

Policy Committee Meeting

Monday, October 6, 2025 3:15 PM

Tate Hall Conference Room, 615 Olof Hanson Drive, Faribault, MN 55021

1. **Call to Order**

2. **Meeting Minutes Review**

3. **Policies to Review from MSBA: None**

4. **Policies to Review for a Second Reading: None**

5. **Policies to Review Before Revision: None**

6. **Policies to Review Prior to a First Reading**

6.A. 446 - Payroll and Leave & Overtime Requests

6.B. 450 - School Volunteers

6.C. 906 - Community Notification of Predatory
Offenders

6.D. 455 - Employee Code of Conduct

7. **Policies to Review for Reauthorization**

7.A. 102 - Equal Education Opportunity

7.B. 445 - Respectful Workplace

7.C. 745 - MSA Purchasing Card Use

8. **Adjourn**



Minutes of Policy Committee Meeting Minnesota State Academies Board

A Policy Committee Meeting of the Minnesota State Academies Board was held Wednesday, September 3, 2025, beginning at 3:15 PM in the Tate Hall Conference Room, 615 Olof Hanson Drive, Faribault, MN 55021.

Present: Hernan Moncada, Katie Wangberg, Superintendent Terry Wilding, Heather Smisek, Brittany Thomforde, Justin Cyboron.

1. Call to Order

The meeting was called to order at 3:21 pm.

Superintendent Wilding welcomed the new committee members and provided an overview of the policy committee's process and standard operating procedures.

2. Meeting Minutes Review

No edits.

3. Policies to Review from MSBA: None

4. Policies to Review for a Second Reading

A. 213 MSA Board Committees

Minor revisions were noted, including moving the superintendent's evaluation from the School Operations Committee to the Executive Committee, as recommended by the Board Chair. Approved to move forward to the Board.

B. 452 Staff Use of Electronic Communication and Technology

Superintendent Wilding explained the formatting: red font indicates new or rewritten language; blue font reflects slight revisions for clarity or reorganization; and strikethrough text indicates removal. This policy was originally combined with Policy 524 but was split for separate focus on staff and students. No feedback was given.

C. 524 Student Use of Electronic Communication and Technology

Reviewed in connection with Policy 452. No feedback was given.

D. 525 Violence Prevention

This is a relatively new policy from the Minnesota School Boards Association (MSBA), which regularly shares suggested policy templates. We also incorporate policies from Minnesota Management and Budget (MMB). Heather Smisek expressed appreciation for the specific language used. Approved to move forward.

E. 616 School Accountability

Significant revision were made to reflect evolving school needs. The policy emphasizes broader accountability measures and establishes the School Accountability Committee to strengthen curriculum development. Justin Cyboron, CEP director, will lead this committee. No feedback was given.

5. Policies to Review Before Revision: None

6. Policies to Review Prior to a First Reading

A. 514 Bully Prohibition

Revisions align with updated state requirements and MSBA's model policy. Discussion focused on clarifying reporting procedures and addressing both cyberbullying and in-person bullying:

- Katie Wangberg raised the question of whether in-person bullying should be included. Superintendent Wilding noted that off-campus in-person bullying is uncommon due to distance but agreed the policy should specify staff responsibility to intervene when such bullying impacts school.
- Clarification is needed on reporting: suggestions included "campus administrator," principals, counselors, or Human Resources.
- Justin Cyboron noted that students or parents typically report to principals.
- Committee members discussed distinguishing bullying from general unkind behavior and recommended a school-wide approach. Superintendent Wilding supported using the term "campus administrator."
- Training was discussed: suggestions ranged from a three-year cycle to annual sessions (including online modules and guest presenters). Justin will review this with the MTSS committee. Members also emphasized involving students in training.

Further revision of this policy is needed.

7. Policies to Review for Reauthorization

A. 522 Student Sex, Gender, Gender Identity Nondiscrimination

No changes were made. Approved to move forward.

B. 827 Naming of Buildings, Sites, and Common Areas

The process remains unchanged. Approved to move forward.

8. Adjourn

The meeting adjourned at 3:49 pm.

Policy #: 446
Title: PAYROLL AND LEAVE/OVERTIME REQUESTS
Date of Initial Approval: 04-19-2016
Revision/Re-authorization Dates: 04-25-2019; 10-27-2021
Reviewers: MSA Superintendent; MSA Fiscal Services Office; MSA Human Resources Office

I. PURPOSE

The purpose of this policy is to ensure that payroll entries for Minnesota State Academies (MSA) employees are completed accurately, utilizing established codes and procedures.

II. GENERAL STATEMENT OF POLICY

- A. All MSA employees will complete their time and leave information using the State of Minnesota Employee Self Service System. Employees must make certain that time, leave earn codes, and comments are entered accurately based on hours worked, leave taken, other appropriate pay and leave accrued, and completed by the required deadline.
- B. Supervisors will review their employees' time records for accuracy, appropriate payroll coding, comments, and take corrective actions as needed. This includes approving, validating and loading their payroll departments by the deadline established by the MSA fiscal services office.
- C. Each supervisor will maintain an appropriate timekeeping record system (example: Leave/Overtime requests, emails, or calendar attendance record) to monitor work hours, leave usage, and overtime approved or assigned.
- D. Employee requests for leave and overtime must be submitted and documented by supervisors. Supervisors will maintain leave request documentation for at least one month following leave usage.
- E. MSA payroll staff will process payroll in accordance with the procedures and schedules established by the Minnesota Management and Budget (MMB), make all necessary adjustments, and participate in quarterly payroll reviews.

III. DEFINITIONS

- A. **Employee Self Service** - MMB website containing employee time reporting, leave and pay stub information that is used by employees to enter time information and by supervisors to approve and validate employee time and leave entered.
- B. **Exempt Employee** - Position classifications designated by the Federal Fair Labor Standards Act (FLSA) to be professional and not subject to the overtime provisions of this law.
- C. **Non-exempt Employee** - Classifications that are eligible for overtime based on the FLSA definition.
- D. **Overtime** - Hours worked in excess of a non-exempt employee's normal work schedule that were preapproved or ordered and compensated in accordance with overtime provisions of the appropriate bargaining unit agreement. Special rules apply for exempt employee overtime.
- E. **Payroll Department** - Separate identification numbers for each area of supervision, assigned by agency Human Resources and Fiscal Services, with employees' records included.

F. **Time Records** - Payroll timesheets or Self-Service Time Entry.

**See MSA Policy 410 – Family and Medical Leave for additional information/definitions regarding FMLA leave.*

IV. EMPLOYEE RESPONSIBILITIES

- A. Employees will submit requests for leave to their direct supervisor in advance of the need for the leave, using the MSA Leave Request Form. If leave is not foreseeable, employees must notify their supervisor as soon as possible, following established communication protocols for their respective departments. Failure to do so may result in disciplinary action.
- B. Employees who request paid leave must have a sufficient balance available on the date the paid leave is taken.
- C. Employees must submit requests for overtime to their direct supervisor and receive approval prior to performing the work. Only in unusual circumstances will overtime be approved after the fact. Employees must follow established communication protocols for their respective departments to request overtime. If overtime is assigned by supervisors (i.e. schedule changes, late meetings, additional hours of work), no requests are necessary.
- D. Employees will use the Employee Self Service System to prepare their time entry for each pay period, following established timelines. Employees who fail to adhere to required timelines and accuracy of their time entry may be subject to disciplinary action as appropriate.
- E. Time entry must be accurate for actual hours worked, leave taken, comments, and other pertinent information, using proper codes.
- F. Employees must complete time entry in advance of any planned absence spanning the end of a pay period.
- G. Employees must provide their supervisor with all pertinent back-up documents such as military orders, jury duty summons, or doctor's orders.
- H. Employees will make corrections to their time entry as needed. **In the event supervisors have to make corrections for the employee, the supervisor will add a comment explaining the changes and notify the employee and the payroll coordinator in writing.**

V. SUPERVISOR (APPROVERS) RESPONSIBILITIES

- A. Supervisors will respond to requests for leave or overtime within 48 hours of the request. They will determine appropriate documentation systems to maintain records of employee leave and overtime hours.
- B. Supervisors designated as primary approvers will review time records for their assigned payroll department. Time entry must be reviewed for accuracy by comparison with the Self Service Time Entry system, approved overtime requests, sub calendars and other appropriate documents or reports.
- C. Supervisors will correct time entries as necessary by either notifying the employees to make the appropriate adjustments or making the adjustments themselves in the absence of the employee and following up with the employee. This should only be

done as a last resort. Reasons for the changes must be noted as “comments” in time entry **and communicated with the employee in writing.**

- D. After reviewing the time entry and resolving validation errors, supervisors must revalidate, approve and load departments by the timelines established by Fiscal Services.
- E. When a planned absence prevents a supervisor from reviewing and approving employee time entry, a backup approver must be arranged to complete the process. By direction of MMB, the use of backup approvers should be limited.
- F. Back-up approvers will notify the primary approver and employee of any changes made during their review, including a comment in the time entry stating the reason for the change. Back-up approvers will also include a comment explaining why they, rather than the primary approver, are approving the time records.
- G. Employees will not approve their own time entry.

