

**NORTH BRANCH INDEPENDENT SCHOOL DISTRICT NO. 138
NORTH BRANCH AREA EDUCATION CENTER, DO CONFERENCE ROOM
B122
38705 GRAND AVENUE
NORTH BRANCH, MN 55056
POLICY COMMITTEE MEETING
MARCH 9, 2023
4:30 PM**

AGENDA

- I. Policies to be Discussed
 - A. Policy 708 - Transportation of Nonpublic School Students (MSBA changes) 2
 - B. Policy 709-NB - Student Transportation Safety Policy (MSBA changes) 5
 - C. Policy 721 - Uniform Grant Guidance Policy Regarding Federal Revenue Sources (MSBA changes) 22

Adopted: _____

MSBA/MASA Model Policy 708

Orig. 1995

Revised: _____

Rev. 202217

708 TRANSPORTATION OF NONPUBLIC SCHOOL STUDENTS

[Note: The obligations stated in this policy are largely governed by statute. ~~Statutory references are included throughout the policy.~~ A school district may choose to add obligations to the model policy.]

I. PURPOSE

The purpose of this policy is to address transportation rights of nonpublic school students and to provide equality of treatment in transporting such students pursuant to law.

II. GENERAL STATEMENT OF POLICY

The policy of the school district is to recognize the rights of nonpublic school students and to provide equal transportation to those students as required by law.

III. ELIGIBILITY

- A. The school district shall provide equal transportation within the ~~school~~ district for all students to any school when transportation is deemed necessary by the school district because of distance or traffic conditions in like manner and form as provided in ~~Minn. Stat. §Minnesota Statutes sections~~ 123B.88 and §-123B.92 when applicable. ~~(Minn. Stat. § 123B.86, Subd. 1)~~
- B. Upon the request of a parent or guardian, the school district ~~shall~~**must** provide school bus transportation to the school district boundary for students residing in the school district at least the same distance from a nonpublic school actually attended in another school district as public school students are transported in the transporting school district. Such transportation ~~shall~~**must** be provided whether ~~there is or is not~~ **there is** another nonpublic school within the transporting school district, if the transportation is to schools maintaining grades or departments not maintained in the school district or if the attendance of such students at school can more safely, economically, or conveniently be provided for by such means. ~~(Minn. Stat. § 123B.86, Subd. 2(a))~~
- C. The school district may provide school bus transportation to a nonpublic school in another school district for students residing in the school district and attending that school, whether there is or is not another nonpublic school within the transporting school district, if the transportation is to schools maintaining grades or departments not maintained in the school district or if the attendance of such students at school can more safely, economically, or conveniently be provided for by such means. If the school district transports students to a nonpublic school located in another school district, the nonpublic school shall pay the cost of such transportation provided outside the school district boundaries. ~~(Minn. Stat. § 123B.86, Subd. 2(b))~~
- D. The school district ~~shall~~**must** provide the necessary transportation within school district boundaries between the nonpublic school and a public school or neutral site for nonpublic school students who are provided pupil support services if the school district elects to provide pupil support services at a site other than a nonpublic school. ~~(Minn. Stat. § 123B.44, Subd. 1)~~

- E. When transportation is provided, the scheduling of routes, manner and method of transportation, control and discipline of students, and any other matter relating thereto shall be within the sole discretion, control, and management of the school district. A nonpublic or charter school student transported by the school district shall comply with school district student bus conduct and student bus discipline policies. (Minn. Stat. § 123B.86, Subd. 3; Minn. Stat. § 123B.91, Subd. 1a)
- F. Additional transportation to and from a nonpublic school may be provided at the expense of the school district ~~where~~ when such services are provided in the discretion of the school district.

IV. STUDENTS WITH DISABILITIES

- A. If a resident student with a disability attends a nonpublic school located within the school district, the school district ~~shall~~ must provide necessary transportation for the student within the school district between the nonpublic school and the educational facility where special instruction and services are provided on a shared-time basis. If a resident student with a disability attends a nonpublic school located in another school district and if no agreement exists for the provision of special instruction and services on a shared time basis to that student by the school district of attendance and where the special instruction and services are provided within the school district, the school district shall provide necessary transportation for that student between the school district boundary and the educational facility. The school district may provide necessary transportation for that student between its boundary and the nonpublic school attended, but the nonpublic school shall pay the cost of transportation provided outside the school district boundary. School districts may make agreements for who provides transportation. Parties serving students on a shared time basis have access to a due process hearing system as provided by law. ~~(Minn. Stat. § 125A.18)~~
- B. When the disabling conditions of a student with a disability are such that the student cannot be safely transported on the regular school bus and/or school bus route and/or when the student is transported on a special route for the purpose of attending an approved special education program, the student shall be entitled to special transportation at the expense of the school district or the day training and habilitation program attended by the student. The school district shall determine the type of vehicle used to transport students with a disability on the basis of the disabling conditions and applicable laws. This section shall not be applicable to parents who transport their own child under a contract with the school district. ~~(Minn. Stat. § 123B.88, Subd. 19; Minn. Rules Part 7470.1600, Subd. 1)~~
- C. Each driver and aide assigned to a vehicle transporting students with a disability must (1) be instructed in basic first aid and procedures for the students under their care; (2) within one month after the effective date of assignment, participate in a program of in-service training on the proper methods of dealing with the specific needs and problems of students with disabilities; (3) assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and (4) ensure that proper safety devices are in use and fastened properly.
~~Each driver and aide assigned to a vehicle transporting students with a disability will be provided with appropriate training for the students in their care, will assist students with their safe ingress and egress from the bus, will ensure the proper use of protective safety devices, and will be provided with access to emergency health care information as required by law. (Minn. Rules Part 7470.1700)~~
- D. Each driver and aide assigned to a vehicle transporting students with a disability shall have available to them the following information in hard copy or immediately accessible

through a two-way communication system: (1) the student's name and address; (2) the nature of the student's disabilities; (3) emergency health care information; and (4) the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.

- ED. Any parent of a student with a disability who believes that the transportation services provided for that child are not in compliance with the applicable law may utilize the alternative dispute resolution and due process procedures provided for in Minn. Stat. Ch. Minnesota Statutes chapter 125A. (Minn. Rules Part 7470.1600, Subd. 2)

V. APPLICATION OF GENERAL POLICY

The provisions of the school district's policy on transportation of public school students [*Model Policy 707*] shall apply to the transportation of nonpublic school students except as specifically provided herein.

Legal References:

Minn. Stat. § 123B.44 (Provision of Pupil Support Services)
Minn. Stat. § 123B.84 (Policy)
Minn. Stat. § 123B.86 (Equal Treatment)
Minn. Stat. § 123B.88 (Independent School Districts, Transportation)
Minn. Stat. § 123B.91, Subd. 1a (Compliance by Nonpublic and Charter School Students)School District Bus Safety Requirements)
Minn. Stat. § 123B.92 (Transportation Aid Entitlement)
Minn. Stat. Ch. 125A (Special Education and Special ProgramsChildren With a Disability)
Minn. Stat. § 125A.18 (Special Instruction; Nonpublic Schools)
Minn. Rules Part 7470.1600 (Transporting Pupils with Disability)
Minn. Rules Part 7470.1700 (Drivers and Aides for Pupils with Disabilityies)
Americans United, Inc. as Protestants and Other Am. United for Separation of Church and State, et al. v. Independent Sch. Dist. No. 622, et al., 288 Minn. 1996, 179 N.W.2d 146 (Minn. 1970)
Eldredge v. Independent Sch. Dist. No. 625, 422 N.W.2d 319 (Minn. Ct. App. 1988)
Healy v. Independent Sch. Dist. No. 625, 962 F.2d 1304 (8th Cir. 1992)
Minn. Op. Atty. Gen. 166a-7 (June 3, 1983)
Minn. Op. Atty. Gen. 166a-7 (Sept. 14, 1981)
Minn. Op. Atty. Gen. 166a-7 (July 15, 1976)
Minn. Op. Atty. Gen. 166a-7 (July 17, 1970)
Minn. Op. Atty. Gen. 166a-7 (Oct. 3, 1969)
Minn. Op. Atty. Gen. 166a-7 (Sept. 12, 1969)

Cross References:

MSBA/MASA Model Policy 707 (Transportation of Public School Students)
MSBA/MASA Model Policy 709 (Student Transportation Safety Policy)
MSBA Service Manual, Chapter 2, Transportation

Adopted: _____

MSBA/MASA Model Policy 709

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709 STUDENT TRANSPORTATION SAFETY POLICY

[Note: School districts are required by statute to have a policy addressing these issues.]

