

# **Report To The Mississippi Legislature**



## **A Survey of School Districts' Selection of Vendors and Controls over Direct Sales to Students**

**November 13, 1997**

No state law or State Board of Education policy requires school districts to use a competitive process in selecting vendors for the direct sale of items to students and their parents (e.g., rings, caps and gowns, year books, school pictures, graduation items, and accident insurance). Given the absence of a required competitive process, 86% of Mississippi's 153 school districts reported that they have not developed or implemented the five basic oversight procedures PEER believes are needed to ensure minimum control over vendor selection, receipt of activity fund commissions generated from the sale of such items, and activity fund management. As a result, school districts may not be providing students and parents with access to the vendor with the highest quality goods at the lowest price and schools may not be maximizing revenue for school activity funds.

Further, although state law and State Auditor's guidelines require certain controls over school districts' management of activity funds, state law does not prohibit school administrators from accepting gifts from vendors who sell products to students. PEER recommends that the Legislature amend state law to require open and competitive bidding for the selection of vendors who sell items directly to students and to prohibit administrators from accepting money or gifts from such vendors.

**The PEER Committee**

## **PEER: The Mississippi Legislature's Oversight Agency**

The Mississippi Legislature created the Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER Committee) by statute in 1973. A standing joint committee, the PEER Committee is composed of five members of the House of Representatives appointed by the Speaker and five members of the Senate appointed by the Lieutenant Governor. Appointments are made for four-year terms with one Senator and one Representative appointed from each of the U. S. Congressional Districts. Committee officers are elected by the membership with officers alternating annually between the two houses. All Committee actions by statute require a majority vote of three Representatives and three Senators voting in the affirmative.

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The Committee assigns top priority to written requests from individual legislators and legislative committees. The Committee also considers PEER staff proposals and written requests from state officials and others.

**A Survey of School Districts' Selection of Vendors and  
Controls over Direct Sales to Students**

**November 13, 1997**

**The PEER Committee  
Mississippi Legislature**

The Mississippi Legislature

**Joint Committee on Performance Evaluation and Expenditure Review**

PEER Committee

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At its meeting of November 13, 1997, the PEER Committee authorized release of the report entitled **A Survey of School Districts' Selection of Vendors and Controls over Direct Sales to Students.**

A handwritten signature in cursive script, reading "Billy Bowles", written over a horizontal line.

Representative Billy Bowles, Chairman

**This report does not recommend increased  
funding or additional staff.**

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# **A Survey of School Districts' Selection of Vendors and Controls over Direct Sales to Students**

**November 13, 1997**

## ***Executive Summary***

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### **Introduction**

The PEER Committee surveyed Mississippi's 153 school districts to determine their policies related to the sale of items to students by vendors (e.g., rings, school pictures, graduation items, or accident insurance). PEER reviewed two issues: vendor selection and accounting for the funds received by the districts as a result of the sale of items to students.

### **Overview**

No state law, State Board of Education policy, or State Auditor's regulation establishes controls over school districts' vendor selection procedures. Also, local school boards do not require school administrators to use a competitive process in selecting vendors for the sale of items to students.

Given the absence of a required competitive process, 86% of Mississippi's school districts reported that they have not developed or implemented the five basic oversight procedures PEER believes are needed to ensure minimum control over vendor selection, receipt of activity fund commissions generated from the sale of such items, and activity fund management. As a result, school districts may not

be providing students and parents with access to the vendor with the highest quality goods at the lowest price and schools may not be maximizing revenue for school activity funds.

Further, although state law and State Auditor's guidelines require certain controls over all school districts' management of activity funds generated through commissions on the sale of items to students, state law does not provide sufficient control to deter the acceptance of gifts by school administrators.

### **Recommendations**

1. The Legislature should amend MISS. CODE ANN. §37-7-301 to require open and competitive bidding for the selection of vendors who sell items directly to students (e.g., rings, caps and gowns, school pictures, year books, graduation items, and accident insurance). (See Appendix C, page 23 of the report, for proposed legislation.)
2. The Legislature should prohibit school administrators who enter into agreements with vendors selling items to students from accepting money or items tantamount to gifts from vendors.

