

Board Policy Book

Finance Policies

Budget Policy

I. Budget Policy – Strategic Purpose

The purpose of this policy is to guide the Sourcewell budget development and strategic planning discussions in a way that aligns with Sourcewell’s Vision, Mission, and Values.

Sourcewell Vision: Sourcewell provides member-centered solutions that enable government, education, and nonprofit agencies to work more efficiently; and leverages its resources to effectively reinvest in the communities we serve as an invaluable service cooperative partner.

Sourcewell Mission: To build valued relationships and deliver innovative solutions with integrity, exceeding the expectations of our members.

Sourcewell Values: Service, Relationships, Trust, Passion, Communication, Individuality, and Continuous Improvement

Through the guidance of the Sourcewell’s adopted “Strategic Framework,” departmental budgets, goals, and initiatives shall coincide.

II. Scope

The Sourcewell Board adopts estimated revenue and expenditure budgets for all Governmental Funds: General and Capital Projects. Sourcewell also budgets for the Cooperative Purchasing and Risk Management Enterprise Funds. A Budgetary Comparison Schedule is reported in the annual Financial Statement for the General Fund.

The Budget Policy also covers the scope of Sourcewell’s Fund Balance and Net Position management strategies.

III. Budget Period And Basis Of Budgeting

All budgets within the scope above shall be adopted annually on the modified accrual basis of accounting. A Budgetary Comparison Schedule is reported in the annual Financial Statement for the General Fund.

Actual financial results are reported in the annual Financial Statements in accordance with generally accepted accounting principles (GAAP) using the modified or full accrual basis of accounting, as appropriate by fund type.

IV. Balanced Budget

Financial planning practices will be designed to recognize the best practices of structurally balanced budgets. Therefore, Sourcewell promotes the adoption of a structurally balanced budget for each fund which this policy covers. A budget shall be considered structurally balanced when recurring revenues equal or exceed recurring expenditures.

However, Fund Balance within Governmental funds and/or Net Position within Enterprise funds may be spent down strategically, as recommended by the Executive Director and Sr. Leadership Team, and approved by the Sourcewell Board.

Sourcewell promotes long-term financial planning and balanced budget best practices by focusing on “non-operating or non-reoccurring” expenditures as the best areas for the utilization of Fund Balance and Net Position. The following list highlights examples of financially strategic and/or prudent ways that the Sourcewell can manage these reserve resources:

- A. Region 5 grants reinvest in the communities we serve;
- B. Organizational capital improvements;
- C. Productivity, technology, and service enhancement projects (one-time projects);
- D. Pre-funding or buying down of long-term liabilities or debt;
- E. Litigation;
- F. Other one-time purposes deemed to be fiscally prudent for the Sourcewell.

V. Long-Term Strategic And Financial Planning

Sourcewell recognizes the importance of long-term strategic planning, as evidenced by the organizationally adopted “Strategic Framework.”

Sourcewell will integrate internal financial practices into Sourcewell’s “Strategic Framework.” Budgetary and financial resources shall be managed in a way that promotes growth in services across North America and Minnesota. Resources will also be re-invested into Region 5 through “value added” services and grants.

Sourcewell recognizes that prudent financial planning considers the multi-year implications of organizational objectives and business decisions. Sourcewell shall maintain a long-term financial focus in its financial planning that is mindful of the long-term “value added” service growth objectives of Sourcewell. This long-term focused philosophy shall be evident in the management practices of Fund Balance and Net Position.

VI. Expenditure Funding Flow Assumptions

Sourcewell considers restricted amounts to be spent before unrestricted fund balance/net position when an expenditure is incurred for purposes for which both restricted and unrestricted resources are available.

VII. Examination Of Spending Patterns

Sourcewell seeks to maximize the value the public receives through its spending. Accordingly, staff should develop budget tools and methods to measure outcomes and maximize value.

VIII. Priority Of Services

Sourcewell desires to maintain and potentially grow current service levels for all services; however, if necessary, Sourcewell will reduce or eliminate low-priority services before essential core services. Priority will be recommended by the Executive Director and Sr. Leadership Team after analysis and consideration of financial information, social benefit, state or federal requirements, or other factors contributing to the importance of a program or service, and approved by the Sourcewell Board.

IX. Funding Of Liabilities

The budget will provide sufficient funding to avoid accumulating excessive liabilities over the long-term.

X. Budget-Balancing Strategies

Sourcewell will implement a structurally balanced budget as described in Note IV. Temporary shortages, or operating deficits, can occur, but they shall not be tolerated as existing trends. Sourcewell will avoid budgetary and accounting procedures which balance the current budget at the expense of future budgets.

XI. Budget Process

Sourcewell is committed to timely certification of the budget. To ensure timely certification, a budget calendar will be developed by the Finance staff annually. Generally, the budget process will proceed as follows:

January	Departments provided with budget packets
January/February	Senior Leadership Team budget planning meetings
February/March	Department deadline to submit strategic plans/goals and original budget requests
March	Senior Leadership Team review of departmental strategic plans/goals and budget requests
April	Board Retreat to present departmental strategic plans/goals and budgets to the Sourcewell Board.
May	Present budget status update to the Sourcewell Board
June	Certification of the final budget by the Sourcewell Board

XII. Budgetary Monitoring

Department heads are responsible for monitoring their monthly budget information. Finance will maintain a system for monitoring Sourcewell's budget performance. This system will provide the Sourcewell Board with, at a minimum, quarterly budget updates.

XIII. Level Of Budgetary Authority/Control

The original budget is adopted through the passage of a Board resolution. The Executive Director can authorize the transfer of budgeted amounts within any fund. Revisions that alter the total expenditures of any fund must be approved by the Board.

Therefore, for all funds, the level of budgetary authority/control (i.e., the level at which spending cannot exceed the budgeted amount without Board approval) is at the fund level for each fund for which a budget is adopted.

XIV. Budget Amendments

Amendments to the budget affecting total budgeted expenditures within an individual fund require approval of the Sourcewell Board. Generally, a budget amendment will occur due to the following: implementation of a new program, increases in services provided affecting revenues or expenditures, requesting additional staff, or requesting the purchase or construction of capital items.

A. BUDGET AMENDMENT PREPARATION

Budget amendment requests are to be initially prepared by the department requesting the change.

Since the level of budgetary authority/control is at the fund level, individual departments shall communicate their budgetary amendment requests to Finance. Additionally, Sourcewell will utilize a budget amendment materiality threshold of greater than \$50,000, in which departments are required to utilize the standard Budget Amendment Request Form.

Finance will work with the Executive Director and Senior Leadership Team in determining if the budget amendment request can be absorbed by an Executive Director approved intrafund or intradepartmental reallocation, prior to making a Board request for increased funding.

Lastly, all budget amendments that are deemed to require Board approval shall be reviewed and approved by the Senior Leadership Team for accuracy, objectivity, completeness, and format before submission to the Sourcewell Board.

B. COMPONENTS OF A BUDGET AMENDMENT

The following two components are required in each formal budget amendment:

(1) Budget Amendment Request Heading and Description

This component includes a summary heading and a description of the purpose for the budget amendment.

Budget amendments should be factual, informative, and concise.

(2) Fiscal Commitments

This component forecasts revenues and expenditures for a minimum of three years or the length of the activity or service, whichever is shorter. During a partial year, forecasts should include the portion of the year remaining and two full subsequent years. Finance is available to assist departments with the preparation of the fiscal section.

Ongoing and current (one-time) revenues/expenditures should be clearly differentiated in the budget amendment request to better understand the long-range commitments.

XV. Budget Policy Adoption

Sourcewell's Budget Policy shall be adopted by resolution of the Sourcewell Board. The policy shall be reviewed on a regular basis by the Senior Leadership Team, and any modifications made thereto must be approved by the Sourcewell Board.

Capital Asset Management Policy

Purpose

The purpose of this document is to set forth policies to maintain accurate records of capital assets whose value and useful life meet the definition for capital assets. This policy focuses on compliance with Generally Accepted Accounting Principles (GAAP) to ensure accurate reporting and valuation of capital assets within the organizations external financial statements.

Scope

The Capital Asset Policy applies to all capitalized assets of the organization and specifically addresses the external financial reporting aspects of capital assets. The scope of this policy doesn't address the financial planning, budgetary project management, non-capital asset inventory tracking, or insurance tracking considerations of assets.

Definitions

Organization: For the purposes of this policy, organization means "Sourcewell."

Capital assets: For the purposes of this policy, capital assets means property owned by the organization that has a value greater than or equal to \$15,000, and has an estimated useful life of greater than three years.

Depreciation and Estimated Useful Life

- Capital assets will be depreciated using the straight-line method. Estimated useful life of capital assets will be determined using reasonable assumptions, based on current information. In general, the organization will use the following broad categories of estimated useful life, although each asset will be considered individually and useful life may vary. Finance will work with the appropriate department head to identify a suitable useful life in ambiguous circumstances.

<u>Asset</u>	<u>Useful Life (Years)</u>
Building	20-40
Building Improvements	15-20
Land Improvements	15-20
IT Software and Equipment	3-7
Furniture, Fixtures, and Equipment	5-15

Periodic Review and Updates

- The organization will perform an annual physical inventory that addresses the physical condition of its capital assets, by department by asset class.
 - o An updated asset list and depreciation schedule will be provided by the Finance department to each organization department head.
 - o It is each department's responsibility to review capital assets on their respective lists, record any changes or corrections, note any capital assets that have been disposed of or may be missing, and identify any new assets that were not included in the database.

Disposal of Assets

- Assets that have reached the end of their serviceable life and/or are no longer of use by the organization will be disposed of in an efficient and environmentally responsible manner.
 - o Assets that will be disposed of by the organization must be offered to voting members of the organization at no cost, using existing processes, before any further disposition is made.
 - o Departments shall update their asset list to reflect the disposal status of assets in their respective areas of responsibility.
 - o Departments shall follow all applicable local, state, and federal laws when disposing of assets.
 - o Departments shall use environmentally sound practices, suppliers, and services when disposing of assets.

Periodic Review

This policy shall be reviewed on a regular basis and/or in the event of changes made to regulatory, legal, or organizational policy requirements, to ensure the content remains up to date and applicable.

Cash Management/Business and Non-Instructional Operations

Cash Management:

A) Investment and Portfolio

1. Scope – this investment policy applies to activities of Sourcewell with regard to investing the financial assets of all funds, including the following:
 - a. General Fund
 - b. Special Revenue Funds
 - c. Building Construction Fund
 - d. Debt Service Fund
 - e. Trust/Agency

B) Objectives

Sourcewell funds will be invested in accordance with this policy, applicable law, and written administrative procedures. The Sourcewell investment portfolio shall be managed in a manner to attain a market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio. Investments shall be made based on statutory constraints and subject to available designated staffing capabilities. The primary investment criteria in priority sequence are safety, liquidity, and yield.

C) Delegation of Authority

The Director of Finance, or designee, is designated as investment officer of Sourcewell and is responsible for investment decisions and activities. The Director of Finance, or designee, shall operate the investment program consistent with this policy. In order to optimize total return through vigilant portfolio management, resources shall be allocated to the cash management program.

D) Prudence

The standard of prudence to be applied by the Director of Finance shall be the “prudent investor” rule, which states, “Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.” The prudent investor rule shall be applied in the context of managing the overall portfolio.

The Director of Finance, acting in accordance with this policy and exercising due diligence, shall not be held personally responsible for a specific security’s credit risk or market price changes.

E) Monitoring and Adjusting the Portfolio

The Director of Finance will routinely monitor the contents of the portfolio, the available markets, and the relative values of competing instruments.

F) Internal Controls

The Director of Finance shall establish a system of internal controls, which shall be reviewed annually by the independent auditor. The controls shall be designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions.

G) Short-term versus Long-term Portfolio

Limitations on instruments, diversification, and maturity scheduling shall depend upon whether the funds being invested are considered short-term, i.e., less than one year, or long-term funds, i.e., one year or longer. All funds shall be normally

considered short-term except those reserved for building construction projects and any unreserved funds used to provide financial-related managerial flexibility for a future fiscal year.

H) Short-term Portfolio Diversification

1. Diversification by Instrument with Maximum Percent of Portfolio. For example, a maximum of 100% of the portfolio could be invested in U.S. Treasury Obligations; a maximum of 75% of the portfolio could be invested in Commercial Paper.
 - a. U.S. Treasury Obligations (Bills, notes and bonds) --100%
 - b. U.S. Government Agency Securities and Instrumentalities of Government Sponsored Corporations --100%
 - a. Commercial Paper – Prime Double Rated (CP) --75%
 - b. Certificates of Deposit (CDs) Commercial Banks (Government Collateral above \$250,000 FDIC insurance level) --100%
 - c. Certificates of Deposit (CDs) Savings and Loan Associations (not to exceed \$250,000 FSLIC insurance levels) --75%
 - d. Local Government Investment Pool --75%
 - e. Money Market Funds --75%
2. Maturity Scheduling. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, vendor payments) as well as considering sizeable blocks of anticipated revenue (administrative fees and vendor payments).

I) Long-Term Portfolio Diversification (i.e., maturities of at least one year)

Instruments and diversification for the long-term portfolio shall be the same as for the short-term portfolio. Maturity scheduling shall be timed according to anticipated need. For example, investment of building construction funds shall be timed to meet contractor payments, usually for a term not to exceed three years.

J) Competitive Selection of Investment Instruments

Before Sourcewell invests any surplus funds, a competitive quotes/bid process shall be conducted. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotes/bids will be requested for instruments which meet the maturity requirement. If no specific maturity is required, a market trend analysis, which includes a yield curve, will normally be used as a method to determine which maturities would be most advantageous.

Quotes/bids will be requested from financial institutions for various options with regard to term and instrument. Sourcewell will accept the quote/bid which provides the highest rate of return within the maturity required and within the parameters of these policies. Generally, all quotes/bids will be on the basis of a 360-day base yield.

K) Qualified Institutions

Banks and securities brokers-dealers may be requested to provide their most recent audited Consolidated Report of Condition to Sourcewell.

Securities brokers-dealers shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers or be a Minnesota regional dealer with combined capital and surplus of at least one hundred million dollars (\$100 million), exclusive of subordinated debt.

L) Safekeeping and Collateralization (Custodial Provisions)

All investment securities purchased by Sourcewell shall be held in safekeeping by an institution designated as custodial agent. The financial institutions shall issue a safekeeping receipt to Sourcewell listing the specific instrument, in whose name the security is held, rate, maturity and other pertinent information. Deposit-type securities (i.e., certificate of deposit) shall be collateralized to the extent required by law or sound financial practice for any amount exceeding FDIC or FSLIC coverage. Other investments requiring collateral are secured by the actual security held in safekeeping by the primary agent.

M) Reporting Requirements

In addition, the Board of Directors will be provided a monthly report, which will include data on investment instruments being held, as well as any narrative necessary for clarification.

Enterprise Cooperative Purchasing Fund Reserve Policy

I. Purpose:

Sourcewell desires to maintain a prudent level of financial resources to guard against service disruption in the event of unexpected temporary revenue shortfalls or unpredicted one-time expenses. The Enterprise Cooperative Purchasing Fund Reserves are accumulated and maintained to provide stability, capital investments, growth, and flexibility to respond to unexpected adversity and/or business opportunities.

This policy establishes the minimum amount Sourcewell will strive to maintain in its Enterprise Cooperative Purchasing Fund Reserve, how the Reserve will be funded, and the conditions under which Reserve may be used.

II. Scope:

This policy is applicable the Enterprise Cooperative Purchasing Fund.

III. Definitions and Acronyms:

Capital Improvement Plan (CIP): A plan that describes the capital projects and associated funding sources Sourcewell intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets.

Cash Balance: The sum of cash and Cash Equivalents of an accounting fund.

Cash Equivalent: In the context of cash flows reporting, short-term, highly liquid investments that are both 1) readily convertible to known amounts of cash and 2) so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less meet this definition. For this purpose, "original maturity" means maturity as of the date the investment is acquired.