I. PURPOSE

The purpose of this policy is to provide safe transportation for students and to educate students on safety issues and the responsibilities of school bus ridership.

II. PLAN FOR STUDENT TRANSPORTATION SAFETY TRAINING

A. School Bus Safety Week

The school district may designate a school bus safety week. The National School Bus Safety Week is the third week in October.

B. Student Training

1. The school district shall provide students enrolled in grades kindergarten (K) through 10 with age-appropriate school bus safety training of the following concepts:
 - a. transportation by school bus is a privilege, not a right;
 - b. school district policies for student conduct and school bus safety;
 - c. appropriate conduct while on the bus;
 - d. the danger zones surrounding a school bus;
 - e. procedures for safely boarding and leaving a school bus;
 - f. procedures for safe vehicle lane crossing; and
 - g. school bus evacuation and other emergency procedures.
2. All students in grades K through 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training by the end of the third week of school. All students in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training or receive bus safety instruction materials by the end of the sixth week of school, if they have not previously received school bus training. Students in grades K through 10 who enroll in a school after the second week of school, are transported by school bus, and have not received training in their previous school districts shall undergo school bus safety training or receive bus safety instructional materials within 4 weeks of their first day of attendance.
3. The school district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in grades K through 3 school bus safety training twice during the school year.
4. Students taking driver's training instructional classes must receive training in

the laws and proper procedures for operating a motor vehicle in the vicinity of a school bus as required by Minnesota Statutes section Minn. Stat. § 169.446, Subd. subdivision 2.

5. The school district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.
6. The school district will make reasonable accommodations in training for students known to speak English as a second language and students with disabilities.
7. The school district may provide kindergarten students with school bus safety training before the first day of school.
8. The school district may provide student safety education for bicycling and pedestrian safety for students in grades K through 5.
9. The school district shall adopt and make available for public review a curriculum for transportation safety education.
10. Nonpublic school students transported by the school district will receive school bus safety training by their nonpublic school. The nonpublic schools may use the school district's school transportation safety education curriculum. Upon request by the school district superintendent, the nonpublic school must certify to the school district's school transportation safety director that all students enrolled in grades K through 10 have received the appropriate training.

III. CONDUCT ON SCHOOL BUSES AND CONSEQUENCES FOR MISBEHAVIOR

- A. Riding the school bus is a privilege, not a right. The school district's general student behavior rules are in effect for all students on school buses, including nonpublic and charter school students.
- B. Consequences for school bus/bus stop misconduct will be imposed by the school district under adopted administrative discipline procedures. In addition, all school bus/bus stop misconduct will be reported to the school district's transportation safety director. Serious misconduct may be reported to local law enforcement.
 1. School Bus and Bus Stop Rules. The school district school bus safety rules are to be posted on every bus. If these rules are broken, the school district's discipline procedures are to be followed. In most circumstances, consequences are progressive and may include suspension of bus privileges. It is the school bus driver's responsibility to report unacceptable behavior to the school district's Transportation Office/School Office.
 2. Rules at the Bus Stop
 - a. Get to your bus stop 5 minutes before your scheduled pick up time. The school bus driver will not wait for late students.
 - b. Respect the property of others while waiting at your bus stop.
 - c. Keep your arms, legs, and belongings to yourself.
 - d. Use appropriate language.
 - e. Stay away from the street, road, or highway when waiting for the bus.
 - f. Wait until the bus stops before approaching the bus.

- g. After getting off the bus, move away from the bus.
- h. If you must cross the street, always cross in front of the bus where the driver can see you. Wait for the driver to signal to you before crossing the street.
- i. No fighting, harassment, intimidation, or horseplay.
- j. No use of alcohol, tobacco, or drugs.

3. Rules on the Bus

- a. Immediately follow the directions of the driver.
- b. Sit in your seat facing forward.
- c. Talk quietly and use appropriate language.
- d. Keep all parts of your body inside the bus.
- e. Keep your arms, legs, and belongings to yourself.
- f. No fighting, harassment, intimidation, or horseplay.
- g. Do not throw any object.
- h. No eating, drinking, or use of alcohol, tobacco, or drugs.
- i. Do not bring any weapons or dangerous objects on the school bus.
- j. Do not damage the bus.

4. Consequences

- a. Consequences for school bus/bus stop misconduct will apply to all regular and late routes. Decisions regarding a student's ability to ride the bus in connection with cocurricular and extracurricular events (for example, field trips or competitions) will be in the sole discretion of the school district. Parents or guardians will be notified of any suspension of bus privileges.

(1) Elementary (K-6)

1st offense - warning

2nd offense - 3 school-day suspension from riding the bus

3rd offense - 5 school-day suspension from riding the bus

4th offense - 10 school-day suspension from riding the bus/meeting with parent

Further offenses - individually considered. Students may be suspended for longer periods of time, including the remainder of the school year.

(2) Secondary (7-12)

1st offense - warning

2nd offense - 5 school-day suspension from riding the bus

3rd offense - 10 school-day suspension from riding the bus

4th offense - 20 school-day suspension from riding the

bus/meeting with parent
5th offense – suspended from riding the bus for the remainder of the school year

Note: When any student goes 60 transportation days without a report, the student's consequences may start over at the first offense.

(3) Other Discipline

Based on the severity of a student's conduct, more serious consequences may be imposed at any time. Depending on the nature of the offense, consequences such as suspension or expulsion from school also may result from school bus/bus stop misconduct.

(4) Records

Records of school bus/bus stop misconduct will be forwarded to the individual school building and will be retained in the same manner as other student discipline records. Reports of student misbehavior on a school bus or in a bus-loading or unloading area that are reasonably believed to cause an immediate and substantial danger to the student or surrounding persons or property shall be provided by the school district to local law enforcement and the Department of Public Safety in accordance with state and federal law.

(5) Vandalism/Bus Damage

Students damaging school buses will be responsible for the damages. Failure to pay such damages (or make arrangements to pay) within 2 weeks may result in the loss of bus privileges until damages are paid.

(6) Notice

School bus and bus stop rules and consequences for violations of these rules will be reviewed with students annually and copies of these rules will be made available to students. School bus rules are to be posted on each school bus.

(7) Criminal Conduct

In cases involving criminal conduct (for example, assault, weapons, drug possession, or vandalism), the appropriate school district personnel and local law enforcement officials will be informed.

IV. PARENT AND GUARDIAN INVOLVEMENT

A. Parent and Guardian Notification

The school district school bus and bus stop rules will be provided to each family. Parents and guardians are asked to review the rules with their children.

B. Parents/Guardians Responsibilities for Transportation Safety

Parents/Guardians are responsible to:

1. Become familiar with school district rules, policies, regulations, and the principles of school bus safety, and thoroughly review them with their children;
2. Support safe riding and walking practices, and recognize that students are responsible for their actions;
3. Communicate safety concerns to their school administrators;
4. Monitor bus stops, if possible;
5. Have their children to the bus stop 5 minutes before the bus arrives;
6. Have their children properly dressed for the weather; and
7. Have a plan in case the bus is late.