VI. PAYROLL STAFF RESPONSIBILITIES

- A. Payroll staff will review all assigned payroll departments.
- B. Payroll staff will resolve time entry concerns with employees and supervisors and make appropriate adjustments. Retain pertinent documentation according to the records retention schedule.
- C. Payroll staff will complete current and prior period adjustments as needed.
- D. Payroll staff will notify employees and supervisors of any corrective actions needed or completed.
- E. Payroll staff will notify supervisors/Director of Fiscal Services of any problems related to the agency payroll process.
- ~~F. Payroll staff will review and print the Self Service Time Entry Audit Report HP 2460 and send to supervisors for their signature as well as their employees for any changes that are made.~~
- ~~G. Payroll staff will print the following reports for the Director of Fiscal Services to review, correct, if needed, and approve:
 - ~~a. Payroll Posting Audit Trail (HP2280)~~
 - ~~b. Payroll Register Report (HP2062)~~
 - ~~c. Business Expense Report (HP6745)~~
 - ~~d. Invalid Chart Strings Report (HP6670)~~
 - ~~e. FLSA Overtime Report (HP5005)~~
 - ~~f. Business Expense Transfers Report (HP2380)~~~~

VII. FINANCE PAYROLL AUDITS

- A. Bi-weekly, designated MSA fiscal services staff will audit employee self-service time entry and the supervisory approval process.
- B. The audit will include the following:
 - a. Adequacy of supervisor’s approval process.
 - b. Appropriateness of earn codes for the pay circumstance.
 - c. Accuracy of employee time reporting.
 - d. Adequacy of documentation regarding adjustments.

- e. Appropriate use of back-up approvers.
- C. Supervisors will actively participate in reviews of their payroll departments.
- D. **The payroll coordinator** will notify supervisors of problems found, corrective actions needed, and/or concerns.

Policy #: 450
Title: SCHOOL VOLUNTEERS
Date of Initial Approval: 11-16-2017
Revision/Re-authorization Dates: 02-24-2021
Reviewers: MSA Instructional Leadership Team

I. PURPOSE

The purpose of this policy is to develop a school volunteer program to encourage the use of volunteers in the school to enhance school-based activities and academic learning. This program is also designed to increase communication and positive relationships between parents, school employees, and the MSA community.

The Minnesota State Academies (MSA) considers volunteers as a resource that requires advance planning and preparation for effective use. To further enhance our commitment to equity and support for diversity, as much as possible, MSA directors/supervisors and staff members will recruit volunteers from a variety of minority groups to provide our students with positive role models, reflecting the diversity of our student body.

II. GENERAL STATEMENT OF POLICY

This policy applies to all volunteers at MSA and includes both parent and community volunteers.

III. DEFINITIONS

A. **“Volunteers”** are persons who render services for or on behalf of the school on the campus or at a school-sponsored/school-related activity on or off school property who do not receive compensation in excess of reimbursement for expenses.

B. **“Level 1 Volunteers”** are people who volunteer occasionally and in highly public settings with ~~little or no direct contact with students and who are under constant supervision by MSA employees.~~

- Examples of volunteers in this category might include people working at a fundraising or athletic event, selling concessions at events, supporting supervision of field trips, **assisting with childcare during events**, and/or making an occasional classroom visit/presentation.
- Level 1 volunteers are not required to complete a volunteer application, undergo background checks, or sign a confidentiality agreement. **Level 1 volunteers should never be left alone with students.**

C. **“Level 2 Volunteers”** are people who volunteer regularly with student contact under **constant** supervision of MSA personnel.

- Examples of volunteers in this category include volunteers who provide after school programming or supporting student organization activities on a regular, recurring basis. Student volunteers from local high school

programs who support classroom activities are included in this category.

- Level 2 volunteers must complete a volunteer application and a confidentiality agreement acknowledging FERPA (student confidentiality) requirements.

~~D. “Level 3 Volunteers” are volunteers who have unsupervised contact with students on or off campus. Level 3 volunteers must (1) complete a volunteer application and a confidentiality agreement acknowledging FERPA (student confidentiality) requirements, and (2) undergo a criminal background fingerprint check. Volunteers in this category include one-on-one tutoring, overnight field trip chaperones, or a single day field trip with little or no direct supervision by a MSA employee.~~

E. “Student Interns” are people who are currently enrolled in a post-secondary program for which an authorized internship has been established within an internship agreement with MSA. Student Interns must successfully be accepted into a placement at MSA, completing the following steps: (1) complete an interview with the supervising employee and the **Campus** director **of the department where the internship will occur**; (2) complete a confidentiality agreement acknowledging FERPA (student confidentiality) requirements; (3) undergo a criminal background fingerprint check **and/or provide documentation from their university program**. ~~The Campus Director must approve all student interns in advance.~~ This category applies to students who wish to do observations or practicums at our campuses.

IV. EXPECTATIONS AND LIMITATIONS

- A. All volunteers must be approved in advance by the Campus or Student Life Director. MSA reserves the right to discontinue or disallow the services of any volunteer at any time at the discretion of the administration.
- B. Volunteers must report to the school building office upon arrival to sign in and must report to the office prior to departure to sign out. A sign-in and sign-out log will be maintained in each school office. Each volunteer will be provided with a volunteer identification card which must be displayed for the duration of the visit.

Student Interns may receive card key access and a permanent identification card for the duration of their internship. They will not be required to do daily check-ins or check-outs.

- C. ~~Level 3 volunteers and~~ Student Intern **applicants** who have criminal records indicating involvement in abuse/neglect or any other criminal convictions, whether disclosed or undisclosed, may be provided an opportunity to meet with the ~~Campus Director and/or the~~ Human Resources Director to respond to the results of the background check. No person who is required to register as a sex offender will be approved to volunteer or intern at MSA. After examination of the information available, the **Campus Human Resources**

- Director will make a case-by-case determination as to whether to allow the individual to volunteer or intern at MSA.
- D. ~~Level 3 volunteers and~~ Student Interns must also complete orientation activities ~~with the Campus Director or a designee~~ prior to starting any volunteer activities.
 - E. Volunteers are not allowed to transport students or drive any state vehicles. They may act as chaperones in state/contracted vehicles if accompanied by MSA employees.
 - F. Volunteers cannot bring other family members to the volunteer activity. They are also expected to abide by school rules and general expectations for staff members (i.e. dress code, phone use, appropriate conduct).

Appendices:

450-A: Volunteer Application

450-B: Confidentiality Agreement

450-C: Criminal Background Check

Policy #: 906
Title: COMMUNITY NOTIFICATION OF PREDATORY OFFENDERS
Date of Initial Approval:06-02-2021
Revision/Re-authorization Dates:
Reviewers: MSA Instructional Leadership Team

I. PURPOSE

The purpose of this policy is to assist Minnesota State Academies (MSA) administrators and employees in responding to a notification by a law enforcement agency that a convicted predatory offender is moving into the community so that they may better protect individuals in the school's care while they are on or near MSA premises or under the control of MSA.

II. GENERAL STATEMENT OF POLICY

The policy of MSA is to provide information to staff regarding known predatory offenders that are moving into the community so that they may monitor school premises for the safety of the school, its students, and employees. Employees will be notified as appropriate and have access to Offender Fact Sheets.