Enterprise Fund: Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.

Non-Recurring Item: An expense that has not occurred in the previous two years and is not expected to occur in the following year.

Pooled Cash: The sum of unrestricted cash and investments of several accounting funds that are consolidated for cash management and investment purposes. Investment income or expense is allocated to the various fund based on their respective participation and in accordance with generally accepted accounting principles.

Reserve: Reserve refers "broadly" to Working Capital and the resources available to provide operational stability, primary funding for the CIP, one-time strategic reinvestments, and respond to unplanned events or business growth opportunities.

Working Capital: An accounting term defined as current assets less current liabilities in a proprietary fund. The measure of working capital indicates the relatively liquid portion of total enterprise fund capital, which constitutes a margin or buffer for meeting obligations.

IV. Policy:

A. Reserve Levels

Sourcewell's targeted minimum level of Working Capital in the Cooperative Purchasing Enterprise Fund is equivalent to six months of regular, ongoing operating revenues. For the purpose of this calculation, Working Capital will include long-term investments given the various nature of the Reserve uses associated with both short-term contingency and long-term planning. Sourcewell will measure its compliance with this policy as of June 30th each year, as soon as practical after final year-end account information becomes available.

If, based on staff's analysis and forecasting, the target level of Reserves is not being met or likely to not be met at some point within a three-year time horizon, then during the annual budget process, a plan to replenish the Reserve would be established based on the requirements outlined in this policy.

B. Funding the Reserve

Funding of enterprise Reserve targets will generally come from excess revenues over expenses. Departmental metrics and budget monitoring are the primary drivers in guiding the incremental reserve growth needs as it relates to organizational growth forecasts.

C. Conditions for Use of Reserves

It is the intent of Sourcewell to limit use of enterprise Working Capital Reserves to address unanticipated, non-recurring needs. Reserves that fall below or within the target range (six to nine months of regular, ongoing operating revenue) shall not normally be applied to recurring annual operating expenses.

D. Risks and Drivers Supporting a Higher Reserve Level

1. Transfer Out - The Enterprise Cooperative Purchasing Fund is self-supporting and is expected to support significant overhead/support functions and make annual transfers to fund general government operations. This sort of claim on the enterprise fund's assets call for higher levels of working capital to maintain flexibility.
2. Revenue concentration – Sourcewell is primarily dependent for a large portion of its operating revenue from this business model.
3. Demand for serve – Sourcewell has supported a growing demand for Regional general government programs, services, and one-time reserve utilization considerations to reinvest in member communities;
4. Management plans for working capital – Working capital includes assets, which can include both truly unrestricted resources and resources that have internal limitations place upon them (e.g. board-designated) and/or that may be committed for future capital spending. These amount may appear as unrestricted on the Statement of Net Position but, in actuality may be unavailable in the future to serve as a buffer or tool to help manage financial risk. Since these types of reporting limitations exist, the working capital target should be adjusted accordingly.
5. No separate targets for operating and capital needs – Sourcewell has a significant capital asset funding reliance on the Enterprise Cooperative Purchasing Fund.
6. Limited Borrowing Capacity – Sourcewell has less attractive debt issuance authority than the average local government given the absence of taxing authority.

E. Authority over Reserves

The Executive Director will make reserve utilization recommendations to the Board of Director. This is to be done prior to the end of the fiscal year, so appropriate Executive Director "Assignments" or Board "Commitments" can be reported in external financial statements as such.

F. Replenishment of Reserves

In the event that Reserve usage results in a balance below the six months minimum, a plan will be developed and included in the formulation of the three-year forecast. This plan will be presented during the annual budget process.

G. Excess Reserves

In the event that Reserves exceed nine months of regular, ongoing operating revenues, at the end of each fiscal year, any excess Reserves may be used in the following ways:

Appropriated to fund major capital asset projects in the CIP;

1. One-time expenses that do not increase recurring operating costs that cannot be funded through current revenues;
2. Fund accrued liabilities, including but not limited to debt service, pension, compensated absences, and other post-employment benefits. Priority will be given to those items that relieve budget or financial operating pressure in future periods;
3. Start-up expenses for new business growth opportunities, any such consideration requires a minimum of a three-year projection of revenue and expenses as prepared by Financial Planning that identifies any future budget shortfalls. Available working capital shall not be used for ongoing operating expenses, unless determination has been made that available balances are in excess of required guidelines and that plans have been established to address any future ongoing operating budget shortfalls to bring operational budgets back into structural balance.

H. Periodic Review of Targets

At a minimum, during the budget process staff shall review the current and three-year projected Reserves to ensure they are appropriate.

V. Quality Assurance and Policy Adoption

It is the responsibility of the Director of Finance to ensure the presence of procedures that provide sufficient guidance to affected Sourcewell personnel to fulfill the intent of this policy.

Sourcewell's Enterprise Cooperative Purchasing Fund Reserve Policy shall be adopted by resolution of the Sourcewell Board. The policy shall be reviewed on a regular basis by the Senior Leadership Team and any modifications made thereto must be approved by the Sourcewell Board.

Interest Allocations for Account Excess and Deficits

Each year the Sourcewell conducts an audit of its accounts, including investment interest earned during that year. Throughout the year various account balances fluctuate. Some remain consistently in excess (revenues exceed expenses at any given time) and some remain consistently in deficit (expenses exceed revenues at any given time).

Sourcewell shall allocate monthly any investment interest earned that month to each Fund operating in excess. Each Fund will receive an allocation based on its proportionate share of the total company cash and investments. Funds operating in deficit will not receive an allocation of investment interest earned that month, nor will a charge of interest be made against that Fund. However, at the discretion of Management, a Fiscal Hosting Program operating in deficit may be charged interest as described below.

Under this policy each account will be treated fairly as each account will stand on its own and maintain its own financial support. Program administration and managers are encouraged to invoice and apply for and to deposit revenues in advance of expenditures whenever possible.

Long-Term Financial Planning Policy

I. Purpose:

The purpose of this policy is to ensure Sourcewell's on-going financial sustainability beyond a single fiscal year budget cycle in light of the organization's long-term mission, vision, and strategic objectives.

II. Scope:

This policy is applicable organization-wide.

III. Definitions And Acronyms:

Business Plan: An operational plan that describes how a given department will accomplish a mission.

Capital Improvement Plan (CIP): A plan that describes the capital projects and associated funding sources Sourcewell intends to undertake in the current year plus five additional future years, including the acquisition or construction of capital facilities and assets.

Long-Term Financial Plan (LTFP): An investment plan or strategy with a term of usually longer than one year.

Program: A set of activities, operations, or organizational units designed and directed to accomplish specific service outcomes or objectives for a defined customer.

IV. Policy:

A. Commitment to Long-Term Financial Planning

Sourcewell will maintain long-term fiscal solvency by identifying significant future expenses, liabilities, capital needs and resources that are not included or recognized in the annual budget.

The Long-Term Financial Plan (LTFP) process evaluates known internal and external issues impacting Sourcewell's financial condition. Such issues are identified, presented, and mitigated when and where possible. The process begins by identifying critical areas which have, or are expected to have, an impact on the financial condition of Sourcewell over the next three years. Once the issues are identified, specific goals and objectives are developed for each structural deficiency. The LTFP is a constantly changing and moving document which will be routinely updated and presented on a rolling basis. The LTFP will be completed prior to the start of the budget process, and is intended to help Sourcewell achieve the following:

1. Ensure Sourcewell can attain and maintain financial sustainability;
2. Ensure Sourcewell has sufficient long-term information to guide financial decisions;
3. Ensure Sourcewell has sufficient resources to provide programs and services for members;
4. Ensure potential risks to on-going operations are identified in the long-term financial planning process and communicated on a regular basis;
5. Identify changes in expenditures or revenue structures needed to deliver services or to meet the strategic goals and objectives; and

6. Recognize that Sourcewell may need to adapt after consideration of outside forces and changing economic conditions.

B. Scope of the Plan

1. Time Horizon – The LTFP will forecast revenues, expenditures, and financial position at least three years into the future or longer where specific issues call for a longer time horizon.
2. Comprehensive Analysis - The LTFP will provide meaningful analysis of key trends and conditions, including, but not limited to, the following:

a) Analysis of the affordability of current services, projects, and obligations:

- (1) An analysis of Sourcewell’s environment in order to anticipate changes that could impact Sourcewell’s services or financial objectives.
- (2) Revenue and expenditure projections, including the financial sustainability of current service levels over a multi-year period.
- (3) The affordability of current debt.
- (4) The affordability of maintaining and replacing Sourcewell’s current capital assets (e.g., buildings, infrastructure, equipment, technology).
- (5) The ability to maintain reserves within the target ranges.
- (6) The impact of non-current liabilities on Sourcewell’s financial position.

b) Analysis of the affordability of anticipated service expansions or investments in new assets.

- (1) The operating costs of any new initiatives, projects, or expansion of services where funding has been identified through alternative sources. Administrative services and other indirect costs shall be included to the extent needed proportionately with the expansion of other services.
- (2) The affordability of Sourcewell’s long-term Capital Improvements Plan (CIP), including operating and maintenance costs for new assets.
- (3) The affordability of other business plans that call for significant financial investment by Sourcewell.

c) Synthesis of the above to present Sourcewell’s financial position:

- (1) A clear presentation of the resources needed to accomplish the capital improvements identified in Sourcewell’s CIP and to maintain existing capital assets.
- (2) A clear presentation of the resources needed to maintain existing services at their present level in addition to the expansion of services as may have been identified through the analysis described above.
- (3) Identification of any imbalances between Sourcewell’s current direction and the conditions needed for continued financial health.

3. Solution Oriented - The LTFP will identify issues that may challenge the continued financial health of Sourcewell, and the plan will identify possible solutions to those challenges. Planning decisions shall be made primarily from a long-term perspective, and structural balance is the overarching goal of the planning process.
- C. Relationship between Financial and Strategic Planning – Sourcewell’s annual budget process involves incorporating the goals, initiatives, and strategies identified by Sourcewell’s three-year strategic plan. Strategic planning begins with determining Sourcewell’s fiscal capacity based upon long-term financial forecasts of recurring available revenues.
- D. Continuous Improvement – Sourcewell staff will regularly look for and implement opportunities to improve the quality of the forecasting, analysis, and strategy development that is part of the planning process. These improvements will primarily be identified through the comparison of projected performance with actual results.
- E. Structural Balance – Long-term structural balance is the goal of long-term financial planning. Should the long-term forecasting and analysis show that Sourcewell is not structurally balanced over the next three-year projection period; staff would then make recommendations on how the plan can be brought into balance.

V. Quality Assurance and Policy Adoption

It is the responsibility of the Director of Finance to ensure the presence of procedures that provide sufficient guidance to affected Sourcewell personnel to fulfill the intent of this policy.

Sourcewell’s Long-Term Financial Planning Policy shall be adopted by resolution of the Sourcewell Board. The policy shall be reviewed on a regular basis by the Senior Leadership Team and any modifications made thereto must be approved by the Sourcewell Board.

General Policies

Appreciation Awards

Each year at the Annual Employee Recognition Banquet, Appreciation Awards will be presented. Years of Service awards will be given to all full-time employees for every five (5) years of service. Additional awards and recognition may be given to employees at the discretion of the Executive Director/CEO.

Each year at the Annual Representative Assembly Meeting, departed Board of Director members will be presented an Appreciation Award, regardless of length of service.

The Board of Directors may consider other awards and means of recognition as deemed necessary.

Code of Ethics Policy

Subpart 1. Scope.

Each employee, upon entering Sourcewell, assumes a number of obligations, one of which is to adhere to a set of principles which defines professional conduct. These principles are reflected in the following code of ethics, which sets forth the standards of professional conduct and procedures for implementation.

This code shall apply to all persons employed according to rules established by the Board of Directors of Sourcewell.

Subpart 2. Standards of Professional Conduct.

The standards of professional conduct for Sourcewell employees are as follows:

- a. An employee will:
 - a. Believe in the dignity and worth of the services rendered by Sourcewell, and the societal responsibilities assumed as a trusted public servant.
 - b. Be governed by the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of Sourcewell and the public being served.
 - c. Subscribe to and support the core values, strategic framework and objectives of Sourcewell.
 - d. Identify and eliminate participation of any individual in Sourcewell operations where a conflict of interest may be involved.
 - e. Handle all personnel matters and professional services on a merit basis, and in compliance with applicable laws prohibiting discrimination in employment on the basis of politics, religion, color, national origin, disability, gender, age, pregnancy and other protected characteristics.
 - f. Make reasonable efforts to protect the public from conditions harmful to health and safety.
 - g. In accordance with state and federal laws, disclose confidential information about individuals only when a compelling professional purpose is served or when required by law.
 - h. Seek or accept a position only when confident of possessing the qualifications to serve in said position to the advantage of Sourcewell.
 - i. Keep Sourcewell informed, through appropriate channels, of problems and progress of applicable operations by emphasizing the importance of the facts.
 - j. Resist encroachment on control of personnel in order to preserve integrity as a leader.
- b. An employee will not:
 - a. Use their position to secure an advantage for themselves, their immediate family or an organization with which they are associated that is not available to the general public.
 - b. Have any personal financial interest in the purchase or contract, and may not accept any gift (other than one of nominal value) or other thing of value directly or indirectly from a vendor, pursuant to the Sourcewell Gift Policy.
 - c. Seek or dispense personal favor and will handle each administrative problem objectively, without discrimination.
 - d. Receive payment from anyone other than Sourcewell for work that they are expected to do in the course of their regular employment.
 - e. Deliberately or knowingly suppress or distort subject matter or otherwise falsify or misrepresent records or facts.
 - f. Knowingly make false or malicious statements about members, vendors, or colleagues.
 - g. Accept any additional employment or contractual obligations which would affect their independence of judgment in their current position. – See Conflict of Interest Policy
 - h. Use Sourcewell time, facilities, equipment, supplies, influence, or confidential information for personal gain.
 - i. Provide any services individually outside of Sourcewell that compete with services provided within Sourcewell. – See Conflict of Interest Policy
 - j. Use their position or Sourcewell resources to advance a political party or candidate.

Subpart 3. Standards of Professional Conduct for Minnesota Teachers.

This provision will apply to all persons licensed according to rules established by the Board of Teaching. The enforcement of the provisions of the code of ethics for Minnesota teachers shall be in accord with Minnesota Administrative Rule 8710.2100 Subp.2. The standards of professional conduct are as follows:

- a. A teacher shall provide professional education services in a nondiscriminatory manner.
- b. A teacher shall make reasonable effort to protect the student from conditions harmful to health and safety.
- c. In accordance with state and federal laws, a teacher shall disclose confidential information about individuals only when a compelling professional purpose is served or when required by law.
- d. A teacher shall take reasonable disciplinary action in exercising the authority to provide an atmosphere conducive to learning.
- e. A teacher shall not use professional relationships with students, parents, and colleagues to private advantage.
- f. A teacher shall delegate authority for teaching responsibilities only to licensed personnel.
- g. A teacher shall not deliberately suppress or distort subject matter.
- h. A teacher shall not knowingly falsify or misrepresent records or facts relating to that teacher's own qualifications or to other teachers' qualifications.
- i. A teacher shall not knowingly make false or malicious statements about students or colleagues.
- j. A teacher shall accept a contract for a teaching position that requires licensing only if properly or provisionally licensed for that position.

Subpart 4. Ethics Officer.

The Sourcwell General Counsel shall be designated as the ethics officer. The ethics officer shall respond to board member and employee questions about this Code and give opinions on interpretation of this Code and serve as the staff to the ethical practices board.

Subpart 5. Code of Ethics Violations.

A board member or employee must report any conduct by other board members or employees that he or she believes violates this Code of Ethics.

- a. The improper conduct of an employee shall be reported to either the alleged violator's Supervisor, Manager, Director, Human Resources or to the ethics officer. Conduct reported to the ethics officer shall be referred to the appropriate official for investigation.
- b. The improper conduct of a Director, board member or Executive Director must be reported to Sourcwell's outside legal counsel.

