points to the District internal network.

4. System and application access will be granted based upon the least amount of access to data and programs required by the user in accordance with a business need-to-have requirement.

The District shall enforce strong password management for:

- Employees and contractors as specified in Arkansas State Security Office Password Management Standard.
- Students as specified in Arkansas State Security Office K-12 Student Password Management Best Practice.

User access shall be limited to only those specific access requirements necessary for an employee to perform his/her job functions. Where possible, segregation of duties shall be utilized to control authorization access.

User access shall be granted and terminated upon timely receipt of a documented access request/termination. All access requests shall require approval by the ISO or designee. Ongoing access shall be reviewed for all users at a minimum annually.

Audit and log files shall be generated and maintained for at least ninety (90) days for all critical security-relevant events, including but not limited to:

- Invalid logon attempts;
- Changes to the security policy/procedures; and
- Failed attempts to access objects by unauthorized users.

IT administrator privileges for operating system(s), database(s), and applications shall be limited to the minimum number of staff required to perform these sensitive duties.

5. Application development and maintenance for in-house developed student or financial applications will adhere to industry processes for segregating programs and deploying software only after appropriate testing and management approvals.

Any custom-built student or financial applications or supporting applications that interface, integrate with, or provide queries and reporting to/from student or financial systems shall be developed using a system development life cycle approach that incorporates at a minimum:

- a) Planning, requirements, and design;
- b) User acceptance testing (UAT);
- c) Code reviews; and
- d) Controlled migration to production.

Any changes to core or supporting applications that provide student or financial processing or reporting shall be implemented in a controlled manner that includes at a minimum:

- Documentation of any change, including changes to both infrastructure and application;
- Management approval of all changes; and
- Controlled migration to production, including testing as appropriate.

6. Monitoring and responding to IT related incidents will be designed to provide early notification of events and rapid response and recovery from internal or external network or system attacks.

The District shall develop and maintain an incident response plan to be used in the event of system compromise that shall include:

- a) Emergency contacts;
- b) Incident containment procedures; and
- c) Incident response and escalation procedures.

7. To ensure continuous critical IT services, the District ISO will develop a business continuity/disaster recovery plan appropriate for the size and complexity of the District IT operations.

The district-wide business continuity plan shall include at a minimum:

- Procedures for performing routine backups at least weekly and the storage of backup media at a secured location other than the server room or adjacent facilities. Backup media shall be stored off-site a reasonably safe distance from the primary server room and retained in a fire resistant receptacle.
- A secondary backup processing location, such as another School or District building, shall be identified.
- A documented calling tree with emergency actions to include:
 - Recovery of backup data;
 - Restoration of processing at the secondary location; and
 - Generation of student and employee listings to ensure an accurate head count.

8. Server and workstation protection software will be deployed to identify and eradicate malicious software attacks such as viruses, spyware, and malware.

Spyware and virus protection software shall be installed, distributed, and maintained on all production platforms, including:

- a) File/print servers;
- b) Workstations;
- c) Email servers;
- d) Web servers; and

e) Application and database servers.

Malicious software protection shall include:

- Weekly update downloads;
- Weekly scanning;
- The malicious software protection to be in active state (realtime) on all operating servers/workstations.

All security-relevant software patches shall be applied within thirty (30) days and critical patches shall be applied as soon as possible.

Notes: A copy of ADE's IT Security Policy, may be found at <https://adedata.arkansas.gov/security>.

Legal References: Commissioner's Memo RT-15-010
 A.C.A. § 4-110-101 et seq.

Date Adopted: 05.18.09

Last Revised: 06.19.17

7.17—FOOD SERVICE PREPAYMENT**

Meal Charges

The district does not provide credit for staff or students to charge for meals, a la carte, or other food and beverage items available for purchase in the school food service areas. Meals, a la carte, or other food and beverage items may be purchased by either providing payment for the items at the time of receipt or by having a prepaid account with the District that may be charged for the items. Staff and parents, or students choosing to do so, may pay in advance for meals, a la carte, or other food and beverage items through any of the following methods:

- Submitting cash or check payment at Food Service Office or Central Office;
- Depositing funds through the District’s online service;

A student’s parents will be contacted by authorized District personnel regarding a student’s prepaid account balance at the following times:

Unpaid Meal Access

In accordance with Arkansas law, the District allows students whose accounts do not have enough funds to purchase a meal to receive an unpaid reimbursable meal at no charge. The District will notify a student’s parents

- When the student’s prepaid account balance has dropped to the point that the student will begin receiving unpaid meals;
- Each time the student receives the first unpaid meal after money has been deposited into the student’s prepaid account; and
- After the student has received five (5) unpaid meals.

Students who have submitted proper documentation to receive a meal modification in accordance with Policy 4.50—SCHOOL MEAL MODIFICATIONS shall receive the same type of modification for an unpaid meal.

Notes: This policy is similar to policy 4.51. If you change this policy, please review 4.51 at the same time to ensure applicable consistency between the two.

While districts have the option to allow staff and students to charge for meals, and a la carte items, -we have not provided any options that would allow staff and students to do so because Chapter 3 of the federal Fair and Accurate Credit Transaction Act of 2007 (15 U.S.C. § 1681 *et seq.*), along with its accompanying regulations (16 C.F.R. part 681), requires “creditors” to implement an Identity Theft Protection Program. We see the establishment and maintenance of an identity theft protection program to be a financial and potentially time-consuming burden. Districts can avoid this burden by not having practices deemed to make them “creditors”, such as through the language in this policy.

A copy of this policy must be communicated in writing at least once to all households at the start of each school year and to households of students who transfer to the school during the school year. Some suggestions on communication methods are to include a copy of the policy in:

- Student enrollment materials;

- Print versions of student handbooks; or
- Notification methods on applying for free or reduced price meals.

The United States Department of Agriculture (USDA) does not consider providing a copy of this policy only in electronic format to satisfy the communication requirement.

A written copy of this policy must be provided to all staff responsible for policy enforcement. This includes:

- A. School food service professionals;
- B. Staff involved in notifying families of low prepaid account balances;
- C. School social workers;
- D. School nurses; and
- E. The LEA homeless student liaison.

