



Policies and Procedures

1. General Policies and Procedures	Pages 1-4
2. Internal Control Policies	Pages 5-6
3. Conflict of Interest Policy	Page 7
4. Drug Free Workplace Policy	Page 8
5. Capital Asset Capitalization Policy	Page 9
6. Credit Card Policy	Page 10
7. Investments Policy	Page 11
8. Purchasing and Competitive Bidding Policies	Pages 12-13

1. General Policies and Procedures

The Chippewa/East Mackinac Conservation District and Luce/West Mackinac Conservation Districts were organized pursuant to the Michigan Soil Conservation District Law, Act 297 of the Public Acts of 1937. In accordance with Section 9312, Public Act 451 of 1994, as amended, the Michigan Department of Agriculture and Rural Development (MDARD) ordered and determined that the boundaries of the Luce/West Mackinac and Chippewa/East Mackinac Conservation Districts be changed and consolidated and shall be known as the Chippewa/Luce/Mackinac Conservation District (CLMCD) effective July 1, 2012. The Conservation District is a governmental subdivision of the State, as evidenced by its Certificate of Organization. It is prepared to exercise, within its boundaries, public powers as authorized by law. The following policies and procedures will be adhered to in the operation of the Chippewa Luce Mackinac Conservation District (hereafter referred to as the District).

1.0 General

- 1.1 The District fiscal year will be October 1 to September 30. A general meeting will take place each year.
- 1.2 Regular Board meetings of the Conservation District will take place on the first Tuesday of each month and will be held at the USDA Service Center conference room. Open Meeting Act (Public Act 267 of 1976) and MDARD rules apply.
 - a. It is the policy of this Board to allow guests time to address the Board. Members of the public will be granted one opportunity to speak for up to two (2) minutes during the public comments portion slated at the beginning of each regularly scheduled board meeting.
 - b. Members wishing to provide a presentation as a guest speaker on a specific topic or issue must submit a form stating the subject matter and file it with the administrator at least two (2) days prior to the meeting date. A time limit of ten (10) minutes will be allotted each guest speaker.
- 1.3 At any regular meeting of the Directors, changes found necessary and desirable in the District program and policies will be acted upon, providing that said changes have been submitted in writing to all Directors for their perusal at least two (2) weeks prior to a vote taking place.
- 1.4 As assigned by the chairman, a director will be responsible for these committees:
 - a. Finance/Planning
 - b. Personnel/Policy
 - c. Natural Resources/Education

- 1.5 It will be the policy of the Conservation District to make available for sale reforestation stock, species for wildlife planting and such other materials that may be necessary to the Cooperators of the District.
- 1.6 It is recognized that certain items of machinery and equipment, including tree planters, land levelers, tilling machines and others, will be necessary in the program. The policy of the District will be to encourage the private ownership and cooperating of such machinery, with the District assisting with its most efficient routing and use. If needed, the District will own and rent said equipment.
- 1.7 It is the policy of this District to be an equal opportunity employer and program provider and to adhere to the USDA statement which prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program."
- 1.8 The District will purchase and install signs designating our boundaries and identifying our property.
- 1.9 The District shall develop and maintain a webpage.
- 1.10 A second office for the District shall be maintained in Newberry. Office use and hours shall be determined on an as needed basis.

2.0 Directors

- 2.1 Guidelines set out by MDARD will be followed for Board member selection.
- 2.2 Board of Director expectations include:
 - a. Demonstrate a strong belief in the District mission.
 - b. Devote the necessary time to participate in board meetings.
 - c. Be an enthusiastic advocate for the District.
 - d. Be willing to work with the employees to promote and support District programs.
- 2.3 It will be the policy of this Board to ask each new director to sign a letter of commitment. While the board recognizes that they may not remove a Board member from office, nevertheless to maintain efficiency, members who miss three consecutive meetings will be asked to resign. Under the letter of commitment they will agree to resign if they can no longer contribute as a Board member.

3.0 Employees

- 3.1 The Board of Directors may hire personnel to handle the business of the District.
- 3.2 Said employees shall sign an employment agreement at time of hire.
- 3.3 Said employees will be expected to adhere to the personnel policies of the District.
- 3.4 An administrator will be hired to maintain the office, insure budgets and plans of work are implemented and represent the District in all general aspects. He/she is deemed to be an agent for the District.
- 3.5 Other employees shall be hired when needs arise and funding becomes available.
- 3.6 Our employees are involved in education programs that include close contact with children and we are permitted open access to the schools with our programs, therefore, the District will follow the procedure of security checks as outlined by the public school system.