Subpart 6. Enforcement procedures.

A board member or employee who violates the Code of Ethics may be subject to disciplinary action, up to and including termination of office or employment.

Computer and Communication Systems Use Policy

Purpose

The purpose of this policy is to set forth policies and standards for acceptable and safe access and use of computer and electronic communications systems including, but not limited to, the internet.

Definitions

Organization: For the purposes of this policy, organization means Sourcewell.

Technology Resources: Technology resources include but are not limited to the following items provided by and paid for by the organization:

- i. *Infrastructure:* including fiber optic and other cables, network switches, routers, firewalls, and content filters and other hardware; Internet service, telephone service, and access to these services.
- ii. *Communication systems and devices:* Analog telephones, cellular phones, Voice over Internet Protocol (VoIP) phones and voicemail systems; TelePresence and other video conferencing technologies; electronic mail (e-mail) and instant messaging (IM); facsimile (fax) machines.
- iii. *Information systems and services:* Internally or externally hosted applications and databases accessed via an internal or external network connection, including websites, computer systems, electronic resources, and communication and collaboration systems.
- iv. *Computer hardware, software, and devices:* Desktop and laptop computers, mobile and tablet devices, servers, portable hard drives and USB storage devices, printers and scanners, mice, keyboards, cameras, and other peripheral devices. Software, including operating systems, client server and single user applications, and mobile applications (apps) software.
- v. *Electronic data:* Information including text files, data files, email, images, video, and audio files stored, accessed, or transmitted using technology resources.
- vi. *Other:* New technologies as they become available and are deployed for use.

Explicit Content: Any material, picture, graphic image, or other visual depiction that:

- i. Appeals to an excessive interest in nudity or sex.
- ii. Describes, depicts, or represents an actual or simulated sexual act or sexual contact, actual or simulated normal or perverted sexual act, or a lewd exhibition of the human genitals.
- iii. Lacks literary, artistic, political, scientific, or business value.

User: All employees, contractors, Board members, and other individuals when they are using the organization's technology resources.

Access and Use

Access and Use as a Privilege

Access to and use of technology resources is a privilege, not a right. Unacceptable uses of technology resources may result in one or more of the following: cancellation of authorized use or access privileges; discipline under applicable policies and procedures up to and including termination of employment; civil or criminal liability under applicable state and federal laws.

1. Appropriate Use of Technology Resources

Includes the following:

- a. Minimal personal use including internet browsing.
- b. Comply with all policies as they may be interpreted to apply to technology resources.
- c. Respect the privacy of other users.
- d. Maintain the security of the organization's technology resources.
- e. Recognize and honor the intellectual property rights of others.
- f. Disclose inadvertent access of unacceptable materials or an unacceptable Internet site to an appropriate member of management.

2. Acceptable Use of technology resources

Includes the following:

- a. Administrative, and business uses consistent with the mission of the organization.
- b. Authorized and appropriate access to voice, audio, video, and data systems, software, or data, both locally and at and from internet sites.
- c. Administer, support, or maintain technology resources as appropriate.
- d. The organization reserves all rights to control its technology resources, and may:
 - i. Monitor and/or restrict a user access to technology resources.
 - ii. Search any computer or electronic data storage devices that are assigned to a user or used on any organization-owned or leased computer or network.
 - iii. Retrieve, alter, post, remove, or delete any data created, received, transmitted, stored, or maintained by any user on or through technology resources to the extent consistent with law and internal policies.

3. Unacceptable Use of technology resources

Includes but is not limited to:

- a. Providing, assisting, or gaining unauthorized or inappropriate access to the technology resources, including any type of voice, video, or data network or system.
- b. Interfering with the ability of others to effectively use technology resources or network services.
- c. Gaining unauthorized access to or compromising another user's account, files, work, or data.
- d. Distributing any material to intentionally cause congestion or disruption of the voice, audio, video, and data networks.
- e. Accessing, reviewing, uploading, downloading, storing, printing, posting, receiving, transmitting, or distributing:
 - i. Pornographic, obscene, or sexually explicit material or other material or visual depictions.
 - ii. Abusive or threatening materials, including hate mail, or harassing or discriminatory materials.
 - iii. Pirated software, videos, songs or other media.
- f. Publishing materials or otherwise distributing content without the author's permission.
- g. Using technology resources, including assigned email address, for personal purposes, including, though not limited to, politics, or profit-making, except as specifically approved or agreed to by the organization's management.
- h. Using technology resources to engage in any illegal act or violate any local, state, or federal statute or law.
- i. Violating copyright laws or usage licensing agreements, or otherwise using another person's intellectual property without approval.
- j. Disclosing, using, posting, or otherwise disseminating private information about another person, or posting private information about oneself or others.
- k. Monitoring another user's information or data without their knowledge and approval, attempting security breaches, or disrupting communication.

Privacy

Limited Expectation of Privacy

Users should expect only limited privacy for the contents of any personal files or data accessed, stored or transmitted while using the organization's technology resources.

1. Data Privacy

All data, content of electronic files, including email messages, maintained on technology resources are subject to review, disclosure, or discovery under various state and federal laws.

2. Investigative Uses

The organization will cooperate fully with local, state, and federal authorities in any investigation concerning or related to any use of technology resources not in compliance with applicable laws or internal policies.

3. Violations

Maintenance and monitoring of technology resources may find that a user has violated this policy, another policy, or the law. A search of technology resource systems content and use may be conducted if management has a reasonable suspicion that the search will uncover a violation of law or internal policies.

Limitations on Liability

Use of technology resources is at the user's risk. The technology resources and systems are provided on an "as is" and "as available" basis and the organization shall not be responsible for unauthorized financial obligations or consequential damages arising from the use of technology resources.

Regardless of the cause, the organization will not be responsible for any damage users may suffer, including but not limited to, the following:

- i. Loss, damage, or unavailability of data stored on or transmitted through technology resources.
- ii. Delays, changes, or interruptions of network, internet, or other service.
- iii. Missed or non-delivery of information or materials.

Safety and Protection Measures

Network and Online Activities Monitoring

The organization will monitor the network and online activities of both minors and adults and employ technology protection measures during any use of computers, devices, or other technology resources by minors and adults.

Content Filtering

Technology protection measures shall be designed and used to address the safety and security of minors and adults when using direct electronic communications and to block or filter internet access to inappropriate materials, including, but not limited to, any visual depictions that:

- i. Are obscene
- ii. Contain child pornography, or
- iii. Are harmful to minors

Technology Use Agreement

As a condition of access to technology resources, users must agree to accept and abide by the Computer and Communication Systems Use Policy and the Guidelines for Acceptable Use, as may be updated and amended from time to time.

Exceptions

Exceptions to policy may be made on a case-by-case basis. Exceptions shall be documented and approved by appropriate member(s) of the management team.

Periodic Review

This policy shall be reviewed on a regular basis and/or in the event of changes made to regulatory, legal, or organizational policy requirements, to ensure the content remains up to date and applicable.

LEGAL REFERENCES

47 U.S.C. §254 (Children's Internet Protection Act of 2000 (CIPA))
47 C.F.R. § 54.520 (FCC rules implementing CIPA)
20 U.S.C. §6751 *et seq.* (Enhancing Education Through Technology Act of 2001)
20 U.S.C. 1232g (FERPA)
Minn. Stat. § 125B.15 (Internet Access for Students)
Minn. Stat. §125B.26 (Telecommunications/Internet Access Equity Act)
Minn. Stat. Chapter 13 (Minnesota Government Data Practices Act)

Confidentiality

Purpose:

This is to affirm Sourcewell's policy on maintaining confidential information in accordance with all applicable Federal, State, and Local laws, directives, and regulations.

Policy:

Sourcewell and its employees or independent contractors will not knowingly disclose any information they receive or have in their possession to any other agency or individual that in any way could bring harm to any individual or agency that we serve. Nothing in this policy should be interpreted as preventing an employee from making a good faith report to a public body regarding a matter of public concern. Employees who are "whistleblowers" are protected from retaliation, such as discipline, termination, or reduction in pay or benefits. Before an employee initiates a report to a public body of a matter of public concern, the employee shall submit a written report to the Executive Director/CEO so that the matter can be promptly investigated. A matter of public concern means a good faith belief that a violation of law, a danger to public health or safety or gross management, substantial waste of funds, or a clear abuse of authority has occurred.

When it is necessary for Sourcewell to receive confidential information about an agency or individual we are serving, those Sourcewell employees or independent contractors receiving that information shall be considered "confidential" employees or independent contractors.

Confidential employees and independent contractors are hereby notified that they are to take every care to protect the privacy of client individual or agency information. All information records and forms are to be kept out of sight of any potential onlookers and are to be kept in a locked file whenever the confidential employee or independent contractor is not in the physical proximity of the data. Computer hardware and software systems will have locked security so as to not allow access by unauthorized personnel.

Confidential employees and independent contractors are hereby notified that they are to keep private both inside of Sourcewell offices and outside of their work areas, any information about any agency or individual that is personal in nature.

If a Sourcewell confidential employee or independent contractor fails to meet the requirements of this policy, that individual is subject to discipline up to termination of employment. If that employee or independent contractor is a teacher as defined under Minnesota Statute, termination procedures will follow that statute.

The Executive Director/CEO is responsible for managing and monitoring all confidential activities, and shall receive and review reports made in relation to such activities. The Executive Director/CEO shall take such action necessary to ensure that confidential information remains confidential to the extent allowed by law. If any Sourcewell employee or consultant believes he/she has been discriminated against under this policy, they are to contact Sourcewell's Board of Directors Chair, who will bring the matter before the full Board for review and determination of appropriate action.

Data Privacy Active Website Policy

Sourcewell Commitment to Online Security

Sourcewell is committed to the secure and appropriate handling of personal information. Sourcewell employs physical, electronic, and managerial procedures to safeguard the security and integrity of personal information collected by the organization.

Information that Sourcewell Collects Online

For website management functions, Sourcewell collects information for analysis and statistical purposes, such as the number of visits to our site. Sourcewell does not voluntarily report or use this information in any manner that would reveal personally identifiable information, or release it to outside parties, unless legally required to do so.

Any personal information collected is accessible only by Sourcewell staff or volunteers designated to handle this information.

Sourcewell may collect the following types of personal information: names, postal and e-mail addresses, phone and facsimile numbers, and purchasing, billing, and registration. This information is collected when members join Sourcewell either by completing the online membership application or by completing a paper application, as well as members and vendors registering for Sourcewell-related events.

How Sourcewell Uses Information Collected Online

Sourcewell uses personal information to reply to inquiries, process event or class registrations, to communicate with members, and to track member purchases. Sourcewell may share personal information among departments within the organization in order to ensure that comprehensive services are provided to our members.

Sourcewell may occasionally conduct online surveys or promotions that ask for visitors to enter personal information, which is forwarded to a third party. Any such requests will be clearly labeled, along with information about how the information will be used. However, unless specifically indicated in this manner, personal information collected on the site will not be shared with third party organizations. Sourcewell never sells or rents your personal information.

Our Commitment to Student Privacy

Sourcewell does not collect information from those known to be under the age of 13.

Public Disclosure

The collection, maintenance, and dissemination of data from this site shall be done in a manner consistent with applicable federal and state laws. Sourcewell is a public entity and as such must comply with the Minnesota Data Practices Act, specifically Minn. Stat. §§13.03, Subd. 2 and 13.05, Subds. 5 and 8.

Help Us Keep Your Personal Information Accurate

If your personal information changes or you would like to review any personal information Sourcewell collects about you, please e-mail your request to Becca.Nathe@sourcewell-mn.gov

Affiliate Sites Disclaimer

Sourcewell site contains links to other sites. These include links to State of Minnesota agencies, other Service Cooperatives, members, partners and vendors. When you link to another site, you are subject to the terms and conditions of that new site. As a result of visiting other sites, these organizations may collect personally identifying information, which is not covered by the Sourcewell privacy policy and to which Sourcewell has no access. Users are advised to consult the privacy statements of the individual site before providing any personal information.

Security, Intrusion, Detection

Security measures have been integrated into the design, implementation, and day-to-day practices of this site. This information should not be construed in any way as giving business, legal or other advice, or warranting as fail proof, the security of information on this site.

Unauthorized attempts to deny service, upload information, change information, or attempt to access a non-public site from this service are strictly prohibited and may be punishable under Title 18 of the U.S. Code to include Computer Fraud and Abuse Act of 1986 and the National Information Infrastructure Protection Act.

Contact Us

If you have questions or concerns about Sourcewell compliance with this privacy policy, you may contact us at Becca.Nathe@sourcewell-mn.gov

Drug, Alcohol, and Tobacco Free Workplace

Purpose:

The purpose of this policy is to provide a drug-, alcohol-, and smoke- free workplace for all Sourcewell employees in order to maintain a safe and productive workplace.

Definitions:

Workplace: For the purposes of this policy, workplace is defined to mean any location at which Sourcewell conducts its business. That includes any Sourcewell building or other Sourcewell premises; any Sourcewell-owned vehicle or any other Sourcewell-approved vehicle; any Sourcewell member's site or premises.

Tobacco: For the purposes of this policy, tobacco is defined to mean cigarettes, pipes, cigars, snuff, chewing tobacco, or e-cigarettes.

Policy:

Tobacco Free Workplace

There shall be no smoking or use of tobacco in any enclosed Sourcewell building or in vehicles that are owned, leased or rented by Sourcewell.

Alcohol Free Workplace

Alcoholic beverages are not allowed in any Sourcewell building or vehicle owned, leased, or rented by Sourcewell at any time.

Drug-Free Workplace

All employees are prohibited from unlawfully manufacturing, distributing, dispensing, possessing, being under the influence of, or using any narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana, or any other controlled substance, as defined in schedules I through V of Section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation at 21 CFR 1300.11 through 1300.15 in the workplace.

Use of Prescription Medication

This Policy, however, does not prohibit an employee from ingesting a legally obtained prescription drug that was legally issued to said employee. Because prescription medication can also affect an individual's demeanor and job performance, it is the employee's responsibility to notify his or her immediate supervisor if he or she is taking legal prescription drugs that may affect performance or ability to perform the position duties. Such prescription drugs must be given under medical supervision and may not interfere with the performance of job duties.

Under the Influence of Alcohol or Drugs

Employees under the influence of alcohol or drugs on the job will be subject to discipline. Employees who appear to be in an impaired condition on the job may be asked by the Manager of Human Resources to submit to a test to determine whether they are under the influence of alcohol or illegal drugs. Any refusal to submit to a test will be treated as insubordination and will be subject to discipline.

Sale of Illegal Drugs

Any sale of illegal drugs during the work day or on Sourcewell property will result in immediate termination.

Drug-related Convictions

Any employee convicted of violating a State or Federal Criminal Drug Statute in the workplace must inform Sourcewell of such conviction (including a plea of guilty and nolo contendere) within five (5) days of the conviction occurring. Failure to inform Sourcewell subjects the employee to disciplinary action. When the federal government requires Sourcewell to notify the federal contracting office of an employee's drug conviction in a workplace, Sourcewell will provide such notification to the appropriate federal authority within the time prescribed by federal law or applicable contract after receiving such notice of conviction from an employee or otherwise learning of such conviction.

Environmental Health and Safety

Purpose:

The purpose of this policy is to provide a healthy and safe environment for staff and the public by establishing and complying with health and safety standards. These standards will be based on federal, state, and local laws.

Policy:

The Director of Administration or his/her designee will be responsible for the establishment of a written set of Health and Safety Standards. The Director of Administration will be responsible for ensuring compliance with these standards through:

- A. Training.
 - a. Identify the staff groups who need to be informed about these standards.
 - b. Develop and maintain a system of keeping the members of these staff groups informed about these standards and changes to these standards.

