

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

I. **Scope**

Each employee, upon entering Sourcewell, assumes a number of obligations, including adhering to a set of principles that defines professional conduct. These principles are reflected in the following code of ethics, which sets 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.

II. **Standards of Professional Conduct**

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

A. An employee will:

1. Believe in the dignity and worth of the services rendered by Sourcewell, and the societal responsibilities assumed as a trusted public servant.
2. 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.
3. Subscribe to and support the core values, strategic framework, and objectives of Sourcewell.
4. Identify and eliminate participation of any individual in Sourcewell operations where a conflict of interest may be involved.
5. 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.
6. Make reasonable efforts to protect the public from conditions harmful to health and safety.
7. 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.
8. Seek or accept a position only when confident of possessing the qualifications to serve in said position to the advantage of Sourcewell.
9. Keep Sourcewell informed, through appropriate channels, of problems and progress of applicable operations by emphasizing the importance of the facts.
10. Resist encroachment on control of personnel in order to preserve integrity as a leader.

B. An employee will not:

1. 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.
2. 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.
3. Seek or dispense personal favor and will handle each administrative problem objectively without discrimination.
4. Receive payment from anyone other than Sourcewell for work that they are expected to do in the course of their regular employment.
5. Deliberately or knowingly suppress or distort subject matter or otherwise falsify or misrepresent records or facts.
6. Knowingly make false or malicious statements about members, vendors, or colleagues.
7. Accept any additional employment or contractual obligations that would affect their independence of judgment in their current position. – See Outside Employment Policy
8. Use Sourcewell time, facilities, equipment, supplies, influence, or confidential information for personal gain.
9. Provide any services individually outside of Sourcewell that compete with services provided within Sourcewell. – See Outside Employment Policy
10. Use their position or Sourcewell resources to advance a political party or candidate.

III. 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:

1. A teacher shall provide professional education services in a nondiscriminatory manner.
2. A teacher shall make reasonable effort to protect the student from conditions harmful to health and safety.
3. 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.
4. A teacher shall take reasonable disciplinary action in exercising the authority to provide an atmosphere conducive to learning.

5. A teacher shall not use professional relationships with students, parents, and colleagues to private advantage.
6. A teacher shall delegate authority for teaching responsibilities only to licensed personnel.
7. A teacher shall not deliberately suppress or distort subject matter.
8. A teacher shall not knowingly falsify or misrepresent records or facts relating to that teacher's own qualifications or to other teachers' qualifications.
9. A teacher shall not knowingly make false or malicious statements about students or colleagues.
10. A teacher shall accept a contract for a teaching position that requires licensing only if properly or provisionally licensed for that position.

IV. Ethics Officer

The Sourcewell general counsel shall be designated as the ethics officer. The ethics officer shall respond to board member and employee questions about this code, give opinions on interpretation of this code, and serve as the staff to the ethical practices board.

V. 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 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 Sourcewell's outside legal counsel.

VI. 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

I. Purpose:

It is Sourcewell's intent to ensure the safety of employees while providing them with a reasonable level of comfort and service while traveling on business and establish a system for travel that ensures the maximum use of financial resources.

II. Policy:

Sourcewell recognizes that employees, Board members, and nonemployees periodically travel on authorized business on behalf of Sourcewell. All travel shall be preapproved by immediate supervisors. For nonemployee travel, additional preapproval of a director is required.

Sourcewell leverages an online travel request software system that enables employees to request and book all travel (in state and out of state) and receive approval from their immediate supervisor.

For nonemployee travel, the Sourcewell travel and logistics specialists will work with the department to ensure travel arrangements are completed.

Sourcewell has implemented the following parameters within the travel request system:

A. Air travel

- Economy/coach class airfare
- Comparison of available flight times and airlines to receive best value
- No airline first class upgrades
- No use of rewards/miles/credits for upgrades

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.

B. Lodging

- Reservations for **business travel only** (additional hotel nights due to personal travel, before or after the business event, must be arranged and paid for by the employee separately from business use and booked outside the travel request software system that Sourcewell utilizes)
- Hotel classes are limited
- Standard rooms

C. Rental vehicle

- Reservations for **business travel only** (additional use for personal travel must be arranged and paid for by the employee separately from business use and booked outside the travel request software system that Sourcewell utilizes)
- Up to mid-size car allowed
- GPS device or bluetooth option allowed
- Selection of satellite radio not allowed

Any exceptions to this policy must be approved by the Executive Director/CEO.

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

Data Practices Policy, Data Inventory, and Records Retention Schedule

I. Data Practices Policy for the Public

A. Your Right to See Public Data

The Government Data Practices Act (Minnesota Statutes, Chapter 13) presumes that all government data are public unless a state or federal law says the data are not public. Government data means all recorded information a government entity has, including paper, email, flash drives, CDs, DVDs, photographs, etc.

The law also says that Sourcewell must keep all government data in a way that makes it easy for you to access public data. You have the right to look at (inspect), free of charge, all public data Sourcewell keeps. You also have the right to get copies of public data. The Data Practices Act allows Sourcewell to charge for copies. You have the right to look at data, free of charge, before deciding to request copies.

B. How to Request Public Data

You can ask to look at (inspect) data at the Sourcewell offices or ask for copies of public data that Sourcewell keeps by submitting a written data request to:

Chad Coauette, Responsible Authority
Sourcewell
202-12th Street NE
PO Box 219
Staples, MN 56479

You may use the Data Request Form – Requesting Public Data found below.

If you do not use the Data request Form, your request should:

- Say that you are making a request for public data under the Government Data Practices Act;
- Include whether you would like to inspect the data, have copies of the data, or both; and
- Provide a clear description of the data you would like to inspect or have copied.

You are not required to identify yourself or explain the reason for your data request. However, you may need to provide Sourcewell with some personal information for practical reasons (for example: if you want Sourcewell to mail copies to you, you need to provide Sourcewell staff with an address or P.O Box). If Sourcewell staff do not understand your request and have no way to contact you, Sourcewell cannot respond to your request.

C. How We Will Respond to Your Data Request

Upon receiving your request, Sourcewell staff will review it.

- Sourcewell may ask you to clarify what data you are requesting.
- If Sourcewell does not have the data, staff will notify you in writing as soon as reasonably possible.
- If Sourcewell has the data but is not allowed to give it to you, staff will tell you as soon as reasonably possible and identify the law that prevents Sourcewell from providing the data.
- If Sourcewell has the data, and the data are public, staff will respond to your request appropriately and promptly, within a reasonable amount of time by doing one of the following:
 - Arrange a date, time, and place for you to inspect the data at the Sourcewell offices; or
 - Invite you to pick up your copies, or Sourcewell will mail or email them to you.

You may be required to prepay for your copies. (See (F) below regarding copy costs.) Sourcewell will provide electronic copies (such as email or CD-ROM) upon request, if it keeps the data in that format and can reasonably make a copy. Response time may be impacted by the size and/or complexity of your request, and also by the number of requests you make in a given period of time.

Following our response, if you do not make arrangements within 10 business days to inspect the data or pay for the copies, we will conclude that you no longer want the data and will consider your request closed.

If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please tell the person who provided the data to you. Sourcewell will give you an explanation if you ask.

The Data Practices Act does not require Sourcewell to create or collect new data in response to a data request, or to provide data in a specific form or arrangement if Sourcewell does not keep the data in that form or arrangement. For example, if the data you request are on paper only, Sourcewell is not required to create electronic documents to respond to your request. If Sourcewell agrees to create data in response to your request, Sourcewell will work with you on the details of your request, including cost and response time.

Sourcewell is also not required to respond to questions that are not about your data requests or other requests for government data.

D. Requests for Summary Data

Summary data are statistical records or reports created by removing identifying information about individuals from entirely private or confidential data.

Sourcewell will prepare summary data if you make your request in writing and pre-pay for the cost of creating the data.

You may use the Data Request Form – Requesting Public Data below to request summary data. Sourcewell will respond to your request within ten (10) business days with the data or details of when the data will be ready and how much Sourcewell will charge you.

E. Data Practices Contacts

Responsible Authority

Chad Coquette, Executive Director and CEO
Sourcewell
202 – 12th Street NE
PO Box 219
Staples, MN 5647
218-894-1930 or 888-894-1930
info@sourcewell-mn.gov

Data Practices Compliance Official

Susan Nanik, Director of Administration
Sourcewell
202 – 12th Street NE
PO Box 219
Staples, MN 56479
218-894-5464
susan.nanik@sourcewell-mn.gov

F. Copy Costs – When You Request Public Data

Minnesota Statutes, section 13.03, subdivision 3(c) allows Sourcewell to charge for copies.