Legal References: Commissioner’s Memo CNU-17-003
 Commissioner’s Memo CNU-17-024
 A.C.A. § 6-18-715

Date Adopted: 07.20.09**

Last Revised: 06.17.19**

7.17.1—EXCESS FOOD

Definition

“Excess food” means any food that remains after the serving of breakfast and lunch to students during the school day; however, “excess food” does not include any food that has expired, been opened, or been consumed.

Excess food shall be handled in accordance with U.S. Food and Drug Administration regulations and Arkansas Department of Health rules.

Excess Food Sold a la carte

Excess food may be sold a la carte no later than the day immediately following the day the excess food was served in the District’s school meal service.

Donation of Excess Food

When it is not feasible for the District to reuse excess food, excess food may be donated to a non-profit organization, such as a community food bank, homeless shelter, or other nonprofit charitable organization.

The District’s Child Nutrition Director (Director), after consultation with and approval by the superintendent, may identify a nonprofit “partner” that will accept the District’s excess food. Before the District may donate food to the nonprofit partner, the Director shall obtain a copy of the nonprofit partner’s 501(c)(3) documentation and contact information for use when excess food is available for donation.

Whenever excess food is donated, the Director shall document all of the following on the form provided by the Child Nutrition Unit:

1. What, how much and when excess food donations are made;
2. Who picks up the excess food for the nonprofit partner, including a signature along with the date and time of the pick up; and
3. Signature of the child nutrition staff when excess food is donated to the nonprofit partner.

Following the donation of excess food, the Director shall:

- a. Monitor excess food donations;
- b. Report excess food cost to administration; and
- c. Revise planned production and menus to minimize excess food.

The nonprofit partner shall agree to provide the District’s students the first opportunity to receive the donated excess food. The superintendent, Director, and nonprofit partner shall work together to adopt procedures for the providing of excess food to the District’s students.

Legal References: A.C.A. § 6-18-716
 Commissioner’s Memo CNU-16-033
 7 C.F.R. § 210.10
 7 C.F.R. § 210.11

Date Adopted: 06.17.19

Last Revised:

7.18—DISPOSAL OF NON-NEGOTIATED CHECKS OR UNCLAIMED PROPERTY

State law specifies how the district is to dispose of retained funds in the form of issued but non-negotiated checks that have ~~been~~ not been presented for payment within one (1) calendar year. The district shall dispose of these retained funds in accordance with the law and remit the amount of all non-negotiated checks to the Unclaimed Property Division of the Arkansas Auditor's Office.

The district shall make a good faith effort to return physical items that have been left on district property to their rightful owners. When contact information is known for the owner of an item of a non-perishable nature left at the district, the district shall use the information to attempt to contact the owner to inform him/her of the location of the item. Owners of such items shall be given at least three (3) weeks to pick up the item he/she left at the district. If the owner fails to pick up the item within the time allotted, the district may dispose of the item in a manner of its choosing.

The district is under no obligation to retain an abandoned, perishable item left on district property.

Legal References: A.C.A. § 18-28-201
 A.C.A. § 18-28-202(a)(11), (c), (d)
 A.C.A. § 18-28-204
 A.C.A. § 18-28-206
 A.C.A. § 18-28-207
 A.C.A. § 18-28-208(a)
 A.C.A. § 18-28-210(b)(c)
 A.C.A. § 18-28-217
 A.C.A. § 18-28-221(a)
 A.C.A. § 18-28-224

Date Adopted: 04.19.10

Last Revised: 04.20.20

7.19—SERVICE ANIMALS IN DISTRICT FACILITIES

In accordance with the provisions of the Americans with Disabilities Act and Arkansas statutes, service dogs and trained miniature horses (service animals) are permitted for use by individuals with disabilities on district property and in district facilities provided the individuals and their animals meet the requirements and responsibilities covered in this policy.

When an individual with a disability seeks to bring a service animal into a district facility, the district is entitled to ask the individual:

- a. If the animal is required because of a disability; and
- b. What work or task has the animal been trained to perform.

While the district is not entitled to ask for documentation that the animal has been properly trained, the individual bringing the animal into a district facility will be held accountable for the animal's behavior.

Any service animal brought into a district facility by an individual with a disability must have been trained to do work or perform tasks for the individual. The work or tasks performed by the service animal must be directly related to the handler's disability. Examples of work or tasks include, but are not limited to, assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing non-violent protection, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine, providing physical support and assistance with balance and stability to individuals with mobility disabilities, and helping persons with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors.

The crime deterrent effects of an animal's presence and the provision of emotional support, well-being, comfort, or companionship do **not** constitute work or tasks for the purposes of this policy; no animal brought solely for any of these reasons shall be permitted on school grounds.

Individuals with disabilities shall be permitted to be accompanied by their service animals in all areas of a public entity's facilities where members of the public, participants in services, programs or activities, or invitees, as relevant, are allowed to go.

A service animal shall be under the control of its handler. A service animal shall have a harness, leash, or other tether, unless either the handler is unable because of a disability to use a harness, leash, or other tether, or the use of a harness, leash, or other tether would interfere with the service animal's safe, effective performance of work or tasks, in which case the service animal must be otherwise under the handler's control by means of voice control, signals, or other effective means.

A service animal shall be groomed to prevent shedding and dander and shall be kept clean of fleas and ticks.

District staff may ask an individual with a disability to remove a service animal from the premises if:

1. The animal is out of control and the animal's handler does not take effective action to control it;
2. The animal is not housebroken; or
3. Making reasonable accommodations for the service animal's presence would fundamentally alter the nature of the service, program, or activity.

If the district excludes a service animal due to the reasons listed above, the district shall give the individual with a disability the opportunity to participate in the service, program, or activity without having the service animal on the premises.

The District and its staff are not responsible for the care or supervision of a service animal brought onto district property or into district facilities by an individual with a disability. Students with service animals are expected to care for and supervise their animal. In the case of a young child or a student with disabilities who is unable to care for or supervise the service animal, the parent is responsible for providing care and supervision of the animal. Prior to working in the school, any person responsible for providing care and supervision of the animal must go through the same process for background checks as required of all employees of the school system.

The District shall not ask or require an individual with a disability to pay a surcharge, even if people accompanied by pets are required to pay fees, or to comply with other requirements generally not applicable to people without pets.

Individuals should be aware that under Arkansas law the misrepresentation of an animal as a service animal or a service animal in training to a person or entity operating a public accommodation may subject the individual to a civil penalty.