- B. Reinforcing the roles and responsibilities of leaders.
 - a. Building/Site Responsibilities
 - i. Directors, managers, and supervisors are responsible for their staff adhering to the health and safety program within their departments and ensuring that staff participate in the safety-training program.
 - b. Human Resources Department Responsibilities
 - i. The Manager of Human Resources is responsible for coordinating the workers' compensation insurance policy and accident claim reporting with the insurance carrier.
 - ii. Human Resources is responsible for processing the First Report of Injury for submittal to the workers' compensation insurance carrier.
 - iii. Human Resources is responsible for ensuring all new staff receive Health and Safety training as it relates to their position.
 - 1. Large group, small group, and individualized instruction for staff identified as exposed to a safety hazard will be offered.
 - iv. Human Resources is responsible for facilitating annual AWAIR training.
 - 1. The training curriculum shall follow the Occupational Health and Safety Administration guidelines, and staff shall receive their training during their normal work hours.
 - 2. Staff training records shall be maintained for a period of three years.
 - 3. Records shall be provided for review by regulatory inspectors and the general public upon request.
 - c. Director of Administration Responsibilities
 - i. The Director of Administration will develop and manage the implementation of the Health and Safety Program.
 - ii. The Director of Administration will establish and lead, or may designate another to lead, a Safety Committee. The committee will promote safety. The committee will be comprised of staff representing at least three (3) staff groups. The committee will also be responsible for:
 - 1. Facilitating action on health and safety concerns.
 - 2. Recommending health and safety program manual and procedure improvements.
 - 3. Reviewing accident reports to identify trends and recommend steps for accident reduction.
 - 4. Facilitating communications on health and safety issues.
 - 5. Supporting safety initiatives.
 - iii. Exposure Control Officer.
 - 1. The Building and Grounds Superintendent is the designated Exposure Control Officer and is responsible for facilitating SHARPS waste disposal and bloodborne pathogens.
 - iv. CPR / AED training will be offered to staff on a regular basis.

- v. The Director of Administration will establish and lead, or may designate another to lead, an Incident Management Team (IMT). The IMT will be comprised of certified first responders and facilities staff. The IMT will meet regularly to plan and conduct emergency drills (e.g., fire, tornado, violent intruder drills, etc.).

C. Infection Control

- a. Sourcewell will operate according to the standards promoted by the Occupational Health and Safety Administration for the prevention of bloodborne infections.
- b. All staff will be trained with current information regarding bloodborne pathogen exposure and procedures for handling blood and bodily fluids. Staff whose positions require additional training relevant to their positions and responsibilities will receive this training on an annual basis.
- c. All staff will consistently follow infection control procedures to prevent bloodborne pathogen exposure at all times. Personal protective equipment will be supplied by Sourcewell in order for the staff to meet infection control standards.
- d. In the event of a staff member's communicable disease exposure, staff will be directed to their private physician. The staff will complete an Exposure to Bloodborne Infectious Disease report and forward it to the Human Resources Department.

Exercise Facility Policy

Purpose:

Sourcewell provides an on-site exercise facility at its headquarters free-of-charge for employees, who are encouraged to take advantage of the facility to maintain a healthy lifestyle.

Policy:

The exercise facility is open Monday through Friday for use by employees during established hours. The hours of operation will be posted on or near the doors of the facility and updated as necessary. A Buddy system must be utilized during non-office hours. With the exception of pre-approved programs*, all time spent using the exercise facility shall be considered non-work time and employees shall have no claim for payment of this time. Non-employees are not permitted in the exercise facility.

Use of the exercise facility is considered a privilege. Employees not complying with policy and procedure may be asked to leave, be restricted and/or banned from the facility. Employees are expected to:

- Utilize exercise equipment with care and in a safe and responsible manner.
- Wear appropriate clothing, including a shirt and shorts or pants that cover the legs to at least mid-thigh.
- Wear appropriate clean athletic shoes in all fitness areas; bare feet, sandals, or street shoes are not permitted.
- Be courteous to others by limiting the length of workouts, observing posted time limits, etc., when others are waiting.
- Return portable fitness equipment/items to appropriate locations after use.
- Be sensitive to other employees' privacy in all locker rooms or changing facilities, and, at all times, treat each other with common courtesy, respect, and professionalism.
- Refrain from taking pictures or videos in any portion of the exercise facility to maintain other users' right to privacy.
- Abide by all terms of the Sourcewell Employee Handbook and Board Policies while at the exercise facility, including prohibitions against sexual harassment, harassment, and violence. Sexualized comments or actions are strictly prohibited.

* Sourcewell may, at its discretion, provide and/or approve fitness learning opportunities within the exercise facility. These will be considered pre-approved programs. All staff will be invited to participate and the program(s) will clearly be identified as "pre-approved."

Facilities Use Policy

Purpose:

Sourcewell is committed to making the Sourcewell facilities and equipment available to the communities we serve. The purpose of this policy is to define the use of Sourcewell facilities and equipment beyond the normal work day.

Definitions:

Region 5 Sourcewell Members: For the purpose of this policy, Region 5 Sourcewell Members means all eligible school districts, cities, and counties of/or within the counties of Cass, Crow Wing, Morrison, Todd, and Wadena.

Facilities Use and Permit Procedure:

Prior to using Sourcewell facilities, an applicant must apply for a facilities use permit (“permit”) at least seven (7) days prior to expected use. The application for permit must be signed by an authorized representative of the organization applying for the use and must list the person responsible during the use. If the application is approved, Sourcewell will issue a permit to the applicant.

Each application for a permit for use of Sourcewell facilities shall state the general nature and purpose of the use. A permit will be issued only for the dates, hours, area, and equipment specified.

Sourcewell reserves the rights to:

- Require a payment deposit or rental and user fees in advance before the application for permit is processed.
- Not grant a permit for any use that may conflict with the mission, vision, or values of Sourcewell or adequate supervision is not provided.
- Cancel a permit upon notice of permit holder transferring permit to another organization or individual.
- Cancel a permit effective immediately, if, in its judgment, continuation would be potentially harmful, dangerous, or the program or participants’ actions are not consistent with the mission, vision, and values of Sourcewell.

Administrative Responsibility

The designated Sourcewell scheduler (“scheduler”), is authorized to approve and arrange for scheduling the use of Sourcewell facilities by applicants, satisfying the terms of this policy. Sourcewell Administration reserves the right to revoke any permit, without liability, should the applicant or permit holder violate any term or condition of this Facilities Use Policy.

The scheduler shall ensure that all required permit information is complete prior to the use of the facilities.

The scheduler shall maintain a master calendar of activities occurring at Sourcewell on a yearly, quarterly, weekly, and daily basis.

The Building & Grounds Superintendent or designee is responsible for being present and monitoring all activities held in the building outside of normal business hours. Sourcewell Administration will work with the Building & Grounds Superintendent when a conflict or concern occurs.

Permit Holders’ Responsibility

A signed application for a permit for Sourcewell facilities use constitutes acceptance by the applicant of the responsibilities stated and the willingness to comply with all terms and conditions of this Facilities Use Policy regarding the use of Sourcewell facilities.

The permit holder agrees to protect, indemnify and hold harmless Sourcewell and its employees from any and all claims, liabilities, damages or rights of action, directly or indirectly, growing out of the use of the premises covered by the permit.

The permit holder will reimburse Sourcewell for all damage to its facilities or equipment occurring during the scheduled activity by the Permit Holder, persons participating or in attendance.

The Permit Holder, while using Sourcewell facilities, shall have a copy of the approved permit on site, and must have authorized supervision on duty, approved by Sourcewell.

If an approved permit cannot be verified, the Building & Grounds Superintendent, or designee, may request the Permit Holder to leave the facilities.

Priority for Use of Facilities

1. Sourcewell-sponsored activities have scheduling priority.
2. Events sponsored by Region 5 Sourcewell Members have second priority.
3. Third priority will be nonmember school districts, cities, and counties.
4. Fourth priority will be youth, civic, service, charitable, and educational organizations.
5. Fifth priority will be for-profit businesses that serve a regional, state, or national clientele.

Occasionally, a nonmember-scheduled activity may conflict with a planned or rescheduled Sourcewell activity or program. If a conflict occurs, the Sourcewell activity or program has priority.

Prohibited Activities at Facilities

The following types of activities are prohibited by permit holders:

- Promulgating any theory or doctrine subversive to the laws of the United States or any political subdivision thereof advocating governmental change by violence.
- Any activity that may violate the mission, vision, or values of Sourcewell or be injurious to the buildings, grounds, or equipment.
- Any purpose in conflict with Sourcewell activities.
- Fundraising campaigns.
- Activities violating Sourcewell policies.
- The selling or displaying for sale of any items or services by commercial organizations for profit-making purposes.

Scheduling

Facilities Use Permits will be completed by the scheduler. A signed copy will be given to the requestor and the Building & Grounds Superintendent. Permits must be requested at least 7 days in advance of use.

The Building & Grounds Superintendent will prepare the room(s) requested according to the specifications on the Permit.

Class and Rental Schedule (attached hereto as Appendix I)

The class and rental schedule is determined by Sourcewell Administration and approved by the Sourcewell Board of Directors on a regular basis. Additional modifications may be made with Board approval.

The classes, in priority order, are as follows:

CLASS A –Custodial fee (if meeting held outside of normal business hours), Letter of Guarantee for Payment
Region 5 Sourcewell Members

CLASS B – Custodial fee and Refundable deposit fee*
Nonmember school districts, cities and counties; also
Youth, civic, service, charitable, and educational organizations

CLASS C – Custodial fee and rental charge
Commercial or for-profit organization

*Deposit fee shall be refunded after event is complete and no damages have occurred.

Liability Insurance

During the permit period, the Permit Holder shall maintain Commercial General Liability insurance, including contractual liability, in conformance with the Tort Claims limits set forth in Minnesota Statutes Chapter 466, with limits not less than \$500,000 per person and \$1,500,000 per occurrence for bodily injury and property damage, workers' compensation insurance, including statutory limits, and such other insurance coverage as agreed to by both parties.

The Permit Holder shall furnish to Sourcewell, upon request, a Certificate of Insurance as evidence the insurance required by this Facilities Use Policy is in full force and effect. For Commercial General Liability, the subject certificate shall state Sourcewell as an additional insured with respect to the event that is the subject of this Facilities Use Policy.

Facilities, Personnel, and Equipment Use Fees

Regularly, Sourcewell Administration will recommend and receive Board approval for the Sourcewell facilities and equipment use fees.

Any facilities user may be assessed a custodial service fee if the use of the facilities requires significant cleanup.

Facilities users must supply and assume the cost of any special supervision required, such as security or parking supervision, as determined by the Building & Grounds Superintendent.

Fees are due within 30 days of billing. A late charge may be assessed if a bill is overdue.

Rules for Sourcewell Facilities and Equipment Use

The following rules must be observed in the use of Sourcewell facilities, and the groups, organizations and individuals will be held responsible for compliance.

The use of Sourcewell-owned equipment for private purposes either on or off Sourcewell property is prohibited. No exceptions are to be made except by express approval granted by the Executive Director/CEO.

Sourcewell is not responsible for lost or stolen items.

Possession and use of illegal drugs, tobacco, and alcoholic beverages are not permitted on Sourcewell property at any time.

Firearms are prohibited on Sourcewell property, unless: (1) in the possession of a licensed peace officer; or (2) in the possession of a person to whom a valid permit to carry has been issued by a lawful issuing authority and only in areas of Sourcewell property designated as public.

Fire and safety regulations of the state, district, county, and city must be observed at all times.

All legal ordinances pertaining to public assemblies must be adhered to and will be enforced.

Sourcewell facilities must be vacated by the time indicated on the usage permit or additional charges may be assessed.

The Building & Grounds Superintendent or designee is authorized to act in any case not covered by the rules and regulations or to make exception to the rules and regulations as deemed necessary.

Equipment of a specialized nature will be made available only with authorized personnel to supervise its operations.

Sourcewell shall not assume liability or responsibility for any equipment owned or leased by any permit holder, which is used or stored on Sourcewell property.

All accidents occurring while using Sourcewell facilities must be reported to the Building & Grounds Superintendent or designee on duty.

Any loss, breakage, or need of repair of facilities or equipment must be reported to the Building & Grounds Superintendent or designee on duty. In the event of damage to Sourcewell property, the Permit Holder shall pay all appropriate repair costs as determined by Sourcewell.

Vehicle parking must use the dedicated parking lots of Sourcewell and all posted parking regulations must be followed.

Cancellation of Facilities Use Permits

The permit holder shall notify the scheduler of any cancellation of previously scheduled facilities at least 24 hours prior to the scheduled use.

Reasons that Sourcewell may cancel a facilities permit include, but are not limited to:

- Misuse of equipment of facilities.
- Inappropriate or unacceptable group conduct that violates the mission, vision, or values of Sourcewell, as determined by the Building & Grounds Superintendent or designee on duty.
- Emergency situations, including weather condition or building site limitations (e.g., water, heat, electrical). The decision to close Sourcewell will be made by the Executive Director/CEO, Building & Grounds Superintendent or designee.
- Failure to comply with this Facilities Use policy.

In the event of the cancellation of a permit, there shall be no claim or right to damages or compensation on account of any loss, damage, or expenses whatsoever.

Outside Employment

Rationale:

Sourcewell was established by the State of Minnesota as a governmental entity public agency and public corporation intended to offer member school districts and other governmental agencies a variety of services on a user fee basis, or in response to a performance contract.

Policy:

For Sourcewell to maximize the effectiveness of its present and future services to members, employees may not participate in activities for personal pay that are inconsistent with the interests of Sourcewell.

Employees may work outside the areas of their professional expertise during non-contract hours at their option.

Employees may, with prior written approval of the Executive Director, work in the areas of their professional expertise during non-contract hours if such employment is consistent with the best interests of Sourcewell. Sourcewell's liability insurance would not cover such employment. In evaluating whether or not particular employment may be in conflict with Sourcewell interest, the Executive Director will consider the past, present, and future scope of Sourcewell activities.

It is intended that the Executive Director will not approve:

1. Work as an independent contractor for a member within the present or possible future scope of the Sourcewell's activities.
2. Work as an independent contractor for an institution, firm, agency, or other governmental unit in an area where such institution, firm, agency, or other governmental unit might have contracted for Sourcewell's services.
3. Work as a salesman, representative, or agent for any commercial firm or nonprofit organization with a present or contemplated customer or client relationship with Sourcewell or any of its members.

The Executive Director may approve:

1. Work requested by a member government agency. In such cases the government agency will contract with Sourcewell and the employee will be paid by Sourcewell.
2. Work requested by an institution, firm, agency, or other governmental unit. In such cases, the entity will contract with Sourcewell and the employee will be paid by Sourcewell.
3. Work not presently within the scope of Sourcewell but requested by an institution, firm, agency, other governmental unit, or private party; this work would not be paid by Sourcewell.

Procurement Card

Purpose:

The purpose of this policy is to communicate eligibility, usage, and payment of expenditure requirements of the corporate credit card (Procurement card aka P-card).

Policy:

1. Sourcwell may provide to its employees, at its own discretion, a P-card for job-related expenses incurred by said employees.
2. Employees shall use their P-card to charge eligible business-related expenses.
3. Personal purchases of any type are strictly prohibited.
4. The P-card may NOT be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers.
5. The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the credit card statement.
6. Misuses of the P-card may result in suspension and/or withdrawal of P-card privileges.
7. Unauthorized use of the P-card may result in a deduction from the next available employee expense reimbursement.
8. Lost or stolen cards must be reported immediately to the Finance Department.
9. Cardholders are required to sign the "Sourcwell Agreement to Accept the U.S. Bank One Card" indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their P-card privileges and/or disciplinary action.