*You must pay for the copies before we will give them to you.
If possible, and upon request, we will provide you with an estimation of the total cost of supplying copies.*

For 100 or fewer paper copies – 25 cents per page

100 or fewer pages of black and white, letter or legal size paper copies cost 25¢ for a one-sided copy or 50¢ for a two-sided copy. Sourcewell will charge for copies when the total cost is over \$1.

Most other types of copies – actual cost

The charge for most other types of copies, when a charge is not set by statute or rule, is the actual cost of searching for and retrieving the data, and making the copies or electronically sending the data.

In determining the actual cost of making copies, Sourcewell includes employee time, the cost of the materials onto which staff are copying the data (paper, CD, DVD, etc.), and mailing costs (if any). If your request is for copies of data that Sourcewell cannot copy itself, such as photographs, it will charge you the actual cost Sourcewell must pay an outside vendor for the copies.

If, based on your request, Sourcewell finds it necessary for a higher-paid employee to search for and retrieve the data, Sourcewell will calculate search and retrieval charges at the higher salary/wage.

G. Data Request Form – Requesting Public Data

Request date:

The data I am requesting:

Describe the data you are requesting as specifically as possible.

I am requesting access to data in the following way:

- Inspection
- Copies
- Both inspection and copies

Note: Inspection is free, but we charge for copies when the cost is over \$1.

Contact information (optional)*

Name: _____

phone number: _____

email address: _____

address: _____

Sourcewell will respond to your request as soon as reasonably possible.

* You do not have to provide any contact information. However, if you want Sourcewell to mail/email you copies of data, Sourcewell will need some type of contact information. Sourcewell will also need contact information if staff do not understand your request. Sourcewell will not work on your request until staff can clarify it with you.

II. Data Practices Policy for Data Subjects

A. What is a “Data Subject”?

When government has information recorded in any form (paper, harddrive, voicemail, video, email, etc.), that information is called “government data” under the Government Data Practices Act (Minnesota Statutes, Chapter 13). When Sourcewell can identify you in government data, you are the “data subject” of that data. The Data Practices Act gives you, as a data subject, certain rights. This policy explains your rights as a data subject and tells you how to request data about you, your minor child, or someone for whom you are the legal guardian.

B. When Sourcewell Has Data About You

Sourcewell has data on many people, such as grant applications, education reporting, professional development materials, and public procurement records. Sourcewell can collect and keep data about you only when it has a legal purpose to have the data. Sourcewell must also keep all government data in a way that makes it easy for you to access data about you.

Government data about an individual have one of three “classifications.” These classifications determine who is legally allowed to see the data. Data about you are classified by state law as public, private, or confidential.

1. Public Data

The Data Practices Act presumes that all government data are public unless a state or federal law says that the data are not public. Sourcewell must give public data to anyone who asks. It does not matter who is asking for the data or why the person wants the data. The following are examples of public data about you that Sourcewell might have: your name and contact information if you have participated in professional development activities or submitted a requisition for purchase through Sourcewell.

2. Private data

Sourcewell cannot give private data to the general public. It can share your private data with you, with someone who has your permission, with Sourcewell staff whose job requires or permits them to see the data, and with others as permitted by law or court order. The following are examples of private data about you that Sourcewell might have: information regarding your participation in programs or services provided by Sourcewell through a contract with your county or school district.

3. Confidential Data

Confidential data have the most protection. Neither the public nor you can access confidential data even when the confidential data are about you. Sourcewell can share confidential data about you with Sourcewell staff who have a work assignment to see the data, and to others as permitted by law or court order. The following is an example of confidential data about you: information about your involvement in sexual harassment or discrimination claim involving Sourcewell.

C. Your Rights Under the Government Data Practices Act

As a data subject, you have the following rights.

1. Access to Your Data

You have the right to look at (inspect), free of charge, public and private data that Sourcewell keeps about you. You also have the right to get copies of public and private data about you. The Data Practices Act allows Sourcewell to charge for copies. You have the right to look at data, free of charge, before deciding to request copies.

Also, if you ask, Sourcewell staff will tell you whether Sourcewell keeps data about you and whether the data are public, private, or confidential.

As a parent, you have the right to look at and get copies of public and private data about your minor children (under the age of 18). As a legally appointed guardian, you have the right to look at and get copies of public and private data about an individual for whom you are appointed guardian.

Minors have the right to ask us not to give data about them to their parent or guardian. If you are a minor, we will tell you that you have this right. We will ask you to put your request in writing and to include the reasons that we should deny your parents access to the data. We will make the final decision about your request based on your best interests.

2. When We Collect Data From You

When Sourcewell asks you to provide data about yourself that are not public, it must give you a notice called a Tennessee warning. The notice controls what Sourcewell can do with the data that it collects from you. Usually, Sourcewell can use and release the data only in the ways described in the notice. Sourcewell will ask for your written permission if it needs to use or release private data about you in a different way, or if you ask Sourcewell to release the data to another person. This permission is called informed consent.

If you want us to release data to another person, you may use the consent form we provide.

3. Protecting Your Data

The Data Practices Act requires Sourcewell to protect your data. Sourcewell has established appropriate safeguards to ensure that your data are safe.

In the unfortunate event that Sourcewell determines a security breach has occurred and an unauthorized person has gained access to your data, Sourcewell will notify you as required by law.

4. When Your Data are Inaccurate or Incomplete

You have the right to challenge the accuracy and/or completeness of public and private data about you. You also have the right to appeal Sourcewell's decision. If you are a minor, your parent or guardian has the right to challenge data about you.

D. How to Make a Request For Your Data

You can ask to look at (inspect) data at the Sourcewell offices, or ask for copies of data that Sourcewell has about you, your minor child, or an individual for whom you have been appointed legal guardian.

You may make your request in writing by mail, fax, or email to the attention of Chad Coauette, using the Data Request Form.

Sourcewell recommends using the sample **Data Request Form – Data Subjects** below. If you do not choose to use the Data Request Form, your request should:

- Say that you are making a request as a data subject, for data about you (or your child, or person for whom you are the legal guardian), under the Government Data Practices Act (Minnesota Statutes, Chapter 13);
- Include whether you would like to inspect the data, have copies of the data, or both;
- Provide a clear description of the data you would like to inspect or have copied; and
- Provide proof that you are the data subject or data subject's parent/legal guardian.

Sourcewell requires proof of your identity before staff can respond to your request for data. If you are requesting data about your minor child, you must show proof that you are the minor's parent. If you are a legal guardian, you must show legal documentation of your guardianship. Please see the Standards for Verifying Identity below. If you do not provide proof that you are the data subject, Sourcewell cannot respond to your request.

E. How Sourcewell Responds to a Data Request

Upon receiving your request, Sourcewell will review it.

- Staff may ask you to clarify what data you are requesting.
- Staff will ask you to confirm your identity as the data subject.
- If Sourcewell does not have the data, staff will notify you within ten (10) business days.
- If Sourcewell has the data, but the data are confidential or not public data about someone else, staff will notify you within ten (10) business days and identify the law that prevents Sourcewell from providing the data.
- If Sourcewell has the data, and the data are public or private data about you, staff will respond to your request within ten (10) business days by doing one of the following:

- Arrange a date, time, and place to inspect data in Sourcewell offices, for free; or
- Provide you with the data within ten (10) business days. You may choose to pick up your copies, or Sourcewell will mail or fax them to you. Sourcewell will provide electronic copies (such as email or CD-ROM) upon request if it keeps the data in electronic format
- Staff will notify you that you must prepay for your copies, if applicable.
- Following our response, if you do not make arrangements within ten (10) days to inspect the data or pay for the copies, Sourcewell will conclude that you no longer want the data and will consider your request closed.
- After Sourcewell has provided you with your requested data, Sourcewell does not have to show you the same data again for six (6) months unless there is a dispute about the data or Sourcewell collects or creates new data about you.

If you do not understand some of the data (technical terminology, abbreviations, or acronyms), please tell the person who provided the data to you. Sourcewell will give you an explanation if you ask.

The Data Practices Act does not require Sourcewell to create or collect new data in response to a data request, or to provide data in a specific form or arrangement if Sourcewell does not keep the data in that form or arrangement. For example, if the data you request are on paper only, Sourcewell is not required to create electronic documents to respond to your request. If Sourcewell agrees to create data in response to your request, staff will work with you on the details of your request, including cost and response time.

In addition, Sourcewell is not required to respond to questions that are not about your data requests, or that are not requests for government data.

F. Data Practices Contacts

Responsible Authority

Chad Coauette, Executive Director and CEO
 Sourcewell
 202 – 12th Street NE
 PO Box 219
 Staples, MN 5647
 218-894-1930 or 888-894-1930
info@sourcewell-mn.gov

Data Practices Compliance Official

Susan Nanik, Director of Administration
 Sourcewell
 NE
 PO Box 219
 Staples, MN 56479
 218-894-5464
Susan.Nanik@sourcewell-mn.gov

G. Copy Costs – Data Subjects

Minnesota Statutes, section 13.04, subdivision 3 allows Sourcewell to charge for copies. If Sourcewell intends to charge you for your copies, staff will notify you in advance.