V. SCHOOL BUS DRIVER DUTIES AND RESPONSIBILITIES

- A. School bus drivers shall have a valid Class A, B, or C Minnesota driver's license with a school bus endorsement. A person possessing a valid driver's license, without a school bus endorsement, may drive a type III vehicle set forth in Sections VII.B. and VII.C., below. Drivers with a valid Class D driver's license, without a school bus endorsement, may operate a "type A-I" school bus as set forth in Section VII.D., below.
- B. The school district shall conduct mandatory drug and alcohol testing of all school district bus drivers and bus driver applicants in accordance with state and federal law and school district policy.
- C. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a commercial driver's license and who is convicted of a criminal offense, a serious traffic violation, or of violating any other state or local law relating to motor vehicle traffic control, other than a parking violation, in any type of motor vehicle in a state or jurisdiction other than Minnesota, shall notify the Minnesota Division of Driver and Vehicle Services (Division) of the conviction within 30 days of the conviction. For purposes of this paragraph, a "serious traffic violation" means a conviction of any of the following offenses:
 1. excessive speeding, involving any single offense for any speed of 15 miles per hour or more above the posted speed limit;
 2. reckless driving;
 3. improper or erratic traffic lane changes;
 4. following the vehicle ahead too closely;
 5. a violation of state or local law, relating to motor vehicle traffic control, arising in connection with a fatal accident;
 6. driving a commercial vehicle without obtaining a commercial driver's license or without having a commercial driver's license in the driver's possession;
 7. driving a commercial vehicle without the proper class of commercial driver's license and/or endorsements for the specific vehicle group being operated or for the passengers or type of cargo being transported;
 8. a violation of a state or local law prohibiting texting while driving a commercial

vehicle; and

6.9. a violation of a state or local law prohibiting the use of a hand-held mobile telephone while driving a commercial vehicle.

- D. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a commercial driver's license and who is convicted of violating, in any type of motor vehicle, a Minnesota state or local law relating to motor vehicle traffic control, other than a parking violation, shall notify the person's employer of the conviction within 30 days of conviction. The notification shall be in writing and shall contain all the information set forth in Attachment A accompanying this policy.
- E. A school bus driver, with the exception of a driver operating a type A-I school bus or type III vehicle, who has a Minnesota commercial driver's license suspended, revoked, or cancelled by the state of Minnesota or any other state or jurisdiction and who loses the right to operate a commercial vehicle for any period or who is disqualified from operating a commercial motor vehicle for any period shall notify the person's employer of the suspension, revocation, cancellation, lost privilege, or disqualification. Such notification shall be made before the end of the business day following the day the employee received notice of the suspension, revocation, cancellation, lost privilege, or disqualification. The notification shall be in writing and shall contain all the information set forth in Attachment B accompanying this policy.
- F. A person who operates a type III vehicle and who sustains a conviction as described in Section VII.C.1.g. (i.e., driving while impaired offenses), VII.C.1.h. (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor), or VII.C.1.i. (multiple moving violations) while employed by the entity that owns, leases, or contracts for the school bus, shall report the conviction to the person's employer within 10 days of the date of the conviction. The notification shall be in writing and shall contain all the information set forth in Attachment C accompanying this policy.

VI. SCHOOL BUS DRIVER TRAINING

A. Training

- 1. All new school bus drivers shall be provided with pre-service training, including in-vehicle (actual driving) instruction, before transporting students and shall meet the competency testing specified in the Minnesota Department of Public Safety Model School Bus Driver Training Manual. All school bus drivers shall receive in-service training annually. —For purposes of this section, "annually" means at least once every 380 days from the initial or previous evaluation and at least once every 380 days from the initial or previous license verification. The school district shall retain on file an annual individual school bus driver "evaluation certification" form for each school district driver as contained in the Model School Bus Driver Training Manual.

[Note: The Model School Bus Driver Training Manual is available online through the Minnesota Department of Public Safety State Patrol web page.]

- 2. All bus drivers operating a type III vehicle will be provided with annual training and certification as set forth in Section VII.C.1.b., below, by either the school district or the entity from whom such services are contracted by the school district.

B. Evaluation

School bus drivers with a Class D license will be evaluated annually and all other bus drivers will be assessed periodically for the following competencies:

1. Safely operate the type of school bus the driver will be driving;
2. Understand student behavior, including issues relating to students with disabilities;
3. Ensure orderly conduct of students on the bus and handling incidents of misconduct appropriately;
4. Know and understand relevant laws, rules of the road, and local school bus safety policies;
5. Handle emergency situations; and
6. Safely load and unload students.

The evaluation must include completion of an individual "school bus driver evaluation form" (road test evaluation) as contained in the Model School Bus Driver Training Manual.

[Note: The school district may use alternative assessments rather than those set forth in the Model School Bus Driver Training Manual for bus driver training competencies with the approval of the Commissioner of Public Safety. A driver also may receive at least 8 hours of school bus in-service training in any year as an alternative to being assessed for bus driver competencies after the initial year of being assessed for bus driver competencies.]

VII. OPERATING RULES AND PROCEDURES

A. General Operating Rules

1. School buses shall be operated in accordance with state traffic and school bus safety laws and the procedures contained in the Minnesota Department of Public Safety Model School Bus Driver Training Manual.

[Note: The Model School Bus Driver Training Manual is available online through the Minnesota Department of Public Safety State Patrol web page.]

2. Only students assigned to the school bus by the school district shall be transported. The number of students or other authorized passengers transported in a school bus shall not be more than the legal capacity for the bus. No person shall be allowed to stand when the bus is in motion.
3. The parent/guardian may designate, pursuant to school district policy, a day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the parent or guardian as the address of the student for transportation purposes. The address must be in the attendance area of the assigned school and meet all other eligibility requirements.
4. Bus drivers must minimize, to the extent practical, the idling of school bus engines and exposure of children to diesel exhaust fumes.
5. To the extent practical, the school district will designate school bus loading/unloading zones at a sufficient distance from school air-intake systems to avoid diesel fumes from being drawn into the systems.

[Note: A school district is not required to comply with Section VII.A.5. if the school board determines that alternative locations block traffic, impair student safety, or are not cost effective.]

6. A bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether hand—held or hands free, when the vehicle is in motion or a part of traffic. For purposes of this paragraph, “school bus” has the meaning given in [Minnesota Statutes section—Stat. § 169.011, subdivision Subd. 71](#). In addition, “school bus” also includes type III vehicles when driven by employees or agents of the school district. “Cellular phone” means a cellular, analog, wireless, or digital telephone capable of sending or receiving telephone or text messages without an access line for service.

B. Type III Vehicles

1. Type III vehicles are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer’s rated seating capacity of 10 or fewer people including the driver and a gross vehicle weight rating of 10,000 pounds or less. A van or bus converted to a seating capacity of 10 or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.
2. Type III vehicles must be painted a color other than national school bus yellow.
3. Type III vehicles shall be state inspected in accordance with legal requirements.
4. A type III vehicle cannot be older than 12 years old unless excepted by state and federal law.
5. If a type III vehicle is school district owned, the school district name will be clearly marked on the side of the vehicle. The type III vehicle must not have the words “school bus” in any location on the exterior of the vehicle or in any interior location visible to a motorist.
6. A “type III vehicle” must not be outwardly equipped and identified as a type A, B, C, or D bus.
7. Eight-lamp warning systems and stop arms must not be installed or used on type III vehicles.
8. Type III vehicles must be equipped with mirrors as required by law.
9. Any type III vehicle may not stop traffic and may not load or unload before making a complete stop and disengaging gears by shifting into neutral or park. Any type III vehicle used to transport students must not load or unload so that a student has to cross the road, except where not possible or impractical, then the driver or assistant must escort a student across the road. If the driver escorts the student across the road, then the motor must be stopped, the ignition key removed, the brakes set, and the vehicle otherwise rendered immobile.
10. Any type III vehicle used to transport students must carry emergency equipment including:
 - a. Fire extinguisher. A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver’s compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.
 - b. First aid kit and body fluids cleanup kit. A minimum of a 10-unit first aid kit and a body fluids cleanup kit is required. They must be contained in removable, moisture- and dust-proof containers mounted in an accessible place within the driver’s compartment and must be marked to indicate their identity and location.

c. Passenger cars and station wagons may carry a fire extinguisher, a first aid kit, and warning triangles in the trunk or trunk area of the vehicle if a label in the driver and front passenger area clearly indicates the location of these items.

11. Students will not be regularly transported in private vehicles that are not state inspected as type III vehicles. Only emergency, unscheduled transportation may be conducted in vehicles with a seating capacity of 10 or fewer without meeting the requirements for a type III vehicle. Also, parents may use a private vehicle to transport their own children under a contract with the district. The school district has no system of inspection for private vehicles.