Procedures:

1. A request for a P-card must include written approval from the Department Manager or Director and be made to the Finance Department.
2. The employee must submit detailed receipts for all transactions. If a receipt has been lost, the Affidavit of Lost Receipt must be submitted in lieu of receipt.
 - a) Utilization of the Affidavit of Lost Receipt for three or more times per fiscal year will result in a ninety-day (90) suspension of P-card on the third use. If lost receipts continue after the P-card is reinstated, permanent loss of P-card may occur.
3. Any personal expenses mistakenly incurred in conjunction with business-related expenses must be fully reimbursed by the employee, including any unpaid sales tax, in advance of assigning the business-related expense portion to the Sourcwell credit card. On an annual basis the following penalties will apply:
 - a. 1st mistake, verbal warning
 - b. 2nd mistake, written warning
 - c. 3rd mistake, written warning, and suspension of card for up to ninety (90) days
4. That Sourcwell may, at its own discretion, withdraw the employee's assigned P-card at any time and the employee agrees to surrender the P-card immediately upon request.

Registrations and Refunds

Registrations:

Registrations for courses offered through Sourcewell must be paid in full one week prior to the first class date. This will ensure the participant's spot in class. This includes registration fees and fees for course credits offered through the educational institution. Receipts may be obtained at the course site. The instructors will fulfill any receipt requests on the first class date.

Refunds:

Refunds will be issued up to two weeks prior to the first class date. No exceptions can be made. Our reason for taking this position is that facility deposits, contracts, and commitments have been made by Sourcewell within this timeframe.

Removal of Existing Board Policies

Purpose:

To establish a system for removal of existing policies deemed outdated, no longer necessary, or ineffective for the administration of Sourcewell activities.

Policy:

When deemed necessary, the Sourcewell Board of Directors may remove policies from existing policies currently in effect.

The following process will be employed when removing existing policy:

1. Any policy being recommended for removal will be placed on the Agenda of a regularly scheduled board meeting and the policy will be included as an enclosure.
2. At the scheduled board meeting, the Executive Director/CEO will provide rationale to the board for removal of the recommended policy. The board will be asked to review the current policy recommended for removal but will not take action until the next board meeting.
3. At the next scheduled board meeting, the Executive Director/CEO will ask for board action to remove the policy.
4. By a simple majority vote of the board, the recommended policy will be removed.

Travel Policy and Procedures

Purpose:

To establish a system for travel that ensures the maximum use of financial resources to the greatest extent possible and provides all travelers with procedures for travel in connection with their officially assigned duties.

Policy:

Sourcewell employees, Board members, and non-employees are periodically required to travel on authorized business on behalf of Sourcewell. The intent of this policy is to help facilitate that travel. This policy is outlined in general terms and is not intended to cover every possible situation or scenario that may arise. In all matters, travelers are representing Sourcewell and should act in an ethical, practical, and fiscally responsible manner.

Travel Authorization

- Immediate Supervisors shall preapprove all travel-related expenses of Sourcewell employees. For non-employee travel, additional preapproval of the Director is required.

- Out-of-state travel arrangements:
 - Requests and approvals are made via the Aurora Travel Ticketing system.
 - Travel and Logistics Specialists (TLS) make reservations for flight, hotel, and car rental based on the request and within travel parameters as established.
 - TLS may also complete registration of event when requested.
 - Individual travelers may have registration links embedded in an invitation that connects them directly to their membership ID and in these instances, the individual should do their own registration.

- In-state travel arrangements:
 - Requests and approvals must be made in writing; this may be accomplished via e-mail.
 - The individual traveling or department Administrative Specialist will handle travel arrangements based on request and within travel parameters as established.

- Non-employee travel: At times, Sourcewell may pay the travel expense for non-employees, such as guest speakers at a conference on behalf of Sourcewell. All non-employee travel must adhere to established Sourcewell policies and procedures.
 - All non-employees needing to be reimbursed should do so using the paper Expense Reimbursement form.

- Travel requests being paid for by an outside organization and in compliance with ethics requirements.
 - Immediate supervisor, Director and Executive Director/CEO all must be made aware of intent and approve prior to initiating a request for travel, in consultation with the General Counsel.
 - If an employee is reimbursed by Sourcewell for this travel and is also reimbursed by an outside organization, the employee must endorse the outside organization's reimbursement check over to Sourcewell.

Insurance and Risk Management

- Travel Insurance: Travel insurance coverage purchased by employees is not a reimbursable expense.
- Rental Vehicle Insurance: Sourcewell provides automatic liability coverage for bodily injury, property damage, and physical damage to a rental car for domestic travel. **The Collision Damage Waiver (CDW) and personal liability insurance offered through the rental company should be declined.**
 - A current automobile insurance identification card serves as proof of insurance. A copy of the card will be provided for all trip itineraries that include a rental car.
 - When traveling internationally, purchasing additional rental car insurance is recommended and is a reimbursable expense.
 - If a Sourcewell employee is involved in a rental vehicle accident, they should immediately contact the Sourcewell Manager of Insurance and Risk Management (or designee).
 - If a rental car is used for both business and pleasure, any additional costs incurred outside of business travel days for pleasure driving will be at the employee's expense.
- Personal Automobile Insurance: Employees who use their own automobiles or other individually owned vehicles to conduct Sourcewell business are responsible for the automobile liability and physical damage associated with the operation of that automobile. Sourcewell's insurance coverage provides secondary coverage. The employee's personal insurance is primary in the event of an accident. It is the responsibility of the employee to inform their personal insurance carrier that they do use their personal vehicle to conduct Sourcewell business.

Air Travel

- Air Reservations: Sourcewell's Travel and Logistics Specialists (TLS) will book all business-related, out-of-state travel and will follow these procedures:
 - TLS will evaluate and compare all available airlines to receive best value.
 - TLS will evaluate and compare departures to receive best value.
 - Economy/Coach class airfare that meets the business needs of the travel.
 - Fees associated with economy class upgrades (e.g., economy plus, exit row, etc.) are allowed when they meet the following:
 - Written request made through the Aurora ticketing system with approval of the immediate supervisor.
 - Employee acknowledges "intent is to be working the majority of the flight."
 - Flight must be one hour and 30 minutes or greater.
 - OR**
 - Less than one hour layover for a connecting flight.
 - AT NO TIME will TLS personnel book travel for a spouse, dependents, or guests of a Sourcewell employee.
- Lowest Fare: Every attempt will be made to purchase tickets a minimum of 30 days prior to departure to receive best value whenever practical.
- Airline Upgrades:
 - Upgrades to first class at the expense of Sourcewell are not permitted.
 - Upgrades using rewards/miles/credits are not permitted as these would be considered a personal benefit and are not allowed.

- Upgrades are allowed at the employee's personal expense. However, use of the company issued P-card is not allowed for this expense outside of our Travel and Logistics Specialists.¹
 - Free service upgrades for all domestic air travel are permissible with the lowest available rates.
 - Employees shall not use their positions to seek or accept an unwarranted privilege of substantial value that is not regularly available to similarly situated individuals.
- Cancellations and Unused Airline Tickets: The traveler is responsible for notifying a TLS when cancellations occur. TLS will follow these procedures:
 - Apply unused tickets to next available business trip.
 - Airline-imposed penalties for changes for business reasons are allowed with immediate supervisor approval.
- Changes to Travel Itinerary: The traveler shall request a change via the Aurora travel ticketing system. The immediate supervisor must approve the change.
 - If request occurs within 10 days or less of departure date, the department Director must also approve the change.
 - If request is due to extension of travel for personal reasons, all additional flight expenses related to the change will be at the expense of the individual making the request. This includes airline change fees.
 - Any other reservation changes and/or expenses related to the travel change (e.g., hotel, rental car, etc.) shall be made by the individual and are at the expense of the individual making the request.
- Baggage Fees: Baggage fees that are appropriate for the purpose and length of the trip are allowed. Fees for baggage that is personal in nature (e.g., golf clubs) are not allowed.
 - *Excess Baggage*: Employees will be reimbursed for excess baggage charges only when the employee is required to have on hand equipment, books, reports, etc., which cause him/her to exceed the normal weight limitations.
- Lost or Stolen Baggage/Damaged personal property: Personal items lost, stolen, or damaged while traveling on authorized business are not a reimbursable expense. This includes, but is not limited to, shoes, clothing, accessories (purse, wallet, jewelry, etc.), cameras, etc. Employee shall file a personal insurance claim if any of these circumstances arise.
- Sky Club Membership: The intent of the Sky Club Membership is to provide a suitable work area for employees during layovers, and to accommodate business meetings that may occur during flight layovers.
 - In order to be eligible for consideration of Sky Club Membership, the Sourcewell employee must have achieved a minimum of "Silver Status" with Delta for the given year.
 - Signatory approval of Sky Club Membership must be obtained from employee's Supervisor/Manager, appropriate Director, and Executive Director. Once fully approved, Sky Club Membership will be purchased for employee by TLS to ensure Sourcewell maintains an accurate count of Sky Club Memberships purchased.
 - The Sky Club Membership will need to be reviewed and approved for renewal by the Department Manager on an annual basis. Renewal will be purchased for the employee by TLS.
- Airline Frequent Flyer Mileage: Minn. Stat. 15.435 requires that all frequent flyer miles earned by employees while on work-related travel be credited to Sourcewell. Sourcewell employees and other officials using Sourcewell funds traveling on Sourcewell business and using commercial airlines that award frequent flyer miles cannot claim these frequent flyer miles as their own. Any benefits received belong to Sourcewell.

¹ Reference Procurement Card Policy

Lodging

- Hotel Reservations: When possible the lowest rate available should be secured at a reasonably priced licensed lodging facility. They will be reserved for **business travel only**. Additional hotel nights due to personal travel, before or after the business event, must be arranged for and paid for by the employee separately from business use.
 - Staying at the private residence of a relative or friend is not a reimbursable expense.
- Hotel Class and Rooms: The class of hotel should be reasonable and appropriate for the business purpose and location. Travelers should stay in standard or equivalent rooms.
 - Room upgrades using rewards/miles/credits would be considered personal benefit and are not allowed.

Ground Transportation

- Rental Vehicle: Rental vehicles shall be reserved and rented by a Travel and Logistics Specialist (TLS). They will be reserved for **business travel only**. Additional use for personal travel must be arranged for and paid for by the employee separately from business use.
 - When to Use: Rental cars should be used when they are less expensive than alternative means of transportation (e.g., taxi, airport limos, airport shuttles, buses) or when location, convenience, or safety issues justify the additional cost.
 - Car Class and Features: Rental of up to a mid-sized car is appropriate. Larger vehicles may be rented if:
 - There are three or more individuals traveling together.
 - Traveler is transporting sizeable equipment and/or excess baggage due to business needs.
 - A larger size vehicle is provided at no extra charge above compact or mid-size rate.
 - The cost of a GPS device or bluetooth option may be allowed if deemed necessary for safety reasons.
 - The cost of other upgrades or accessories, such as a satellite radio, is not allowed.
 - The cost of business-related fuel is allowed.
 - All business-related tolls and parking charges are allowed.
 - Tickets or fines associated with parking or travel violations, and charges for vehicle lockouts will not be reimbursed.
- Personal Automobile: Use of personal automobiles for business travel is reimbursable.
 - Mileage Reimbursement: The Sourcewell Board of Directors establishes the mileage reimbursement schedule at its annual Organizational Meeting.
 - Parking and Tolls: Reasonable parking charges and tolls associated with business travel will be reimbursed.
 - **Use of personal automobiles for normal commuting will not be reimbursed.**
 - Reimbursement for personal vehicle use in lieu of airfare may be allowed if the following conditions are met:
 - The immediate supervisor must approve the use of personal automobiles vs. airline in writing.
 - Traveler will complete a Travel Request through the Aurora ticketing system for business travel dates.
 - A Travel and Logistics Specialist will research airfare as they normally do for a trip and provide documentation to traveler.
 - Reimbursement allowed shall not exceed the lowest round trip coach airfare as researched by a Travel and Logistics Specialist 30 days prior to travel.
 - A copy of airfare costs provided above must be attached to Expense Reimbursement form as documentation.
 - Expenses that occur while driving that would not have occurred while flying (e.g., tolls, parking, lodging, meals, etc.) shall be evaluated on a case-by-case basis and must be Supervisor approved.

Meals and Entertainment

- Individual Meals: Individual meals while traveling are paid through Per Diem Method. The Sourcewell Board of Directors establishes the meal reimbursement schedule at its annual Organizational Meeting.
- Group Vendor/Member Business Meals:² Group Vendor/Member business meals are purchased using a P-card. These expenses must be preapproved by your immediate supervisor prior to commencing travel. All group vendor/member business meal expenses must include:
 - Original receipt
 - Supportive documentation (flyer or invitation)
 - List of attendees with titles and affiliations
 - Number of attendees
 - Business purpose
- Alcoholic Beverages: Alcoholic beverages are personal expenses and are not reimbursable. The traveler must clearly identify and segregate alcohol and related tax and tip from the bill and must pay for these with personal check, cash, or credit card.

Miscellaneous Travel Expenses

- Laundry and Dry Cleaning: Employees in travel status in excess of one week without returning home shall be allowed actual costs for laundry and/or dry cleaning for each week after the first week.
- Tipping: Employees may tip as follows:
 - Meals - 15% gratuity as allowed by IRS
 - Tips in excess of defined gratuity are not allowed, EXCEPT in situations where an establishment automatically charges more, i.e. 18% for groups of eight or more and written notice is given on the establishment's menu.
 - Concierge / Bell Hop – up to \$5 per occurrence; combined maximum of \$10 per day.
 - Taxi – 15% maximum.
 - Uber / Lyft do not use % method; choose fixed amount that is equal to or less than 15%.
 - Freight Delivery at conferences – reasonable fee (must detail on expense reimbursement form and have Supervisor initial line item to approve).

Other Travel Considerations

- Combined Personal and Business Travel: If personal travel is combined with business travel, only the business portion of the trip is reimbursable.
 - Employee must indicate on their Travel Request form that the trip includes personal travel and indicate which end of the trip is personal and how many days. The Travel Request will require supervisor approval.
 - Travel and Logistics will compare business-trip-only airfare departure and return dates with requested combined personal airfare departure or return dates. Employee will be responsible for any airfare costs associated with a combined trip that is more than a business-trip-only expense.
 - Travel and Logistics Specialists will only book the business portion of hotel and rental car. The individual traveler must make all other arrangements using their personal credit card or other means and is responsible for all costs associated with the personal portion of their trip.

² Reference Procurement Card Policy

- Spouse / Companion Travel: Travel expenses will not be reimbursed if incurred by a spouse or other individual accompanying an employee on business. A spouse or other individual may accompany a Sourcewell employee on a business trip at the employee's expense.
 - Any additional costs due to occupancy in a hotel (e.g., single vs. double occupancy) must be segregated and paid for by the individual with personal check, cash, or credit card.

Expense Reporting

PREFERRED USE OF company issue P-card for all business travel related expenses.

- Employees, board members, non-employees, or other authorized individuals within applicable policies will be reimbursed for all reasonable and necessary expenses while traveling on authorized business. Request for reimbursement of travel expenses shall be submitted electronically or on the Expense Reimbursement Form.
- Original itemized receipts are required for all expenses, except individual meal per diems, which are reimbursed through payroll. All forms of canceled checks and copies of P-card bills do not substitute for original receipts. An employee may be allowed to file an *affidavit of lost receipt* in lieu of a receipt if the original receipt is lost or a receipt is not obtained.
- Travel expense reimbursement claims shall be paid on a weekly basis providing the proper documentation has been submitted and approved prior to the weekly check run.

Vehicle Use Policy

Purpose:

The purpose of this policy is to establish guidelines and procedures to be followed to protect the safety of the individuals operating any Sourcewell-owned motor vehicle.