4.0 Partnerships

- 4.1 The District shall abide by the Cooperative Working Agreement between MDARD, NRCS and the District effective April 16th, 1999, which outlines certain responsibilities for the District. This agreement is in effect to help guide the direction of the activities of the Board, specifically as regards partnerships.
 - a. The District will prepare the Annual Operating Agreement with NRCS.
 - b. The District will use a locally led work group to set priority resource concerns.
- 4.2 It shall be the policy of the District Directors to maintain, if financially possible, membership in the Michigan Association of Conservation District and the National Association of Conservation Districts.
- 4.3 The Directors will assist USDA programs by reviewing and giving their approval to such contracts and conservation plans as may be required.

- 4.4 It shall be the responsibility of the directors to encourage close teamwork with all agencies, both educational and administrative, with local governing bodies, with farm and conservation organizations, civic organizations and the like in giving further consideration to the conservation of all natural resources, including the development of watershed projects.
- 4.5 The District shall maintain a membership in the Chippewa County Farm Bureau.

5.0 Cooperators

- 5.1 Landowners wishing to work with the District and in particular benefit from cost share programs of both the District, DNR and USDA will be encouraged to sign a cooperator agreement form.
- 5.2 The District will encourage the process of progressive planning in such a way that all cooperators will develop and apply conservation practices as rapidly as possible through soil and water conservation plans. It shall be the goal of the District to eventually have land use decisions recorded in conservation plans for all the District area. The District directors shall be responsible for:
 - a. Determining priority of work areas. Priorities will be established by the Board according to their best judgment, governed by what would be in the best interest of the District as a whole.
 - b. Encouraging planning on an ecosystem basis.
- 5.3 The District, in accordance with priorities established, will give assistance on tracts of land used for hunting preserves, industrial sites, residential estates, school campuses, parks, recreational sites etc. When needed a special cooperative working agreement will be used. The importance for a complete conservation plan will be stressed as the basis for any sort of public assistance with conservation problems on the land.

6.0 Contractors

- 6.1 The District will maintain lists of persons available to do the work of implementing District programs. These include but are not limited to well diggers, heavy equipment contractors, stewardship plan writers.
 - a. All qualified persons will be included in these lists.
 - b. In the event of complaints on job performance, it will be the policy of this Board to act as an intermediary to resolve the issue. Consultation will occur with both parties. Technical advice will be requested from MDARD, NRCS needed.
 - c. If requested, unresolved complaints would be tallied for new customers.

7.0 Finances

- 7.1 The District will provide for surety bonds as directed by MDARD.
- 7.2 The District will keep a full accounting of all finances under the guidelines of MDARD.
- 7.3 An annual audit will take place within 60 days of the year-end.
- 7.4 A budget will be prepared once a year.
- 7.5 Writing Checks
 - a. Checks may be signed by either the treasurer or the chairman.
 - b. The Executive Director approves all purchases.
 - c. Bills to be paid are approved at monthly Board meetings.
 - d. The Executive Director or designee prepares bills for payment and maintains files.
 - e. Two signatures are required on all checks.
 - f. Invoices are recorded in QuickBooks from which checks are issued.
- 7.6 Payroll
 - a. Timesheets are to be filled in and signed by the employee. The employee will submit the signed hardcopy as well as an electronic copy to the Executive Director by 12:00 pm on the Monday immediately following the end of the time period. Failure to submit in a timely manner may result in delayed pay.
 - b. Signed timesheets will be kept in employee files and will be maintained by the Executive Director or designee.

- c. The Executive Director will process payroll and employees will be paid on the Friday following the end of the time period.

8.0 Grants

- 8.1 The District board approves all grants.
- 8.2 Staff positions are hired as detailed in grant.
- 8.3 Grant employees prepare reports as required by the grant.
- 8.4 The Executive Director prepares invoices for grant reimbursements.
- 8.5 All receipts and expenses are recorded in QuickBooks.
- 8.6 Records are maintained by the Executive Director or designee according to individual grant requirements.

9.0 Equipment

- 9.1 Equipment rates are to be \$100.00 per day or \$50.00 for 4.5 hours (except the tree planter which will be \$75.00 per day.) Users must give 50% of fee to reserve a piece of equipment and there is to be a deposit of 50% of day's rate paid at time of pickup.
- 9.2 Equipment repairs over \$300.00 must be preapproved by either the chairman or the administrator.