*You must pay for the copies before staff will give them to you.
 Sourcewell does not charge for copies if the cost is less than \$1.*

Actual Cost of Making the Copies

Sourcewell may charge the actual cost of making copies for data about you. In determining the actual cost, Sourcewell includes the employee time to create and send the copies, the cost of the materials onto which staff are copying the data (paper, CD, DVD, etc.), and mailing costs such as postage (if any).

If your request is for copies of data that Sourcewell cannot copy ourselves, such as photographs, Sourcewell will charge you the actual cost we must pay an outside vendor for the copies.

H. Data Request Form – Data Subject

Request date:

Contact information:

Data Subject Name: _____

Parent/Guardian Name (if applicable): _____

phone number/email address: _____

To request data as a data subject, you must show a valid state ID, such as a driver's license; military ID; or passport as proof of identity.

The data I am requesting:

Describe the data you are requesting as specifically as possible.

I am requesting access to data in the following way:

- Inspection
- Copies
- Both inspection and copies

Note: Inspection is free but, Sourcewell will charge for copies when the cost is over \$1.

Sourcewell will respond to your request within ten (10) business days

To Be Completed By Staff Member Responding to Data Request:

Identity Confirmed:

Date:

Staff Name:

I. Standards For Verifying Identity

The following constitute proof of identity:

- An adult individual must provide a valid photo ID, such as
 - a driver's license
 - a state-issued ID
 - a tribal ID
 - a military ID
 - a passport
 - the foreign equivalent of any of the above
- A minor individual must provide a valid photo ID, such as
 - a driver's license
 - a state-issued ID (including a school/student ID)
 - a tribal ID
 - a military ID
 - a passport
 - the foreign equivalent of any of the above
- The parent or guardian of a minor must provide a valid photo ID and either
 - a certified copy of the minor's birth certificate or
 - a certified copy of documents that establish the parent or guardian's relationship to the child, such as
 - a court order relating to divorce, separation, custody, foster care
 - a foster care contract
 - an affidavit of parentage
- The legal guardian for an individual must provide a valid photo ID and a certified copy of appropriate documentation of formal or informal appointment as guardian, such as
 - court order(s)
 - valid power of attorney

Note: Individuals who do not inspect data or pick up copies of data in person may be required to provide either notarized or certified copies of the documents that are required or an affidavit of ID.

III. Data Practices and Records Retention Policy

A. Minnesota Government Data Practices Act and Minnesota Records Management Act

The Minnesota Government Data Practices Act at Minnesota Statutes, Chapter 13, regulates the collection, creation, storage, maintenance, dissemination, and access to government data in government entities. It establishes a presumption that government data are public and reasonably accessible for inspection and copying unless there the data are classified as not public by state or federal law, or temporary classification.

1. Data Inventory

Minnesota Statutes, section 13.025, requires the Responsible Authority for each government entity to prepare an inventory containing the Responsible Authority's name, title address, and a description of each category of record, file, or process relating to private or confidential data maintained by the entity.

The inventory must be posted in a conspicuous place at the entity's office or on its website.

2. Data Index

Under Minnesota Rules 1205.1500, the Responsible Authority is also required to prepare an index describing all data collected, stored, used, or disseminated by the entity and identifying the law authorizing the functions for which data are collected.

The index must be available to the general public, upon request, and it must be updated when new or different data collection or use is authorized.

3. Records Retention Schedule

Minnesota Statutes, section 138.17, subd. 7, requires the head of each government entity to establish and maintain an active, continuing program for the economical and efficient management of the records in its custody. This includes preparing an inventory of the records in the entity's custody and establishing a time period for the retention or disposal of each series of records. Each entity must also maintain a list of records it has disposed.

B. Policy

The Data Practices and Records Retention Policy and the Sourcewell Data Inventory and Records Retention Schedule serve as Sourcewell's compliance with these requirements.

Sourcewell's current Data Inventory and Records Retention Schedule is attached as Appendix A.

Appendix A: Sourcewell Data Inventory and Records Retention Schedule

Administration					
Item	Title	Description	Retention Period	Archival	Classification
1	Affidavits of Publication	Public hearings, budget publications, debt offerings	1 year after audit	No	Public
2	Annual Reports		Permanent	No	Public
3	Authority to Dispose of Records	Requests to dispose under Minn. Stat. §§ 13.32; 13.39; 13.43.	6 years	No	Public/Private
4	Board Minutes	Meetings of Sourcewell Board of Directors	Permanent	Yes	Public
5	Board Policies	All policies adopted by the Sourcewell Board of Directors.	3 years	No	Public
6	Building Maintenance & Repair Records	Work orders for building maintenance, repairs, and damage.	10 years	No	Public
7	Building Permits	Applications, Inspection Reports, Plans, Etc.	10 years	No	Public
8	Building Program Records	Current and projected needs, review, and comments; damage and repair reports for building and grounds.	10 years	No	Public
9	Committee Minutes	Meetings of official committees designated by the Board.	Permanent	Yes	Public

10	Election Records	Ballots, Notices, Notifications, Publications	Permanent	No	Public
11	Facilities Records	Specs, blueprints, deeds, titles, and inspection reports.	Permanent	No	Public
12	Fixed Asset Records	Inventories and depreciation schedules.	Life of Item	No	Public
14	Leases Landlord/Tenant	Leases, licenses, and access agreements.	6 years	No	Public
15	Joint Powers Agreements	Agreements between Sourcewell and other entities.	Permanent	No	Public
16	Minutes-Tape Recordings	Board Minutes only	Until transcribed.	No	Public
17	Video Tapes	Security Tapes	Until Relooped	No	Private/Public Minn. Stat. §§ 13.32; 13.43

Community Solutions

Item	Title	Description	Retention Period	Archival	Classification
1	Community Impact Funds/Community Match Funds	Applications, review standards, awards, and agreements.	6 years	No	Public
2	Intern/Mentorships	Applications, agreements, and invoices.	6 years	No	Private/Public Minn. Stat. §§ 13.32; 13.43

3	Professional Development/Training	Agreements, training materials, and attendee records.	6 years	No	Private/Public Minn. Stat. §§ 13.32; 13.43
5	Shared Services Programs	Contracts, reports, and policies and procedures.	6 years	No	Public

Education Solutions

Item	Title	Description	Retention Period	Archival	Classification
1	AVID	Permissions, activity logs, evaluations.	6 years	No	Public
2	CCR Programs	Contracts, strategic plans, and school data.	6 years	No	Public/Private Minn. Stat. § 13.32
3	In School Support	Strategic plans, activity logs, data, metrics, and protocols.	6 years	No	Public
4	Low Incidence	Applications, reporting, event planning information.	6 years	No	Public
5	Metier	Permissions, activity logs, evaluations, and contracts.	6 years	No	Public
6	Minnesota Department of Education	All reports required by MDE.	6 years	No	Public/Private Minn. Stat. § 13.32
7	Networks	Participation lists, CEU/BOSA records, and evaluations.	7 years	No	Public

8	Professional Development	Sessions recordings, participation logs, contracts, course descriptions, CEU/BOSA hours, and evaluations.	7 years	No	Public
9	Regional Programs	MASA Board Minutes, MDE data, and special project files.	6 years	No	Public
10	Student Academic Programs	Contracts, invoices, handbooks, Codes of Conduct, rules, metrics, score sheets, questions, and champion information.	6 years	No	Public/Private Minn. Stat. § 13.32
11	Student Online Courses	Registration information, grades, mentor lists, licenses, contracts, exam reviews, and evaluations.	6 years	No	Public/Private Minn. Stat. § 13.32

Finance

Item	Title	Description	Retention Period	Archival	Classification
1	Real Estate	Abstracts, deeds, title papers, and mortgages.	Permanent	No	Public
2	Year-End Reports	Year End-Revenue/Expense Reports (Summary and Detailed)	Permanent	No	Public
3	Year-End Reports	Year End-UFARS Revenue/Expense Reports to State	Permanent	No	Public
4	Year-End Reports	Year-End Special Funded Projects Report	Permanent	No	Public
5	Year-End Reports	Year-End Clerk's and Treasurer's Reports	Permanent	No	Public