Rules and Regulations:

1. Sourcewell-owned vehicles are to be used for business purposes only and employees must read and sign a Vehicle Use Agreement prior to being approved to drive a vehicle.
2. Driving a Sourcewell-owned vehicle is a “privilege” and not a “right” automatically granted by acceptance of employment or continued employment. Vehicles are assigned upon reservation and to be used only by the assigned driver. Use by anyone other than the assigned driver must be preapproved by management.
3. All Sourcewell Rules and applicable State, Federal, and Local laws governing the use of vehicles on public or private property must be followed by the *drivers and passengers* while in a Sourcewell-owned vehicle.
4. The person assigned responsibility of the Sourcewell-owned vehicle is responsible for the behavior and conduct of all persons carried by the vehicle.
5. The approved driver shall avoid distractions while driving.
6. Possession and/or use of any controlled substance(s), drugs, and/or any form of alcohol by any person within a Sourcewell-owned vehicle or within the vicinity of a Sourcewell-owned vehicle is strictly prohibited. This includes, but is not limited to, when the vehicle is in motion, parked, or being repaired. This also includes on and off work hours, weekends, holidays or other non-work period of time.

Persons assigned a Sourcewell-owned vehicle shall not allow alcoholic beverage containers, empty or full, to be transported or to accumulate in any Sourcewell-owned vehicle for any reason, at any time, including reasons of “recycling.”

7. Any unlawful activity is forbidden while within or in the vicinity of a Sourcewell-owned vehicle, whether or not the Sourcewell-owned vehicle is parked or in motion. This activity includes, but is not limited to, firearms, weapons of any description, any contraband, controlled substance paraphernalia, stolen property, or property that may be stolen. In addition, any items, conduct, or activity that is related in any way to gang activity, or other organized crime, and any other activity that may be deemed unlawful is prohibited while in the proximity, control, or vicinity of a Sourcewell-owned vehicle.
8. Passengers carried in Sourcewell-owned vehicles must be on legitimate Sourcewell business. Passengers are not allowed to ride in the back of pickup trucks for any reason, or for any distance. All passengers must ride in the cab of Sourcewell-owned vehicles and be secured with a seatbelt.

No person is allowed to ride on any Sourcewell or personal vehicle tailgate, fender, side wall, bumper, running board, step, hood, or any other part of the vehicle other than inside the cab. This includes any off-work hour, weekend, holiday, or other period of time.

9. Seatbelts are provided in Sourcewell-owned vehicles and shall be worn by all occupants while the vehicle is in forward or reverse motion, regardless of speed or distance to be traveled. Employees assigned a Sourcewell-owned vehicle have the responsibility for ensuring seatbelt compliance of passengers while being transported in the vehicle. *Passengers violating this rule may cause the person responsible for the vehicle to lose driving privileges.* Passengers may be subject to disciplinary action as determined by management.

10. Transportation of any hitchhiker or non-authorized passenger is strictly prohibited in any Sourcewell owned vehicle at any time, location, or hour.
11. Sourcewell will not pay for any motor vehicle moving or stationary violations. Such violations are the responsibility of the person assigned to the Sourcewell-owned vehicle.

Any person receiving a vehicle code moving violation notice while in control of any Sourcewell-owned vehicle at any time, including off/on work hours, weekends, holidays, or other periods of time, is required to notify the Administration department in writing by email, facsimile, or other written means within 24 hours (twenty-four hours) of receipt of such notice; whether or not the violation has been placed before any traffic court for final determination of fault.

Failure to properly notify the Administration department within 24 hours (twenty-four hours) may be cause for immediate forfeiture of Sourcewell-owned vehicle driving privileges, and/or termination of employment.

In the event of holidays or weekends, the person receiving a moving violation must report the violation to the Administration department at the beginning of regular business hours on the next regular business day. If the report of violation is not received by the Administration department by the end of the day following resumption of regular business hours, the employee will be considered in violation of this policy and will be subject to disciplinary action in accordance with applicable law and Sourcewell personnel policies.

12. Mechanical defect violations (e.g. headlights, windshields, turn signals, etc.) will be paid by Sourcewell; however, the person assigned responsibility for the Sourcewell-owned vehicle is obligated by the policy to keep the vehicle in "sound" operating condition and to notify the Sourcewell of needed repair.
13. Smoking is not permitted in the vehicle.
14. Keys shall not be left in the vehicle while it is left unattended. Duplicate keys shall not be placed in a "hidden" location of the vehicle. Personal items left in the vehicle are the responsibility of the operator. Sourcewell cannot be held responsible and accountable for personal items left or stored in the vehicle.
15. It is strongly recommended that the windows be closed and the doors locked when operating Sourcewell-owned vehicles. (Exception: non-air-conditioned vehicles).

Driver's Licenses:

1. Operators of Sourcewell-owned vehicles must hold a current and valid driver's license issued within the United States for the type of vehicle the employee is operating, and with the proper endorsements as required by the Department of Public Safety. Employees willfully operating Sourcewell-owned vehicles without proper endorsements will be subject to disciplinary action, including but not limited to, loss or restriction of driving privileges, or termination of employment.
2. Supervisors who knowingly or willfully require any employee to operate a Sourcewell-owned vehicle of any description for which the employee does not have the proper license or proper endorsement(s) will be subject to severe disciplinary action, including termination of employment.
3. Employees assigned responsibilities for driving Sourcewell owned vehicles *must report* all status changes or restrictions to their driver's license immediately. Under no circumstance shall the employee fail to report to the Administration department within 24 hours (twenty-four hours), upon employee notification by the Department of Public Safety, or law enforcement agency of the employee's driver's license status change or restriction.

Such changes or restrictions include, but are not limited to, revocation, restriction, or suspension (either permanent or temporary) of a driver's license for:

- a. DUI

- b. Parole violation
 - c. Habitual Offender
 - d. Substance Abuse violation
 - e. Gang related activity
 - f. Domestic violence
 - g. Aggressive driving behavior
 - h. Careless and/or reckless driving
 - i. or any other reason as determined by the Department of Public Safety or other law enforcement agency. Failure to abide by this rule will subject the employee to disciplinary action, which may include but is not limited to, revocation or restriction of Sourcewell driving privileges, or termination of employment.
4. A current copy of the employee's driver's license(s) must be on file with the Sourcewell at all times. Employees' motor vehicle records will be checked at the discretion of the Sourcewell at any time for any reason.

Vehicle Operation:

- 1. Employees operating Sourcewell-owned vehicles are expected to observe the basic traffic laws as endorsed by the state in which they are driving.
- 2. Employees operating Sourcewell-owned vehicles are not allowed to exceed posted speed limits or the basic speed law.
- 3. Employees cited for, observed, or reported to be tailgating another vehicle on a public or private roadway in a Sourcewell-owned vehicle, regardless of on/off duty hours will be subject to disciplinary action after a complete investigation.
- 4. Employees engaged in any of the following activity while in control of a Sourcewell-owned vehicle, regardless of on/off work hours, whether on or off public or private property, are subject to disciplinary action in accordance with applicable law and Sourcewell personnel policies.
 - a. Exhibition of speed (including tire spinning)
 - b. Racing
 - c. Unsafe lane changes
 - d. Failure to signal
 - e. Careless driving
 - f. Unsafe acceleration
 - g. Aggressive driving
 - h. Threatening another motorist or pedestrian with physical, verbal, or other gestures that may be interpreted as threatening.
 - i. Driving too fast for conditions
 - j. Carrying unsecured or unsafe loads
 - k. Failure to stop when involved in an accident
 - l. Failure to immediately report an accident
 - m. Any driving violation that results in at least a misdemeanor
 - n. "At fault" accidents

Disciplinary Action:

- 1. Disciplinary action may include but is not limited in any way to the following:
 - a. Attend Driver's Safety School (Driver's Awareness Course) as provided through the National Safety Council or State-enforced program for first offender drivers. Proof of attendance is required and the employee will bear all expenses.
 - b. Requirement to explain to the Sourcewell officers, safety committee, insurance company, or any other representative why the offense was made and their intent to correct driving habits.

- c. Requirement to explain to others in a group (or Sourcewell safety meeting) why the employee had to attend Driver's Safety School and how they intend to operate a motor vehicle in the future.
- d. Required probation of Sourcewell-owned vehicles for not less than 90 days from the date of citation or more than 12 months.
- e. Revocation of Sourcewell-owned vehicle driving privileges for not less than 30 days up to permanent and complete revocation of driving privileges so long as the employee remain employed by the Sourcewell.
- f. Immediate termination of employment.

Vehicle Maintenance and Inspection:

- 1. Drivers are responsible for ensuring the daily maintenance and cleanliness of their vehicles. Sourcewell will designate one person/department to be in charge of scheduled maintenance. Sourcewell will pay maintenance expenses unless Sourcewell has reason to believe the vehicle has been purposely neglected or misused. Your vehicle should be inspected each day before and after use, since you are solely responsible for its condition.
- 2. Employees are not to operate vehicles they consider are mechanically unsafe to drive until certified to be safe by an approved mechanic employed or authorized by the Sourcewell. Any condition which renders the operation of the vehicle unsafe to operate shall be reported immediately.
- 3. Accumulation of trash shall be removed from the vehicle each day. The dashboard, seats, and floor shall be free of any unsecured objects that are not a functional part of the vehicle (exceptions: briefcase, purses, etc.).
- 4. Mirrors (e.g., rearview) shall not have objects attached to or hanging from them, including the attachment of stickers.
- 5. Decals, photographs, labels, or stickers shall not be attached to any part of the vehicle unless they have been approved by management or applied by the manufacturer for safety or operational purposes.

Accident Reporting

- 1. Each vehicle will have an accident reporting kit, which includes important contact information, registration and insurance information.
- 2. If involved in an accident and you are not injured, obtain as much information as possible about the other driver(s). (Note: Be familiar with the accident reporting kit as it will aid you in obtaining information.)
- 3. Follow these guidelines if involved in an accident:
 - a. Cooperate with law enforcement agencies.
 - b. Do not admit guilt.
 - c. Obtain names and phone numbers of witnesses. Hand them a "witness card" and request that they complete it prior to leaving the scene. Include this information with your report.
 - d. Take photographs of the accident scene if possible.
 - e. You may give the following information to others:
 - i. Your name
 - ii. Your driver's license number
 - iii. Sourcewell contact information
 - iv. Sourcewell insurance, Sourcewell name and policy number
 - f. Contact Sourcewell immediately
 - g. Follow the statutory requirement for substance abuse testing. (Note: Failure to comply with the substance abuse testing will constitute admitting being under the influence for purposes of Sourcewell- owned vehicle use. If you are injured, the treating medical facility will comply with our substance abuse regulations).

Legal Policies

Gift Policy

Purpose:

The purpose of this policy is to avoid the appearance of impropriety or the appearance of a conflict of interest with respect to gifts given to Sourcewell employees.

Definitions:

Gift: For the purposes of this policy, gift means money, real or personal property, vendor or potential vendor or supplier-provided food, beverages, meals, or entertainment such as sporting events, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, that is given without something of equal or greater value being received in return.

Organization: For the purposes of this policy, organization means "Sourcewell"

Policy for Receiving Gifts:

The organization recognizes that Members, Vendors, and others may wish to show appreciation to organization employees. It is the policy of the organization, however, to discourage gift giving to employees.

1. It shall be a violation of this policy for any employee to solicit, accept, or receive either by direct or indirect means, a gift from a Member, Vendor, or other individual or organization of greater than nominal value (\$5.00 or less).
2. It shall be a violation of this policy for any employee to solicit, accept, or receive a gift from a person or entity doing business with or seeking to do business with the organization. Employees may accept items of insignificant value of a promotional or public relations nature (valued at \$5.00 or less).
3. The Education Solutions Department may accept from publishers free samples of textbooks and related teaching materials.
4. This policy applies only to gifts given to employees where the donor's relationship with the employee arises out of the employee's employment with the organization. It does not apply to gifts given to employees by personal friends, family members, other employees, or others unconnected to the employee's employment with the organization.

Procedures

Any employee considering the acceptance of a gift shall confer with the administration for guidance related to the interpretation and application of this policy.

If feasible, the gift is returned to the vendor. If not feasible to return the gift, the gift must be donated to a designated charity or the Student Recognition Banquet.

Plants or flowers will be displayed in the lobby or at another central location where all employees may enjoy their presence. Gifts of food that arrive during the holidays belong to the entire staff, even if addressed to a single employee. Under no circumstances may an employee take a food gift home; food gifts must be shared with and distributed to all staff, with email notice, during work hours, in central, worksite locations.

Exceptions:

Exempted from this policy are gifts such as T-shirts, pens, trade show bags and all other tchotchkes that employees obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, that are offered equally to all members of the public attending the event. This includes attendance at and food, beverages, and tchotchkes provided at events, exhibitor trade show floor locations, press events, and parties funded by conference or event sponsors.

Exempted are cards, thank you notes, certificates, or other written forms of thanks and recognition.

Employees are required to professionally inform vendors, potential vendors, and others of this no-gift policy, and the reasons the organization has adopted the policy. Employees will request that vendors respect our policy and not purchase and deliver any gift for our employees, a department, an office or the organization, at any time, for any reason.

Policy for Giving Gifts to Outside Companies:

Occasionally, offering gifts to third parties may be appropriate to strengthen relationships or comply with local customs. Accordingly, the organization permits such gifts, provided they comply with these guidelines. Specifically, organization employees may, on behalf of the organization, offer gifts to suppliers, customers, or other business associates for legitimate business purposes, such as building goodwill and strengthening working relationships (e.g., holiday or ceremonial presentations, service anniversaries, or retirement), provided the gift:

1. is valued under \$25.00 and is promotional in nature;
2. would not embarrass the organization or the recipient if disclosed publicly; and
3. does not exceed any specific limits established by local management.

The following gifts are never appropriate:

1. gifts of cash, or cash equivalent (such as gift cards or gift certificates);
2. gifts that are or give the appearance of bribes, payoffs, or kickbacks (e.g., gifts given in order to obtain or retain business, or to secure an improper advantage);
3. gifts that are prohibited by local law;
4. gifts the gift giver knows are prohibited by the recipient's organization;
5. gifts given in the form of services or other non-cash benefits (e.g., the promise of employment); and
6. gifts to family members of customers, suppliers, or other business associates.

Policy for Giving Gifts to another Employee

An employee may not give or solicit a gift to an official superior, accept a gift from a lower-paid employee, unless the two employees are personal friends who are not in a superior-subordinate relationship. In this context, the words "superior" and "subordinate" refer to people in the employee's chain of command.

Exceptions:

The first exception to the gift rule applies to gifts given on an occasional basis. This exception would allow gifts given, for example, on Christmas or a birthday, provided that they consist of:

1. Items other than cash which, considered together, are worth no more than \$25 for each occasion;
2. Personal hospitality provided at a residence; or
3. Food and refreshments shared in the office.

A second exception permits the giving and accepting of appropriate gifts recognizing special, infrequent events provided that the events are:

1. Occasions of personal significance, such as marriage, illness, anniversary, or the birth or adoption of a child; or
2. Occasions that terminate a subordinate-official superior relationship, such as retirement, resignation, or transfer.

A third exception to the gift rule permits voluntary contributions of nominal amounts and solicitation of **voluntary** contributions of nominal amounts for gifts to official superiors:

1. Recognizing special infrequent events as described above; and
2. For food and refreshments to be shared in the office.

Policy for Gifts from organization to Employees:

The organization is permitted to provide occasional gifts and/or awards to its employees, paid with organization funds. These gifts are to fall under the same guidelines as the above section Gifts between Employees.

Violations:

Employees who violate the provisions of this policy may be subject to discipline, which may include reprimand, suspension, and/or termination or discharge.

Legal References:

Minn. Stat. § 10A.07 (Conflicts of Interest)

Minn. Stat. § 10A.071 (Prohibition of Gifts)

Minn. Stat. § 15.43 (Acceptance of Advantage by State Employee; Penalty)

Minn. Stat. § 471.895 (Certain Gifts by Interested Persons Prohibited)

Cross References: MSBA Model Policy 209 (Code of Ethics)

MSBA Model Policy 210 (Conflict of Interest - School Board Members) MSBA Model Policy 306 (Administrator Code of Ethics)

I.R.S. Publication 463 (2012)

I.R.S. Publication 535 (2012)

I.R.S. Publication 15-B (2013)

HIPAA Hybrid Entity Policy

I. Introduction and Policy Statement

The Health Insurance Portability and Accountability Act (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH Act), is a federal law intended to strengthen the privacy and security of individuals' health information.