1. MSA will provide safety information and resources for distribution to students regarding protecting themselves from abuse, abduction, or exploitation. MSA administrators may ask local law enforcement officials for assistance in providing instruction to employees and students.
2. [Minnesota Statutes, section 244.052, as amended, allows law enforcement agencies to disclose information about certain predatory offenders when they are released into the community. The information disclosed and to whom it is disclosed will depend upon their assessment of the level of risk posed by the predatory offender.](#)

III. DEFINITIONS

1. **“Criminal history conviction data”** is public data on a convicted criminal which is compiled by the State Bureau of Criminal Apprehension (BCA).
2. **“Law enforcement agency”** means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release.
3. **“Notification of Disclosure by Law Enforcement Agency”**
 - a. **Risk Level I** – The local law enforcement agency may disclose certain information to other law enforcement agencies and to any victims of or witnesses to the offense committed by the offender. There will be no disclosure to school districts.
 - b. **Risk Level II** – In addition to those notified in Level I, a law enforcement agency may notify agencies and groups the offender is likely to encounter that the offender is about to move into the community and provide to those agencies and groups an Offender Fact Sheet on the offender. School districts, private schools, day care

centers, and other institutions serving those likely to be victimized by the predatory offender are included in a Level II notification.

- c. **Risk Level III** – In most cases, the local law enforcement will hold a community meeting and distribute an Offender Fact Sheet with information concerning and a photograph of the soon-to-be-released Level III Offender.
4. **“Offender Fact Sheet”** is a data sheet compiled by the Department of Corrections or local law enforcement agency. The Offender Fact Sheet contains both public and private data including a photograph and physical description of the predatory offender, as well as the general location of the offender’s residence.
 - a. A local law enforcement agency may provide Offender Fact Sheets for Level II predatory offenders directly to the school district.
 - b. Level III Offender Fact Sheets will be distributed at a community meeting conducted by the local law enforcement agency.
5. **“Risk Level Assessment”** is the level of danger to the community as established by the Minnesota Department of Corrections following a review by a committee of experts. The level of risk assigned to a soon-to-be-released offender determines the scope of notification.
6. **“Risk Levels”**
 - a. **Risk Level I** is assigned to a predatory offender whose risk assessment score indicates a low risk of re-offense.
 - b. **Risk Level II** is assigned to a predatory offender whose risk assessment score indicates a moderate risk of re-offense.
 - c. **Risk Level III** is assigned to a predatory offender whose risk assessment score indicates a high risk of re-offense.

IV. **GUIDELINES-PROCEDURES**

1. **Level II Notification:** In keeping with the statutorily designated purpose that Offender Fact Sheets are to be used by staff members to secure the school and protect individuals in MSA’s care while they are on or near the MSA premises or under the control of MSA, MSA will take the following steps:
 - a. The superintendent’s office shall ~~request~~ notify the law enforcement agencies within Rice County that all appropriate Level II and Level III notifications are to be provided ~~from law enforcement agencies within Rice County to MSA as promptly as possible~~ to the MSA superintendent’s office.
 - b. Upon notification of the release of a Level II predatory offender, the superintendent’s office shall forward the Offender Fact Sheet to all department supervisors and their administrative assistants. ~~to be posted in an area accessible to employees, but not to the public, unless a determination has been made that public posting would help~~

~~secure the school or protect students. Supervisors must communicate with staff when a new fact sheet is posted.~~

- c. Administrative Assistants will update the Offender Fact Sheets and communicate with persons within the buildings who supervise students or who would be in a position to observe if the Level II offender was in or around the school. This includes, but is not limited to, administrators, teachers, coaches, paraprofessionals, custodians, clerical and office workers, food service workers, volunteers, and transportation providers.
- d. MSA ~~may~~ shall request criminal history conviction data on the Level II predatory offender from its local law enforcement agency. On a case-by-case basis, the superintendent may determine whether to send a letter to parents with general information regarding release of the Level II offender and a copy of the criminal history conviction data that MSA obtained from its local law enforcement agency. The offender fact sheet contains data classified as private or not public under Minnesota law and may only be distributed to parents, students, or others outside MSA if it determines the release is for the purpose of securing the schools and protecting individuals under MSA's care while they are on or near school premises.
- e. ~~The supervisors~~ administrative assistants shall post the Offender Fact Sheet in an area accessible to staff and employees but not the general public unless a determination has been made that public posting will help secure the school or protect students.
- f. MSA shall not distribute or provide access to Level II Offender Fact Sheets to parents, students, or others outside MSA unless a determination has been made that dissemination of the data will help secure the school or protect students.

[NOTE: The Minnesota Department of Administration issued an opinion confirming that the Predatory Offender Fact Sheet contains private data or not public data. However, it is the department's opinion that a school district may release any information contained in the notification to anyone, including staff, students, parents, and guardians, if it determines that the release of data will help secure the school or protect students.]

2. Level III Notification:

- a. The superintendent shall notify the law enforcement agencies within Rice County that all Level III notifications of community meetings are to be provided to MSA.
- b. When a Level III predatory offender is released into a community, generally the local law enforcement agencies will notify school districts of the time and location of the community meeting at which the Level III Offender Fact Sheet will be distributed to the community.
- c. When MSA receives this information, the superintendent or a designee will attend the community notification meeting. The superintendent will

also determine on a case-by-case basis whether MSA will notify parents and students of the time, date, and location of the community meeting.

- d. When MSA receives information that a Level III predatory offender is moving into the community, in addition to following the procedures specified above, MSA shall follow the procedures outlined for a Level II notification.
- e. If the predatory offender is participating in programs offered by MSA that require or might allow the person to interact with children other than the person's children, the superintendent shall notify parents of children enrolled at MSA of the contents of the Offender Fact Sheet.

~~**[Note: The Department of Administration issued an opinion confirming that the Predatory Offender Fact Sheet contains private data or not public data. However, it is the department's opinion that a school district may release any information contained in the notification to anyone, including staff, students, parents, and guardians, if it determines that the release of data will help secure the school or protect students.]**~~

Legal References:

Minn. Stat. Ch. 13 (Minnesota Government Data Practices Act)

Minn. Stat. § 244.052 (*Predatory Offenders; Notice*)

20 U.S.C. § 1232g (Family Educational Rights and Privacy Act)

~~42 U.S.C. § 16901 34 U.S.C. 20901 et seq. (Jacob Wetterling, Megan Nicole Kanka, and Pam Lychner Sex Offender Registration and Notification Program Crimes Against Children and Sexually Violent Offender Registration Program)~~

Dept. of Admin. Advisory Op. No. 98-004

Cross References:

MSA Policy 414 (Mandated Reporting of Child Neglect or Physical or Sexual Abuse)

MSA Policy 415 (Mandated Reporting of Maltreatment of Vulnerable Adults)

MSA Policy 515 (Protection and Privacy of Pupil Records)

MSA Policy 903 (Visitors to MSA Buildings and Sites)

Policy #: 455
Title: EMPLOYEE CODE OF CONDUCT
Date of Initial Approval: 04/19/2018
Revision/Re-authorization Dates: 06/02/2021
Reviewers: MSA Superintendent; MSA Human Resources Staff

I. OBJECTIVES

The objectives of this policy and procedure are to:

- A. Promote honest and ethical behavior within the Minnesota State Academies (MSA)
- B. Inform MSA employees of their responsibilities under the Statewide Operating Policy 0103-01, Code of Conduct; and the companion Statewide Procedure 0103-01.1, Code of Conduct and,
- C. Ensure agency-wide compliance with the MSA Employee Code of Conduct (COC) which includes compliance with the codes of conduct listed above.

II. APPLICABILITY

This policy is applicable to all MSA employees and contractors.

III. POLICY

It is the policy of MSA that each employee will conduct themselves and perform their employment duties in an honest and ethical manner. It is also the policy of MSA that each employee, and the organization as whole, will comply with the COC; all other MSA-specific employee conduct and ethics-related policies; and any other applicable statewide employee conduct and ethics rules, laws, and statutes.