12. All drivers of type III vehicles will be licensed drivers and will be familiar with the use of required emergency equipment. The school district will not knowingly allow a person to operate a type III vehicle if the person has been convicted of an offense that disqualifies the person from operating a school bus.

13. Type III vehicles will be equipped with child passenger restraints, and child passenger restraints will be utilized to the extent required by law.

C. Type III Vehicle Driven by Employees with a Driver's License Without a School Bus Endorsement

1. The holder of a Class A, B, C, or D driver's license, without a school bus endorsement, may operate a type III vehicle, described above, under the following conditions:

a. The operator is an employee of the entity that owns, leases, or contracts for the school bus, which may include the school district.

b. The operator's employer, which may include the school district, has adopted and implemented a policy that provides for annual training and certification of the operator in:

(1) safe operation of a type III vehicle;

(2) understanding student behavior, including issues relating to students with disabilities;

(3) encouraging orderly conduct of students on the bus and handling incidents of misconduct appropriately;

(4) knowing and understanding relevant laws, rules of the road, and local school bus safety policies;

(5) handling emergency situations;

(6) proper use of seat belts and child safety restraints;

(7) performance of pretrip vehicle inspections;

(8) safe loading and unloading of students, including, but not limited to:

(a) utilizing a safe location for loading and unloading students at the curb, on the nontraffic side of the roadway, or at off-street loading areas, driveways, yards, and other areas to enable the student to avoid hazardous conditions;

(b) refraining from loading and unloading students in a

vehicular traffic lane, on the shoulder, in a designated turn lane, or a lane adjacent to a designated turn lane;

- (c) avoiding a loading or unloading location that would require a student to cross a road, or ensuring that the driver or an aide personally escort the student across the road if it is not reasonably feasible to avoid such a location;
 - (d) placing the type III vehicle in "park" during loading and unloading;
 - (e) escorting a student across the road under clause (c) only after the motor is stopped, the ignition key is removed, the brakes are set, and the vehicle is otherwise rendered immobile; and
- (9) compliance with paragraph V.F. concerning reporting convictions to the employer within 10 days of the date of conviction.
- c. A background check or background investigation of the operator has been conducted that meets the requirements under Minnesota Statutes section 122A.18, ~~subdivision Subd. 8~~, or ~~Minnesota Statutes section. Stat. § 123B.03~~ for school district employees; ~~Minnesota Statutes section. Stat. § 144.057~~ or ~~Minnesota Statutes chapter. Stat. Ch. 245C~~ for day care employees; or ~~Minnesota Statutes section. Stat. § 171.321, subdivision Subd. 3~~, for all other persons operating a type III vehicle under this section.
- d. Operators shall submit to a physical examination as required by ~~Minnesota Statutes section Minn. Stat. § 171.321, subdivision Subd. 2~~.
- e. The operator's employer requires preemployment drug testing of applicants for operator positions. Current operators must comply with the employer's policy under ~~Minn. Stat. § Minnesota Statutes section 181.951, subdivisions Subds. 2, 4, and 5~~. Notwithstanding any law to the contrary, the operator's employer may use a breathalyzer or similar device to fulfill random alcohol testing requirements.
- f. The operator's driver's license is verified annually by the entity that owns, leases, or contracts for the type III vehicle as required by ~~Minnesota Statutes section Minn. Stat. § 171.321, subdivision Subd. 5~~.
- g. A person who sustains a conviction, as defined under ~~Minnesota Minn. Statutes Stat. § 609.02~~, of violating ~~Minnesota Statutes section Minn. Stat. § 169A.25, § 169A.26, § 169A.27~~ (driving while impaired offenses), or ~~§ 169A.31~~ (alcohol-related school bus driver offenses), or whose driver's license is revoked under ~~Minnesota Statutes sections Minn. Stat. §§ 169A.50 to 169A.53~~ of the implied consent law, or who is convicted of violating or whose driver's license is revoked under a similar statute or ordinance of another state, is precluded from operating a type III vehicle for 5 years from the date of conviction.
- h. A person who has ever been convicted of a disqualifying offense as defined in ~~Minnesota Statutes section Minn. Stat. § 171.3215, subdivision Subd. 1(c)~~, (i.e., felony, controlled substance, criminal sexual conduct offenses, or offenses for surreptitious observation, indecent exposure, use of minor in a sexual performance, or possession of child pornography or display of pornography to a minor) may not operate a type III vehicle.

- i. A person who sustains a conviction, as defined under [Minnesota Statutes section Minn. Stat. § 609.02](#), of a moving offense in violation of [Minnesota Statutes chapter Minn. Stat. Ch. 169](#) within 3 years of the first of 3 other moving offenses is precluded from operating a type III vehicle for 1 year from the date of the last conviction.
 - j. Students riding the type III vehicle must have training required under [Minnesota Statutes section Minn. Stat. § 123B.90](#), Subd. 2 (See Section II.B., above).
 - k. Documentation of meeting the requirements listed in this section must be maintained under separate file at the business location for each type III vehicle operator. The school district or any other entity that owns, leases, or contracts for the type III vehicle operating under this section is responsible for maintaining these files for inspection.
- 2. The type III vehicle must bear a current certificate of inspection issued under [Minnesota Statutes section Minn. Stat. § 169.451](#).
 - 3. An employee of the school district who is not employed for the sole purpose of operating a type III vehicle may, in the discretion of the school district, be exempt from paragraphs VII.C.1.d. (physical examination) and VII.C.1.e. (drug testing), above.
- D. Type A-I "Activity" Buses Driven by Employees with a Driver's License Without a School Bus Endorsement
- 1. The holder of a Class D driver's license, without a school bus endorsement, may operate a type A-I school bus or a Multifunction School Activity Bus (MFSAB) under the following conditions:
 - a. The operator is an employee of the school district or an independent contractor with whom the school district contracts for the school bus and is not solely hired to provide transportation services under this paragraph.
 - b. The operator drives the school bus only from points of origin to points of destination, not including home-to-school trips to pick up or drop off students.
 - c. The operator is prohibited from using the 8-light system if the vehicle is so equipped.
 - d. The operator has submitted to a background check and physical examination as required by [Minnesota Statutes section Minn. Stat. § 171.321](#), [subdivision Subd. 2](#).
 - e. The operator has a valid driver's license and has not sustained a conviction of a disqualifying offense as set forth in [Minnesota Statutes section Minn. Stat. § 171.02](#), [subdivisions Subd. 2a\(h\) - 2a\(j\)](#).
 - f. The operator has been trained in the proper use of child safety restraints as set forth in the National Highway Traffic Safety Administration's "Guideline for the Safe Transportation of Pre- school Age Children in School Buses," if child safety restraints are used by passengers, in addition to the training required in Section VI., above.
 - g. The bus has a gross vehicle weight rating of 14,500 pounds or less and is designed to transport 15 or fewer passengers, including the driver.

2. The school district shall maintain annual certification of the requirements listed in this section for each Class D license operator.
3. A school bus operated under this section must bear a current certificate of inspection.
4. The word "School" on the front and rear of the bus must be covered by a sign that reads "Activities" when the bus is being operated under authority of this section.

VIII. SCHOOL DISTRICT EMERGENCY PROCEDURES

- A. If possible, school bus drivers or their supervisors shall call "911" or the local emergency phone number in the event of a serious emergency.
- B. School bus drivers shall meet the emergency training requirements contained in Unit III "Crash & Emergency Preparedness" of the Minnesota Department of Public Safety Model School Bus Driver Training Manual. This includes procedures in the event of a crash (accident).

[Note: The Model School Bus Driver Training Manual is available online through the Minnesota Department of Public Safety State Patrol web page.]

- C. School bus drivers and bus assistants for special education students requiring special transportation service because of their handicapping condition shall be trained in basic first aid procedures, shall within 1 month after the effective date of assignment participate in a program of in-service training on the proper methods for dealing with the specific needs and problems of students with disabilities, assist students with disabilities on and off the bus when necessary for their safe ingress and egress from the bus; and ensure that protective safety devices are in use and fastened properly.
- D. Emergency Health Information shall be maintained on the school bus for students requiring special transportation service because of their handicapping condition. The information shall state:
 1. the student's name and address;
 2. the nature of the student's disabilities;
 3. emergency health care information; and
 4. the names and telephone numbers of the student's physician, parents, guardians, or custodians, and some person other than the student's parents or custodians who can be contacted in case of an emergency.