11.0 Addendums

When necessary additional policies will be developed for specific activities of the District. These policies, after adoption by the Board will be included as addendums to this document.

2. Internal Control Policies

1.0 Receipts

- 1.1 All receipts will be in triplicate with Chippewa Luce Mackinac Conservation District imprinted on each copy and receipts will be numbered sequentially.
- 1.2 Receipts will be distributed in the following manner:
 - a. Original copy – Payer
 - b. Duplicate copy – Payer
 - c. Triplicate copy – Retained by the District in numerical order.
- 1.3 An official receipt must be issued for all revenues.
- 1.4 All receipt books must be accounted for numerically.
- 1.5 Each receipt must indicate what form of payment was used – cash, check, or charge.
- 1.6 When a check is received, it must immediately be stamped “for deposit only”.
- 1.7 Each receipt must identify the amount paid.
- 1.8 Each receipt must be signed by the person receiving the money.
- 1.9 Each receipt must indicate the account that should be credited with the transaction.
- 1.10 Each receipt must indicate the name of the payer, the amount paid, the purpose of payment, account number, and signature of the District employee receiving the money.
- 1.11 All copies of voided or canceled receipts must be retained in the receipt book and properly marked VOID.
- 1.12 All receipt books not in use will be kept in a safe in the office and audited annually.
- 1.13 Whenever possible, collections must be reconciled by an individual not involved in the receipt process.
- 1.14 When possible, someone other than the person who writes receipts or posts the accounting records is responsible to verify that collections received in the mail are properly receipted.
- 1.15 The board treasurer monitors and approves collections.

2.0 Deposits

- 2.1 Each deposit must be accompanied by a Deposit Summary Form.
- 2.2 Each receipt must be posted in numerical order to the proper revenue and bank account and the duplicate copy of the receipt must be attached to the deposit summary. The deposit summary form will list the checks, by name, number and amount.
- 2.3 Each deposit must be reviewed and signed by a board member at a monthly board meeting.
- 2.4 Deposit summary documents must be filed with the Bank Reconciliation on which the deposit appears.
- 2.5 After each deposit is made, the bank deposit slip must be attached to the deposit summary form.
- 2.6 Monthly totals by fund are posted from this journal to the general ledger revenue control account. The board treasurer monitors these financial records.
- 2.7 All monies, whether cash or check, must be deposited into the appropriate account.
- 2.8 No monies received (whether cash or check) are to be held for more than one week.
- 2.9 An imprest (petty) cash account is authorized by the board. This account is to have no more than \$200.00 at any given time.
- 2.10 The imprest cash will be justified monthly and receipts properly deposited to the appropriate accounts.

3.0 Bank Accounts

- 3.1 All District bank accounts must include the name of the district, the name of the account, and the name of the Board treasurer.
- 3.2 All District bank accounts must have an ending date of the last day of each month.
- 3.3 Only checks written to the District for the no more than the amount due will be accepted by the District.
- 3.4 Use of the District’s tax ID number should be strictly controlled by the Board.
- 3.5 All signature cards will be kept current and limited to three (3) signers.
- 3.6 Dual signatures are required for all checking accounts. Signature stamps will not be used on checks.
- 3.7 All accounts, bank and imprest cash, will be reconciled monthly. Whenever possible, this reconciliation will be done by someone not involved with the receipt process. A reconciliation sheet should be prepared in duplicate

for each month with one copy for the office and one for the Treasurer. Treasurer and either the preparer or another board member shall sign each monthly statement after reviewing the reconciliation.

- 3.8 All disbursements will require a payment voucher. Appropriate documentation must be attached to the payment voucher. Original bills, not copies, must be used for documentation. Payment vouchers must be filed in order by check number.
- 3.9 All other payments must be approved by the Board prior to disbursement.
- 3.10 Adequate security must be provided over unused checks.
- 3.11 Numerically controlled, pre-numbered checks must be used.

4.0 Capital Assets

- 4.1 All capital assets will be valued at cost.
- 4.2 Donations are recorded at their fair value at the time of receipt.
- 4.3 Each inventory item will have a subsidiary record on file and be entered in the general ledger. At any time, the total of the individual costs must equal the amount recorded in the general ledger. This inventory and its value will be reviewed annually.
- 4.4 An annual inventory must be made to ensure that all recoded items are on hand, and that all items on hand have been properly recorded.