Specifically, MSA will:

- A. Train each employee on their duties and responsibilities under this policy/COC. New employees will be trained within 30 days of their start date; and at least once every three years thereafter.
- B. Require every employee to certify their knowledge of, and agreement to abide by, the requirements of this policy/COC within 30 days of their start date and once each fiscal year thereafter.
- C. Provide retaliation-free mechanisms and communication channels for employees to report suspected violations of this policy, the COC, and any other personal conduct and ethics-related policies occurring within MSA or at any other state agency.
- D. Document, investigate when necessary, and resolve all reasonable and good faith reports of suspected violations of this policy, the COC, or any other employee conduct or ethics-related violations, received internally or externally, in a timely manner.
- E. Notify appropriate state and/or federal agencies, law enforcement bodies, and/or the Office of the Legislative Auditor (OLA), as applicable, of suspected violations of law, and/or instances of fraud and abuse.
- F. Take appropriate action, as applicable, against any employee found to be in violation of the requirements of this policy, the COC, or any other personal conduct or ethics-related policies.

IV. EMPLOYEE CONDUCT RESPONSIBILITIES

Each MSA employee, through words and actions, must demonstrate professional and ethical conduct by adhering to the following expectations:

- A. Act honestly and ethically in carrying out one's employment duties and responsibilities;
- B. Comply with all policies and procedures pertinent to one's job duties, and all applicable MSA/state/federal laws, rules, and regulations;
- C. Cooperate fully with internal, legislative, or external auditors in all areas of their examinations;
- D. Report suspected COC and ethics violations, significant internal control weaknesses, evidence of theft, embezzlement, unlawful use of public funds or property or other irregularities/wrongdoings through appropriate agency channels as designated; and
- E. Report any evidence of theft, embezzlement, or unlawful use of public funds or property to the OLA.

V. NEW EMPLOYEE TRAINING AND CERTIFICATION

The MSA New Employee Supervisory Checklist will include a step reminding supervisors of all new employees of the requirement to have the employee(s)

- within 30 days of their start date, read and become familiar with this policy, the COC, and other applicable statewide employee conduct and ethics policies, procedures, and statutes,
- view the online new employee COC training,
- **and** complete and sign the appropriate COC certification form.

Upon completion of the training and appropriate certification form, the employee must provide their supervisor with the signed certification form which the supervisor will forward to the MSA Human Resources (HR) Office for filing.

This includes all contractors entering into service contracts with MSA.

VI. ANNUAL EMPLOYEE RECERTIFICATION

Once each fiscal year, MSA supervisors are required to:

- A. Discuss the COC requirements with their staff and determine a refresher COC or ethics-related training is needed;
- B. Ensure all of their staff and contractors complete and sign new COC certification forms; and,
- C. Submit completed certification forms to the MSA HR Office within the timeframes identified.

VII. AGENCY WIDE TRAINING

Once every three years, the MSA HR Office will provide COC training to every MSA employee. At a minimum, this training will include a discussion about the designated, retaliation-free, communication channels employees are to use for reporting suspected COC violations along with outlining what employees' legal obligations are for reporting applicable violations to the OLA and other authorities. The MSA HR Office will determine the type(s) of training to be provided; schedule and coordinate/prepare the training session(s); and maintain documentation of the training sessions, including an attendance record.

VIII. REFUSAL TO SIGN

Any employee who refuses to sign the certification form signifying their agreement to

abide by the COC may be subject to disciplinary action, up to and including termination of state employment. Probationary employees may be non-certified.

IX. REPORTING SUSPECTED CODE OF CONDUCT OR OTHER ETHICS VIOLATIONS

A. Reporting to the Office of the Legislative Auditor (OLA): Any employee who discovers evidence of theft, embezzlement, unlawful use of public funds or property, evidence of long-distance telephone misuse, and/or violations of the Code of Ethics for Employees in the Executive branch, at MMB, or any other state agency, must immediately report this information, in writing, to the OLA.

Note: Employees are still required to report evidence of theft, embezzlement or unlawful use of state funds/property to the OLA even if they have made the same report internally through the designated communication channels identified below in step B of this policy section. Similarly, MSA senior staff must immediately report to the OLA, in writing, any evidence of theft, embezzlement, or unlawful use of public funds/property they receive from a MSA employee, even if that employee has already satisfied their legal obligation by reporting the same evidence directly to the OLA.

B. Any employee who witnesses an improper activity; discovers evidence; receives a report from an external source; or has other reasonable basis to suspect **that within MSA** a violation of this policy, the COC, or any other personal conduct or ethics-related policy/procedure must immediately report their suspicions and evidence through one of the following designated communication channels:

- Their direct supervisor;
- Director of MSA Human Resources; or
- Superintendent.

C. Supervisors who receive a report of suspected COC violation must immediately document the report, collect all relevant information available, and pass the report and supporting information to the Director of MSA Human Resources. If the HR Director is not available or is believed to be party to the suspected violation, the supervisor must pass the report and supporting information directly **to the superintendent**.

D. If the HR Director receives a report of a suspected COC violation directly from a staff member, they must document the report and collect all supporting information available. The HR Director is responsible for communicating any report of suspected COC violations **to the superintendent**, regardless of how and from whom they receive the report.

E. The HR Director and **the superintendent** will determine if and how all reports of COC violations will be investigated and resolved, and make a determination of whether or not the Office of the Legislative Auditor (OLA) or other authorities need to be notified.

F. Any MSA employee who discovers evidence, personally witnesses, or receives a report from a member of the general public or another state agency employee about a violation of the COC or any other personal conduct or ethics-related policy/procedure that has taken place or is taking place **at a state agency other than MSA**, must immediately report their suspicions/evidence to their direct supervisor. If their supervisor is not available, they must immediately report to the MSA Superintendent. **The superintendent** will document the report, determine the legitimacy of the report, determine how to communicate the information to the applicable state agency, and to which individual(s) at that agency, and make a determination of whether or not the Office of the Legislative Auditor (OLA) or other authorities need to be notified.

G. **Supervisors** will treat each report of suspected COC violations it receives as a serious matter and will respond as such by initiating an investigation to determine the legitimacy, scope, and severity of the reported conduct within a reasonable period of time.

X. INVESTIGATION AND RESOLUTION OF SUSPECTED COC VIOLATIONS

- A. **Supervisors** will take steps to document all reports of suspected COC violations and collect all available/applicable evidence, and to the extent possible, to protect that evidence from loss, corruption, and access by unauthorized persons.
- B. The names of the reporting employee and the person(s) accused/suspected of the COC violations will not be disclosed to anyone who does not have a business need to know. The reporting employee is prohibited from discussing the facts of the matter, including the name of the suspected COC violator, except where necessary for the investigation and resolution of the matter. To protect the integrity of the investigation, the nature and specifics of the suspected violation will be shared only with those with a business need to know, such as the OLA, law enforcement and/or those tasked with performing the investigation.
- C. Generally, the MSA HR Director, in consultation with **the superintendent**, will determine the type of investigation to be performed and the individual(s) who will perform the investigation. The type of investigation and individual(s) involved will be dependent upon the specific nature of the suspected violation. However, depending upon the nature of the reported violation, MSA may be required to follow the directions of, or relinquish control of the investigation to the OLA and/or other law enforcement entities.
- D. At the outcome of an investigation, the MSA HR Director or the lead investigator will provide the MSA Superintendent with written notification of the final resolution of the matter within 30 days or as soon as possible after the final determination. If applicable and appropriate, the reporting employee may be notified of the final determination.

XI. MISCELLANEOUS

- A. If an employee leaving the employment of MSA agrees to an exit interview, the employee's direct supervisor, HR staff, or the Superintendent (whomever is conducting the interview) will make the following COC -related inquiries of the departing employee:
- Is the departing employee aware of any significant internal control weaknesses that present an increased risk of fraud, waste, or abuse?
 - Is the departing employee aware of any unlawful or suspicious activities taking place within MSA, or at any other state agency, that should be investigated?
 - Did the departing employee feel they received adequate training and guidance on the COC while employed at MSA?
 - Did the departing employee know what the designated communication channels were for reporting suspected COC violations?
- B. The above questions will be added to the MSA "Separation Questionnaire," along with a request to the departing employee to anonymously report any suspected/known COC violations or other improprieties.