IX. SCHOOL DISTRICT VEHICLE MAINTENANCE STANDARDS

- A. All school vehicles shall be maintained in safe operating conditions through a systematic preventive maintenance and inspection program adopted or approved by the school district.
- B. All school vehicles shall be state inspected in accordance with legal requirements.
- C. A copy of the current daily pre-trip inspection report must be carried in the bus. Daily pre-trip inspections shall be maintained on file in accordance with the school district's record retention schedule. Prompt reports of defects to be immediately corrected will be submitted.
- D. Daily post-trip inspections shall be performed to check for any children or lost items remaining on the bus and for vandalism.

X. SCHOOL TRANSPORTATION SAFETY DIRECTOR

The school board has designated an individual to serve as the school district's school transportation safety director. The school transportation safety director shall have day-to-day responsibility for student transportation safety, including transportation of nonpublic school children when provided by the school district. The school transportation safety director will assure that this policy is periodically reviewed to ensure that it conforms to law. The school transportation safety director shall certify annually to the school board that each school bus driver meets the school bus driver training competencies required ~~by Minn. Stat. § Minnesota Statutes section~~ 171.321, ~~subdivision~~Subd. 4. The transportation safety director also shall annually verify or ensure that the private contractor utilized by the school has verified the validity of the driver's license of each employee who regularly transports students for the school district in a type A, B, C, or D school bus, type III vehicle, or MFSAB with the National Driver Register or the Department of Public Safety. Upon request of the school district superintendent or the superintendent of the school district where nonpublic students are transported, the school transportation safety director also shall certify to the superintendent that students have received school bus safety training in accordance with state law. The name, address and telephone number of the school transportation safety director are on file in the school district office. Any questions regarding student transportation or this policy may be addressed to the school transportation safety director.

XI. STUDENT TRANSPORTATION SAFETY COMMITTEE

The school board may establish a student transportation safety committee. The chair of the student transportation safety committee is the school district's school transportation safety director. The school board shall appoint the other members of the student transportation safety committee. Membership may include parents, school bus drivers, representatives of school bus companies, local law enforcement officials, other school district staff, and representatives from other units of local government.

Legal References: Minn. Stat. § 122A.18, Subd. 8 (Board to Issue Licenses)
Minn. Stat. § 123B.03 (Background Check)
Minn. Stat. § 123B.42 (Textbooks; Individual Instruction~~ioner~~ or Cooperative Learning Material; Standard Tests)
Minn. Stat. § 123B.88 (Independent School Districts; Transportation)
Minn. Stat. § ~~123B.885~~ (Diesel ~~School~~ Buses; ~~Operation~~ of ~~Engine~~; Parking)
Minn. Stat. § 123B.90 (School Bus Safety Training)
Minn. Stat. § 123B.91 (School District Bus Safety Responsibilities)
Minn. Stat. § ~~144.057~~ (Background ~~Studies~~ on ~~Licensees~~ and ~~Other~~ Personnel)
Minn. Stat. Ch. 169 (Traffic Regulations)
Minn. Stat. § 169.011, Subds. 15, 16, and 71 (Definitions)
Minn. Stat. § 169.02 (Scope)
Minn. Stat. § 169.443 (Safety of School Children; Bus Driver's Duties)
Minn. Stat. § 169.446, Subd. 2 (Safety of School Children; Training and Education Rules)~~Driver Training Programs~~)
Minn. Stat. § 169.451 (Inspecting School and Head Start Buses; Rules; Misdemeanor)
Minn. Stat. § 169.454 (Type III Vehicle Standards)
Minn. Stat. § 169.4582 (Reportable Offense on School Buses)
Minn. Stat. §§ 169A.25-169A.27 (Driving While Impaired)
Minn. Stat. § 169A.31 (Alcohol-Related School Bus or Head Start Bus Driving)
Minn. Stat. §§ 169A.50-169A.53 (Implied Consent Law)
Minn. Stat. § 171.02, Subds. 2, 2a, and 2b (Licenses; Types, Endorsements, Restrictions)
Minn. Stat. § ~~171.168~~ (~~Notification of Conviction for Violation by a~~

~~Commercial Driver~~[Notice of Violation by Commercial Driver](#))
Minn. Stat. § ~~171.169~~ ~~(Notification of Suspension of License of Commercial Driver)~~[Notice of Commercial License Suspension](#))
Minn. Stat. § 171.321 (Qualifications of School Bus ~~and Type III Vehicle Drivers~~[Driver](#))
Minn. Stat. § ~~171.3215~~, ~~Subd. 1(c)~~ ~~(Canceling Bus Endorsement for Certain Offenses)~~
Minn. Stat. § ~~181.951~~ (Authorized Drug and Alcohol Testing)
Minn. Stat. Ch. 245C (Human Services Background Studies)
Minn. Stat. § 609.02 (Definitions)
Minn. Rules Parts 7470.1000-7470.1700 (School Bus Inspection)
[49 C.F.R. Part 383 \(Commercial Driver's License Standards; Requirements and Penalties\)](#)
49 C.F.R. § 383.31 (Notification of Convictions for Driver Violations)
49 C.F.R. § 383.33 (Notification of Driver's License Suspensions)
49 C.F.R. § 383.5 (Transportation Definitions)
[49 C.F.R. § 383.51 \(Disqualification of Drivers\)](#)

Cross References:

MSBA/MASA Model Policy 416 (Drug and Alcohol Testing)
MSBA/MASA Model Policy 506 (Student Discipline)
MSBA/MASA ~~Model Policy 515~~ (Protection ~~and Privacy~~ of ~~Pupil Records~~)
MSBA/MASA Model Policy 707 (Transportation of Public Students)
MSBA/MASA Model Policy 708 (Transportation of Nonpublic Students)
MSBA/MASA Model Policy 710 (Extracurricular Transportation)

Notification to Employer Of Moving Violation Commercial Drivers License 49 CFR 383.31 Minnesota Statute 171.168	
Upon conviction of any moving violation by any state or local jurisdiction the holder of a Minnesota Commercial Driver License must notify their employer(s) in writing within 30 days of such conviction.	
DRIVER NAME (First Name, MI, Last Name)	STATE
COMMERCIAL DRIVER'S LICENSE NUMBER	DID THE VIOLATION HAPPEN IN A CMV? <input type="checkbox"/> YES <input type="checkbox"/> NO
DATE OF CONVICTION	
LOCATION OF OFFENSE	CITY STATE
DETAILS ABOUT THE OFFENSE, INCLUDING ANY RESULTING SUSPENSION, REVOCATION, OR CANCELLATION OF DRIVING PRIVILEGES:	DATE
SIGNATURE OF DRIVER	

**Notification to Employer
Of
Suspension, Revocation, Cancellation or Disqualification**

Commercial Drivers License
49 CFR 383.33
Minnesota Statute 171.169

The holder of a Minnesota Commercial Driver License shall notify their employer(s) in writing of any suspension, revocation, cancellation, loss of privilege or disqualification, before the end of the business day following the day the driver (employee) received notice of the suspension, revocation, cancellation, loss of privilege or disqualification.

DRIVER NAME (First Name, MI, Last Name)		STATE
COMMERCIAL DRIVER'S LICENSE NUMBER	DID THE VIOLATION HAPPEN IN A CMV? <input type="checkbox"/> YES <input type="checkbox"/> NO	
DATE OF CONVICTION		
LOCATION OF OFFENSE	CITY	STATE
DETAILS ABOUT THE OFFENSE, INCLUDING ANY RESULTING SUSPENSION, REVOCATION, OR CANCELLATION OF DRIVING PRIVILEGES:		DATE
SIGNATURE OF DRIVER		

**Type III School Bus Driver
Notification to Employer
Of
Violation**

Alcohol Related Offense (Minnesota Statute 169A)
Disqualifying Offense (Minnesota Statute 171.3215 sub 1)
Moving Violation (Minnesota Statute 169)

Minnesota Statute 171.02 sub 2b

An operator who sustains a conviction as described in 171.02 sub 2b paragraph (h), (i) or (j) while employed by the entity that owns, leases, or contracts for the school bus shall report the conviction to the employer(s) in writing within 10 days of such conviction.