6	Year-End Reports	Year-End Journals, Check Register, Budget Publications, Balance Sheets, and Budgets	Permanent	No	Public
7	Audits	Audit Reports	Permanent	No	Public
8	Investments	Bond Issues – Official Statements	Permanent	No	Public
9	Investments	Tax Sheltered Annuity Contracts	Permanent	No	Private/Public Minn. Stat. § 13.43;
10	Investments	Tax Sheltered Annuity Authorizations – 457 and 403(b) Plans	Permanent	No	Private/Public Minn. Stat. § 13.43
11	Year-End	Year-End Accounts Receivable Receipts, Invoices, Remittances	6 years	No	Public
12	Banking	Bank Statements and Reconciliation	6 years	No	Private/Public Minn. Stat. § 13.43
13	Taxes	County Auditor Statements and Reports	6 years	No	Public
14	Accounts Payable	Checks, disbursements, freight bills/claims, invoices, credit memos, claims/vouchers, 1099 forms, and inventory records	6 years	No	Private/Public Minn. Stat. § 13.43
15	Payroll	Cafeteria Plan Records	6 years	No	Private/Public Minn. Stat. § 13.43
16	Payroll	Payroll Register	6 years 29 C.F.R. 1627.3(a)	No	Private/Public Minn. Stat. § 13.43

17	Payroll	PERA Eligibility Sheets and Reports	6 years	No	Private/Public Minn. Stat. § 13.43
18	Payroll	Prior Years' Quarterly FICA	6 years	No	Private/Public Minn. Stat. § 13.43
19	Payroll	Salary Deduction	6 years	No	Private/Public Minn. Stat. § 13.43
20	Payroll	Stop Payment Orders and Bonds	6 years	No	Private/Public Minn. Stat. § 13.43
21	Payroll	Tax Reports	6 years	No	Private/Public Minn. Stat. § 13.43
22	Payroll	Time Sheets	6 years	No	Public
23	Payroll	TRA/PERA-Retirement Remittance Reports	6 years	No	Private/Public Minn. Stat. § 13.43
24	Payroll	W-2 Statements and W-4 Statements	6 years	No	Private/Public Minn. Stat. § 13.43
25	Purchasing	Acknowledgements/Orders/ Shipping Notices	6 years	No	Public
26	Purchasing	Bills of Lading	6 years	No	Public
27	Purchasing	Requisitions for Purchase	6 years	No	Public

28	Purchasing	Purchase Orders	6 years	No	Public
29	Purchasing	W-9 Form	6 years	No	Public
30	Purchasing	Statement of Pledged Securities	6 years	No	Public
31	Finance	Dues deduction authorizations.	3 years	No	Private/Public Minn. Stat. § 13.43
32	Finance	Garnishments	3 years	No	Private/Public Minn. Stat. § 13.43
33	Finance	Quarterly Report of Local Government Wages	3 years	No	Public
34	Finance	Leases/Agreements	3 years	No	Public
35	Finance	Replacement requests – lost/missing checks.	2 years	No	Private/Public Minn. Stat. § 13.43
36	Finance	Voluntary Withholding Requests	2 years	No	Private/Public Minn. Stat. § 13.43

Health and Safety

Item	Title	Description	Retention Period	Archival	Data Practices Classification and Statute
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1	OSHA-Citations of Penalty	Notifications of Violations by the District	Until violation has been corrected.	No	Private/Public Minn. Stat. § 13.43
2	OSHA-Employee Accident Reports	OSHA Report Numbers 200 and 101	5 years after incident.	No	Private/Public Minn. Stat. § 13.43
3	OSHA-Employee Exposure Records	Records of exposure to toxins/harmful physical agents.	30 years	No	Private/Public Minn. Stat. § 13.43
4	Safety Committee	Meeting Agendas and Minutes.	3 Years	No	Public
5	Training Records-Right to Know	MSDS	3 years	No	Public
6	Pesticide Notification	Parental Right to know	6 years	No	Public
7	Hazardous Waste Disposal	Disposal Manifest	Permanent	No	Public
8	AHERA	Abatement Files and Management Plans	Permanent	No	Public

Human Resources

1	Human Resources	Employee Medical Records	30 years after separation.	No	Private Minn. Stat. § 13.384; § 13.43
2	Human Resources	Request for Leave/Leave of Absence Reports	6 years after separation.	No	Public/Private Minn. Stat. § 13.43

3	Human Resources	Leave of Absence Reports	6 years	No	Public/Private Minn. Stat. § 13.43
4	Human Resources	Sexual Harassment Discrimination Claim Records	Until final disposition of charge	No	Public/Private Minn. Stat. § 13.43; § 13.39
5	Human Resources	First Report of Injury	Permanent in worker's comp file; 20 years for others	No	Private Minn. Stat. § 13.43; § 176.231
6	Applicant Records – Not Hired	Applications, resume, cover letter, interview documentation and notes, inquiries, rejection letter, and related records.	2 years	No	Private Minn. Stat. § 13.43
7	Applicant Records - Hired	Applications, resume, cover letter, supporting documents, interview documentation, inquiries, and offer letter.	6 years after termination	No	Minn. Stat. § 13.43
8	Human Resources	Arbitration Decisions	Permanent	No	Public/Private Minn. Stat. § 13.43
9	Human Resources	EEOC/MNCRIS Reports/Summary Data	3 years	No	Public 29 C.F.R. 1602.39
10	Human Resources	Grievance Files	Permanent	No	Public/Private Minn. Stat. § 13.43
11	Human Resources	Insurance Group Master Policies and Agreements	6 years	No	Public
12	Human Resources	Insurance Census Premium Reports	6 years	No	Public/Private Minn. Stat. § 13.43
13	Human Resources	STARS Report-Annual Report to State	1 year or until superseded	No	Public

14	Human Resources	Insurance Enrollment cards	Until superseded	No	Public/Private Minn. Stat. § 13.43
15	Human Resources	Insurance Records: Employees on Leave Of Absence, FMLA, Long-Term Disability, Retired, Surviving Spouse, Terminated	2 years after termination	No	Public/Private Minn. Stat. § 13.43
16	Human Resources	Labor Contracts	Permanent	Yes	Public
17	Human Resources	Long Term Disability Claims/Awards	10 years after resolution.	No	Public/Private Minn. Stat. § 13.43
18	Human Resources	Job Descriptions	Superseded	No	Public
19	Human Resources	Mediation Records	Permanent	No	Public
20	Human Resources	Negotiation Records	2 years	No	Public/Private Minn. Stat. Ch. 13D
21	Human Resources	Pay Equity Reports	Permanent	No	Public
22	Human Resources	Employee's Response Letter to Human Resources File	Same as document	No	Public/Private Minn. Stat. § 13.43
23	Human Resources	Seniority lists	1 year after separation.	No	Public 29 CFR 1627.3(b)
24	Human Resources	Recruitment records.	2 years	No	Public/Private Minn. Stat. § 13.43

25	Human Resources	Claims Summary and other information from the carrier.	6 years after separation	No	Public/Private Minn. Stat. § 13.43
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Common to All Departments

1	Budget/Budget Records	Budget proposals, approved budget, includes supporting data and monthly department budget report	2 years	No	Public Minn. Stat. § 13.03
2	Calendars	Proposed and adopted.	3 years		Public
3	Contracts/Agreements	Contracts/agreements and supporting documentation, including official publications, RFPs, responses, etc.	10 years after expiration	No	Public
4	Correspondence	Routine correspondence and memoranda.	3 years	No	Varies with subject of correspondence
5	Grant Applications – Successful	Application, correspondence, and supporting documents.	3 years	No	Public
6	Grant Applications – Unsuccessful	Applications, correspondence, and supporting documents.	1 year	No	Public
7	Expense Records	Documentation of departmental expenses, purchase orders, invoices, claims forms, etc.	6 years	No	Public
8	Legislative File	Records on pending legislation of interest.	Until obsolete.	No	Public
9	Joint Powers Agreements	Contracts with other government units.	Permanent	Yes	Public

10	Meeting Minutes	Minutes recording actions taken in meetings necessary for the management of the department and its activities.	6 years	Yes	Public
11	Special Events & Programs	Brochures, marketing materials, agendas, registration forms	2 years	No	Public
12	Marketing	Program guides, ads, promos, brochures, etc.	3 years	No	Public
13	Procedures	Procedures	Until superseded	No	Public

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.

Procurement Policy

Purpose:

To ensure that Sourcewell's procurement of goods, services, and construction is performed in a way that ensures all acquisitions are made through, and contracts are created pursuant to, a process that enhances access, competition, and fairness; and results in optimal balance of overall benefits to Sourcewell and its members.

Sourcewell's acquisitions and contracts should be performed in such a way as to stand the test of public scrutiny in matters of good judgment and integrity, open competition, and fairness in the spending of public funds.

Scope:

This policy applies to all acquisitions made, and contracts entered into, by Sourcewell for goods or services for itself or its members.

Procedures Objectives:

A. Compliance

Sourcewell procurements must comply with all applicable state of Minnesota and United States federal laws, with the goal of maintaining compliance with applicable provisions of the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA), and other applicable Canadian trade agreements.

