

OE-7 ASSET PROTECTION
SUMMARY OF COMPLIANCE STATUS
OCTOBER 2019


SUPERINTENDENT CERTIFICATION

With respect to OE-7 *Asset Protection* taken as a whole, the superintendent certifies that the proceeding information is accurate and complete, and the district is:

- In Compliance
 In Compliance, with Exceptions (as noted in the evidence)
 Not in Compliance

Summary Statement by Administration

Monitoring of operational expectations policies is part of the ongoing process of district performance evaluation and superintendent evaluation. This operational expectations policy addresses several aspects of the superintendent's responsibility regarding business and operations. The superintendent and staff have provided the interpretation and the board has reviewed the policy. We have provided the documentation and narrative supporting the superintendent's assessment of whether we are in compliance with the policy. During the board's review, the board will make a determination whether we are in compliance with the policy or not, or whether there is overall compliance but with some noted exceptions which should be addressed.

Signed: 
Superintendent

Date: 10/14/2019

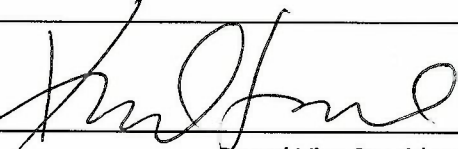
SCHOOL BOARD ACTION

With respect to OE-7 *Asset Protection*, the Board:

- Accepts the report as fully compliant
 Accepts the report as compliant with noted exceptions
 Finds the district to be noncompliant

Summary statement/motion of the Board

Motion by Ms. Delorme to accept the OE-7 *Asset Protection* Monitoring Report as In Compliance, seconded by Mr. Lee. Motion carried.

Signed: 
Board Vice President

Date: 10/14/2019

OE-7 Asset Protection

The Superintendent shall assure that all district assets are adequately protected, properly maintained, appropriately used and not placed at undue risk.

The Superintendent Shall:

<p>7.1 Maintain property and casualty insurance coverage on district property with limits equal to 100 percent of replacement value except where limited by the carrier.</p>	<p>In Compliance</p>
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Superintendent Interpretation: The Board has an expectation that property be insured to the fullest extent possible, so that replacement or repair of lost property does not compromise the district’s budget and ability to operate.

<p>Indicator 1: Property and contents insurance is at 100% replacement value except where limited by the carrier.</p>	<p>In Compliance</p>
<p>Evidence: BPS has property and contents insurance through North Dakota State Fire and Tornado (ND F&T). The district has 100% replacement values on all items that are allowed by ND F&T. BPS continues to evaluate annual inventory content amounts to insurance values. (See Appendix A – Property and Contents Insurance)</p>	

<p>Indicator 2: District vehicles are insured for comprehensive and collision coverage with claims paid at actual cash value or the cost of repairs, whichever is less.</p>	<p>In Compliance</p>
<p>Evidence: BPS has property and contents insurance through North Dakota Insurance Reserve Fund (NDIRF). (See Appendix B – Auto Insurance)</p>	

The Superintendent Shall:

<p>7.2 Maintain both Errors and Omissions and Comprehensive General Liability insurance coverage protecting Board members, staff and the district itself in an amount that is reasonable for school districts of comparable size and character.</p>	<p>In Compliance</p>
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Superintendent Interpretation: The Board expects that liability exposed by mistakes or oversights by district employees are protected to a similar degree that is afforded by other similar school districts.

<p>Indicator 1: The district will maintain general liability insurance coverage in force with limits that are appropriate for a school district of our size.</p>	<p>In Compliance</p>
<p>Evidence: BPS has general liability coverage through NDIRF. The policy covers governance, personal and property damage liability at \$2,000,000. (See Appendix C – Liability Insurance)</p>	

<p>Indicator 2: The district will maintain worker’s compensation coverage for all employees as required by the State of North Dakota.</p>	<p>In Compliance</p>
<p>Evidence: The district maintains its worker’s compensation coverage through ND Workforce Safety and Insurance. The net premium paid for 2018-19 was \$151,728.20, which reflected a safety discount for our safety programs (81,208.62) and also the 2018 Prepaid Dividend Calculation of (\$230,091.08).</p>	

The Superintendent Shall:

<p>7.3 Adequately protect the district against theft or misappropriation of funds by any personnel who have access to material amounts of district and school funds.</p>	<p>In Compliance</p>
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Superintendent Interpretation: By material amounts, the superintendent believes the Board intends that persons who control or have access to any amount of district or school cash should be bonded.

<p>Indicator 1: The district will bond all employees who have access to material amounts of cash.</p>	<p>In Compliance</p>
<p>Evidence: The district carries a \$2,000,000 bond through the ND Insurance Department, which is the maximum amount they will issue. All district employees that work with money are covered under this provision.</p>	

The Superintendent Shall:

<p>7.4 Protect intellectual property, information, files, records and fixed assets from loss or significant damage.</p>	<p>In Compliance</p>
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Superintendent Interpretation: The Board expects that financial and confidential personnel files will be maintained in a safe, secure manner; that digital files will be backed up and/or redundantly stored off site; that backup systems protect from loss of data. Digital files and information will be protected from hacking and electronic intrusion or damage. Archival records must be maintained for legally prescribed duration in a safe place, as well as historically important information or archives. Finally, the Board expects that physical assets are protected.