DRIVER NAME (First Name, MI, Last Name)

STATE

DRIVER'S LICENSE NUMBER

DID THE VIOLATION HAPPEN IN A CMV?

YES NO

DATE OF CONVICTION

LOCATION OF OFFENSE

CITY

STATE

DETAILS ABOUT THE OFFENSE, INCLUDING ANY RESULTING SUSPENSION, REVOCATION, OR CANCELLATION OF DRIVING PRIVILEGES:

DATE

SIGNATURE OF DRIVER

Adopted: _____

MSBA/MASA Model Policy 721

Orig. 2016

Revised: _____

Rev. 2022~~19~~

721 UNIFORM GRANT GUIDANCE POLICY REGARDING FEDERAL REVENUE SOURCES

[Note: School districts are required by the federal Uniform Grant Guidance regulations, 2 C.F.R. Code of Federal Regulations Part 200, to have the policies which establish uniform administrative requirements, cost principles, and audit requirements for federal awards to non-federal entities including school districts. In June 2018, the United States Office of Management and Budget increased the threshold dollar amounts for both simplified acquisition costs (\$250,000) and micro-purchases (\$10,000).]

I. PURPOSE

The purpose of this policy is to ensure compliance with the requirements of the federal Uniform Grant Guidance regulations by establishing uniform administrative requirements, cost principles, and audit requirements for federal grant awards received by the school district.

II. DEFINITIONS

A. Grants

1. "State-administered grants" are those grants that pass through a state agency such as the Minnesota Department of Education (MDE).
2. "Direct grants" are those grants that do not pass through another agency such as MDE and are awarded directly by the federal awarding agency to the grantee organization. These grants are usually discretionary grants that are awarded by the U.S. Department of Education (DOE) or by another federal awarding agency.

[Note: All of the requirements outlined in this policy apply to both direct grants and state-administered grants.]

B. "Non-federal entity" means a state, local government, Indian tribe, institution of higher education, or nonprofit organization that carries out a federal award as a recipient or subrecipient.

C. "Federal award" has the meaning, depending on the context, in either paragraph 1. or 2. of this definition:

1.
 - a. The federal financial assistance that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations section C.F.R. § 200.101 (Applicability); or
 - b. The cost-reimbursement contract under the federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in 2 Code of Federal Regulations section C.F.R. § 200.101 (Applicability).
2. The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of 2 Code of Federal Regulations section C.F.R. § 200.40 (Federal Financial Assistance), or the cost-reimbursement contract awarded under the federal Acquisition Regulations.
3. "Federal award" does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate federal-

government-owned, contractor-operated facilities.

- D. "Contract" means a legal instrument by which a non-federal entity purchases property or services needed to carry out the project or program under a federal award. The term, as used in 2 [Code of Federal Regulations C.F.R.](#) Part 200, does not include a legal instrument, even if the non-federal entity considers it a contract, when the substance of the transaction meets the definition of a federal award or subaward.
- E. Procurement Methods
1. "Procurement by micro-purchase" is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally \$10,000, except as otherwise discussed in 48 [Code of Federal Regulations C.F.R.](#) Subpart 2.1 or as periodically adjusted for inflation).
- [Note: Minnesota school districts may choose to increase their federal micro-purchase threshold to \$25,000, which would align with the Minnesota limit. School districts choosing to adopt this increase must annually certify the higher threshold and the justification for using the higher threshold. Acceptable reasons for justification must meet one of the following criteria: (1) a qualification as a low-risk auditee, in accordance with the criteria established in 2 Code of Federal Regulations section 200.520; (2) an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or (3) a higher threshold consistent with state law.]**
- 1.2. "Procurement by small purchase procedures" are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$250,000 (periodically adjusted for inflation).
- 2.3. "Procurement by sealed bids (formal advertising)" is a publicly solicited and a firm, fixed-price contract (lump sum or unit price) awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.
- 3.4. "Procurement by competitive proposals" is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. Competitive proposals are generally used when conditions are not appropriate for the use of sealed bids.
- 4.5. "Procurement by noncompetitive proposals" is procurement through solicitation of a proposal from only one source.
- F. "Equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which exceeds the lesser of the capitalization level established by the non-federal entity for financial statement purposes, or \$5,000.
- G. "Compensation for personal services" includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including, but not necessarily limited to, wages and salaries. Compensation for personal services may also include fringe benefits which are addressed in 2 [Code of Federal Regulations section C.F.R. § 200.431](#) (Compensation - Fringe Benefits).
- H. "Post-retirement health plans" refer to costs of health insurance or health services not included in a pension plan covered by 2 [Code of Federal Regulations section C.F.R. § 200.431\(g\)](#) for retirees and their spouses, dependents, and survivors.

- I. "Severance pay" is a payment in addition to regular salaries and wages by the non-federal entities to workers whose employment is being terminated.
- J. "Direct costs" are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy.
- K. "Relocation costs" are costs incident to the permanent change of duty assignment (for an indefinite period or for a stated period not less than 12 months) of an existing employee or upon recruitment of a new employee.
- L. "Travel costs" are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the school district.

III. CONFLICT OF INTEREST

- A. Employee Conflict of Interest. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The employees, officers, and agents of the school district may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, the school district may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by employees, officers, or agents of the school district.
- B. Organizational Conflicts of Interest. The school district is unable or appears to be unable to be impartial in conducting a procurement action involving the related organization because of relationships with a parent company, affiliate, or subsidiary organization.
- C. Disclosing Conflicts of Interest. The school district must disclose in writing any potential conflict of interest to MDE in accordance with applicable federal awarding agency policy.

IV. ACCEPTABLE METHODS OF PROCUREMENT

- A. General Procurement Standards. The school district must use its own documented procurement procedures which reflect applicable state laws, provided that the procurements conform to the applicable federal law and the standards identified in the Uniform Grant Guidance.
- B. The school district must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
- C. The school district's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
- D. The school district must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

- E. The school district must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement; selection of the contract type; contractor selection or rejection; and the basis for the contract price.
- F. The school district alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the school district of any contractual responsibilities under its contracts.
- G. The school district must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- H. Methods of Procurement. The school district must use one of the following methods of procurement:
 - 1. Procurement by micro-purchases. To the extent practicable, the school district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the school district considers the price to be reasonable.
 - 2. Procurement by small purchase procedures. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
 - 3. Procurement by sealed bids (formal advertising).
 - 4. Procurement by competitive proposals. If this method is used, the following requirements apply:
 - a. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
 - b. Proposals must be solicited from an adequate number of qualified sources;
 - c. The school district must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
 - e. The school district may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services; it cannot be used to purchase other types of services, though A/E firms are a potential source to perform the proposed effort.
 - 5. Procurement by noncompetitive proposals. Procurement by noncompetitive proposals may be used only when one or more of the following circumstances apply:

- a. The item is available only from a single source;
 - b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
 - c. The DOE or MDE expressly authorizes noncompetitive proposals in response to a written request from the school district; or
 - d. After solicitation of a number of sources, competition is determined inadequate.
- I. **Competition.** The school district must have written procedures for procurement transactions. These procedures must ensure that all solicitations:
- 1. Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When making a clear and accurate description of the technical requirements is impractical or uneconomical, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and
 - 2. Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.
- J. The school district must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the school district must not preclude potential bidders from qualifying during the solicitation period.
- K. Non-federal entities are prohibited from contracting with or making subawards under "covered transactions" to parties that are suspended or debarred or whose principals are suspended or debarred. "Covered transactions" include procurement contracts for goods and services awarded under a grant or cooperative agreement that are expected to equal or exceed \$25,000.
- L. All nonprocurement transactions entered into by a recipient (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless they are exempt as provided in 2 [Code of Federal Regulations section C.F.R. § 180.215](#).

V. MANAGING EQUIPMENT AND SAFEGUARDING ASSETS

- A. **Property Standards.** The school district must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with federal funds as provided to property owned by the non-federal entity. Federally owned property need not be insured unless required by the terms and conditions of the federal award.