B. Fair and Open Competition

As a Minnesota local government agency and service cooperative, Sourcewell will encourage fair and open competition in its acquisitions. When competition is required by this policy the specifications should be written so that they are able to be met by more than one vendor, notice of the opportunity is posted so that it receives broad publication, and all responsible vendors are permitted to compete in the solicitation process.

C. Awards Considering Cost, Quality, and Ability

Sourcewell will strive to procure goods and services that provide the most responsible use of resources for itself and its members by evaluating quality, price, and the vendor's ability to provide the product or service. Sourcewell may also evaluate a responder's past performance; however, this may not be used to give one vendor an unfair advantage over others simply because a contract has been successfully performed previously.

Social and economic preferences will be implemented to the extent practicable and when required by Minnesota law. Members accessing the resulting contracts are expected to enforce their own specific legal requirements.

D. Free from Conflicts of Interest

1. Individual Conflicts of Interest

Sourcewell employees must not participate in any procurement in which the employee has an actual, potential, or appearance of conflict of interest. A conflict of interest is present in any situation in which the employee's judgment, actions, or non-actions are, or may be, influenced by something that would benefit the employee, the employee's immediate family, or other personal relationship, or an organization with which the employee is associated.

Employees must disclose any conflict of interest prior to participating in any part of the procurement process; this includes drafting a solicitation and managing any resulting contract. Employees participating in the response evaluation process must sign the Evaluation Committee Member Agreement.

If at any time an employee believes an actual or potential conflict of interest exists, it is the employee's duty to avoid the situation and immediately declare the actual or potential conflict to their manager. The manager must

then review the circumstances and make a determination as to existence of an actual or potential conflict of interest. If the manager determines that a conflict of interest does exist, the employee's responsibilities for that procurement must be assigned to an employee without such conflict of interest.

Any employee who participated in an acquisition who later is discovered to have had an undisclosed conflict of interest at the time of the acquisition may be subject to discipline.

2. Organizational Conflicts of Interest

Sourcewell must do its best to identify, and then avoid or mitigate, organizational conflicts of interest in all procurement transactions. An organizational conflict of interest is created when a vendor is unable, or potentially unable, to render impartial assistance or advice to Sourcewell due to the vendor's:

- existing or planned activities
- relationships with other persons creating an actual or perceived impairment to the vendor's objectivity in performing the contract work, or
- unfair competitive advantage (e.g., assisting with the development of specifications, requirements, statements of work for solicitations).

Examples include, but are not limited to:

- Unequal access to information whereby a vendor could receive a competitive advantage for a solicitation. To prevent this, Sourcewell will gather industry information from vendors in such a way as to not disclose what will or could be included in an upcoming solicitation. All conversations with industry partners for information gathering should stop a reasonable time prior to the issuance of a solicitation.
- Assisting in establishing the ground rules for a solicitation, such as drafting specifications or evaluation criteria.
- Impaired objectivity by a vendor being put in a position to provide assessment and evaluation findings over itself, another business division or subsidiary of the same corporation, or another entity with which it has a financial relationship.

Procedures Authority:

A. Statutory Authority

1. *Cooperative Purchasing and Member Services*. Sourcewell's cooperative purchasing and member services are authorized by Minnesota Statutes Section 123A.21, subdivision 7(a)(1) through (23).

2. *Sourcewell-only Products and Services*. The sale or purchase of supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property is governed by Minnesota Statutes Section 471.345.

B. Sourcewell Bylaws

The Sourcewell Board of Directors (Board) is responsible for approving the categories of products and services for which Sourcewell will issue solicitations for Sourcewell's cooperative purchasing and contracting program. A Board resolution approving the category is required prior to publication of the solicitation process.

Pursuant to the Sourcewell Bylaws (Article XV) and through this policy, the Board designates the chief procurement officer to administer Sourcewell's cooperative purchasing and contracting program. The chief procurement officer is designated as the party responsible for development, implementation, and operation of all processes necessary for effective procurement, including contract category development, solicitation and evaluation, contract administration, and cooperative purchasing functions.

As delegated by the Sourcewell Bylaws (Article XV, Section 2) the chief procurement officer is authorized to award all competitively solicited cooperative purchasing contracts, without limitation. While the awards made by the chief

procurement official are valid and binding, in support of some members' legal requirements, the chief procurement official will seek from the Board subsequent ratification of all cooperative purchasing awards.

General Requirements:

A. Solicitation Form and Management, and Templates

As required by this policy, all solicitations, including all cooperative purchasing solicitations, will be issued as a Request for Proposals (RFP), Invitation for Bids (IFB), or other method approved by the chief procurement officer. RFP means a solicitation in which a responder's proposal may be negotiated so that it provides the best value to Sourcewell and its members. IFB means a solicitation in which the terms, conditions, and specifications are fully described and responses are not subject to negotiation.

To ensure consistency in process and compliance, Sourcewell's objective is to have all solicitations managed by, and use the templates maintained by, the Procurement Department (e.g., RFP, IFB, indefinite quantity construction), unless an exception is granted by the chief procurement officer.

B. Public Notice

1. *Cooperative purchasing.* At a minimum, public notice of all cooperative purchasing contracts will be posted for a minimum of 30 days on the Sourcewell website (www.sourcewell-mn.gov). Additional notification of solicitations may occur through alternative media locations as determined to be reasonable by the chief procurement officer.
2. *Sourcewell-only contracts.* When required by this policy, public notice of Sourcewell-only contracting opportunities will be posted for a minimum of 30 days on the Sourcewell website (www.sourcewell-mn.gov).

C. Receipt of Responses

Sourcewell will not evaluate any proposal, bid, or any other form of response to a solicitation, that was not received by the due date and time specified in the solicitation document.

D. Evaluation

All proposals that are received timely will be evaluated for compliance with the evaluation criteria that have been clearly defined in the solicitation.

E. Awards

- a. Contract awards may be made to only "responsible" vendors as defined by Minnesota law and federal requirements.
- b. Sourcewell will not award a contract to a vendor that has been debarred, suspended, or otherwise excluded from or ineligible for participation by the state of Minnesota or from any federal assistance programs or activities.
- c. Unless approved in writing by the chief procurement officer, the maximum term of any contract will be five years.

F. Contract Execution Delegation

1. *Cooperative purchasing contracts.* The Board delegates to the chief procurement officer the authority to execute all cooperative purchasing contracts on behalf of Sourcewell.
2. *Sourcewell-only product and service contracts.* The Board delegates to the executive director the authority to execute all Sourcewell-only purchasing contracts on behalf of Sourcewell.

Cooperative Purchasing Procurement Requirements:

All cooperative purchasing solicitations, regardless of the department from which the contract(s) originate or the estimated total dollar value of the resulting contract, must follow the process outlined below.

A. Board Approval

The Board must approve all categories of products and services prior to posting public notice of a solicitation. The Board's approval must ensure that the solicitation process is not unnecessary or duplicative.

B. Awards

1. Contract awards may only be made to “responsible” vendors as defined by Minnesota law and federal requirements.
2. Sourcewell’s goal is to award sufficient number of contracts to meet the needs of Sourcewell members. Factors to be considered in determining the number of contracts to be awarded in any category may include the following:
 - The number and geographic location of vendors necessary to offer a comprehensive selection of products for use by members.
 - The number and geographic locations of vendors, and their sales and service network, to assure availability of product supply and coverage to meet members’ anticipated needs.
 - The attributes of vendors’ products and services that are necessary to assist Sourcewell and its members with achieving environmental, sustainability, supplier diversity, and technological goals and objectives.
3. All cooperative purchasing contracts must contain a provision requiring the vendor to notify Sourcewell if its status changes regarding debarment and suspension.
4. Unless approved by the chief procurement officer, the maximum term of any cooperative contract will be five years.
5. Upon completion of the procurement process and contract award, at the next monthly meeting of the Board, the Chief Procurement Officer will present a resolution so that the Board may ratify the contract awards.

Sourcewell-Only Products and Construction-Related Services and Professional Service Contracting Requirements

For procurement of products and construction-related services that will be used by Sourcewell alone, Sourcewell must follow the requirements of Minnesota’s Uniform Municipal Contracting Law, Minnesota Statutes Section 471.345, and when applicable the United States Uniform Guidance requirements.

Before making any purchase or creating a new contract, Sourcewell should look first to its own cooperative purchasing contracts to fulfill its needs.

After a determination that the solutions available on Sourcewell’s cooperative purchasing contracts do not meet its needs, Sourcewell may enter into contract(s) to meet its needs for products, construction-related services, and professional technical services by following the process outlined below.

A. Procurement of Supplies, Materials, Equipment or the Rental thereof, or the Construction, Alteration, Repair or Maintenance of Real or Personal Property.