HIPAA applies to Covered Entities, which are limited to health plans, health plan clearinghouses, and health care providers that transmit health information electronically in certain types of transactions. It also applies to Business Associates, which are persons or entities that perform specific functions on behalf of a Covered Entity.

A legal entity that conducts both covered and non-covered functions may designate itself as a hybrid entity for HIPAA compliance purposes.

Sourcewell has designated itself as a hybrid entity. This policy addresses the organizational requirements for hybrid entities and documents Sourcewell's intent to comply with the HIPAA and the HITECH Act applicable to this designation.

II. Designation of Health Care Components

Pursuant to 45 CFR § 164.105(a)(2)(iii)(C), Sourcewell must designate any department as a health care component if:

- The department would meet the definition of "covered entity" or "business associate" if it were a separate legal entity; or
- The department performs covered functions.
 - A. Sourcewell Insurance and Risk Management Solutions
Sourcewell's Insurance and Risk Management Solutions department operates a group health plan for public agencies and provides employee benefit programs to public and nonprofit organizations. As such, the department meets the definition of "covered entity" and has been designated by Sourcewell as a health care component for HIPAA compliance purposes.
 - B. Human Resources
Sourcewell maintains employee health records through its Human Resources department. In its capacity as an employer. However, employee health records are expressly excluded from the definition of protected health information (PHI). Therefore, Sourcewell has not designated this department as a health care component.
 - C. Regional Solutions
Sourcewell's Regional Solutions department provides contracted services to county Human Service Agencies, including, but not limited to, mental health and chemical dependency transition support; adult and child foster care licensing; and daycare licensing. These services require department employees to access and use PHI, but the department does not provide covered services or meet the definition of covered entity or business associate. Therefore, Sourcewell has not designated Regional Solutions as a health care component.

III. Required Safeguards

- A. Health Care Components
It is Sourcewell's policy to ensure that it complies with the HIPAA requirements applicable to hybrid entities. Specifically:

1. Its health care components do not disclose PHI to other departments in a manner that would be prohibited under the HIPAA Privacy Rule¹ if the health care component and other department were separate legal entities;
 2. Its health care components protect electronic PHI from other Sourcewell departments as would be required under the HIPAA Security Rule² if the health care component and other department were separate legal entities; and
 3. If a Sourcewell employee performs duties for a health care component and non-health care component, the employee does not use or disclose PHI created or received in the course of (or incident to) his/her work for the health care component in a way that is prohibited under the HIPAA Privacy Rule.
- B. Related Requirements
Sourcewell also complies with HIPAA provisions regarding compliance and enforcement (45 CFR Part 160, Subpart C) and the implementation of compliance policies and procedures (45 CFR §§ 164.316(a) and 164.530(i)).
- C. Recordkeeping
In compliance with 45 CFR § 164.105(c), Sourcewell retains its health care component designations for at least six (6) years from the date of each was last in effect.

IV. Privacy and Security Officer

Sourcewell has appointed Ryan Donovan, Manager of Insurance and Risk Management, as the Privacy and Security Officer for its health care components. For any questions regarding Sourcewell's compliance with HIPAA and its implementing regulations, please contact the Privacy and Security Officer.

V. Consequences of Failing to Follow Hybrid Entity Policy

All Sourcewell departments must adopt procedures necessary to ensure compliance with HIPAA, its implementing regulations, and this policy.

Any individual who fails to comply with this policy may be subject to sanctions up to and including disciplinary action, suspension, dismissal, or legal action.

¹ 45 CFR Part 164, Subpart E.

² *Id.* at Subpart C.

Rebate Policy for Region 5 Members

Purpose:

The purpose of this policy is to provide an administrative fee rebate to Region 5 Sourcewell members based on administrative fees earned by Sourcewell from purchases made by Region 5 Members from Sourcewell-awarded vendors. Region 5 Members receiving a rebate are encouraged to use the proceeds to purchase Sourcewell services, or to make purchases from Sourcewell cooperative contracts, but may use the rebate for any lawful purpose.

Qualifying Members:

Administrative fee rebates are only available to Sourcewell members who are located within Region 5 and are either Voting Members or Service Members, as defined in Minnesota Statutes Section 123A.21, subdivision 3, and Sourcewell Bylaws effective April 11, 2018. Service Members who are nonprofit corporations must also have a primary business address located within Region 5.

Policy:

Sourcewell will track the purchases made by each of the Qualifying Members. Shortly after the close of the Sourcewell fiscal year, if sufficient funds are available and as determined by the Sourcewell Board of Directors, Sourcewell will rebate to each Qualifying Member a percentage of the administrative fees earned by Sourcewell based on the eligible purchases made by that specific Qualifying Member. Eligible purchases are defined as any purchase made through Sourcewell's cooperative contracts. Sourcewell will track purchases made by each of the Qualifying Members. Rebates will be dispersed to Qualifying Members in the form of a check after the conclusion of each Sourcewell fiscal year.

The rebate program may be discontinued or modified at any time and for any reason by the Sourcewell Board of Directors. The Sourcewell Board of Directors has no obligation to provide advanced notice of modification or cancellation to Qualifying Members participating in this program.

Calculation of Rebate Amount:

The rebate for each qualifying member will be calculated at 1% of each Qualifying Member's purchases made through Sourcewell cooperative contracts.

Administration and Procedure:

The Board of Directors authorizes its Executive Director to prepare and administer appropriate procedures designed to meet the purpose of this Board Policy.

Personnel Policies

Background Checks

Rationale:

The purpose of this policy is to maintain a safe and healthy environment in order to promote the well-being of Sourcewell's employees and stakeholders. Sourcewell will seek a criminal history background check for independent contractors, interns and finalist candidates who receive an offer of employment with Sourcewell, or such other background checks as indicated by this policy.

General Statement of Policy:

1. Sourcewell shall require that final candidates for positions who receive an offer of employment submit to a criminal history background check. The offer of employment shall be conditioned upon a determination by Sourcewell that a candidate's criminal history does not preclude the applicant from employment with Sourcewell.
2. Sourcewell specifically reserves any and all rights it may have to conduct background checks regarding current employees or candidates without the consent of such individuals. Sourcewell will seek consent of individuals where necessary or required.
3. Sourcewell maintains the right to require additional information, or to use procedures currently in place or other procedures to gain additional background information concerning employees, applicants and volunteers.

Procedures:

1. An individual will not commence employment until Sourcewell receives the results of the criminal history background check. Sourcewell may conditionally hire an individual, pending successfully passing the background check prior to start of employment.
2. An individual who is offered employment must sign a criminal history consent form which provides permission for Sourcewell to conduct a criminal history background check. If the individual fails to provide Sourcewell with a signed Informed Consent Form at the time the individual receives a job offer, the individual will be considered to have voluntarily withdrawn their application for employment.
3. When required, candidates must provide fingerprints to assist in a criminal history background check. If the fingerprints provided by the candidate are unusable, the candidate will be required to submit another set of prints.
4. Copies of this policy shall be available in the human resource office and will be distributed to applicants for employment upon request. The need to submit to a criminal history background check may be included with the basic criteria for employment in the job posting and job advertisements.
5. The applicant will be informed of the results of the criminal background check(s) to the extent required by law.

Legal References:

Minn. Stat. §13.04, Subd. 4 (inaccurate or incomplete data)

Minn. Stat. §123B.03 (Background checks)

Minn. Stat. §299C.60-299.C64 (Minnesota Child Protection Background Check Act)

Drug Prevention

Sourcewell's Board of Directors recognizes:

1. The employment related rights and concerns of employees and independent contractors who may have drug or alcohol problems as well as the rights of clients and the public at large to continue to receive quality services regardless of the employees and independent contractors health condition.
2. Its obligation, as an employer, is to provide a safe work environment for all employees, independent contractors, clients, and the public at large.
3. Employees and independent contractors shall avoid the use or abuse of illicit drugs and alcoholic beverages while in any Sourcewell building or other Sourcewell premises, any Sourcewell owned vehicle or any other Sourcewell-approved vehicle, or any Sourcewell member building. Employees and independent contractors shall exercise good judgment and restraint at Sourcewell sponsored events/programs where drinking to an excess or engaging in behavior would cause people to look down upon Sourcewell.
4. Employees and independent contractors shall display exemplary behavior regarding appropriate use of medications while in the Sourcewell building, Sourcewell member building or any Sourcewell or member sponsored program.
5. Each employee and consultant is responsible to identify indicators of use of alcohol or drugs by Sourcewell employees, independent contractors and to report such situations to the Manager of Human Resources, so the concerns can be addressed.
6. Priority will be placed on negotiation of contract language which provides appropriate leaves of absence and health benefits for Sourcewell employees and independent contractors who need alcoholism or drug abuse treatment or related services.

Equal Employment Opportunity Statement

This is to affirm the Sourcewell policy of providing Equal Opportunity to all employees and applicants for employment in accordance with all applicable Equal Employment Opportunity/Affirmative Action laws, directives, and regulations of Federal, State, and Local governing bodies or agencies thereof, specifically Minnesota Statutes 363.

Sourcewell is committed to equal employment opportunity in all of its employment practices. Management and supervisors recruit, employ, train, promote, discipline, and terminate employees solely on the basis of individual qualifications and merit and as is feasible under the standards and policies outlined in this guide and related policies. Decisions involving every aspect of the employment relationship are made without regard to an employee's race, color, creed, religion, sex, age, national origin, marital status, veteran status, sexual orientation, gender identity and expression, familial status, or any other status or characteristic protected under applicable state or federal law, unless it is a bona fide occupational requirement necessary to the normal operation of the business. Discrimination or harassment based on any of these factors is inconsistent with our philosophy and will not be tolerated at any time.

Sourcewell will not discriminate against or harass any employee or applicant for employment because of race, color, creed, religion, sex, age, national origin, marital status, veteran status, sexual orientation, gender identity and expression, familial status, or status with regard to public assistance or disability.

Sourcewell will take Affirmative Action to ensure that all employment practices are free of such discrimination. Such employment practices include, but are not limited to, the following: hiring, promotion, demotion, transfer, recruitment or recruitment advertising, selection, layoff, disciplinary action, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

Sourcewell will use its best efforts to afford minority and female business enterprises with the maximum practicable opportunity to participate in the performance of subcontracts for projects in which Sourcewell engages.

Sourcewell will commit the necessary time and resources, both financial and human, to achieve the goals of Equal Employment Opportunity and Affirmative Action.

Sourcewell fully supports incorporation of non-discrimination and Affirmative Action rules and regulations into contracts.

Sourcewell will evaluate the performance of its management and supervisory personnel on the basis of their involvement in achieving these Affirmative Action objectives herein as well as other established criteria. Any employee of Sourcewell, or subcontractor to this organization who does not comply with the Equal Employment Opportunity Policies and Procedures as set forth in this Statement and Plan will be subject to appropriate legal sanctions.

Sourcewell has appointed its Director of Administration to manage the Equal Employment Opportunity Program. The Director of Administration's responsibilities will include monitoring all Equal Employment Opportunity activities and reporting the effectiveness of the Affirmative Action Program, as required by Federal, State and Local agencies. The Executive Director/CEO of Sourcewell will receive and review reports on the progress of the program. If any employee or applicant for employment believes he/she has been discriminated against, please contact Sourcewell, Director of Administration, 202 12th Street NE, PO Box 219, Staples, MN 56479, 218-894-5464.

Harassment, Violence, and Workplace Bullying

Policy:

Everyone at Sourcewell has a right to feel respected and safe. It is the policy of Sourcewell to maintain a working environment that is free from harassment, workplace bullying, and violence of any kind. Sourcewell prohibits any form of harassment, workplace bullying, and violence. It shall be a violation of this policy for any employee of Sourcewell to harass, bully, or be violent toward any employee through conduct or communication of a sexual nature or regarding any protected status including religious, racial, race, sex, gender or sexual orientation.

Sexual Harassment

Sexual harassment is a form of sex discrimination, which violates Section 703 of the Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e, et seq., and Minn. Stat. 363.01-.14, the Minnesota Human Rights Act. Sexual violence is a physical act of aggression that includes a sexual act or sexual purpose.

Sexual Harassment/Sex Violence Defined:

- A) Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, sexually motivated physical conduct, or other verbal or physical conduct or communication of a sexual nature when:
 - 1. Submission to that conduct or communication is made a term or condition, either explicitly, of obtaining or retaining employment;
 - 2. Submission to or rejection of that conduct or communication by an individual is used as a favor in decisions affecting that individual's employment; or
 - 3. That conduct or communication has the purpose or effect of substantially or unreasonably interfering with an individual's employment, or creating an intimidating, hostile, or offensive employment environment.

- B) Sexual harassment may include but is not limited to:
 - 1. Oral or written harassment or abuse;
 - 2. Pressure for sexual activity;
 - 3. Inappropriate patting or pinching;
 - 4. Intentional brushing against an employee's body;
 - 5. Demanding sexual favors accompanied by implied or overt threats concerning an individual's employment status;
 - 6. Demanding sexual favors accompanied by implied or overt promises of preferential treatment with regard to an individual's employment status;
 - 7. Any sexually motivated unwelcome touching; or
 - 8. Sexual violence, which is a physical act of aggression that includes a sexual act or sexual purpose.

Discriminatory Harassment

Harassment may include, but is not limited to, the following when related to religion, race, sex, sexual orientation, or gender:

- 1. Name calling, jokes or rumors;
- 2. Pulling on clothing;
- 3. Graffiti;
- 4. Notes or cartoons;
- 5. Unwelcome touching of a person or clothing;
- 6. Offensive or graphic posters or book covers; or
- 7. Any words or actions that make you feel uncomfortable, embarrass you, hurt your feelings or make you feel bad.

Workplace Bullying

A bully may be a student or an adult. Workplace bullying is deliberate, disrespectful, repeated behavior targeted toward an individual.

Reporting Procedures:

Sourcewell will act to investigate all complaints, either formal or informal, verbal or written, of sexual harassment or discriminatory harassment and to take appropriate action toward any employee who harasses, bullies, or is violent to an employee of Sourcewell.

- A) Human Rights Officer. The Board of Directors hereby designates the Executive Director/CEO as Sourcewell's Human Rights Officer to receive reports or complaints of sexual harassment or sexual violence from any individual, employee, or victim of sexual harassment or sexual violence. If the complaint involves the Human Rights Officer, the complaint shall be filed directly with the Chairman of the Board of Directors.

Sourcewell shall conspicuously post the name of the Human Rights Officer, including a mailing address and telephone number.

- B) Any person who believes he or she has been the victim of sexual harassment by an employee of Sourcewell, or any third person with knowledge or belief of conduct which may constitute sexual harassment or sexual violence should report the alleged acts immediately to Sourcewell's Executive Director/CEO as designated by this policy. Sourcewell encourages the reporting party or complainant to use the report form available online.
- C) Submission of a complaint or report of sexual harassment or sexual violence will not affect the individual's future employment or work assignments.
- D) Use of formal reporting forms is not mandatory.

Sourcewell will respect the right to privacy of those involved to the extent possible as allowed by law, consistent with Sourcewell's legal obligations and the necessity to investigate allegations of harassment and violence and take appropriate action when the conduct has occurred.

Investigation and Recommendation:

By authority of the Sourcewell Board of Directors, the Human Rights Officer, upon receipt of a report or complaint alleging harassment or violence, shall immediately authorize an investigation. This investigation may be conducted by the Manager of Human Resources or by a third party designated by the Executive Director. If a third party is used, that party shall provide a written report of the status of the investigation within ten (10) working days to the Executive Director/CEO as Human Rights Officer, and if the Executive Director/CEO is the subject of the complaint, the report shall be submitted to the Chairman of the Board of Directors.