Notes: The Department of Justice has published an FAQ on service animals. A copy may be found on the Policy Resources Page at <http://arsba.org/policy-resources>.

Legal References: 28 CFR § 35.104
 28 CFR § 35.136
 28 C.F.R. § 36.302
 A.C.A. § 20-14-304
 A.C.A. § 20-14-308
 A.C.A. § 20-14-314

Date Adopted: 10.17.11
Last Revised: 06.17.19

7.20 – ELECTRONIC FUND TRANSFERS

District funds shall only be disbursed by the district treasurer upon the receipt of checks or warrants signed by the District Board of Directors' Disbursing Officer and the Superintendent or through the electronic transfer of funds. Any electronic transfer of funds must be initiated by the District and authorized in writing by both the Disbursing Officer of the school district Board of Directors and the Superintendent.

For the purposes of this policy, "initiated by the District" means the District controls both the timing and the amount of the funds transfer.

The district treasurer shall maintain evidence of authority for the disbursement in the form of invoices, payrolls that conform with written contracts on file in his/her office, or other appropriate documentation indicating an authority to disburse District funds.

"Other appropriate documentation" includes one-time, signed authorization for recurring transactions. The Board of Directors Disbursing Officer must pre-authorize the electronic transfer of funds for non-recurring transactions which can be accomplished by a signed authorization or an email authorizing such a disbursement of funds.

Cross Reference: 1.16 —DUTIES OF BOARD DISBURSING OFFICER

Legal References: A.C.A. § 6-13-701(e)
Commissioner's Memo Com-12-036

Date Adopted: 07-16-12

Last Revised:

7.21—NAMING SCHOOL FACILITIES

Except as otherwise permitted in this policy or Arkansas law, the District shall not name any building, structure, or facility, paid for in whole or in part with District funds, for an individual living at the time of its completion who, in the ten (10) years preceding its construction, was elected, or held, a federal, state, county, or municipal office and received a salary for his/her service.

Exceptions to the preceding paragraph may be made when a building, structure, or facility is a constructed through the use of at least 50% private funds or, the name refers to:

1. an individual(s) living at the time of its completion and who has historical significance;
2. an individual who is or has been a prisoner of war; or
3. a living individual who is at least 75 years of age and is retired.

Legal Reference: A.C.A. § 25-1-121

Date Adopted: 08.19.13

Last Revised: 06.17.14

7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS

The Superintendent, or designee, may negotiate for the private sponsorship of an event to take place during the time allotted for a half-time break of any of the District's interscholastic activities. The amount of time for a half-time break shall not be extended for the event. Sponsorship must be pre-approved by the Arkansas Activities Association (AAA) office.

The school district shall not discriminate against potential sponsors based on political affiliation, religion, or perceived message. The superintendent, or designee, may decline sponsorship for any of the following reasons:

- The sponsored event would conflict with school or school group presentations;
- The proposed event would be logistically impracticable due to the estimated time, required materials for the event, or for other reasons associated with the implementation of the event;
- The proposed event would make continuation of the interscholastic activity impracticable due to residual mess/trash resulting from the activity; or
- The proposed event would present an unacceptable safety risk to students or viewing audience.

The superintendent's, or designee's, decision to accept or decline the proposed sponsored event shall be final.

Any potential sponsor shall be required to demonstrate proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that would cover the event. The sponsor must also agree to indemnify the school against any damages to school property, school employees, students, or bystanders that arise as a result of the sponsored event as well as from any law suits that are filed in response to such damages.

There shall be no live or recorded speech, music, or other media provided by the sponsor used during the sponsored event. A member of the school's administration shall announce the name of the sponsor of the event and shall be present to assist in conducting the event. The school administrator shall be a neutral participant and shall only make content neutral statements during the event. To meet this standard, the administrator shall not promote or act in a manner that creates the appearance, or that could give the impression, that the District sponsors, endorses or otherwise agrees with the product, person/group, or event being promoted by the sponsor. No school employee may act as the representative of a sponsor or wear attire/apparel that is provided by the sponsor or that could be interpreted as promoting the sponsor's interests. Employees or representatives of/affiliated with the sponsor may be present at the event and stand with the member of school administration who is announcing and conducting the event; such employees/representatives of the sponsor may wear clothing identifying them as sponsors of the event.

The superintendent, or designee, shall have the authority to regulate the time, place, and manner of the distribution of promotional materials by the event sponsor. "Promotional materials" includes, but is not limited to, pamphlets, pens/pencils, sports equipment (whether miniature or full sized), or clothing. The event sponsor shall provide the superintendent, or designee, with a complete list of the types of promotional materials the event sponsor intends to distribute at the event so that the superintendent, or designee, may make an informed decision on the time, place, and manner of distribution that would result in the least amount of disturbance with the interscholastic activity.

The superintendent, or designee, should take the following into account when determining the best time, place, and manner of distribution of promotional materials:

- Whether the promotional materials could be a distraction to participants in the interscholastic activity due to the promotional material emitting light or noise;
- Whether the promotional materials have a high possibility of being able to be used against participants of the interscholastic activity to attempt to alter the outcome of the activity;
- The possibility that the promotional materials would be left by recipients to become litter; and
- The possibility that the promotional materials would divert the attention of the audience from the interscholastic activity.

The superintendent, or designee, shall limit the distribution of promotional materials to audience members when they are entering the school building/arena, during the sponsored half-time event, and/or when they are leaving the school building/arena. The superintendent's, or designee's, restrictions on the time, place, and manner of promotional materials shall be final.

Any funds received through private sponsorship shall be placed in the District's Activity Account. The superintendent, or designee, should follow the policy for receiving public gifts or donations when negotiating the sponsorship amount, as set forth in policy 6.3—Public Gifts and Donations to the Schools.

No student that participates in any interscholastic activity governed by AAA shall be permitted to receive any form of compensation for participating in the privately sponsored event. Compensation includes, but is not limited to, cash/checks, gift certificates, or expenses for a trip.