1. Acquisitions of \$25,000 or less; best value alternative.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to be \$25,000 or less, in Sourcewell’s discretion, the contract may be made either upon quotation or in the open market. If the contract is based upon quotation it must be based, so far as practicable, on at least two quotations. The quotations must be kept on file for a period of at least one year after their receipt (five years if federal money is used for the purchase).

Alternatively, Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor’s or contractor’s personnel is one of the selection criteria, the relative weight of the interview must be stated in the solicitation document and applied accordingly. When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on best value to the organization.

2. Acquisitions exceeding \$25,000 but not \$175,000; best value alternative.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made either upon: a) solicitation response or b) by direct negotiation. Sourcewell must obtain a minimum of two more quotations for the purchase or sale when possible. All quotations obtained must be kept on file for a period of at least one year after receipt thereof (five years if federal money is used for the purchase).

Alternatively, Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview shall be stated in the solicitation document and applied accordingly.

When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on the lowest acceptable price or best value when it is the selected method of evaluation.

3. Acquisitions exceeding \$175,000; best value alternative.

For all resulting contracts with an estimated value exceeding \$175,000, including all foreseeable amendment, Sourcewell will follow the policy set forth above for Cooperative Purchasing Services Procurement Requirements.

Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in Minnesota Statutes Section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview must be stated in the solicitation document and applied accordingly.

When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on the lowest acceptable price or best value when it is the selected method of evaluation.

B. Professional and Technical Services Contracts

Professional and technical services are those that are intellectual in character, including consultation, analysis, evaluation, predication, planning, programming, or recommendation, and result in production of a report of the completion of a task. Sourcewell may meet its needs for professional and technical services by entering into a Professional and Technical Service Contract (PTSC) under the following requirements:

1. PTSC \$10,000 or less.

If the amount of the PTSC, including all foreseeable amendments, is estimated to be \$10,000 or less, Sourcewell may use its discretion in the selection of the vendor. However, when selecting the vendor, Sourcewell must consider the vendor's qualifications and proposed price.

The PTSC may not be broken into smaller pieces to circumvent this threshold. Sourcewell should be conscious of the number of times a vendor has been directly selected and attempt to find alternative vendors when a source is used too frequently. When selecting the vendor, Sourcewell must comply with conflict of interest requirements. Sourcewell will consider all factors that any reasonable purchaser would use in selecting the greatest value for cost that will achieve the desired outcomes in purchasing professional services. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

2. PTSC exceeding \$10,000 but not \$75,000.

If the amount of the PTSC, including all foreseeable amendments, is estimated to exceed \$10,000 but not to exceed \$75,000, Sourcewell should endeavor to obtain three written proposals from qualified vendors.

The PTSC may not be broken into smaller pieces to circumvent this threshold. When selecting the vendor, Sourcewell must comply with conflict of interest requirements. Sourcewell will consider all factors that any reasonable purchaser would use in selecting the greatest value for cost that will achieve the desired outcomes in purchasing professional services. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

3. PTSC Exceeding \$75,000.

If the amount of the PTSC, including all foreseeable amendment, is estimated to exceed \$75,000, Sourcewell must follow the policy set forth above for Cooperative Purchasing Services Procurement Requirements. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

C. Contracts Using United States Federal Funding

In the event Sourcewell uses federal funding for either direct or pass-through federal dollars, it will comply with the procurement requirements set forth in 2 C.F.R. 200.317 – 200.326, along with Sourcewell's procurement policies. In the event of a conflict between the federal requirements and Sourcewell's requirements, the most restrictive requirement will prevail.

Software or Technology

When considering the purchase of software or technology, a department must consult with Information Technology (IT) as early in the process as feasible, in order to ensure the new software or technology is one that can be supported by Sourcewell. The department must also work with IT to consider any ongoing or future maintenance fees, license requirements and fees, etc.

Quotation and bid requirements for software or technology are the same as those for professional and technical services.

Exceptions to the procurement process

A. Cooperative Purchasing (Minnesota Statutes Section 471.345, subdivision 15)

1. Sourcewell may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state of Minnesota's cooperative purchasing venture (CPV), Cooperative Purchasing Connection (CPC), or other national municipal association's purchasing alliance or cooperative. For a contract estimated to exceed \$25,000, Sourcewell must consider the availability, price and quality of supplies, materials, or equipment available through CPV before purchasing through another source.
2. If Sourcewell does not use CPV, Sourcewell may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements if the purchase is through a national municipal association's purchasing alliance or other qualifying cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.
3. In the event Sourcewell accesses another entity's cooperative purchases, documentation of that entity's solicitation process must be contained within the procurement file maintained by Sourcewell.

B. Single Source

A single source acquisition is one where, after a search, only one supplier is determined to be reasonably available for the required product, service, or construction item.

Since single source eliminates competition and should be avoided whenever possible, single-source contracts should be awarded only when Sourcewell is confident that it has performed sufficient research to ensure the awarded vendor meets the single source definition and the selection can withstand a possible audit or other public scrutiny.

Examples of appropriate single source awards:

- The item is legitimately available from only a single source (e.g., prescribed text books and printed test forms available only from a single publisher)
- An emergency that does not permit the delays required from issuing a competitive solicitation (see below)
- The United States federal awarding agency of pass-through money expressly authorizes noncompetitive proposals in response to a written request from Sourcewell (this applies to federal funds only).

The request for single-source procurement, along with sufficient justification, should be presented to the chief procurement officer who will make the final determination of whether a contract meets single source requirements.

C. Emergencies

A valid emergency is one where the required product or service is immediately needed for continued operation of Sourcewell, or in limited circumstances for the continued operations of a member. The need should be based on the

preservation of life or property. An emergency need is a genuine surprise, one that could not have been foreseen. Failure to procure an item or service in a timely manner does not constitute a valid emergency.

The request for emergency procurement, along with sufficient justification, should be presented to the chief procurement officer, who will make the final determination of whether a contract meets the requirements for being classified as an emergency.

D. Unusual or Sensitive Matters

In the event there is a need for an exception to the professional and technical service solicitation process, justification for the request must be presented to the chief procurement officer, who in consultation with the executive director, will make the final determination of the process to be used.

Procurements That May Contain Federal Funding

A. Cooperative purchasing and member service contracts. In order to comply with United States federal requirements regarding procurements (2 C.F.R .200.317 – 200.326) all Sourcewell cooperative contracts will contain language putting members on notice of federal requirements.

B. Sourcewell-only contracts. In the event Sourcewell is using federal money to pay for any portion of the contracted products or services, procurement will comply with Uniform Guidance (2 C.F.R. Part 200). requirements and must contain current federally required language. Specifically, the procurement should reference:

- Record retention (2 C.F.R. § 200.318(i))
- Contracting with small and minority businesses, women’s business enterprises, and labor surplus area firms (2 C.F.R. § 200.321)
- Procurement of recovered materials, if applicable (2 C.F.R. § 200.322)
- Bonding requirements – (2 C.F.R. § 200.325)
- Contact provisions – Appendix II to 2 C.F.R. § 200

Data Practices and Records Retention

All data created and maintained during the procurement process, including detailed history of the procurement, must comply with the Minnesota Data Practices Act (Minnesota Statutes Chapter 13) and Sourcewell’s Records Retention Policy.

Procurement Policy Adoption

Sourcewell’s Procurement Policy must be adopted by resolution of the Board. The policy must be reviewed on a biennial basis with any modifications approved by the Board.

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.

Procurement Policy

Purpose:

To ensure that Sourcewell's procurement of goods, services, and construction is performed in a way that ensures all acquisitions are made through, and contracts are created pursuant to, a process that enhances access, competition, and fairness; and results in optimal balance of overall benefits to Sourcewell and its members and participating entities.

Sourcewell's acquisitions and contracts should be performed in such a way as to stand the test of public scrutiny in matters of good judgment and integrity, open competition, and fairness in the spending of public funds.

Scope:

This policy applies to all acquisitions made, and contracts entered into, by Sourcewell for goods or services for itself or its members and participating entities.

Procedure Objectives:

A. Compliance

Sourcewell procurements must comply with all applicable State of Minnesota and United States federal laws, with the goal of maintaining compliance with applicable provisions of the Canadian Free Trade Agreement (CFTA), Comprehensive Economic and Trade Agreement (CETA), and other applicable Canadian trade agreements.

B. Fair and Open Competition

As a Minnesota local government agency and service cooperative, Sourcewell will encourage fair and open competition in its acquisitions. When competition is required by this policy the specifications should be written so that they are able to be met by more than one vendor, notice of the opportunity is posted so that it receives broad publication, and all responsible vendors are permitted to compete in the solicitation process.

C. Awards Considering Cost, Quality, and Ability

Sourcewell will strive to procure goods and services that provide the most responsible use of resources for itself and its members and participating entities by evaluating quality, price, and the vendor's ability to provide the product or service. Sourcewell may also evaluate a responder's past performance; however, this may not be used to give one vendor an unfair advantage over others simply because a contract had been successfully performed previously.