5.0 Monthly Reporting

- 5.1 Monthly reporting will include the following: Profit and Loss Statement, Balance Sheet, and Budget vs. Actual for year to date.
- 5.2 Special funds should be listed in summary form by activity.
- 5.3 Monthly reports will be completed regardless of whether a board meeting is held.
- 5.4 Financial reports should reflect activity of the entire calendar month prior to the date of the monthly meeting.
- 5.5 Monthly financial reports and monthly meeting minutes will be submitted to the MDARD Environmental Stewardship Division and to the MDARD Field Staff Representative after approval by the board.

6.0 Budget

- 6.1 The board and staff will formulate a budget in July for the coming fiscal year in accordance with the MDARD Appropriations Act.
- 6.2 A notice will be published in the local paper at least two (2) weeks prior advertising a public hearing regarding the Budget Approval meeting which will be held in September.
- 6.3 The Board will adopt the budgets for the various funds by Activity/Department in September.
- 6.4 Individual line items in this budget cannot be exceeded without prior approval of the Board.
- 6.5 When approving a line item excess in the budget, the board will designate the source of the excess funds.
- 6.6 Whenever it appears that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation, the board will take action to reduce expenditures or increase revenues or both.

3. Conflict of Interest Policy

Purpose: Staff and Board members shall perform their official duties in a manner free from conflict of interest. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by District employees and Board members is essential to ensure the proper performance of district business as well as to earn and keep public confidence in the Conservation District. To accomplish this, the Board has adopted the following guidelines to assure that conflicts of interest do not occur. These are not intended to be all inclusive, or to substitute for good judgment on the part of all employees and Board Members.

1. No employee or Board member shall engage in or have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the District, or any activity which raises a reasonable question of conflict in regards to any program or service the District offers or participates in. When a staff or Board member determines that a possibility of a personal interest conflict exists, s/he should, prior to the matter being considered by the Board or administration, disclose his/her interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff or Board member shall use his/her position to benefit either himself/herself or any other individual or agency apart from the total interest of the Conservation District.
3. If the pecuniary interest pertains to a proposed contract with the District, the following requirements must be met. The staff or Board member shall disclose the pecuniary interest in the contract to the Board with such disclosure made a part of the official Board minutes. If his/her direct pecuniary interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member shall make the disclosure in one of two (2) ways:
 - a. In writing, to the Board Chair (or if the member is the Board Chair, to the Board secretary) at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings.
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff or Board member must use this method of disclosure if his/her pecuniary interest amounts to \$5000 or more.
4. Employees and Board members shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they have with any client in the course of their employment with the District. Included, by way of illustration rather than limitation are the following:
 - a. The provision of any private services for a fee.
 - b. The use, sale, or improper divulging of any privileged information about a client gained in the course of the employee's employment or through his/her access to District records.
 - c. The referral of any client for services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fee, or other remuneration for such referrals.
 - d. The requirement of clients to purchase any private goods or services provided by an employee or any business or professional practitioner with whom any employee has a financial relationship, as a condition of receiving any approvals or recommendations.
5. Employees and Board Members shall not make use of materials, equipment, or facilities of the District in private practice. Examples would be the use of facilities before, during, or after regular business hours for services to private practice clients, or the checking out of items for private practice. Should exceptions to this policy be necessary in order to provide mandatory services to clients of the District, all such exceptions will be made known to the employee's supervisor and will be disclosed to the District Chair before entering into any private relationship.

4. Drug Free Workplace Policy

Purpose: The Chippewa Luce Mackinac Conservation District is committed to protecting the safety, health and well being of all employees and other individuals in our workplace. We recognize that alcohol abuse and drug use pose a significant threat to our goals. We have established a drug-free workplace program that balances our respect for individuals with the need to maintain an alcohol and drug-free environment. The District encourages employees to voluntarily seek help with drug and alcohol problems.