Cross References: Policy 6.3 —Public Gifts and Donations to the Schools

Legal References: 2013-2014 AAA Handbook

DESE Rules Governing Athletic Revenues and Expenditures for Public School Districts

Date Created: 06.17.14

Last Modified:

7.22F—EVENT SPONSOR AGREEMENT

The Green Forest School District (hereafter “District”) and _____ (hereafter “Sponsor”) agree that Sponsor shall be permitted to sponsor an event to take place during the half-time break of the interscholastic activity that is scheduled on _____.

Sponsor promises to pay to District the amount of _____ for the privilege of being announced as the sponsor of the above event.

Sponsor agrees to abide by District’s time, place, and manner restrictions on the distribution of all promotional materials related to the above sponsored event.

Sponsor has provided District proof of an in force, minimum face value one million dollar (\$1,000,000) general liability insurance policy that will cover the above event.

I, _____, acting as a lawful an authorized representative of Sponsor, certify that I have the authority to enter into this agreement, and authorize payment to District. I understand that the half-time event will not be scheduled until this agreement is fully executed and full payment under this agreement has been received by District.

Indemnification Agreement

Sponsor promises to indemnify, hold harmless, and defend District, its agents and employees from any lawsuits, causes of action, claims, liabilities, and damages of any kind or nature, including, but not limited to: attorney’s fees and costs arising from this contract, whether such attorney’s fees and costs are attributable in whole or in part to any act, omission, or negligence of District, it’s agents or employees, and including, but not limited to, any and all lawsuits, causes of action, claims, liabilities and damages, as provided above which District, its agents or employees may sustain by reason of any failure by Sponsor to indemnify as provided herein, or any failure by Sponsor to otherwise perform its obligations pursuant to this Contract, or by reason of the injury to or death of any person or persons or the damage to, loss of use of or destruction of any property resulting from this agreement.

I, _____, acting as a lawful an authorized representative of Sponsor, certify that I have read, understood, and accept the above indemnification agreement.

Sponsor Representative’s Signature

Date

I, _____, acting as a lawful and authorized representative of District certify that Sponsor has tendered the promised amount and has met all the requirements to be a sponsor as set forth in District Policy 7.22—PRIVATE SPONSORSHIP OF EXTRACURRICULAR EVENTS.

District Representative’s Signature

Date

7.23—HEALTH CARE COVERAGE AND THE AFFORDABLE CARE ACT*

Definitions

“Dependent”, for purposes of this policy, means an employee’s child(ren) and/or spouse who are enrolled by the employee in health care coverage through the District’s health care plans.

“Full-time employee”, for purposes of this policy, means an employee in a position requiring on average thirty (30) hours of actual performance per week during the annual school year.

“Responsible individual” means a primary insured employee who, as a parent or spouse, enrolls one or more individual(s) in health care coverage through the District’s health care plans.

"Variable hour employee", for the purposes of this policy, means an individual who has no base minimum number of hours of performance required per week.

Health Insurance Enrollment

All full time District employees are eligible to enroll themselves; their spouse, so long as the spouse is not otherwise eligible for insurance through his/her employer's sponsored plan; and their child(ren) in one of the insurance plans through the Public School Employee Life and Health Insurance Program (PSELHIP). Variable hour employees are not eligible to enroll in a PSELHIP plan. If a variable hour employee’s measurement period finds that the employee averaged thirty (30) or more hours per week, then the employee is treated as a full time employee rather than a variable hour employee and is eligible for health insurance. New full time employees have sixty (60) days following the start date of the employee’s contract to elect to enroll in a PSELHIP plan; all new employees shall be informed in writing of the start date of the employee’s contract and that the employee has sixty (60) days from that date to elect PSELHIP coverage. Coverage for new employees who choose to enroll in a PSELHIP plan shall take effect on the first of the month following the date on the enrollment application. Coverage shall be in effect until the end of the calendar year. Employees who experience a Qualifying Status Change Event have sixty (60) days from the date of the Qualifying Status Change Event to file an application to change coverage information. All employees who continue to be eligible may elect to continue coverage and make changes to their PSELHIP plan for the following plan year during the yearly open enrollment period.

The District shall ensure all employees are provided education annually on the advantages and disadvantages of a consumer-driven health plan option and effective strategies of using a Health Savings Account (HSA).

District Contribution to Premiums

At a minimum, the District shall distribute the statutorily required contribution rate to all employees who are enrolled in one of the PSELHIP plans, which shall include any mandatory increases to the contribution rate due to increases to the salary schedule. In accordance with the State Health Insurance Portability Rules (SHIP), the District shall continue to pay the premium contribution for an employee who transfers to another Arkansas school district that also participates in the SHIP through August 31 of the calendar year the employee leaves the district so long as the employee:

- 1) Completes his/her contract with the District;
- 2) Provides the District with notice that the employee is transferring to another district by no later than the Friday following the last student contact day;
- 3) Provides the District with proof of employment at another Arkansas district; and

- 4) Has the employee portion of the premium deducted from his/her end-of-year checks or pays the District business office the employee's portion of the premium by the 15th of both July and August.

Measurement Method of Employee Hours

The District uses the look-back method for determining if an employee qualifies as a full-time employee.

W-2

For all full-time employees who are enrolled in a PSELHIP plan, the District shall indicate in box twelve (12) of the employee's Form W-2 the cost of the employee's health care coverage by using code "DD".

IRS Returns

The District will electronically file with the IRS by March 31 of each year the forms required by the IRS on the health insurance coverage of each full-time employee for the previous calendar year, whether or not the full-time employee participates in a health insurance plan through the PSELHIP.

Statement of Return

The District shall send to each full-time employee a Statement of Return (Statement) regarding the IRS Return¹³ filed on the employee. The Statement shall contain: The District's name, address, and Employer Identification Number (EIN) as well as a copy of the IRS Return filed on the employee. The District shall send a copy of the Statement to the employee on or before January 31 of the calendar year following the calendar year the information in the Statement covers. The District shall send only one Statement to the household of an employee who meets the definition of a responsible individual that will include all requisite information for both the responsible individual and the responsible individual's dependent(s). The Statement will be mailed to the employee's address on record.

Record Retention

The District shall maintain copies of the Statements sent to employees in accordance with the requirements for documents transmitted to the IRS in Policy 7.15—RECORD RETENTION AND DESTRUCTION.