References:

MMB Statewide Operating Policy 0103-01, Code of Conduct

MMB Statewide Procedure 0103-01.1, Code of Conduct
The Internal Control & Accountability Unit (MMB)- code of conduct information and training
The Office of the Legislative Auditor - reporting suspected wrongdoing
MMB-specific policies and procedures (Chapters 2, 3, 4, 5, and Fiscal & Payroll)
Minnesota Statute 10.47
Minnesota Statute 43A.39, subdivision 2

Appendices:

455-A: Code of Conduct certification form for agency heads

455-B: Code of Conduct certification form for managers, supervisors, employees

Policy #: 102
Title: EQUAL EDUCATIONAL OPPORTUNITY
Date of Initial Approval: 03-31-2011
Revision/Re-authorization Dates: 04-19-2018; 02-24-2021; 12-06-2023
Reviewers: MSA Superintendent; MSA Human Resources Office; MSA Instructional Leadership Team

I. PURPOSE

The purpose of this policy is to ensure that equal educational opportunity is provided for all students at the Minnesota State Academies.

II. GENERAL STATEMENT OF POLICY

- A. It is the Minnesota State Academies policy to provide equal educational opportunity for all students. The Minnesota State Academies does not unlawfully discriminate on the basis of race, color, creed, religion, national origin, gender/gender identity, marital status, parental status, status with regard to public assistance, disability, sexual orientation, or age. The Minnesota State Academies also provides reasonable accommodations for disabled students.
- B. The Minnesota State Academies prohibits the harassment of any individual for any of the categories listed above. For information about the types of conduct that constitute violation of the Minnesota State Academies' policy on harassment and violence and the procedures for addressing such complaints, refer to the Minnesota State Academies' policy on harassment and violence (Policy #413).
- C. This policy applies to all areas of education including academics, coursework, co-curricular and extracurricular activities, or other rights or privileges of enrollment, following participation parameters for each event or activity.
- D. It is the responsibility of every Minnesota State Academies employee to comply with this policy conscientiously.
- E. Any student, parent or guardian having any questions regarding this policy should discuss it with the appropriate Minnesota State Academies administrator as provided by policy. In the absence of a specific designee, an inquiry or a complaint should be referred to the Director of each Academy or the Superintendent.

Legal References:

Minn. Stat. § 121A.03, Subd. 2 (Sexual, Religious, and Racial Harassment and Violence Policy)

Minn. Stat. Ch. 363A (Minnesota Human Rights Act)

20 U.S.C. § 1681 et seq. (Title IX of the Education Amendments of 1972)

42 U.S.C. § 12101 et seq. (Americans with Disabilities Act)

Cross References:

MSBA/MASA Model Policy 402 (Disability Nondiscrimination)

MSBA/MASA Model Policy 413 (Harassment and Violence)

MSBA/MASA Model Policy 521 (Student Disability Nondiscrimination)

MSBA/MASA Model Policy 522 (Student Sex Nondiscrimination)

Policy #: 445
Title: RESPECTFUL WORKPLACE
Date of Initial Approval: 07-09-1996
Revision/Re-authorization Dates:05-31-2001; 11-21-2013; 08-23-2018; 08-21-2021
Reviewers: MSA Superintendent; MSA Human Resources Office

I. PURPOSE

The purpose of this policy is to build and maintain a workplace that is respectful and professional toward all employees, volunteers, contractors, and other persons visiting the workplace and public service environment at the Minnesota State Academies (MSA).

II. GENERAL STATEMENT OF POLICY

It is the Minnesota State Academies' policy to provide a positive environment in which all staff, members of the public and others doing business with the state are treated with professionalism and respect. Employees at MSA are expected to conduct themselves in a manner that promotes this environment. Respect for others is fundamental to working in an effective, efficient, and innovative manner. Therefore, it is the intent of MSA to ensure a respectful workplace and public service environment free of disrespectful or unprofessional communications/behavior and provide an effective and non-retaliatory problem-solving process that addresses concern regarding respectful or professional communications and/or behavior.

III. SCOPE

This policy applies to all employees of Minnesota State Academies. It also applies to non-status employees and non-employees such as volunteers and contractors.

IV. DEFINITIONS

- A. Professionalism: Displaying the good judgment and proper behavior that is reasonably expected in the workplace.
- B. Public Service Environment: A location that is not the workplace where public service is being provided.
- C. Respect: Behavior or communication that demonstrates positive consideration and treats individuals in a manner that a reasonable person would find appropriate.
- D. Third Parties: Volunteers, contractors, customers and other non-employees in the workplace or public service environment.

V. EXCLUSIONS

This policy solely addresses communications and behavior that do not involve protected class status. Communications and behavior that involve protected class status are addressed in the Minnesota Department of Management and Budget's HR/LR Policy #1329 – Sexual Harassment Prohibited; MSA Policy #413 - Harassment and Violence; and MSA Policy #413.1 – Sexual Harassment and Violence.

VI. RESPONSIBILITIES OF EMPLOYEES

Employees (including volunteers and contractors) are expected to:

1. Conduct themselves in a manner that demonstrates professionalism and respect for others in the workplace and public service environment.
2. Become educated and behave respectfully in regard to cultural differences. Participate in cultural awareness training and apply culturally appropriate practices within their job assignments.
3. Use informal means to address issues directly with the individual(s) involved whenever possible.
4. Participate fully and in good faith in any informal resolution process or formal complaint and investigative process for which they may have relevant information.
5. Report incidents that may violate this policy in accordance with processes identified by the agency.

In addition to their responsibilities as employees as described above, agency heads, managers and supervisors are also expected to:

1. Inform their employees and third parties for whom they are responsible of the expectations outlined in this policy.
2. Achieve and maintain compliance with this policy.
3. Take timely and appropriate action when a complaint is made alleging violation of this policy.

Failure to comply with this policy and its procedures may result in disciplinary action, up to and including termination, or ending a contractor or volunteer relationship with the agency.

VII. RETALIATION PROHIBITED

Retaliation is prohibited against any employee or third party who:

1. Initiates a complaint.
2. Reports an incident that may violate this policy.
3. Participates in an investigation related to a complaint; or
4. Is associated or perceived to be associated with a person who initiates a complaint or participates in the investigation of a complaint under this policy.

VIII. RESPECTFUL AND/OR PROFESSIONAL BEHAVIOR

Context is important in understanding the difference between respectful and/or professional behavior and disrespectful and/or unprofessional behavior. Individuals may experience stress or discomfort in the workplace that is not related to disrespectful and/or unprofessional behavior. For example, disrespectful and/or unprofessional behavior does not include any of the following:

1. The normal exercise of supervisory or managerial responsibilities, including, but not limited to performance reviews, work direction, performance management, and disciplinary action provided they are conducted in a respectful, professional manner.
2. Disagreements, misunderstandings, miscommunication, or conflict situations where the behavior remains professional and respectful.

Disrespectful and/or unprofessional behavior may or may not be intentional. Unintentionally disrespectful and/or unprofessional behavior may still violate this policy. Examples of *disrespectful and/or unprofessional* behavior include but are not limited to:

1. Exhibiting aggressive behaviors including shouting, abusive language, threats of violence, the use of obscenities, and/or other non-verbal expressions of aggression.
2. Behavior that a reasonable person would find to be demeaning, humiliating, or bullying.
3. Deliberately destroying, damaging, or obstructing someone's work performance, work product, tools, or materials; and/or
4. Use of this policy and procedure to make knowingly false complaint(s).

IX. PROCEDURES

- A. As with all allegations of misconduct, informal resolution or formal investigatory processes related to this policy will be conducted in a timely, fair, and objective manner.
- B. Individuals are encouraged to informally resolve concerns whenever possible. In addition to the options provided in this procedure and those identified within the agency, the involved parties, and the agency, by mutual agreement, may at any point seek mediation through the Bureau of Mediation Services (BMS).

X. INFORMAL RESOLUTION

- A. If possible, the employee or third party who feels a violation has occurred should begin the resolution process by having a conversation with the other individual(s) involved.
- B. Employees and third parties are encouraged to speak with their supervisor, agency Human Resources office, union representative, or Employee Assistance Program (EAP) representative for assistance or guidance on how to resolve the situation.
- C. If a direct approach is not possible or does not resolve the concern, employees and third parties are encouraged to meet with their supervisor or manager to discuss next steps.
- D. If the concern is about the supervisor or manager, parties are encouraged to contact the Human Resources office or an EAP counselor to determine options for resolution.