1. **COVERED WORKERS.** Any individual who conducts business for the District, is applying for a position or is conducting business on District property is covered by the drug-free workplace policy. The policy includes, but is not limited to, executive management, managers, supervisors, full-time employees, part-time employees, off-site employees and contractors.
2. **APPLICABILITY.** The District drug-free workplace policy is intended to apply whenever anyone is representing or conducting business for the District. Therefore, this policy applies during all working hours, whenever conducting business or representing the District, while on District property and at company-sponsored events.
3. **PROHIBITED BEHAVIOR.** It is a violation of the District drug-free workplace policy to use, possess, sell, trade, and or offer for sale alcohol, illegal drugs, or intoxicants.
4. **NOTIFICATION OF CONVICTIONS.** Any employee who is convicted of a criminal drug violation in the workplace must notify the District in writing within five (5) calendar days of the conviction. The District will take appropriate action within 30 days of notification. Federal contracting agencies will be notified when appropriate.
5. **SEARCHES.** Entering the District's property constitutes consent to searches and inspections. If an individual is suspected of violating the drug-free workplace policy, he or she may be asked to submit to a search or inspection at any time. Searches can be conducted of pockets and clothing, lockers, wallets, purses, briefcases and lunchboxes, desks, work stations, vehicles and equipment.
6. **CONSEQUENCES.** An employee who violates the drug-free workplace policy will be terminated from employment.
7. **ASSISTANCE.** The District recognizes that alcohol and drug abuse and addiction are treatable illnesses. We also realize that early intervention and support to improve the success of rehabilitation. Our drug-free workplace policy encourages employees to seek help if they are concerned that they or their family members may have a drug and/or alcohol problem. The financial responsibility for recommended treatment belongs to the employee.
8. **CONFIDENTIALITY.** All information received by the District through the drug-free workplace program is confidential communication. Access to this information is limited to those who have a legitimate need to know.
9. **SHARED RESPONSIBILITY.** A safe and productive drug-free workplace is achieved through cooperation and shared responsibility. Both employees and management have important roles to play. All employees are required to not report to work or be subjected to duty while their ability to perform job duties is impaired due to on or off-duty use of alcohol or other drugs. In addition, employees are encouraged to be concerned about working in a safe environment. It is the supervisor's responsibility to: Inform employees of the drug-free workplace policy, observe employee performance, document negative changes and problems in performance, counsel employees as to expected performance improvement, and clearly state consequences of policy violations.
10. **COMMUNICATION.** TO ensure all employees are aware of their role in supporting the drug-free workplace program, they will receive a written copy of the policy.

5. Capital Asset Capitalization Policy

1. All current equipment owned by the District that is in excess of \$1,000 and has a useful life of more than one year will have a numeric tag attached to it in such a way as to prevent accidental removal.
2. The identification numbers of these assets will be kept in a log created and maintained by the Executive Director. The asset log will include the identification number, the description of the asset, and the life expectancy of the asset, serial number of the asset, source of the asset, acquisition date, percentage of federal monies used to purchase the asset, location of asset, and disposition date of asset when it occurs.
3. Assets must be acquired in compliance with the District's purchasing policies. All assets acquired should be reported to the Executive Director for an identification tag and required recording of the asset. Disposition of any asset without the prior approval of the District Board is prohibited. Any person with knowledge of suspected improprieties with the use or disposition of equipment should report their findings to the Executive Director or the District Board. Failure to report such knowledge or improprieties of District property is subject to discipline including discharge.
4. Equipment, assets, and property owned by the District are acquired through the efforts of the taxpayers and grantors of the District. It is the responsibility of the District to safeguard these assets.

6. Credit Card Policy

Purpose: It is the policy of the Conservation District to allow personnel access to efficient and alternative means of payment for approved expenses, especially related to business travel and office supplies as well as to improve efficiency and reduce costs of payables processing. The following policy shall govern the use of Conservation District credit cards per Public Act 266 of 1995:

1. The Executive Director/Administrator and Board Treasurer are responsible for issuing, accounting for, monitoring, retrieving, and generally overseeing compliance with the board's credit card policy.
2. Board credit cards may be used only by an employee of the District for purchase of goods or services for the official business of the District.
3. District employees who use a District credit card shall, as soon as possible, submit a copy of the vendor's credit card slip to the Administrator. If no credit card slip was obtained, the employee shall submit a signed voucher that shows the name of the vendor or entity from which goods or services were purchased, the date and the amount of the transaction, the official business that required the transaction, and a statement of why a credit card slip was not obtained. All credit card slips shall include this information.
4. An employee who is issued a credit card is responsible for its protection and custody. If a credit card is lost or stolen, the Administrator and Board Treasurer shall be notified. The entity issuing the lost or stolen credit card shall be immediately notified to cancel the card.
5. An employee who is issued a credit card shall return the credit card to the Board Treasurer upon termination of his or her employment or service with the District.
6. The Administrator shall maintain a list of all credit cards owned by the Board, along with the name of the employee who has been issued the credit card, the limit established, the date issued, and the date returned. Each employee shall initial the list beside his or her name to indicate agreement that the credit card has been issued, and that the employee has received and read a copy of this policy.
7. The Administrator shall review each credit card statement as soon as possible to ensure that the transactions comply with this policy. Any transactions that appear on statements that are not documented with a credit card slip or a signed voucher shall be immediately investigated. Transactions that do not appear to comply with this policy shall be reported to the Board.
8. The Board shall not approve a payment to the entity issuing the credit card until all transactions have been verified, including the approval of all transaction invoices if issued.
9. The balance, including interest due on an extension of credit under the credit card arrangement shall be paid for within not more than 60 days of the initial statement date.
10. Employees who use a District credit card in a manner contrary to this policy shall be subject to any or all of the following disciplinary actions, as deemed appropriate by the Board:
 - Verbal counseling
 - Written reprimand
 - Reimbursement to the Board for unauthorized expenditures
 - Suspension
 - Termination
11. A credit card shall be issued in the name of the Chippewa Conservation District, with a limit of \$2,000.00. Use by any other employee is prohibited without the express written consent of the Administrator.

7. Investments Policy

Purpose: It is the policy of the Conservation District to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow needs of the Conservation District and comply with all state statutes governing the investment of public funds. This investment policy applies to all financial assets of the Conservation District. These assets are accounted for in the various funds of the District and include the general fund, debt service funds, and any other funds established by the District.

1.0 Primary Objectives

The primary objectives, in priority order, of the District's investment activities shall be:

- 1.1 SAFETY. Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio.
- 1.2 DIVERSIFICATION. The investments will be diversified by security type and institution in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
- 1.3 LIQUIDITY. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.
- 1.4 RETURN ON INVESTMENT. The investment portfolio shall be designed with the objective of obtaining a rate of return throughout the budgetary and economic cycles, taking into account the investment risk constraints and the cash flow characteristics of the portfolio.

2.0 Investment Officer

- 2.1 The treasurer is designated as the investment officer of the District and is responsible for carrying out investment decisions and activities as well as instructing the Board to invest excess District funds.
- 2.2 The investment officer shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. The investment officer shall disclose to the public any material financial interest in financial institutions that conduct business within the county and they shall further disclose any larger personal financial/investment positions that could be related to the performance of the District's portfolio. The investment officer shall subordinate their personal investment transactions to those of the District particularly with regard to the timing of purchases and sales.
- 2.3 The investment officer will routinely monitor the content of the portfolio, the available markets, and the relative values of competing instruments, and will adjust the portfolio accordingly.

3.0 Surplus Funds

The investment of surplus funds shall be as follows:

- 3.1 In bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- 3.2 In certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution.
- 3.3 In commercial paper rated at the time of purchase within the two (2) highest classification established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- 3.4 In United States government or federal agency obligation repurchase agreements consisting of bonds, securities, and other obligations of the United States.
- 3.5 In obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one (1) standard rating service.

4.0 Transactions and Reporting

- 4.1 All security transactions shall be held by the District and evidenced by a safekeeping receipt.
- 4.2 The Executive Director shall produce quarterly reports for the Board, listing by fund each investment within the fund. The report shall show the amount of investment, the institution, maturity date, and interest rate. A summary of all investments shall be shown at the end of each report, listed by institution and type of investment. A yearly report to the Board shall be provided as required by law.

8. Purchasing and Competitive Bidding Policies

Purpose: The purchasing objective of the District Board of Directors shall be to provide services, materials, and supplies which offer District personnel the most effective and efficient means to perform their tasks. The policy of the Board of Directors will be to acquire these at a minimum possible cost, but taking into consideration the best interest of the District.

1.0 COST CONTROL

- 1.1 In awarding purchases or contracts for services, the following shall be considered: a) price; b) quality of product; c) service, delivery and maintenance of product; d) suitability of product; e) conformance to specifications; f) past performance to the District; and g) vendor reliability.
- 1.2 The Board of Directors directs that all purchases from all funds under its control and responsibility be made after proper written documentation is obtained to support such purchases, excluding purchases of a minor or emergency nature.
- 1.3 Board will have a fully operative purchase order system as a means of budgetary control.
- 1.4 Vendor competition in purchasing shall be practiced whenever possible.
- 1.5 Sufficient amounts must have been budgeted in appropriate accounts and sufficient funds be available in the appropriate account.
- 1.6 The Executive Director shall make available to the Board, upon request, the price quotations or competitive bids obtained from vendors for goods and services. These copies are to be retained by the Executive Director until the audit for a fiscal year has been formally accepted by the Board.
- 1.7 The lowest responsible bidder submitting a competitive bid quotation shall be awarded the contract. However, the Board reserves the right to accept or reject any bid which it feels is in the best interest of the District and delegates this authority to those responsible for purchases not coming before the Board.