Cross Reference: 7.15—RECORD RETENTION AND DESTRUCTION

Legal References: A.C.A. § 6-17-1117
A.C.A. § 21-5-401 et seq.
26 C.F.R. § 54.4980h-0 et seq.
26 C.F.R. § 31.6001-1
26 C.F.R. § 301.6056-1

Date Adopted: 06.17.14

Last Revised: 06.19.17*

7.23F—LICENSED PERSONNEL ELECTRONIC RECEIPT OF STATEMENTS CONSENT FORM

To receive an electronic copy of the statement concerning the tax information for your health insurance coverage, please complete the following information:

Name: _____

E-mail address: _____

Phone Number: _____

Mailing Address:

City: _____ State: _____ Zip Code: _____

(The phone number and mailing address shall only be used for the purpose of acquiring a replacement e-mail address to send a copy of the Statement of Return (Statement) in the event the District receives an “unable to deliver” notification when the District sends an electronic copy of the Statement to the provided e-mail address.)

Disclosures

An individual who consents to receive an electronic copy of the Statement shall be deemed to be aware of, and agree to, the following disclosures:

1. I shall receive a paper copy of the Statement unless I consent to receive an electronic copy;
2. My consent to receive an electronic copy of the Statement shall be effective for all future Statements unless I withdraw my consent or it is terminated in accordance with this agreement;
3. The District shall terminate the sending of electronic Statements upon the occurrence of any of the following:
 - Thirty (30) days after the District receives a written request to withdraw consent;
 - There is a change in hardware or software that has a material impact on my ability to receive the electronic version of the Statement;
 - February 1 of the year following any of the following:
 - Termination of my employment;
 - My retirement from employment;
 - My death;
4. I may request a paper copy of the Statement even though I have consented to receive an electronic copy of the Statement. The request for a paper copy must be in writing, either electronically or on paper, and shall be delivered to the District Treasurer, Green Forest School, PO Box 1950, Green Forest, AR 72638; aasbury@gf.k12.ar.us. A request to receive a paper copy shall not constitute a withdrawal of consent to receive an electronic copy of the Statement unless I affirmatively state that the request constitutes a withdrawal.
5. I shall receive from the District through either mail or e-mail a confirmation of my withdrawal of consent and the date the withdrawal shall become effective;

6. A withdrawal of consent shall not apply to an electronic copy of the Statement that is sent prior to the effective date of the withdrawal;
7. I am responsible for making sure that the District has my current contact information. I may update any changes to my contact information by sending an amended copy of the Electronic Receipt of Statements Consent Form to the District Treasurer, Green Forest School, PO Box 1950, Green Forest, AR 72638; aasbury@gf.k12.ar.us.
8. The District shall contact me with any changes in the District's contact information;
9. The District shall furnish electronic copies of the Statement in the Portable Document Format (PDF);
10. Arkansas or Federal law could require the printing of a copy of the Statement to attach to a Federal, State, or local tax return;
11. The e-mail containing the electronic copy of the Statement shall have the subject line of "Important Tax Return Document Available" in all capital letters.

I certify that I have read the disclosures and that I wish to affirmatively consent to receive my copy of the Statement in an electronic format.

Signature: _____

Date: _____

7.24—ADVERTISING ON SCHOOL BUSES*

Under the authority granted by A.C.A. § 6-19-129 and the Commission for Arkansas Public School Academic Facilities and Transportation Rules Governing Advertising on School Buses:

The District has chosen **NOT** to permit the selling of advertising space on District owned school buses and shall **NOT** use the space provided by law for any purpose.

The Superintendent shall develop procedures for soliciting proposals for advertising, as well as guidelines for the review and acceptance of advertisements.

The Board, or designee, shall approve each advertisement before it is displayed on a District bus. The Board reserves the right to reject any advertisement that it deems inappropriate for the school setting. If the District contracts with a third party for the solicitation of potential advertisers and the development of advertising programs, the District retains the final authority to accept or reject potential advertisers and proposed advertisements.

Advertising shall be accepted solely for the purpose of generating revenue for the District transportation program and not for the purpose of establishing a forum for communication. All revenue the District receives from advertisements shall only be used to reduce District transportation costs.

Regardless of the viewpoint expressed in the advertisements, advertisements shall not be approved that are:

1. For a political candidate, political party, the adoption of any bond/budget issues, or any public question submitted at any general, county, municipal, or school election as required by A.C.A. § 7-1-111;
2. Of an obscene or pornographic nature;
3. Promoting drugs, alcohol, tobacco, firearms, or similar products; or
4. Otherwise deemed to be inappropriate for minors.

The District shall also reserve the right to reject advertising that is inconsistent with:

- a. Federal or State laws and regulations;
- b. Commissioner's memos;
- c. The First Amendment;
- d. Board policy;
- e. The District's mission, goals, standards, and curriculum; or
- f. Any content the District determines has a reasonable likelihood of exposing the District to controversy, litigation, or disruption.

A food or beverage advertisement shall not be permitted unless it satisfies the advertising requirements of Policy 5.29—WELLNESS POLICY.

Acceptance of an advertisement on District school buses shall not constitute approval or endorsement of any product; service; issue; organization; activity; or position referenced in the advertisement, nor shall acceptance of advertising from a vendor determine whether the District will purchase goods or services from the vendor through the District's procurement process in Policy 7.5—PURCHASES AND PROCUREMENT.

The Board has the authority to terminate advertisements on school buses at any time. The Board may, at its sole discretion, cease to allow the display of any previously approved advertisement if it finds the advertisement to have become inappropriate due to changing circumstances.

Approved advertisements may be placed:

- On the rear quarter-panels of the exterior of the bus,;
- At least three inches (3”) behind the rear wheel and not closer than four inches (4”) from the lower edge of the window line;
- At least three inches (3”) from any required letter, lamp, wheel well, reflector, or emergency exit; and
- Within a block no larger than thirty inches (30”) in height and sixty inches (60”) in length.

Any reflective tape between the floorline and beltline of the bus that is covered by an advertisement will be replaced by placing reflective tape either above or below the advertisement. No brackets or hardware shall be applied to the bus to hold advertisements.

Advertisements must be of a durable printed material. In order to not create a handhold or present a danger to pedestrians, the advertisement shall not:

- Intentionally extend from the body; or
- Extend from the body due to damage.

All advertisements shall contain the phrase “Paid advertisement” in a place, font, color, and size that it may be easily read from a distance of at least ten feet (10’).