Social and economic preferences will be implemented to the extent practicable and when required by Minnesota law. Members and participating entities accessing the resulting contracts are expected to enforce their own specific legal requirements.

D. Free from Conflicts of Interest

1. Individual Conflicts of Interest

Sourcewell employees must not participate in any procurement in which the employee has an actual, potential, or appearance of conflict of interest. A conflict of interest is present in any situation in which the employee's judgment, actions, or non-action are, or may be, influenced by something that would benefit the employee, the employee's immediate family, or other personal relationship, or an organization with which the employee is associated.

Employees must disclose any conflict of interest prior to participating in any part of the procurement process; this includes drafting a solicitation and managing any resulting contract. Employees participating in the response evaluation process must sign the Evaluation Committee Member Agreement.

If at any time an employee believes an actual or potential conflict of interest exists, it is the employee's duty to avoid the situation and immediately declare the actual or potential conflict to their manager. The manager must then review the circumstances and make a determination as to existence of an actual or potential conflict of interest. If the manager determines that a conflict of interest does exist, the employee's responsibilities for that procurement must be assigned to an employee without such conflict of interest.

Any employee that participated in an acquisition that is later discovered to have had an undisclosed conflict of interest at the time of the acquisition, may be subject to discipline.

2. Organizational Conflict of Interest

Sourcewell must do its best to identify, and then avoid or mitigate organizational conflicts of interest in all procurement transactions. An "organizational conflict of interest" is created when a vendor is unable, or potentially unable, to render impartial assistance or advice to Sourcewell due to the vendor's:

- existing or planned activities
- relationships with other persons creating an actual or perceived impairment to the vendor's objectivity in performing the contract work, or
- unfair competitive advantage (e.g., assisting with the development of specifications, requirements, statements of work for solicitations).

Examples include, but are not limited to:

- Unequal access to information whereby a vendor could receive a competitive advantage for a solicitation. To prevent this, Sourcewell will gather industry information from vendors in such a way as to not disclose what will or could be included in an upcoming solicitation. All conversations with industry partners for information gathering should stop a reasonable time prior to the issuance of a solicitation.
- Assisting in establishing the ground rules for a solicitation; such as drafting specifications or evaluation criteria.
- Impaired objectivity by a vendor being put in a position to provide assessment and evaluation findings over itself, another business division or subsidiary of the same corporation, or another entity with which it has a financial relationship.

PROCUREMENT AUTHORITY:

A. Statutory Authority

1. Sourcewell-only Products and Services.

The sale or purchase of supplies, materials, equipment, or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property are governed by Minnesota Statutes Section 471.345.

B. Cooperative Purchasing

Sourcewell cooperative purchasing is authorized by Minnesota Statutes Section 123A.21, subdivision 7(a)(1) through (23).

C. Sourcewell Bylaws

The Sourcewell Board of Directors (Board) is responsible for approving the categories of products and services for which Sourcewell will issue solicitations for Sourcewell's cooperative purchasing and contracting program. A Board resolution approving the category is required prior to publication of the solicitation process.

Pursuant to the Sourcewell Bylaws (Article XV) and through this policy, the Board designates the Chief Procurement Officer to administer Sourcewell's Sourcewell-only products and services contracting and cooperative purchasing. The Chief Procurement Officer is designated as the party responsible for development, implementation, and operation of all processes necessary for effective procurement including contract category development, solicitation and evaluation, contract administration, and cooperative purchasing functions.

As delegated by the Sourcewell Bylaws (Article XV, Section 2) the Chief Procurement Officer is authorized to award all competitively solicited Sourcewell-only contracts and cooperative purchasing contracts, without limitation. While the awards made by the Chief Procurement Official are valid and binding, in support of some members and participating entities' legal requirements, the Chief Procurement Official will seek from the Board subsequent ratification of all cooperative purchasing awards.

GENERAL REQUIREMENTS:

A. Solicitation Form and Management, and Templates

As required by this policy, all solicitations, including all cooperative purchasing solicitations, will be issued as a Request for Proposals (RFP), Invitation for Bids (IFB), or other method that is as approved by the Chief Procurement Officer. RFP means a solicitation in which a responder's proposal may be negotiated so that it provides the best value to Sourcewell and its members and participating entities. IFB means a solicitation in which the terms, conditions, and specifications are fully described and responses are not subject to negotiation.

To ensure consistency in process and compliance, Sourcewell's objective is to have all solicitations managed by, and use the templates maintained by, the Procurement Department (e.g., RFP, IFB, indefinite quantity construction), unless an exception is granted by the Chief Procurement Officer.

B. Public Notice

1. Cooperative Purchasing. At a minimum, public notice of all cooperative purchasing contracts will be posted for a minimum of 30 days on the Sourcewell website (www.sourcewell-mn.gov). Additional notification of solicitations may occur through alternative media locations as determined to be reasonable by the Chief Procurement Officer. At a minimum, public notice of all cooperative purchasing contracts will be posted for a minimum of 30 days on the Sourcewell website (www.sourcewell-mn.gov). Additional notification of solicitations may occur through alternative media locations as determined to be reasonable by the Chief Procurement Officer.

2. Sourcewell-only contracts.

When required by this Policy, public notice of Sourcewell-only contracting opportunities will be posted for a minimum of 30 days on the Sourcewell website (www.sourcewellmn.gov).

C. Receipt of Responses

Sourcewell will not evaluate any proposal, bid, or any other form of response to a solicitation, that was not received by the due date and time specified in the solicitation document.

D. Evaluation

All proposals that are received timely will be evaluated for compliance with the evaluation criteria that have been clearly defined in the solicitation.

E. Awards

- a. Contract awards may only be made to “responsible” vendors as defined by Minnesota law and federal requirements.
- b. Sourcwell will not award a contract to a vendor that has been debarred, suspended, or otherwise excluded from or ineligible for participation by the State of Minnesota or from any federal assistance programs or activities.
- c. Unless approved in writing by the Chief Procurement Officer, the maximum term of any contract will be five years.

F. Contract Execution Delegation

1. Cooperative Purchasing Contracts.

The Board delegates to the Chief Procurement Officer the authority to execute all cooperative purchasing contracts on behalf of Sourcwell.

2. Sourcwell-only Product and Service Contracts.

The Board delegates to the Executive Director the authority to execute all Sourcwell-only purchasing contracts on behalf of Sourcwell.

COOPERATIVE PURCHASING PROCUREMENT REQUIREMENTS:

All cooperative purchasing solicitations, regardless of the department from which the contract(s) originate or the estimated total dollar value of the resulting contract, must follow the process outlined below.

A. Board Approval

The Board must approve all categories of products and services prior to posting public notice of a solicitation. The Board’s approval must ensure that the solicitation process is not unnecessary or duplicative.

B. Awards

- 1. Contract awards may only be made to “responsible” vendors as defined by Minnesota law and federal requirements.
- 2. Sourcwell’s goal is to award sufficient number of contracts to meet the needs of Sourcwell members and participating entities. Factors to be considered in determining the number of contracts to be awarded in any category may include the following:
 - The number and geographic location of vendors necessary to offer a comprehensive selection of products for use by members and participating entities.
 - The number and geographic locations of vendors, and their sales and service network, to assure availability of product supply and coverage to meet members’ and participating entities’ anticipated needs.
 - The attributes of vendors’ products and services that are necessary to assist Sourcwell and its members and participating entities with achieving environmental, sustainability, supplier diversity, and technological goals and objectives.
- 3. All cooperative purchasing contracts must contain a provision requiring the vendor to notify Sourcwell if its status changes regarding debarment and suspension.
- 4. Unless approved in writing by the Chief Procurement Officer and through written amendment, the maximum term of any cooperative contract will be five years.
- 5. Upon completion of the procurement process and contract award, at the next monthly meeting of the Board, the Chief Procurement Officer will present a resolution so that the Board may ratify the contract awards.

SOURCEWELL-ONLY PRODUCTS AND CONSTRUCTION-RELATED SERVICES AND PROFESSIONAL SERVICE CONTRACTING REQUIREMENTS

For procurement of products and construction-related services that will be used by Sourcewell alone, Sourcewell must follow the requirements of Minnesota's Uniform Municipal Contracting Law, Minnesota Statutes Section 471.345, and when applicable the United States Uniform Guidance requirements.

Before making any purchase or creating a new contract, Sourcewell should look first to its own cooperative purchasing contracts to fulfill its needs.

After a determination that the solutions available on Sourcewell's cooperative purchasing contracts do not meet its needs, Sourcewell may enter into contract(s) to meet its needs for products, construction related services, and professional technical services by following the process outlined below.