<p>Indicator 1: The School District received no legal complaints that its employees have violated intellectual property rights.</p>	<p>In Compliance</p>
<p>Evidence: The district has received no complaints that its employees have violated intellectual property rights.</p>	

<p>Indicator 2: The School District protects digital records from damage, loss, or breach.</p>	<p>In Compliance</p>
<p>Evidence: District data is on redundant systems and backed up instantaneously or nightly depending on the system. The district experienced no loss or damage of digital records or information contained within the district network or systems. However, in July 2019 the district was made aware of a data incident with a vendor. The vendor investigation indicated that the incident occurred in or around November 2018. The district acted immediately upon notification, following the process outlined in policy FGA. The district maintains contracts and data sharing agreements with its strategic partners.</p>	

<p>Indicator 3: The School District has a disaster and recovery plan that is implemented to protect critical data and systems.</p>	<p>In Compliance</p>
<p>Evidence: The district has both live (redundant systems) back up and daily recovery if needed with mission critical systems. The system has generator/battery backup of redundant systems.</p>	

<p>Indicator 4: The School District intellectual property ownership is maintained by the School District and no for profit use outside the district is authorized.</p>	<p>In Compliance</p>
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Evidence: The district has a policy against this particular item. No intellectual property sales have been reported to the district.

Indicator 5: The School District will maintain an inventory of the physical assets of the school district to safeguard against theft or other losses.	In Compliance
Evidence: BPS has technology inventory system that is maintained on an annual basis. The district completed a physical inventory of all other items the spring of 2018. This will be the district baseline moving forward to safeguard against theft or other losses.	

The Superintendent Shall Not:

7.5 Allow facilities and equipment to be subject to improper use or insufficient maintenance.	In Compliance
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Superintendent Interpretation: The Board expects that facilities and equipment will be maintained on a schedule that maximizes longevity, and that facilities and equipment will not be subjected to use or wear that is excessive or puts these assets at risk of failing before end of life is achieved.

Indicator 1: The School District shall utilize a building automation (lights, heat, cooling, etc.) system to only schedule buildings and equipment during occupied times.	In Compliance
Evidence: BPS currently utilizes Andover Continuum for building automation. Custodial staff is trained and schedules events through the building automation system for proper operation. Holidays and setbacks are also scheduled for each building.	

Indicator 2: The School District shall utilize a maintenance program that incorporates maintenance requests and preventative maintenance for equipment.	In Compliance
Evidence: BPS utilizes SchoolDude for its preventative and work order maintenance systems. In 2018-19 the district completed a total of 7,373 maintenance requests.	

The Superintendent Shall Not:

7.6 Recklessly expose the district, the Board or staff to legal liability.	In Compliance
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Superintendent Interpretation: Recklessly means that the superintendent knowingly or purposefully participated in or allowed others with his/her knowledge to abide behaviors of conditions that place the district at risk of liability.

Indicator 1: Liability complaints are investigated promptly. Those that show reckless use of assets are reported to the Board president as soon as practicable.	In Compliance
Evidence: BPS has not had any complaints in regards to the section. The district has policies and procedures prohibiting reckless use of assets.	

The Superintendent Shall Not:

7.7 Invest funds in investments that are not secured or that are not authorized by law.	In Compliance
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Superintendent Interpretation: The superintendent will work with the business and operations manager for evaluating all investments. All investments will be secured and/or legal.

Indicator 1: The School District will not invest funds that not secured or authorized by law.	In Compliance
Evidence: BPS has the following investments currently: <ul style="list-style-type: none"> • Held in CD’s that are covered by FDIC. • Held in checking and/or money market funds covered by FDIC, pledges, the Federal Government or letters of credit. (See Appendix E – Pledge of Assets Report)	

The Superintendent Shall Not:

7.8 Purchase or sell real estate, including land and buildings.	In Compliance
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Superintendent Interpretation: Only the Board is authorized to purchase or sell real estate. The superintendent will prepare recommendations for sale or purchase of real property, but may not execute any such transactions without Board approval

Indicator 1: All purchases of real property will be vetted by administration and the school Board with input from committees were applicable. However, all purchases and sales of real property will require Board action at a public meeting.	In Compliance
Evidence: BPS sold the Saxvik building. The property sale closed and was approved by the school board in April of 2019. No other property has been sold or purchased in the previous 12 months.	

The Superintendent Shall Not:

7.9 Take any action that damages the district’s public image or credibility.	In Compliance
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Superintendent Interpretation: Action means a decision or behavior. This policy proscribes any decision or behaviors by the superintendent that would embarrass the district or reflect badly on the district. It does not mean that an event or action by an employee will never reflect badly upon or embarrass the district.

Indicator 1: The Board does not identify an action(s), event(s) or decision(s) for which the superintendent is responsible as damaging to the district's public image or credibility.	In Compliance
Evidence: Certainly it is the superintendent’s intention and desire to never damage the district’s image or credibility. The nature of the position requires decisions or actions that may not please every stakeholder or constituent. This policy proscribes egregious errors in behavior or judgment, which have not occurred, in the opinion of the superintendent.	