Cross References: 5.29—WELLNESS POLICY
 6.9—MEDIA RELATIONS AND NEWS RELEASES
 7.5—PURCHASES AND PROCUREMENT

Legal References: A.C.A. § 6-19-129
 A.C.A. § 7-1-111
 Commission for Arkansas Public School Academic Facilities and Transportation Rules
 Governing Advertising on School Buses
 7 C.F.R. § 21031

Date Adopted: 04.18.16**

Last Revised: 06.18.18**

18-28-201. Definitions.

In this subchapter:

- (1) “Administrator” means the Auditor of State.

- (2) “Apparent owner” means a person whose name appears on the records of a holder as the person entitled to property held, issued, or owing by the holder.

- (3) “Business association” means a corporation, joint stock company, investment company, partnership, unincorporated association, joint venture, limited liability company, business trust, trust company, land bank, safe deposit company, safekeeping depository, financial organization, insurance company, mutual fund, utility, or other business entity consisting of one (1) or more persons, whether or not for profit.

- (4) “Domicile” means the state of incorporation of a corporation and the state of the principal place of business of a holder other than a corporation.

- (5) “Financial organization” means a savings and loan association, building and loan association, savings bank, industrial bank, bank, banking organization, or credit union.

- (6) “Holder” means a person obligated to hold for the account of, or deliver or pay to, the owner property that is subject to this subchapter.

- (7) “Insurance company” means an association, corporation, or fraternal or mutual benefit organization, whether or not for profit, engaged in the business of providing life endowments, annuities, or insurance, including accident, burial, casualty, credit life, contract performance, dental, disability, fidelity, fire, health, hospitalization, illness, life, malpractice, marine, mortgage, surety, wage protection, and workers' compensation insurance.

- (8) “Mineral” means gas; oil; coal; other gaseous, liquid, and solid hydrocarbons; oil shale; cement material; sand and gravel; road material; building stone; chemical raw material; gemstone; fissionable and nonfissionable ores; colloidal and other clay; steam and other geothermal resource; or any other substance defined as a mineral by the law of this state.

- (9) “Mineral proceeds” means amounts payable for the extraction, production, or sale of minerals, or, upon the abandonment of those payments, all payments that become payable thereafter. The term includes amounts payable:
 - (i) for the acquisition and retention of a mineral lease, including bonuses, royalties, compensatory royalties, shut-in royalties, minimum royalties, and delay rentals;
 - (ii) for the extraction, production, or sale of minerals, including net revenue interests, royalties, overriding royalties, extraction payments, and production payments; and
 - (iii) under an agreement or option, including a joint operating agreement, unit agreement, pooling agreement, and farm-out agreement.

- (10) “Money order” includes an express money order and a personal money order, on which the remitter is the purchaser. The term does not include a bank money order or any other instrument sold by a financial organization if the seller has obtained the name and address of the payee.

(11) “Owner” means a person who has a legal or equitable interest in property subject to this subchapter or the person's legal representative. The term includes a depositor in the case of a deposit, a beneficiary in the case of a trust other than a deposit in trust, and a creditor, claimant, or payee in the case of other property.

(12) “Person” means an individual, business association, financial organization, estate, trust, government, governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13) (A) “Property” means tangible property described in § 18-28-203 or a fixed and certain interest in intangible property that is held, issued, or owed in the course of a holder's business, or by a government, governmental subdivision, agency, or instrumentality, and all income or increments therefrom. The term includes property that is referred to as or evidenced by:

(i) Money, a check, draft, deposit, interest, or dividend;

(ii) Credit balance, customer's overpayment, security deposit, refund, credit memorandum, unpaid wage, unused ticket, mineral proceeds, or unidentified remittance;

(iii) Stock or other evidence of ownership of an interest in a business association or financial organization;

(iv) A bond, debenture, note, or other evidence of indebtedness;

(v) Money deposited to redeem stocks, bonds, coupons, or other securities or to make distributions;

(vi) An amount due and payable under the terms of an annuity or insurance policy, including policies providing life insurance, property and casualty insurance, workers' compensation insurance, or health and disability insurance; and

(vii) An amount distributable from a trust or custodial fund established under a plan to provide health, welfare, pension, vacation, severance, retirement, death, stock purchase, profit sharing, employee savings, supplemental unemployment insurance, or similar benefits.

(B) “Property” does not include:

(i) gift certificates, gift cards, in-store merchandise credits, or layaway accounts issued or maintained by any person in the business of selling tangible personal property at retail ; or

(ii) a patronage dividend, capital credit, customer deposit, or nonnegotiated payment check that does not exceed one hundred dollars (\$100) held or owing by an agricultural farm supply cooperative association organized under the laws of this state.

(14) “Record” means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(15) “State” means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States.

(16) “Utility” means persons and corporations, or their lessees, trustees, and receivers, owning or operating in this state equipment or facilities as provided in § 23-1-101(4).

History. Acts 1999, No. 850, § 1; 2009, No. 1174, § 1.

18-28-202. Presumptions of abandonment.

(a) Property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth below for the particular property:

(1) traveler's check, fifteen (15) years after issuance;