In determining whether alleged conduct constitutes sexual or discriminator harassment or violence, Sourcewell shall consider the surrounding circumstances, the nature of sexual advances, any protected status, the relationships between the parties involved, and the context in which the alleged incidents occurred. Whether a particular action or incident constitutes sexual or discriminatory harassment or sexual violence requires a determination based on all the facts and surrounding circumstances.

In addition, Sourcewell may take immediate steps, at its discretion, to protect the complainant and employees pending completion of an investigation of alleged workplace bullying, harassment, or violence.

The Human Rights Officer shall make a report to the Board of Directors upon completion of the investigation.

Action:

Upon receipt of a recommendation that the complaint is valid, Sourcewell will take action as appropriate based on the results of the investigation.

The result of the investigation of each complaint filed under these procedures will be reported in writing by Sourcewell to the complainant as allowed by law.

Reprisal:

Sourcewell will take appropriate action toward any individual who retaliates against any person who reports alleged workplace bullying, harassment, or violence or who retaliates against any person who testifies, assists, or participates in an investigation, proceeding, or hearing relating to a workplace bullying, harassment, or violence complaint. Retaliation includes, but is not limited to, any form of intimidation, reprisal, or harassment.

Right to Alternative Complaint Procedures:

These procedures do not deny the right of any individual to pursue other avenues of recourse, which may include filing charges with the Minnesota Department of Human Rights, initiating civil action, or seeking redress under state criminal statutes and/or federal law.

Sexual Harassment or Sexual Violence as Sexual Abuse:

Under certain circumstances, sexual harassment or sexual violence may constitute sexual abuse under Minn. Stat. 609.341, subd. 10 through 609.345; Minn. Stat. 609.321 through -.324; or Minn. Stat. 617.246. In such situations, Sourcewell shall comply with Minn. Stat. 626.556, Reporting of Maltreatment of Minors.

Nothing in this policy will prohibit Sourcewell from taking immediate action to protect victims of alleged sexual abuse.

Discipline:

Any Sourcewell action taken pursuant to this policy will be consistent with requirements of applicable collective bargaining agreements, Minnesota statutes, and Sourcewell policies. Sourcewell will take such disciplinary action it deems necessary and appropriate, including warning, suspension, or immediate discharge to end bullying, harassment, and sexual violence and prevent its recurrence.

Contact Information: Sourcewell's Executive Director/CEO
Phone: 218-894-5463
Cell: 320-808-1813

Usage of the Hay System

Purpose:

To establish a system for job evaluation that is compliant with the Local Government Pay Equity Act passed in 1984.

Policy:

Sourcewell shall use the Hay System for “comparable value.” Comparable value is the job evaluation rating or points assigned to a job. New job descriptions and revised job descriptions are evaluated using the process established through use of the Hay System. The comparable value or job evaluation rating does not include seniority or performance; rather, it is an evaluation of job content. Job content is measured by the skill, effort, responsibility, and working conditions required of the job.

Once a job description has been evaluated, job points are assigned. Job points are used to establish the Grade of the position and determine placement on the salary schedule.

Job descriptions shall be reviewed every three years. Interim, if a significant change in duties has occurred or new duties have been assigned, the position may be considered for job evaluation rating. The immediate supervisor and employee will confirm the proposed job description changes and will present for review to the Manager of Human Resources. The Manager of Human Resources will conduct the job evaluation and present recommendations to the Director of Administration. The Director of Administration will present and request review by the Senior Leadership Team for final determination. Once agreement is reached, the proposed job description will be recommended for approval to the Sourcewell Board.

To determine placement on the salary schedule following an employee’s movement to a higher Graded position through job description revision:

1. Use employee’s current step on current Grade.
2. Advance two steps on the salary schedule (if there are no steps available, will use the percentage of pay between steps to establish two steps).
3. Locate closest step on higher Grade on salary schedule, but no less than that in #2 above, to establish the placement on the salary schedule.

To determine placement on the salary schedule following an employee’s movement to a lower Graded position through job description revision:

1. Use employee’s current step on current Grade.
2. Retreat two steps on the salary schedule (if there are no steps available, use Step one of the salary schedule).
3. Locate closest step on lower Grade on salary schedule, but no less than that in #2 above, to establish the placement on the salary schedule

An employee who, through an internal selection process, is being recommended for hire into a new position (as opposed to a job revision) has the right to negotiate a step on the salary schedule they feel meets their expectations for the position as if they were a new hire. The immediate supervisor of the position and Human Resources will work together to determine appropriate placement on the salary schedule based on relevant experience.

Nepotism Policy

Purpose:

Sourcewell is committed to the highest standards of conduct and expects all employees to adhere to them. Employees must avoid conflicts of interest, situations that might be perceived as conflicts of interest or situations that might impair objective judgment or be perceived as biased. The purpose of the Nepotism policy is to prevent unfairness in the employment relationship between blood relatives, members of the same household, or related parties. A Sourcewell employee may not directly influence decisions related to the recruitment, hiring, or the terms and conditions of employment of a person who is a member of the employee's immediate family, with whom he or she shares a household, or with whom he or she has a personal relationship.

Definitions:

Immediate Family: Immediate Family includes mother, father, children, siblings, spouse, any step-relation, domestic partner, grandparents, uncles, aunts, cousins, and in-laws of the same relation as any of the foregoing.

Household: Household includes anyone with whom the employee shares a house, apartment, or other living arrangement.

Personal Relationship: Personal Relationship includes a romantic/intimate relationship or other relationship in which there is a strong bond between the individuals.

Policy:

Relationship by family or marriage constitutes neither an advantage nor a deterrent to employment by Sourcewell, provided that the individual meets the appropriate standards for the position to be filled and provided that the individual will not be in the chain of supervision of a spouse, family member, or person with whom the individual has a personal relationship.

Procedure:

Existing Sourcewell employees who become involved in one of the foregoing circumstances must disclose the potential or perceived conflict to Sourcewell. Every effort will be made to resolve the conflict without loss of employment to either employee; however, Sourcewell reserves the right to transfer one or both employees, to discharge one or both employees, or to demote one or both employees to resolve the conflict. Employees who fail to advise Sourcewell of the existence of a family, spousal, or personal relationship under one of these circumstances will be subject to discipline, up to and including discharge.

The employment of members of the same immediate family, of those who share a household, or of those with other types of personal relationships may create conflicts of interest or the perception of conflicts of interest. Sourcewell will use sound judgment in the placement of such employees in accordance with the following guidelines:

- Members of the same immediate family, same household, or those involved in a personal relationship (Related Parties) are permitted to work in the same Sourcewell department, provided that no direct reporting or supervisor-to-subordinate relationship exists. That is, no individual should have decision-making authority or significant influence over the hiring, work responsibilities, salary, hours, career progress, benefits, or other terms and conditions of employment of a Related Party.
- If an applicant is otherwise qualified and might be selected for an available position but is a Related Party to an existing Sourcewell employee in the same department, the selecting authority should consult with the Manager of Human Resources on the applicability of this policy and its motivating concerns before completing the hiring process.

Employment may be denied under the following circumstances:

1. Where one family member would have the authority or practical power to supervise, appoint, remove, or discipline another;

2. Where one family member would be responsible for auditing the work of another;
3. Where other circumstances exist which would place family members in a situation of actual or reasonably foreseeable conflict between the employer's interest and their own.

Applicants who are denied employment to a particular position for one of the foregoing reasons will be considered for other vacant positions for which they may be qualified. Failure to advise Sourcwell of the existence of one of these circumstances may result in a withdrawal of an offer of employment or actual discharge from employment.

Any exceptions to this policy must be approved by the Director of Administration and/or the Executive Director/CEO or his/her designee.

Outside Employment

Rationale:

Sourcewell was established by the State of Minnesota as a public agency intended to offer member school districts and other governmental agencies a variety of services on a user fee basis, or in response to a performance contract.

Policy:

For Sourcewell to maximize the effectiveness of its present and future services to members, employees may not participate in activities for personal pay that are inconsistent with the interests of Sourcewell.

Employees may work outside the areas of their professional expertise during non-contract hours at their option.

Employees may, with prior written approval of the Executive Director, work in the areas of their professional expertise during non-contract hours if such employment is consistent with the best interests of Sourcewell. Sourcewell's liability insurance would not cover such employment. In evaluating whether or not particular employment may be in conflict with Sourcewell interest, the Executive Director will consider the past, present, and future scope of Sourcewell activities.

It is intended that the Executive Director will not approve:

1. Work as an independent contractor for a member within the present or possible future scope of the Sourcewell's activities.
2. Work as an independent contractor for an institution, firm, agency, or other governmental unit in an area where such institution, firm, agency, or other governmental unit might have contracted for Sourcewell's services.
3. Work as a salesman, representative, or agent for any commercial firm or nonprofit organization with a present or contemplated customer or client relationship with Sourcewell or any of its members.

The Executive Director may approve:

1. Work requested by a member government agency. In such cases the government agency will contract with Sourcewell and the employee will be paid by Sourcewell.
2. Work requested by an institution, firm, agency, or other governmental unit. In such cases, the entity will contract with Sourcewell and the employee will be paid by Sourcewell.
3. Work not presently within the scope of Sourcewell but requested by an institution, firm, agency, other governmental unit, or private party; this work would not be paid by Sourcewell.

Parental Leave

Purpose:

The goal of the Parental Leave Benefit is to attract and retain employees, as well as give employees additional flexibility and time to bond with their new child, adjust to their new family situation, and balance their professional obligations.

Policy:

WHO IS ELIGIBLE?

Employees are eligible for the Parental Leave Benefit if the following requirements are met:

1. Full-time employee of Sourcewell scheduled to work at least a .75 FTE
2. Employed six (6) months prior to the birth/adoption
3. Biological mother or father of the newborn or the adoptive mother or father of a child being placed in his/her custody.
 - a. Domestic partners and same sex spouses are included in this coverage.
 - b. Surrogate mothers and sperm or egg donors are not included in this coverage.

Procedure:

The Parental Leave Benefit will be provided to Sourcewell employees who have met the requirements listed above and have been approved for leave. Employees may use up to two (2) weeks (10 working (business) days) of leave per birth or adoption. If other special circumstances arise, they may be considered if approved by the Manager of HR. The ten (10) business days are full days to be used consecutively. Holidays, as outlined in the Sourcewell handbook, are not considered a part of the ten (10) day allotment. This leave will be used only for parental leave and must be used within twelve (12) calendar weeks of the birth and/or placement of the child into the employee's adoptive care.

Sourcewell's Parental Leave Benefit provides the benefit of 100% of the employee's regular base pay for their approved leave. It does not include overtime or any additional pay. As applicable, any contributions from the employer, accruals, or additional benefits will continue during this leave as if the employee was working. Birth of multiples, foreseen and/or unforeseen conditions around the birth or adoption will not lengthen the leave.

In order to utilize this leave, the employee must complete ALL THREE (3) of the items detailed below prior to their leave.

1. Employee must complete the Application for Parental Leave.
2. Required documentation to support the leave, including:
 - a. Birth – Documentation of the child's birth or expected birth. This document must contain the name of the employee applying for the leave and the child's birth date or estimated birth date.
 - b. Adoption – Documentation that the petition has been filed.
3. The employee must work out a written plan for this leave with Human Resources and their immediate supervisor **prior** to leave.

This leave will run concurrently with an FMLA leave, MN Parental Leave, and/or Short Term Disability, when applicable.

Respectful Workplace

Sourcewell supports a non-hostile work environment free from discrimination and harassment. If you feel that your rights as an employee have been violated, please report the incident(s) to the Human Resource Manager or the Human Rights Officer (Executive Director/CEO), or, if the incident involves the Human Rights Officer, to the Chairperson of the Board of Directors.

It is the policy of the Sourcewell Board of Directors to comply with Federal and State law prohibiting discrimination and all requirements imposed by or pursuant to regulations issued thereto, to the end that no person shall on the grounds of race, color, creed, religion, sex, age, national origin, marital status, veteran status, sexual orientation, gender identity or expression, familial status, status with regard to public assistance, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any educational program or in employment of recruitment, consideration, or selection, therefore, whether full-time or part-time under any program or activity operated by Sourcewell for which it received federal financial assistance.

Nondiscrimination:

To carry out the provisions of the nondiscrimination policy, the Board directs the Sourcewell Executive Director/CEO to take the following actions immediately:

1. Develop and implement a management system to comply with the provisions of the Title VI and VII of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Chapter 363.03, Minnesota Human Rights Act, and Section 504 of the Rehabilitation Act of 1993.
2. Evaluate on a continuous basis Sourcewell operations in terms of the requirements of Federal and State law prohibiting discrimination. This evaluation will include policies, practices, and procedures currently in effect.
3. Modify those aspects of Sourcewell operation which do not conform to Federal and State law prohibiting discrimination.
4. Take remedial steps to eliminate the present effects of past discrimination.
5. Maintain data for three years following completion of the evaluation as recommended under paragraph 2 of this section and upon request, provide to Department of Health, Education and Welfare a description of any modification made pursuant to paragraph 3 above.
6. Assign responsibility for the implementation of provision of civil right responsibilities.
7. Design and implement a training program to acquaint Sourcewell staff with civil right responsibilities.
8. Establish and publish a grievance procedure for staff as required under provisions to Title IX.
9. Prohibit discrimination against persons with disabilities, such person to be defined as anyone who:
 - a. Has a mental or physical impairment which substantially limits one or more major life activities (major life activities include activities such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working);
 - b. Has a record of such impairment; or
 - c. Is regarded as having such an impairment. (34 CFR 104.3(j))
10. Disseminate, upon request, Sourcewell non-discriminatory policy to member government agencies, non-public schools, education agencies, clients, the general public, and vendors.

Grievance Procedure:

1. Any person who has a complaint alleging that Sourcewell is not complying with this policy or alleging any actions prohibited by this policy shall present the complaint in writing along with the reasons for such complaint to the Sourcewell Executive Director/CEO, who has been designated to handle complaints.
2. The Executive Director/CEO shall investigate the complaint and determine whether Sourcewell is in fact in violation of State or Federal law prohibiting discrimination. A decision shall be made by the designated official and such decision shall be communicated to the complainant within 15 days of the initial reception of the complaint.
3. If the Executive Director/CEO finds that the complaint is justified, he/she shall initiate action to rectify the complaint.
4. If the Executive Director/CEO finds that the complaint is not justified, he/she shall so notify the complainant in written communication.
5. If the complainant is not satisfied with the findings of the Executive Director/CEO, an appeal may be made to the Board of Directors. The appeal must be requested in a written communication to the Sourcewell Executive Director/CEO no later than 15 days after receipt of the written decision of the designated official.
6. A hearing before the Sourcewell Board of Directors shall occur no later than 30 days after receipt of a written request for such hearing. The complainant may testify and may request that others testify in the complainant's behalf. The designated official will present the findings of the investigation called for in step 2. The Sourcewell Board of Directors shall reach a decision and notify the complainant of its findings no later than 15 days after the hearing.
7. If the complainant is not satisfied with the decision of the Sourcewell Board of Directors, appeal may be made to one or more of the following offices:

Office of Civil Rights, Chicago Office
U.S. Dept. of Education
Citigroup Center
500 W. Madison St., Suite 1475
Chicago, IL 60661-7204
312-730-1560
E-mail: OCR.Chicago@ed.gov

Commissioner of Human Rights
Freeman Bldg, 625 Robert St. No.
St. Paul, MN 55155
651-539-1100
E-mail: info.MDHR@state.mn.us

Seniority List

In January of each year, Human Resources will review and revise the Seniority List to reflect any addition or deletion of personnel. This list will be posted for 10 days for employees to review. The list will include the classification, name, date of employment, and qualifications of the certified staff listed. Any employee who disagrees with the information contained on the list will notify human resources to make correction.

A final Seniority list will be placed on the agenda of a Regular Board meeting for approval by the Sourcewell Board of Directors. Upon approval of the Board, the Seniority list shall be binding on Sourcewell and any employees.

No bumping rights exist between classifications.