The school district must adhere to the requirements concerning real property, equipment, supplies, and intangible property set forth in 2 [Code of Federal Regulations sections C.F.R. §§ 200.311, -200.314, and 200.315](#).

- B. **Equipment**

Management requirements. Procedures for managing equipment (including

replacement equipment), whether acquired in whole or in part under a federal award, until disposition takes place will, at a minimum, meet the following requirements:

1. Property records must be maintained that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
2. A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
3. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
4. Adequate maintenance procedures must be developed to keep property in good condition.
5. If the school district is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

VI. FINANCIAL MANAGEMENT REQUIREMENTS

A. Financial Management. The school district's financial management systems, including records documenting compliance with federal statutes, regulations, and the terms and conditions of the federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the federal statutes, regulations, and the terms and conditions of the federal award.

B. Payment. The school district must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the transfer of funds and disbursement between the school district and the financial management systems that meet the standards for fund control.

Advance payments to a school district must be limited to the minimum amounts needed and timed to be in accordance with the actual, immediate cash requirements of the school district in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The school district must make timely payment to contractors in accordance with the contract provisions.

C. Internal Controls. The school district must establish and maintain effective internal control over the federal award that provides reasonable assurance that the school district is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government," issued by the Comptroller General of the United States, or the "Internal Control Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The school district must comply with federal statutes, regulations, and the terms and conditions of the federal award.

The school district must also evaluate and monitor the school district's compliance with statutes, regulations, and the terms and conditions of the federal award.

The school district must also take prompt action when instances of noncompliance are identified, including noncompliance identified in audit findings.

The school district must take reasonable measures to safeguard protected personally identifiable information considered sensitive consistent with applicable federal and state laws regarding privacy and obligations of confidentiality.

VII. ALLOWABLE USE OF FUNDS AND COST PRINCIPLES

- A. Allowable Use of Funds. The school district administration and board will enforce appropriate procedures and penalties for program, compliance, and accounting staff responsible for the allocation of federal grant costs based on their allowability and their conformity with federal cost principles to determine the allowability of costs.
- B. Definitions
1. "Allowable cost" means a cost that complies with all legal requirements that apply to a particular federal education program, including statutes, regulations, guidance, applications, and approved grant awards.
 2. "Education Department General Administrative Regulations (EDGAR)" means a compilation of regulations that apply to federal education programs. These regulations contain important rules governing the administration of federal education programs and include rules affecting the allowable use of federal funds (including rules regarding allowable costs, the period of availability of federal awards, documentation requirements, and grants management requirements). EDGAR can be accessed at: <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>.
 3. "Omni Circular" or "2 C.F.R.-Code of Federal Regulations Part 200s" or "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" means federal cost principles that provide standards for determining whether costs may be charged to federal grants.
 4. "Advance payment" means a payment that a federal awarding agency or passthrough entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-federal entity disburses the funds for program purposes.
- C. Allowable Costs. The following items are costs that may be allowable under the 2 Code of Federal Regulations C.F.R.-Part 200s under specific conditions:
1. Advisory councils;
 2. Audit costs and related services;
 3. Bonding costs;
 4. Communication costs;
 5. Compensation for personal services;
 6. Depreciation and use allowances;
 7. Employee morale, health, and welfare costs;
 8. Equipment and other capital expenditures;
 9. Gains and losses on disposition of depreciable property and other capital assets and substantial relocation of federal programs;

10. Insurance and indemnification;
11. Maintenance, operations, and repairs;
12. Materials and supplies costs;
13. Meetings and conferences;
14. Memberships, subscriptions, and professional activity costs;
15. Security costs;
16. Professional service costs;
17. Proposal costs;
18. Publication and printing costs;
19. Rearrangement and alteration costs;
20. Rental costs of building and equipment;
21. Training costs; and
22. Travel costs.

D. Costs Forbidden by Federal Law. 2 [Code of Federal Regulations](#) CFR Part 200s and EDGAR identify certain costs that may never be paid with federal funds. The following list provides examples of such costs. If a cost is on this list, it may not be supported with federal funds. The fact that a cost is not on this list does not mean it is necessarily permissible. Other important restrictions apply to federal funds, such as those items detailed in the 2 [Code of Federal Regulations](#) CFR Part 200s; thus, the following list is not exhaustive:

1. Advertising and public relations costs (with limited exceptions), including promotional items and memorabilia, models, gifts, and souvenirs;
2. Alcoholic beverages;
3. Bad debts;
4. Contingency provisions (with limited exceptions);
5. Fundraising and investment management costs (with limited exceptions);
6. Donations;
7. Contributions;
8. Entertainment (amusement, diversion, and social activities and any associated costs);
9. Fines and penalties;
10. General government expenses (with limited exceptions pertaining to Indian tribal governments and Councils of Government (COGs));
11. Goods or services for personal use;
12. Interest, except interest specifically stated in 2 [Code of Federal Regulations](#)

section C.F.R. § 200.441 as allowable;

13. Religious use;
14. The acquisition of real property (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs);
15. Construction (unless specifically permitted by programmatic statute or regulations, which is very rare in federal education programs); and
16. Tuition charged or fees collected from students applied toward meeting matching, cost sharing, or maintenance of effort requirements of a program.

E. Program Allowability

1. Any cost paid with federal education funds must be permissible under the federal program that would support the cost.
2. Many federal education programs detail specific required and/or allowable uses of funds for that program. Issues such as eligibility, program beneficiaries, caps or restrictions on certain types of program expenses, other program expenses, and other program specific requirements must be considered when performing the programmatic analysis.
3. The two largest federal K-12 programs, Title I, Part A, and the Individuals with Disabilities Education Act (IDEA), do not contain a use of funds section delineating the allowable uses of funds under those programs. In those cases, costs must be consistent with the purposes of the program in order to be allowable.

F. Federal Cost Principles

1. The Omni Circular defines the parameters for the permissible uses of federal funds. While many requirements are contained in the Omni Circular, it includes five core principles that serve as an important guide for effective grant management. These core principles require all costs to be:
 - a. Necessary for the proper and efficient performance or administration of the program.
 - b. Reasonable. An outside observer should clearly understand why a decision to spend money on a specific cost made sense in light of the cost, needs, and requirements of the program.
 - c. Allocable to the federal program that paid for the cost. A program must benefit in proportion to the amount charged to the federal program – for example, if a teacher is paid 50% with Title I funds, the teacher must work with the Title I program/students at least 50% of the time. Recipients also need to be able to track items or services purchased with federal funds so they can prove they were used for federal program purposes.
 - d. Authorized under state and local rules. All actions carried out with federal funds must be authorized and not prohibited by state and local laws and policies.
 - e. Adequately documented. A recipient must maintain proper documentation so as to provide evidence to monitors, auditors, or other oversight entities of how the funds were spent over the lifecycle of the grant.

- G. Program Specific Fiscal Rules. The Omni Circular also contains specific rules on selected items of costs. Costs must comply with these rules in order to be paid with federal funds.
1. All federal education programs have certain program specific fiscal rules that apply. Determining which rules apply depends on the program; however, rules such as supplement, not supplant, maintenance of effort, comparability, caps on certain uses of funds, etc., have an important impact when analyzing whether a particular cost is permissible.
 2. Many state-administered programs require local education agencies (LEAs) to use federal program funds to supplement the amount of state, local, and, in some cases, other federal funds they spend on education costs and not to supplant (or replace) those funds. Generally, the “supplement, not supplant” provision means that federal funds must be used to supplement the level of funds from non-federal sources by providing additional services, staff, programs, or materials. In other words, federal funds normally cannot be used to pay for things that would otherwise be paid for with state or local funds (and, in some cases, with other federal funds).
 3. Auditors generally presume supplanting has occurred in three situations:
 - a. School district uses federal funds to provide services that the school district is required to make available under other federal, state, or local laws.
 - b. School district uses federal funds to provide services that the school district provided with state or local funds in the prior year.
 - c. School district uses Title I, Part A, or Migrant Education Program funds to provide the same services to Title I or Migrant students that the school district provides with state or local funds to nonparticipating students.
 4. These presumptions apply differently in different federal programs and also in schoolwide program schools. Staff should be familiar with the supplement not supplant provisions applicable to their program.
- H. Approved Plans, Budgets, and Special Conditions
1. As required by the Omni Circular, all costs must be consistent with approved program plans and budgets.
 2. Costs must also be consistent with all terms and conditions of federal awards, including any special conditions imposed on the school district’s grants.
- I. Training
1. The school district will provide training on the allowable use of federal funds to all staff involved in federal programs.
 2. The school district will promote coordination between all staff involved in federal programs through activities, such as routine staff meetings and training sessions.
- J. Employee Sanctions. Any school district employee who violates this policy will be subject to discipline, as appropriate, up to and including the termination of employment.