- (2) money order, seven (7) years after issuance;
- (3) stock or other equity interest in a business association or financial organization, including a security entitlement under § 4-8-101 et seq. (UCC — Investment Securities), five (5) years after the earlier of (i) the date of the most recent dividend, stock split, or other distribution unclaimed by the apparent owner, or (ii) the date of the second mailing of a statement of account or other notification or communication that was returned as undeliverable or after the holder discontinued mailings, notifications, or communications to the apparent owner;
- (4) debt of a business association or financial organization, other than a bearer bond or an original issue discount bond, five (5) years after the date of the most recent interest payment unclaimed by the apparent owner;
- (5) a demand, savings, or time deposit, including a deposit that is automatically renewable, five (5) years after the earlier of maturity or the date of the last indication by the owner of interest in the property; but a deposit that is automatically renewable shall not be deemed matured for purposes of this section upon its initial date of maturity, unless the most recent correspondence from the financial organization to the owner has been returned unclaimed or undelivered to the financial organization by the postal service;
- (6) money or credits owed to a customer as a result of a retail business transaction, three (3) years after the obligation accrued;
- (7) amount owed by an insurer on a life or endowment insurance policy or an annuity that has matured or terminated, three (3) years after the obligation to pay arose or, in the case of a policy or annuity payable upon proof of death, three (3) years after the insured has attained, or would have attained if living, the limiting age under the mortality table on which the reserve is based;
- (8) property distributable by a business association or financial organization in a course of dissolution, one (1) year after the property becomes distributable;
- (9) property received by a court as proceeds of a class action, and not distributed pursuant to the judgment, one (1) year after the distribution date;
- (10) property held by a court, government, governmental subdivision, agency, or instrumentality, one (1) year after the property becomes distributable;
- (11) wages or other compensation for personal services, one (1) year after the compensation becomes payable;
- (12) deposit or refund owed to a subscriber by a utility, one (1) year after the deposit or refund becomes payable;
- (13) property in an individual retirement account, defined benefit plan, or other account or plan that is qualified for tax deferral under the income tax laws of the United States, three (3) years after the earliest of the date of the distribution or attempted distribution of the property, the date of the required distribution as stated in the plan or trust agreement governing the plan, or the date, if determinable by the holder, specified in the income tax laws of the United States by which distribution of the property must begin in order to avoid a tax penalty;

(14) all other property, five (5) years after the owner's right to demand the property or after the obligation to pay or distribute the property arises, whichever first occurs; and

(15) unclaimed property payable or distributable in the course of a demutualization of an insurance company five (5) years after the earlier of:

(A) the date of last contact with the policy holder; or

(B) the date the property became payable or distributable.

(b) At the time that an interest is presumed abandoned under subsection (a), any other property right accrued or accruing to the owner as a result of the interest, and not previously presumed abandoned, is also presumed abandoned.

(c) Property is unclaimed if, for the applicable period set forth in subsection (a), the apparent owner has not communicated in writing or by other means reflected in a contemporaneous record prepared by or on behalf of the holder, with the holder concerning the property or the account in which the property is held, and has not otherwise indicated an interest in the property. A communication with an owner by a person other than the holder or its representative who has not in writing identified the property to the owner is not an indication of interest in the property by the owner.

(d) An indication of an owner's interest in property includes:

(i) the presentment of a check or other instrument of payment of a dividend or other distribution made with respect to an account or underlying stock or other interest in a business association or financial organization or, in the case of a distribution made by electronic or similar means, evidence that the distribution has been received;

(ii) owner-directed activity in the account in which the property is held, including a direction by the owner to increase, decrease, or change the amount or type of property held in the account;

(iii) the making of a deposit to or withdrawal from a bank account;

(iv) correspondence from the financial organization to the owner of the property by mail, which correspondence has not been returned unclaimed or undelivered to the financial organization by the postal service; and

(v) the payment of a premium with respect to a property interest in an insurance policy; but the application of an automatic premium loan provision or other nonforfeiture provision contained in an insurance policy does not prevent a policy from maturing or terminating if the insured has died or the insured or the beneficiary of the policy has otherwise become entitled to the proceeds before the depletion of the cash surrender value of a policy by the application of those provisions.

(e) Property is payable or distributable for purposes of this subchapter notwithstanding the owner's failure to make demand or present an instrument or document otherwise required to obtain payment.

History. Acts 1999, No. 850, § 2; 2001, No. 793, §§ 1, 2; 2003, No. 491, § 1.

18-28-204. Rules for taking custody.

Except as otherwise provided in this subchapter or by other statute of this state, property that is presumed abandoned, whether located in this or another state, is subject to the custody of this state if:

(1) the last known address of the apparent owner, as shown on the records of the holder, is in this state;

(2) the records of the holder do not reflect the identity of the person entitled to the property and it is established that the last known address of the person entitled to the property is in this state;

(3) the records of the holder do not reflect the last known address of the apparent owner and it is established that:

(i) the last known address of the person entitled to the property is in this state; or

(ii) the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state and has not previously paid or delivered the property to the state of the last known address of the apparent owner or other person entitled to the property;

(4) the last known address of the apparent owner, as shown on the records of the holder, is in a state that does not provide for the escheat or custodial taking of the property and the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state;

(5) the last known address of the apparent owner, as shown on the records of the holder, is in a foreign country and the holder is domiciled in this state or is a government or governmental subdivision, agency, or instrumentality of this state;

(6) the transaction out of which the property arose occurred in this state, the holder is domiciled in a state that does not provide for the escheat or custodial taking of the property, and the last known address of the apparent owner or other person entitled to the property is unknown or is in a state that does not provide for the escheat or custodial taking of the property; or

(7) the property is a traveler's check or money order purchased in this state, or the issuer of the traveler's check or money order has its principal place of business in this state and the issuer's records show that the instrument was purchased in a state that does not provide for the escheat or custodial taking of the property, or do not show the state in which the instrument was purchased.

History. Acts 1999, No. 850, § 4.

18-28-206. Burden of proof as to property evidenced by record of check or draft.

A record of the issuance of a check, draft, or similar instrument is prima facie evidence of an obligation. In claiming property from a holder who is also the issuer, the administrator's burden of proof as to the existence and amount of the property and its abandonment is satisfied by showing issuance of the instrument and passage of the requisite period of abandonment. Defenses of payment, satisfaction, discharge, and want of consideration are affirmative defenses that must be established by the holder.

History. Acts 1999, No. 850, § 6.

18-28-207. Report of abandoned property.

(a) A holder of property presumed abandoned shall make a report to the administrator concerning the property.

(b) The report must be verified and must contain:

- (1) a description of the property;
- (2) except with respect to a traveler's check or money order, the name, if known, and last known address, if any, and the social security number or taxpayer identification number, if readily ascertainable, of the apparent owner of property of the value of fifty dollars (\$50.00) or more;
- (3) an aggregated amount of items valued under fifty dollars (\$50.00) each;
- (4) in the case of an amount of fifty dollars (\$50.00) or more held or owing under an annuity or a life or endowment insurance policy, the full name and last known address of the annuitant or insured and of the beneficiary;
- (5) in the case of property held in a safe deposit box or other safekeeping depository, an indication of the place where it is held and where it may be inspected by the administrator, and any amounts owing to the holder;
- (6) the date, if any, on which the property became payable, demandable, or returnable, and the date of the last transaction with the apparent owner with respect to the property; and
- (7) other information that the administrator by rule prescribes as necessary for the administration of this subchapter.