XI. FORMAL COMPLAINTS

- A. Any employee or third party may choose to initiate a formal complaint under this policy. Complaints should be submitted to the Human Resources office. If the complaint concerns a member of the Human Resources office, the complainant may contact their supervisor/director or the Superintendent. If the complaint concerns the Superintendent, the complainant should submit their report to the MSA Board chair. Alternatively, they may contact the Assistant Commissioner of Enterprise Human Resources at MMB.
- B. Complaints must contain details of the situation and the identity of the person or persons against whom the complaint is being made. A person against whom a formal complaint is made may be informed of the complaint.
- C. As a matter of best practice, the supervisor/director or Human Resources office receiving a complaint made pursuant to this policy is encouraged to acknowledge receipt of any complaint in writing, to the complainant, with a statement that includes:
 - 1. The date that the complaint was made.
 - 2. A statement that the supervisor/director or Human Resources office retains the discretion to determine whether an investigation is warranted.
 - 3. A statement that if it is determined that an investigation is warranted, all investigations will be conducted in a timely, fair, and objective manner; and
 - 4. A statement that all data associated with a complaint, including any investigation and any outcome, are government data, and that the release or non-release of data is governed by the Minnesota Government Data Practices Act (MGDPA).

MMB Labor Relations and Enterprise Human Resources are available to consult and offer guidance on implementation of this policy and procedure. This process does not supersede any applicable grievance or dispute resolution process under a collective bargaining agreement or plan.

XII. RESPONSIBILITIES

- A. Supervisors and Directors of the Minnesota State Academies are responsible for achieving and maintaining compliance with this policy and related procedures.
- B. The Minnesota Department of Management and Budget is responsible for maintaining the statewide policy and procedure (HR/LR Policy #1432 – Respectful Workplace).

Policy #: 745
Title: PURCHASING CARD USE
Date of Initial Approval: 01-22-2015
Revision/Re-authorization Dates: 06-29-2017
Reviewers: MSA Finance Director; MSA Superintendent

I. PURPOSE

The purpose of this policy is to ensure that the purchasing card is used appropriately by authorized state employees (hereinafter “cardholders”) so that specific categories of merchants, goods and services may be procured on behalf of the State of Minnesota/Minnesota State Academies in an efficient and cost-effective manner and consistent with the statewide and agency use policy. The use of the Purchasing card is an alternate means of payment and must not circumvent the use of state contracts, purchasing laws, rules, policies or procedures.

II. GENERAL STATEMENT OF POLICY

Agency heads may elect to have their agencies use the purchasing card by signing the Purchasing Card Agency Head Acknowledgement. Participating agencies must adopt a purchasing card policy, by choosing within each section to accept the section exactly as written, accept the section with minor changes stated, or replace the section with more substantial modifications. The policy must be submitted to the Department of Administration (Admin), Office of State Procurement. An agency’s policy shall align with this state policy and Minn. Stat. § 16C and other applicable laws and rules. The agency, when modifying the policy may further restrict the use of the purchasing card, but cannot authorize higher limits or broader purchasing categories without written permission from Office of State Procurement’s Director or Assistant Director. Criteria for agency modifications of the policy are found at **Purchasing Card Program Administration** section. Purchasing cardholders shall use this procurement tool solely for state of Minnesota business purposes.

Agencies must have a policy in place, submitted to the Office of State Procurement, and approved by the commissioner of Administration prior to using the purchasing card. The agency must have an agency modified version of the policy, submitted to the Office of State Procurement, and approved by the commissioner of Administration within one year of this policy date, or prior to Nov 1, 2014 at the latest.

Agencies must have purchasing cardholders sign the revised Authorized User Purchasing Card Acknowledgement of Use Agreement prior to the end of the third quarter of FY14, March 31, 2014.

The purchasing card shall not be used for fuel (as defined in the **Prohibited Purchases** section) except in the case of an emergency unless an exception has been granted pursuant to the process in **Purchasing Card Exception section**. (See **Fleet Card Use Policy** for policies pertaining to the use of the Fleet Card.)

III. **POLICY SCOPE**

Purchasing Card Use Policy 1b applies to all state agencies subject to the procurement authority of the commissioner of Administration. Other entities may request to participate in the state purchasing card contract, but they must develop and manage their own policies, procedures, authorizations, controls, oversight, and/or auditing of their card programs.

IV. **USE OF THE PURCHASING CARD**

A. Purchasing Card Assignment

Purchasing cards are assigned or issued to cardholders under the authority of an agency head and the commissioner of Admin. Cardholders are those state employees authorized to use a purchasing card. Purchasing cards may be issued only after the authorized user:

1. is recommended and approved by his/her supervisor.
2. signs a statement acknowledging the use restrictions and consequences for misuse of the card
3. receives documented training on card use policies and procedures from the Agency Purchasing Card Coordinator or delegate per agency policy.

The Authorized User Purchasing Card Acknowledgement of Use Agreement must be signed every three years, and the supervisor and cardholder must receive refresher training on purchasing card use. Signing every three years validates the continued need for the purchasing card and allows for refresher training.

B. Convenience

The purchasing card is a method of paying for allowable goods and services that, in most cases, allows the state to efficiently and cost-effectively conduct business.

C. Using the Purchasing Card

The purchasing card holder should present the card for payment or in the case of phone orders or internet orders, provide the card account number. Receipts must be saved for documentation.

D. Purchasing Card Transaction Limits

Purchasing cards are subject to two limits:

1. a maximum transaction dollar amount of \$5,000.
2. a maximum payment cycle dollar amount of \$10,000.

If a card is used attempting a transaction in excess of an established limit or approved exception, the transaction will be automatically declined. If a need above an established limit occurs during normal business hours, the purchasing card authorized user should call his/her agency's purchasing card coordinator. Splitting a purchase into more than one transaction to avoid exceeding an established purchasing limit is prohibited. If an agency needs an exception to these limits, see **Purchasing Card Use Exceptions** section.

E. Purchasing Card Purchases

1. Permissible Purchases:

- a. Travel-related services. Purchases of travel-related services must comply with the Office of State Procurement's policies on travel expenses; the Office of State Procurement's policies and procedures for documenting travel; and Minn. Stat. §15.435. (Minn. Stat. §15.435 states in part, "Whenever public funds are used to pay for airline travel by an elected official or public employee, any credits or other benefits issued by any airline must accrue to the benefit of the public body providing the funding.")
- b. Other business-related goods or services not otherwise prohibited by this policy.

2. Prohibited Purchases:

The purchasing card shall not be used for any prohibited or non-state business purpose. Examples include:

- a. Fuel [self-service fuel of the type and grade specified by the vehicle manufacturer, E85 (85% ethanol, 15% gasoline) for flex-fuel vehicles when available, and blended for the season diesel fuel in diesel powered vehicles]
- b. Cash, cash advances, or extensions of credit
- c. Explosives
- d. Weapons of any kind, including firearms and ammunition
- e. Telephone calls (either personal or business)
- f. Meals for individuals (including the cardholder)
- g. Alcohol
- h. Consulting or professional/technical services
- i. Construction services
- j. High risk services
- k. Equipment that is required to have a license affixed on it (vehicles, trailers, boats, snowmobiles, ATVs, etc.) due to special tax payment considerations

- l. Capital assets (Capital assets are covered by the Office of State Procurement's policy 0106-00, *Capital Asset Reporting*)
- m. Sensitive items more than \$500 in purchase price or as defined in the Agency Purchasing Card Policy or Office of State Procurement's approved exception

Sensitive items, as defined in *A User's Guide to State Property Management*, by Admin's Fleet and Surplus Division, are items that are generally intended for individual use, or that could easily be sold and are most often subject to pilferage or misuse. Examples include, but are not limited to, copiers, Braille equipment, printer, scanner, personal computers (both desktop and portable models), network servers, and other computer equipment. The examples of sensitive items may be expanded and/or made agency specific in the agency policy. Agencies still need to follow the policies outlined in *A User's Guide to State Property Management*, including the requirement to track these purchases in their sensitive item inventory.