2.0 NON-NEGOTIATORY PURCHASES

- 2.1 Non-negotiable purchases can be made when there is only one supply source, provided the amount does not exceed bidding requirement limitations.

3.0 BID AND QUOTATIONS

- 3.1 Bids or quotations shall be obtained when the items to be purchased are available from more than one supplier.
- 3.2 Formal proposals for a particular service, material, supplies or equipment, may be obtained from vendors to indicate the service rendered, material available to accomplish tasks. The Board reserves the right to determine the acceptance or rejections of a particular proposal or modify a proposal which will meet the desired needs of the District.
- 3.3 Informal quotation (verbal information of price on equal products or services) secured in person or by telephone, may be used in obtaining the many small purchases for routine supplies used by the District.
- 3.4 The Executive Director or his/her designee is authorized to purchase any item, or group of items in a single transaction, costing less than \$1,000.00 providing the Board has budgeted in the appropriate accounts and sufficient funds are available in the appropriate account. However, for items of capital equipment which have a useful life of more than one (1) year at least two bids or quotations are required.
- 3.5 Competitive Bids. No purchase shall be made for materials, supplies, equipment or service in a single transaction costing more than \$1,000.00 unless competitive bids are obtained and the purchase is approved by the Board. BB
 - a. Such bids shall be opened at a specific time and place as stated in the bid advertisement or in the invitation to bid. Bids may be opened by the Executive Director and/or his/her designee at the time and place as stated, and analyzed and brought to the board for approval.
 - b. ii. The Board shall have discretion in determining the responsibilities or the bidders and generally shall award the contract to the lowest responsible bidder, provided specifications are fully met. The Board may also consider available service and delivery in determining the successful bidder. The Board reserves the right to reject any or all bids. Changes in the amount or condition of the bid will not be allowed once the bid has been received.

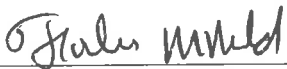
4.0 COMPETITIVE BIDS ON BUILDING CONSTRUCTION, RENOVATIONS AND REPAIRS:

- 4.1 Prior to commencing construction of a new building or addition to or repair or renovation of an existing building costing \$10,000.00 or more, the District shall obtain competitive bids on all materials and labor required to complete the proposed construction, addition, repair, or renovation. Said bids shall be approved by the Board. Repair work normally done by District employees is exempted from these bidding requirements.
- 4.2 The District shall advertise for bids in a newspaper of general circulation in the area.
- 4.3 Bids shall be opened and examined by the District where the public can be present. Bids will be analyzed by the committee and a recommendation made to the Board. The Board may reject any or all bids, and shall re-advertise in the event all bids are rejected, in the manner provided by law and this policy.
- 4.4 Voluntary alternates submitted by bidders shall not be considered in determining low bids. However, such alternates may be negotiated after the successful bidder has been determined.
- 4.5 Each bidder shall be required to file security with the Board in the amount of not less than five percent (5%) of the amount of the bid, conditioned to secure the District from loss or damage by reason of the withdrawal of the bid or by the failure of the bidder to enter a contract for performance if the bid is accepted by the Board.

5.0 THIRD PARTY COMPETITIVE BIDS:

The Executive Director or his/her designee is authorized to obtain third party competitive bids for materials, supplies and equipment through programs such as the State of Michigan's Department of Management and Budget Joint Competitive Bidding Program, the District purchasing program, and other similar programs. Third party competitive bidding on behalf of the District shall constitute a competitive bid for the purpose of this policy.

The General Policies and Procedures, Internal Control Policies, Drug Free Workplace Policy, Conflict of Interest Policy, Capital Asset Capitalization Policy, Credit Card Policy, Investments Policy, and Purchasing and Competitive Bidding Policies were adopted by the Chippewa Luce Mackinac Conservation District Board of Directors on September 29th, 2015. These policies supersede any previous versions.



Board Chair Signature