VIII. COMPENSATION – PERSONAL SERVICES EXPENSES AND REPORTING

- A. Compensation – Personal Services 31

Costs of compensation are allowable to the extent that they satisfy the specific requirements of the Uniform Grant Guidance and that the total compensation for individual employees:

1. Is reasonable for the services rendered and conforms to the established written policy of the school district consistently applied to both federal and non-federal activities; and
2. Follows an appointment made in accordance with a school district's written policies and meets the requirements of federal statute, where applicable.

Unless an arrangement is specifically authorized by a federal awarding agency, a school district must follow its written non-federal, entity-wide policies and practices concerning the permissible extent of professional services that can be provided outside the school district for non-organizational compensation.

B. Compensation – Fringe Benefits

1. During leave.

The costs of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, family-related leave, sick leave, holidays, court leave, military leave, administrative leave, and other similar benefits, are allowable if all of the following criteria are met:

- a. They are provided under established written leave policies;
 - b. The costs are equitably allocated to all related activities, including federal awards; and
 - c. The accounting basis (cash or accrual) selected for costing each type of leave is consistently followed by the school district.
2. The costs of fringe benefits in the form of employer contributions or expenses for social security; employee life, health, unemployment, and worker's compensation insurance (except as indicated in 2 [Code of Federal Regulations section C.F.R. § 200.447\(d\)](#)); pension plan costs; and other similar benefits are allowable, provided such benefits are granted under established written policies. Such benefits must be allocated to federal awards and all other activities in a manner consistent with the pattern of benefits attributable to the individuals or group(s) of employees whose salaries and wages are chargeable to such federal awards and other activities and charged as direct or indirect costs in accordance with the school district's accounting practices.
 3. Actual claims paid to or on behalf of employees or former employees for workers' compensation, unemployment compensation, severance pay, and similar employee benefits (e.g., post-retirement health benefits) are allowable in the year of payment provided that the school district follows a consistent costing policy.
 4. Pension plan costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with the written policies of the school district.
 5. Post-retirement costs may be computed using a pay-as-you-go method or an acceptable actuarial cost method in accordance with established written policies of the school district.
 6. Costs of severance pay are allowable only to the extent that, in each case,

severance pay is required by law; employer-employee agreement; established policy that constitutes, in effect, an implied agreement on the school district's part; or circumstances of the particular employment.

- C. Insurance and Indemnification. Types and extent and cost of coverage are in accordance with the school district's policy and sound business practice.
- D. Recruiting Costs. Short-term, travel visa costs (as opposed to longer-term, immigration visas) may be directly charged to a federal award, so long as they are:
 - 1. Critical and necessary for the conduct of the project;
 - 2. Allowable under the cost principles set forth in the Uniform Grant Guidance;
 - 3. Consistent with the school district's cost accounting practices and school district policy; and
 - 4. Meeting the definition of "direct cost" in the applicable cost principles of the Uniform Grant Guidance.
- E. Relocation Costs of Employees. Relocation costs are allowable, subject to the limitations described below, provided that reimbursement to the employee is in accordance with the school district's reimbursement policy.
- F. Travel Costs. Travel costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the school district's non-federally funded activities and in accordance with the school district's reimbursement policies.

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the school district in its regular operations according to the school district's written reimbursement and/or travel policies.

In addition, when costs are charged directly to the federal award, documentation must justify the following:

- 1. Participation of the individual is necessary to the federal award; and
- 2. The costs are reasonable and consistent with the school district's established travel policy.

Temporary dependent care costs above and beyond regular dependent care that directly results from travel to conferences is allowable provided the costs are:

- 1. A direct result of the individual's travel for the federal award;
- 2. Consistent with the school district's documented travel policy for all school district travel; and
- 3. Only temporary during the travel period.

[Note: Noncompliance. If a school district fails to comply with federal statutes, regulations, or the terms and conditions of a federal award, the DOE or MDE may impose additional conditions, as described in 2 Code of Federal Regulations section C.F.R. § 200.2087 (Specific Conditions). If the DOE or MDE determines that noncompliance cannot be remedied by imposing additional conditions, the DOE or MDE may take one or more of the following actions, as appropriate under the

circumstances: 1) Temporarily withhold cash payments pending correction of the deficiency by the school district or more severe enforcement action by the DOE or MDE; 2) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance; 3) Wholly or partly suspend or terminate the federal award; 4) Initiate suspension or debarment proceedings as authorized under 2 [Code of Federal Regulations C.F.R. Part 180](#) and DOE regulations (or, in the case of MDE, recommend such a proceeding be initiated by the DOE); 5) Withhold further federal awards for the project or program; and/or 6) Take other remedies that may be legally available.]

Legal References:

- 2 C.F.R. § 200.1~~2~~ ([Definitions: Capital Assets](#))
- 2 C.F.R. § 200.112 (Conflict of Interest)
- 2 C.F.R. § 200.113 (Mandatory Disclosures)
- 2 C.F.R. § 200.205(d) (Federal Awarding Agency Review of Risk Posed by Applicants)
- 2 C.F.R. § 200.21~~4~~2 ([Suspension and Debarment](#))
- 2 C.F.R. § 200.300(b) (Statutory and National Policy Requirements)
- 2 C.F.R. § 200.302 (Financial Management)
- 2 C.F.R. § 200.303 (Internal Controls)
- 2 C.F.R. § 200.305(b)(1) ([Federal Payment](#))
- 2 C.F.R. § 200.310 (Insurance Coverage)
- 2 C.F.R. § 200.311 ([Federally-owned and Exempt PropertyReal Property](#))
- 2 C.F.R. § 200.313(d) (Equipment)
- 2 C.F.R. § 200.314 (Supplies)
- 2 C.F.R. § 200.315 (Intangible Property)
- 2 C.F.R. § 200.318 (General Procurement Standards)
- 2 C.F.R. § 200.319(c) (Competition)
- 2 C.F.R. § 200.320 (Methods of Procurement to be Followed)
- 2 C.F.R. § 200.321 (Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms)
- 2 C.F.R. § 200.328 ([Financial ReportingMonitoring and Reporting Program Performance](#))
- 2 C.F.R. § 200.33~~9~~8 ([Remedies for Noncompliance](#))
- 2 C.F.R. § 200.403(c) (Factors Affecting Allowability of Costs)
- 2 C.F.R. § 200.430 (Compensation – Personal Services)
- 2 C.F.R. § 200.431 (Compensation – Fringe Benefits)
- 2 C.F.R. § 200.447 (Insurance and Indemnification)
- 2 C.F.R. § 200.463 (Recruiting Costs)
- 2 C.F.R. § 200.464 (Relocation Costs of Employees)
- 2 C.F.R. § 200.47~~4~~3 (Transportation Costs)
- 2 C.F.R. § 200.47~~5~~4 (Travel Costs)

Cross References:

- MSBA/MASA Model Policy 208 (Development, Adoption, and Implementation of Policies)
- MSBA/MASA Model Policy 210 (Conflict of Interest – School Board Members)
- MSBA/MASA Model Policy 210.1 (Conflict of Interest – Charter School Board Members)
- MSBA/MASA Model Policy 412 (Expense Reimbursement)
- MSBA/MASA Model Policy 701 (Establishment and Adoption of School District Budget)
- MSBA/MASA Model Policy 701.1 (Modification of School District Budget)
- MSBA/MASA Model Policy 702 (Accounting)
- MSBA/MASA Model Policy 703 (Annual Audit)