- 3. Rewards, Loyalty Programs, and Other Incentives:
 - 1. Agency Use Allowed: The use of rewards, loyalty cards, and other incentives from merchants is allowed if the agency has a mechanism in place to review and monitor to ensure that the rewards are accruing to the benefit of the agency and have not been used by an employee for personal benefit. If desired, the establishment of the rewards, loyalty, or incentive program must be authorized in the agency policy.
 - 2. Employee Benefits Prohibited: When using the state purchasing card, the acceptance of items or any other benefit, including, but not limited to, customer loyalty points, rewards, free items, or gift cards for the benefit of the employee and not for the benefit of the state agency is prohibited. (See Minn. Stat. 43A.38 subd. 2 and 15.43 subd 1.) A violation of this requirement may lead to consequences including, but not limited to, discipline or discharge.
 - 3. Purchasing cautions for agency rewards, loyalty programs, and other incentives:
 - a. The merchants used with the purchasing card should be based on the best price and efficiency and not influenced by a rewards/loyalty program.
 - b. Merchants should be selected considering best value, which includes, but is not limited to price, quality, location and efficiency.
 - c. An agency should not create an "exclusive" type relationship with a particular vendor.
- 4. Use of Financial Service, Pay Pal:

The use of a financial service such as Pay Pal is discouraged, and

should only be used in cases where it is the only means to make a valid, authorized state business purchase. Every effort should be made to make purchases by other means before resorting to using a financial service.

Purchasing card transactions with a financial service must be for the exact amount of the purchase price from the vendor. Transactions with a financial service are for just one purchase at a time, and only at the time you make the purchase.

The cardholder must obtain a receipt from both the financial service and from the merchant providing the product. The merchant receipt must show the item description, the quantity and the price of the product purchased. Both receipts must be kept together and with the purchasing card log. Receipts must be handled per the agency policy.

Financial services such as Pay Pal must not be used in the following circumstances:

- a. If the vendor accepts the state purchasing card (currently a Visa card)
- b. If the vendor will accept a state purchase order
- c. If the Visa transaction has been declined due to a blocked MCC code
- d. If the purchase is prohibited by this policy in the **Prohibited Purchases** section
- e. If the purchase is over \$2,500 (even if the cardholder has a higher transaction limit)
- f. If the purchase is for professional/technical services or other services prohibited by this policy in the **Prohibited purchases, Services** section.

F. Emergency Use.

“Emergency” means a threat to public health, welfare, or safety that threatens the functioning of government, the protection of property, or the health or safety of people. See Minn. Stat. § 16C.10, subd. 2(a) and the Authority for Local Purchase Manual section 1.6.1.

Declaring an Emergency. The Office of State Procurement’s *Acquisitions Request for Emergency Authorization* form should be used to request emergency procurement authorization. The Office of State Procurement’s Director or Assistant Director may declare an emergency. If time permits, contact the Office of State Procurement at 651.201.2402/2400 to report the emergency and process the form using signature blocks A & B. When time does not allow contacting the Office of State Procurement, an agency head or his or her authorized delegate may declare an emergency by processing the form using signature blocks A & C. In declared emergencies, any individual

may purchase if required to respond to the emergency.

Documenting an Emergency. When an agency head or delegate declares an emergency without advance authorization from the Office of State Procurement, the declaration must be documented by completing the *Acquisitions Request for Emergency Authorization* form or in writing and submitted to the Office of State Procurement as soon as practicable. The declaration shall include the nature, date, location, and scope of the emergency and any limits to actions that should be taken to rectify the situation.

Regardless of whether the Office of State Procurement or an agency head declares the emergency, the agency must submit a written report to the Office of State Procurement's Director or Assistant Director upon completion of its emergency procurement activities, unless the purchases are under \$5,000. The report shall fully document the actions taken, why the competitive bid process could not be utilized, how the scope of work was minimized to what was immediately necessary, and the final costs of the goods and services procured under the emergency authority. A copy of this final report must be kept in the purchasing file.

When the emergency is declared by the agency head or delegate, the authorized card user shall contact his/her agency purchasing card coordinator. Emergency use of the purchasing card must be reported to the agency's purchasing card coordinator no later than the next business day following the emergency. The agency purchasing card coordinator shall then call the Office of State Procurement's Assistant Director at 651.201.2402 and report the event.

G. Services.

The state purchasing card can be used for the purchase of simple services. The card should not be used for the purchase of a service if the service is performed on state property or when insurance should be required to protect the state from potential liability. The card cannot be used to purchase construction services, professional/technical services, or for high risk services. Examples of simple services include but are not limited to film processing, news clipping service, and car washes.

H. State Sales Tax.

The Minnesota State Academies are tax exempt.

V. USER RECORD KEEPING AND COMPLIANCE

A. Receipts Required.

All purchase card users must obtain receipts for card transactions.

Receipts must be:

1. Segregated by billing cycle as required by the agency's policy.

2. Maintained pursuant to the agency's records retention schedule for these records.
3. Readily available during the payment process to assist in verifying correct payment.
4. Original itemized receipts. If the authorized user cannot obtain a receipt from the merchant at the time of sale because of mechanical or technical difficulties, the authorized user must complete, sign and have notarized an *Affidavit in Lieu of Receipts*, which is available from agency financial services offices. The affidavit should only be for exceptional circumstances. For internet purchases, the print out of the order confirmation showing the details, or the email order confirmation, or the shipping document if it shows what was purchased, the quantity and the price paid suffice for the itemized receipt.

B. Contrary Use.

If a card is used in violation of this policy, the authorized card user shall report the matter to the agency purchasing card coordinator no later than the next business day. Violations of this policy could result in consequences up to and including discipline or discharge. In the case of a prohibited purchase, the authorized user may be required to immediately reimburse the agency for the prohibited purchase. There may be situations where such reimbursement may not be warranted, in which case the agency will assess and resolve such matters on a case-by-case basis.

C. Fraud.

Pursuant to Minn. Stat. § 609.456 subd. 2, all suspected fraud with the state's purchasing card must be reported in writing to the Office of the Legislative Auditor (OLA). This requirement includes those instances when the state-owned purchasing card account number has been compromised and/or unauthorized use of the account is discovered either by the servicing contract vendor or a state employee.

VI. PURCHASING CARD USE EXCEPTIONS

As noted above in the **Policy** section, agencies may choose to adopt or change the agency policy, and submit it to the Office of State Procurement for approval. When the agency modifies the policy, it may further restrict the use of the purchasing card, but cannot authorize higher limits or broader purchasing categories without written permission from Admin by submitting a Request for Purchasing Card Policy Exception form to the Office of State Procurement. Any approved exception must be filed with the purchasing card file. If it is a onetime exception it should also be filed with the payment documents when the approved purchase was paid. Examples of such exceptions include: imposing higher card limits than found in the **Use of Purchasing Card, Transaction limits** section, or authorizing purchases beyond those listed under **Use of Purchasing Card** section.

VII. PURCHASING CARD PROGRAM ADMINISTRATION

A. Agency Participation -- Policy and Pilot Required.

To participate in the purchasing card program, participating agency heads shall sign a Purchasing Card Agency Head Acknowledgement. Agencies shall: 1) adopt a policy by choosing within each section to accept the section exactly as written, accept the section with minor changes stated, or replace the section with more substantial modifications; and may request adoption of a Purchasing Card Policy Exception, and 2) successfully complete a pilot project outlined. All cardholders shall sign the Acknowledgement of Use Agreement.

An agency's policy shall:

1. specify the consequences of purchasing card misuse.
2. require training for cardholders and their supervisors about the responsibilities and requirements of the purchasing card, the agency's policy and purchasing laws, rules, policies, and procedures.
3. require a signed statement from cardholders agreeing to abide by the provisions of the *Statewide Policy on Expenditures by State Employees and Authorized Users* and the Agency's Purchasing Card Policy and understanding the consequences of misuse.
4. submit a signed copy of the agency policy to MMD for review and approval by the Commissioner of Administration. Upon approval, the policy will be signed and returned to the agency.
5. specify review procedures, including whether the agency will examine all invoices or a statistically significant representative sample.
6. identify approved exceptions, including procedures and measures for ensuring control and monitoring, such as the review of transactions by the supervisor.