(c) If a holder of property presumed abandoned is a successor to another person who previously held the property for the apparent owner or the holder has changed its name while holding the property, the holder shall file with the report its former names, if any, and the known names and addresses of all previous holders of the property.

(d) The report must be filed before November 1 of each year and cover the twelve (12) months next preceding July 1 of that year, but a report with respect to a life insurance company, including the report and remittance of unclaimed insurance company demutualization proceeds made under § 18-28-202(a)(15), must be filed before May 1 of each year for the calendar year next preceding.

(e) The holder of property presumed abandoned shall send written notice to the apparent owner, not more than one hundred twenty (120) days or less than sixty (60) days before filing the report, stating that the holder is in possession of property subject to this subchapter, if:

- (1) the holder has in its records an address for the apparent owner which the holder's records do not disclose to be inaccurate;
- (2) the claim of the apparent owner is not barred by a statute of limitations; and
- (3) the value of the property is fifty dollars (\$50.00) or more.

(f) Before the date for filing the report, the holder of property presumed abandoned may request the administrator to extend the time for filing the report. The administrator may grant the extension for good cause. The holder, upon receipt of the extension, may make an interim payment on the amount the holder estimates will ultimately be due, which terminates the accrual of additional interest on the amount paid.

(g) The holder of property presumed abandoned shall file with the report an affidavit stating that the holder has complied with subsection (e).

History. Acts 1999, No. 850, § 7; 2003, No. 491, § 2.

18-28-208. Payment or delivery of abandoned property.

(a) Except for property held in a safe deposit box or other safekeeping depository, upon filing the report required by § 18-28-207, the holder of property presumed abandoned shall pay, deliver, or cause to be paid or delivered to the administrator the property described in the report as unclaimed, but if the property is an automatically renewable deposit, and a penalty or forfeiture in the payment of interest would result, the time for compliance is extended until a penalty or forfeiture would no longer result. Tangible property held in a safe deposit box or other safekeeping depository may not be delivered to the administrator until one hundred twenty (120) days after filing the report required by § 18-28-207.

18-28-210. Custody by state — Recovery by holder — Defense of holder.

(a) In this section, payment or delivery is made in “good faith” if:

- (1) payment or delivery was made in a reasonable attempt to comply with this subchapter;
- (2) the holder was not then in breach of a fiduciary obligation with respect to the property and had a reasonable basis for believing, based on the facts then known, that the property was presumed abandoned; and
- (3) there is no showing that the records under which the payment or delivery was made did not meet reasonable commercial standards of practice.

(b) Upon payment or delivery of property to the administrator, the state assumes custody and responsibility for the safekeeping of the property. A holder who pays or delivers property to the administrator in good faith is relieved of all liability arising thereafter with respect to the property.

(c) A holder who has paid money to the administrator pursuant to this subchapter may subsequently make payment to a person reasonably appearing to the holder to be entitled to payment. Upon a filing by the holder of proof of payment and proof that the payee was entitled to the payment, the administrator shall promptly reimburse the holder for the payment without imposing a fee or other charge. If reimbursement is sought for a payment made on a negotiable instrument, including a traveler's check or money order, the holder must be reimbursed upon filing proof that the instrument was duly presented and that payment was made to a person who reasonably appeared to be entitled to payment. The holder must be reimbursed for payment made even if the payment was made to a person whose claim was barred under § 18-28-219(a).

18-28-217. Election to take payment or delivery.

(a) The administrator may decline to receive property reported under this subchapter which the administrator considers to have a value less than the expenses of notice and sale.

(b) A holder, with the written consent of the administrator and upon conditions and terms prescribed by the administrator, may report and deliver property before the property is presumed abandoned. Property so delivered must be held by the administrator and is not presumed abandoned until it otherwise would be presumed abandoned under this subchapter.

History. Acts 1999, No. 850, § 17.

18-28-221. Retention of records.

(a) Except as otherwise provided in subsection (b), a holder required to file a report under § 18-28-207 shall maintain the records containing the information required to be included in the report for ten (10) years after the holder files the report, unless a shorter period is provided by rule of the administrator.

(b) A business association or financial organization that sells, issues, or provides to others for sale or issue in this state, traveler's checks, money orders, or similar instruments other than third-party bank checks, on which the business association or financial organization is directly liable, shall maintain a record of the instruments while they remain outstanding, indicating the state and date of issue, for three (3) years after the holder files the report.

History. Acts 1999, No. 850, § 21.

18-28-224. Interest and penalties.

(a) A holder who fails to report, pay, or deliver property within the time prescribed by this subchapter shall pay to the administrator interest at the annual rate of two (2) percentage points above the bank prime loan rate as reported from time to time in the Federal Reserve Board Statistical Release H.15 (Selected Interest Rates) or any successor publication on the property or value thereof from the date the property should have been reported, paid or delivered.

(b) Except as otherwise provided in subsection (c), a holder who fails to report, pay, or deliver property within the time prescribed by this subchapter, or fails to perform other duties imposed by this subchapter, shall pay to the administrator, in addition to interest as provided in subsection (a), a civil penalty of two hundred dollars (\$200) for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of five thousand dollars (\$5,000).

(c) A holder who willfully fails to report, pay, or deliver property within the time prescribed by this subchapter, or willfully fails to perform other duties imposed by this subchapter, shall pay to the administrator, in addition to interest as provided in subsection (a), a civil penalty of one thousand dollars (\$1,000) for each day the report, payment, or delivery is withheld, or the duty is not performed, up to a maximum of twenty-five thousand dollars (\$25,000), plus twenty-five percent (25%) of the value of any property that should have been but was not reported.

(d) A holder who makes a fraudulent report shall pay to the administrator, in addition to interest as provided in subsection (a), a civil penalty of one thousand dollars (\$1,000) for each day from the date a report under this subchapter was due, up to a maximum of twenty-five thousand dollars (\$25,000), plus twenty-five percent (25%) of the value of any property that should have been but was not reported.

(e) The administrator for good cause may waive, in whole or in part, interest under subsection (a) and penalties under subsections (b) and (c), and shall waive penalties if the holder acted in good faith and without negligence.

History. Acts 1999, No. 850, § 24; 2005, No. 175, § 4.