A. Procurement of Supplies, Materials, Equipment or the Rental thereof, or the Construction, Alteration, Repair or Maintenance of Real or Personal Property

1. Acquisitions of \$25,000 or less; best value alternative.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to be \$25,000 or less, in Sourcewell's discretion, the contract may be made either upon quotation or in the open market. If the contract is based upon quotation it must be based, so far as practicable, on at least two quotations. The quotations must be kept on file for a period of at least one year after their receipt (five years if federal money is used for the purchase).

Alternatively, Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview must be stated in the solicitation document and applied accordingly.

When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on best value to the best value organization to the organization.

2. Acquisitions exceeding \$25,000 but not \$175,000; best value alternative.

If the amount of the resulting contract, including all foreseeable amendments, is estimated to exceed \$25,000 but not to exceed \$175,000, the contract may be made either: a) upon quotation or b) following Cooperative Purchasing requirements of Article VI. Sourcewell must obtain a minimum of two more quotations for the purchase or sale when possible. All quotations obtained must be kept on file for a period of at least one year after receipt thereof (five years if federal money is used for the purchase).

Alternatively, Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview shall be stated in the solicitation document and applied accordingly.

When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on the lowest acceptable price, or Best Value when it is the selected method of evaluation.

3. Acquisitions exceeding \$175,000; best value alternative.

For all resulting contracts with an estimated value, including all foreseeable amendment, exceeding \$175,000, Sourcewell will follow the policy set forth above for Cooperative Purchasing Services Procurement Requirements.

Sourcewell may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in Minnesota Statutes Section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). This means that the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview must be stated in the solicitation document and applied accordingly.

When making the selection, Sourcewell must comply with conflict of interest requirements and make an effort to ensure that the contract is based on the lowest acceptable price, or Best Value when it is the selected method of evaluation.

B. Professional and Technical Services Contracts

Professional and technical services are those that are intellectual in character, including consultation, analysis, evaluation, predication, planning, programming, or recommendation, and result in production of a report of the completion of a task. Sourcewell may meet its needs for professional and technical services by entering in to Professional and Technical Service Contract (PTSC) under the following requirements:

1. PTSC \$10,000 or less.

If the amount of the PTSC, including all foreseeable amendments, is estimated to be \$10,000 or less, Sourcewell may use its discretion in the selection of the vendor. However, when selecting the vendor, Sourcewell must consider the vendor's qualifications and proposed price.

The PTSC may not be broken into smaller pieces to circumvent this threshold. Sourcewell should be conscious of the number of times a vendor has been directly selected and attempt to find alternative vendors when a source is used too frequently. When selecting the vendor, Sourcewell must comply with conflict of interest requirements. Sourcewell will consider all factors that any reasonable purchaser would use in selecting the greatest value for cost that will achieve the desired outcomes in purchasing professional services. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

2. PTSC exceeding \$10,000 but not \$75,000.

If the amount of the PTSC, including all foreseeable amendments, is estimated to exceed \$10,000 but not to exceed \$75,000, Sourcewell should endeavor to obtain three written proposals from qualified vendors.

The PTSC may not be broken into smaller pieces to circumvent this threshold. When selecting the vendor, Sourcewell must comply with conflict of interest requirements. Sourcewell will consider all factors that any reasonable purchaser would use in selecting the greatest value for cost that will achieve the desired outcomes in purchasing professional services. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

3. PTSC Exceeding \$75,000.

If the amount of the PTSC, including all foreseeable amendment, is estimated to exceed \$75,000, Sourcewell must follow the policy set forth above for Cooperative Purchasing Services Procurement Requirements. Sourcewell should attempt to begin all contracting using Sourcewell's PTSC template.

C. Contracts using United States Federal Funding

In the event Sourcewell uses federal funding for either direct or pass-through federal dollars, it will comply with the procurement requirements set forth in 2 C.F.R. 200.317 – 200.326, along with Sourcewell’s procurement policies. In the event of a conflict between the federal requirements and Sourcewell’s requirements, the most restrictive requirement will prevail.

SOFTWARE OR TECHNOLOGY

When considering the purchase of software or technology, a department must consult with Information Technology (IT) as early in the process as feasible, in order to ensure the new software or technology is one that is able to be supported by Sourcewell. The department must also work with IT to consider any ongoing or future maintenance fees, license requirements and fees, etc.

Quotation and bid requirements for software or technology are the same as those for Professional and Technical Services.

EXCEPTIONS TO THE PROCUREMENT PROCESS

A. Cooperative Purchasing (Minnesota Statutes Section 471.345, subdivision 15)

1. Sourcewell may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the State of Minnesota's cooperative purchasing venture (CPV), Cooperative Purchasing Connection (CPC), or other national municipal association's purchasing alliance or cooperative. If accepted by the State of Minnesota into the CPV program, for a contract estimated to exceed \$25,000, Sourcewell must consider the availability, price and quality of supplies, materials, or equipment available through CPV before purchasing through another source.
2. If Sourcewell does not use CPV, Sourcewell may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements if the purchase is through a national municipal association's purchasing alliance or other qualifying cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.
3. In the event Sourcewell accesses another entity’s cooperative purchases, documentation of that entity’s solicitation process must be contained within the procurement file maintained by Sourcewell.

B. Single Source

A single source acquisition is one where, after a search, only one supplier is determined to be reasonably available for the required product, service, or construction item.

Since single source eliminates competition and should be avoided whenever possible, single source contracts should only be awarded when Sourcewell is confident that it has performed sufficient research to ensure the awarded vendor meets the single source definition and the selection can withstand a possible audit or other public scrutiny.

Examples of appropriate single source awards:

- The item is legitimately only available from a single source (e.g., prescribed textbooks and printed test forms available only from a single publisher);
- An emergency that does not permit the delays required from issuing a competitive solicitation (see below);
- The United States federal awarding agency of pass-through money expressly authorizes noncompetitive proposals in response to a written request from Sourcewell (this applies to federal funds only).

The request for single source procurement, along with sufficient justification, should be presented to the Chief Procurement Officer who will make the final determination of whether a contract meets single source requirements.

C. Certain Marketing Agreements

Sourcewell may enter into service contracts directly for marketing partnerships unique to a specific organization or association that include marketing promotion or revenue sharing agreements. The intent of the contract is to increase Sourcewell's exposure in that organization or association with the goal of increasing usage of Sourcewell's contracts and services. The contracts must be approved and executed by the Chief Procurement Officer.

D. Emergencies

A valid emergency is one where the required product or service is *immediately* needed for continued operation of Sourcewell, or in limited circumstances for the continued operations of a member or participating entity. The need should be based on the preservation of life or property. An emergency need is a genuine surprise; one that could not have been foreseen. Failure to procure an item or service in a timely manner does not constitute a valid emergency.

The request for emergency procurement, along with sufficient justification, should be presented to the Chief Procurement Officer who will make the final determination of whether a contract meets the requirements for being classified as an emergency.

E. Unusual or Sensitive Matters

In the event there is a need for an exception to the professional and technical service solicitation process, justification for the request must be presented to the Chief Procurement Officer, who in consultation with the Executive Director, will make the final determination of the process to be used.

PROCUREMENTS THAT MAY CONTAIN FEDERAL FUNDING

A. Cooperative Purchasing Contracts. In order to comply with United States federal requirements regarding procurements (2 C.F.R. 200.317 – 200.326) all Sourcewell cooperative contracts will contain language putting members and participating entities on notice of federal requirements.

In order to comply with United States federal requirements regarding procurements (2 C.F.R. 200.317 – 200.326) all Sourcewell cooperative contracts will contain language putting members and participating entities on notice of federal requirements.

B. Sourcewell-only contracts. In the event Sourcewell is using federal money in order to pay for any portion of the contracted products or services will comply with Uniform Guidance (2 C.F.R. Part 200) requirements and must contain current federally required language. Specifically, the procurement should reference:

In the event Sourcewell is using federal money in order to pay for any portion of the contracted products or services will comply with Uniform Guidance (2 C.F.R. Part 200) requirements and must contain current federally required language. Specifically, the procurement should reference:

- Record retention (2 C.F.R. § 200.318(i))
- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms (2 C.F.R. § 200.321)
- Procurement of Recovered Materials, if applicable (2 C.F.R. § 200.322)
- Bonding Requirements – (2 C.F.R. § 200.325)
- Contact Provisions – Appendix II to 2 C.F.R. § 200

DATA PRACTICES AND RECORDS RETENTION

All data created and maintained during the procurement process, including detailed history of the procurement, must comply with the Minnesota Data Practices Act (Minnesota Statutes Chapter 13) and Sourcewell's Records Retention Policy.

PROCUREMENT POLICY ADOPTION

Sourcewell's Procurement Policy must be adopted by resolution of the Board. The policy must be reviewed on a biennial basis with any modifications approved by the Board.

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.