B. Agency Purchasing Card Coordinators.

Participating agencies must designate their purchasing card coordinators. Agencies must report the names of their purchasing card coordinators, along with contact information (address, phone, fax, e-mail) to the Office of State Procurement's State Purchasing Card Administrator. The agency purchasing card coordinator is responsible for overall administration of the program consistent with the statewide plan and the agency's approved plan. An agency may delegate the purchasing card coordinator duties to multiple persons based on the agency's structure and business practices, but the delegation must be outlined and authorized in the agency's policy.

C. Agency Purchasing Card Coordinator duties.

The duties of the purchasing card coordinator include:

1. creating account(s) and account access so that card requests and changes may be managed and monitored.
2. administering card policy and training authorized card users so that cards are properly used.

3. monitoring card usage. Monitoring the review of card statements and monthly invoices.
4. enrolling in and using Access Online, the contract vendor's online tool to monitor and manage the purchasing card program.
5. using Access Online to ensure requested accounts or changes to accounts were made accurately.
6. supervising and ensuring that the review process of invoices is done per the agency review plan so that purchasing card bills are paid appropriately, in a timely manner, and the agency receives available rebate incentives. This review of invoices may include:
7. use of regular paper logs
8. use of Data Analytics tool
9. use of Statewide Integrated Financial Tools (SWIFT) to review the approvals
10. ensuring that adequate funds are encumbered for anticipated purchasing card purchases so the agency's use of the purchasing card complies with the *Minnesota Management and Budget and Department of Administration Policy and Procedure 702-09, Credit Agreements*.
11. reminding supervisors that they are to do a thorough review of every purchasing card transaction every month per the guidance in the Agency Purchasing Card Policy.
12. monitoring cardholders to ensure their need for a purchasing card is validated every three years and providing updated cardholder training.
13. ensuring that cardholders sign a new Authorized User Purchasing Card Acknowledgement of Use Agreement every three years.
14. keeping copies of cardholder's dispute requests and monitoring and following-up on dispute resolution.
15. informing cardholders of current contracts, provisions, and policies relating to purchasing card purchases.
16. maintaining a file of Authorized User Purchasing Card Acknowledgement of Use Agreements for all of the agency cardholders, which must have a signature dated within the last three years.

D. Requirement to Review Invoices and Records Retention.

Each agency is responsible for designating a person or persons for reviewing monthly purchasing card contract vendor invoices and purchase receipts in accordance with the agency policy's review plan. This requirement is in addition to the review and approval of the authorized user's supervisor.

1. Receipts must be submitted to the agency's designated purchasing card coordinator or those persons designated by the agency for reconciliation with the purchasing card invoice.
2. Receipts and other documentation must be retained pursuant to the agency's records retention schedule for these records.
3. Any approved exception that supports a onetime purchase must be

- filed with the payment documents when it is paid.
4. Each agency must have a review process in place for the review of transactions to prevent theft, abuse, and fraud relating to the overall use of the card. This process is required and must be described in the agency purchasing card policy.
 5. It is the responsibility of each agency to review purchasing card charges and monthly invoices to eliminate unnecessary and inappropriate charges.
 6. Each agency must use Access Online, the contract vendor's online web portal tool to assist in reviewing transactions and the purchasing card program within their agency.

E. Document Converting.

For record storage, agencies can convert the purchasing card documents including the receipts to other media including, but not limited to, scanning to an electronic file, magnetic tape, or hard drive.

Requirements for converted documents:

1. Original receipts for card transactions must be marked as original to confirm they were the originals prior to conversion.
2. If scanned, the resulting stored copy must be in locked format in the software used.
3. The purchasing card logs and the supporting receipts must be converted together, and kept together for easy reference, segregated by payment cycle.
4. There must be a backup of the converted documents to prevent loss or destruction.
5. The documents must be easily retrieved with short notice and provided for reference, inspection, and/or audit.

F. Invoice Review.

A review of permissible purchasing card charges, whether done by the supervisor, the certified Authority for Local Purchase buyer, the agency purchasing card coordinator, or other designated person(s) shall ensure that:

1. Cardholders are properly using the purchasing card for permissible purchases.
2. Charges for federal excise taxes have been removed, if appropriate.
3. State and local sales taxes have been paid, when applicable.
4. Potentially fraudulent transactions resulting from lost, stolen or returned purchasing cards are identified.
5. Any travel-related expenses are not submitted as reimbursable employee business expenses.
6. Itemized receipts are included and they agree with the transaction as shown on the invoice.

G. Unauthorized Purchase.

If an agency suspects an unauthorized purchase, the agency should investigate the transaction promptly to determine whether it is an incorrect amount or whether it is an unauthorized purchase. If it is determined that it is an incorrect amount, then the agency must attempt to resolve it with the merchant or the contract vendor. If it cannot be resolved, it must be disputed. If it is determined to be an unauthorized purchase, the agency should take the actions prescribed in the state and agency policies.

H. Discrepancies.

A discrepancy is an issue noted on the invoice that doesn't match the cardholder's receipts. These issues can very often be settled by contacting the billing merchant of the transaction in question. If the situation cannot be resolved with the merchant, the issue can then be disputed.

I. Disputed Charges.

Disputed charges can result from incorrect dollar amounts, duplicate charges, purchases that were never made, unprocessed credits, or fraud. Agency designated personnel must review the billing statement for accuracy. The purchasing cardholder should first contact the billing merchant to resolve the dispute. If unable to resolve, the cardholder should report the dispute to the agency purchasing card coordinator in writing for further action.

J. Disputed Charge Documentation.

The purchasing cardholder or agency purchasing card coordinators must document disputed items in writing. The agency must maintain copies of any written documentation, including documentation describing the resolution of the dispute, with the monthly billing statement.

K. Dispute Notification.

Upon notification of a dispute via telephone to the customer service number (back of card), the contract vendor will investigate the dispute and propose a resolution. If the invoice is reasonable, even with the disputed item(s), the agency should pay the full amount on the invoice to ensure the maximum possible rebate. Utilize the review process and the dispute process to rectify the situation. See the Contract Release, C-684(5), for details on how to submit a dispute.

L. Purchasing Card Incentives.

The purchasing card program includes a provision for incentives from the contract vendor. Purchasing card incentives must be managed in the SWIFT system when they are received and be credited to the agency account. See the Contract Release, C-684(5), for details on all purchasing card incentives.

VIII. MINNESOTA MANAGEMENT AND BUDGET REQUIREMENTS

A. 1099 Reporting Requirements.

The MMB will monitor the purchasing card program for the necessary 1099 reporting information from the contract vendor, including:

1. reviewing reports for all charges for services.
2. verifying whether a merchant has an appropriate W-9 in the state's systems.
3. obtaining a W-9 from the merchant when the merchant is not in SWIFT, the state's automated financial and purchasing system.
4. completing 1099 reporting to Internal Revenue Service.

B. Online Account Management and Reporting.

Agency purchasing card coordinators may manage their purchasing card accounts and cards on the contract vendor's website and can create standard and ad hoc reports online.

C. Processing Payment in SWIFT.

Purchasing card payments will be processed in SWIFT. Transactions will be loaded into SWIFT from the contract vendor, and must be processed by the assigned reconciler and purchasing card approver in SWIFT, and the voucher generated from this process for payment approval. Approving transactions individually has the ability to potentially speed up the creation of a payment voucher to the contract vendor, thereby maximizing the available incentive for fast payment from the contract vendor.

Legal & MMB References:

Contract Release No. C-684(5) (This is the contract release for the purchasing card.)

Minn. Stat. 43A.38 Code of Ethics for Executive Branch Employees

Department of Minnesota Management and Budget and Department of Administration Policy and Procedure 702-09, Credit Agreements

Authority for Local Purchase Manual (Purchasing Manual Bulletin No. 00.07, Authority for Local Purchase) may be found on the Department of Administration, Office of State Procurement's website at <http://www.mmd.admin.state.mn.us/alp.htm>.

Operating Policy and Procedure, Employee Business/Travel Expenses, PAY0021

http://www.sema4.state.mn.us/html/doc/eng/webhelp/Employee_Business_Travel_Expenses_-_Operating_Policy_and_Procedure1.htm

Minnesota Department of Revenue website: <http://www.taxes.state.mn.us/taxes/sales/index.shtml>