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# **A Survey of School Districts' Selection of Vendors and Controls over Direct Sales to Students**

## ***Introduction***

### **Authority**

In accordance with MISS. CODE ANN. § 5-3-57 et seq. (1972), the PEER Committee directed its staff to survey all Mississippi school districts to determine their policies related to the sale of items to students by vendors.

### **Scope and Purpose**

PEER reviewed two issues related to the sale of items to students: vendor selection and accounting for the funds received by the districts as a result of the sale of items to students. Specifically, PEER examined:

- the extent to which state law addresses school administrators' acceptance of money and items tantamount to gifts;
- the extent to which local school boards require school personnel to use a competitive process in selecting vendors who sell items directly to students (e.g., rings, cap and gowns, year books, school pictures, graduation items, and accident insurance); and,
- the adequacy of controls over commissions or monetary compensations generated by the sale of items to students.

Because this review focused on the selection of vendors selling items directly to students and the schools' methods for accounting for commissions from these sales, the scope of this review excluded several other categories of fundraising activity. For example, the scope excluded school-sponsored club fundraisers, funds raised by school employees, funds received from extracurricular events (e.g., football, basketball, or baseball games), and other school fundraisers (e.g., vending machines, school stores, concession stands, carnivals, and sales by students).

### **Method**

To determine the adequacy of school districts' oversight of the selection of vendors who sell items directly to students and of districts' policies for accounting for commissions, PEER established criteria for judging adequacy, then compared school districts' reported policies and practices with these criteria. In developing these criteria and determining districts' policies and practices, PEER:

- reviewed Mississippi statutes and the State Auditor's guidelines;



- interviewed administrators in four school districts;
- administered questionnaires to 153 school districts and received 153 responses;
- reviewed school districts' descriptions of their policies and procedures for vendor selection and managing activity funds; and,
- obtained information on model systems from other states regarding their method of selecting vendors.

### **Overview**

No state law, State Board of Education policy, or State Auditor's regulation establishes controls over school districts' vendor selection procedures. In addition to the absence of any state law or regulations regarding the competitive selection of vendors, local school boards do not require school administrators to use a competitive process in selecting vendors for the sale of items to students.

Further, although state law and State Auditor's guidelines require certain controls over all school districts' management of activity funds generated through commissions on the sale of items to students, state law does not provide sufficient control to deter the acceptance of gifts by school administrators.

Concerning the adequacy of oversight of vendor selection and activity fund management, most school boards do not develop their own controls or exercise adequate oversight to ensure minimum control over vendor selection and activity fund management. Exhibit 1, page 3, shows the control elements used by school districts who reported having controls over vendor selection and fund management. Additionally, Appendix A, page 17, lists school districts meeting the control elements discussed in this report.

**Exhibit 1****School Districts Reporting Control over Vendor Selection and Fund Management  
(for School Year 1996 - 1997), Based on Responses from  
Mississippi's 153 School Districts**

<b>Control Element</b>	<b>Number/Percent of Districts With This Control Element</b>	<b>Number/Percent of Districts Without This Control Element</b>
Districts report using a competitive process in selecting vendors for all items	<b>41</b> <b>27%</b>	<b>112</b> <b>73%</b>
Districts report giving written disclosures to students regarding intended use of proceeds for at least one item	<b>84</b> <b>55%</b>	<b>69</b> <b>45%</b>
For at least one item generating a commission, districts report developing an independent list of amounts paid by students for use in reconciling commission receipts*	<b>39</b> <b>35%</b>	<b>71</b> <b>65%</b>
Districts receiving commissions report that one or more activity fund bank accounts are maintained for activity funds received by school officials*	<b>109</b> <b>99%</b>	<b>1</b> <b>1%</b>
Districts report having written policies or procedures for ensuring accountability for activity funds	<b>143</b> <b>93%</b>	<b>10</b> <b>7%</b>
Districts meeting all criteria	<b>21</b> <b>14%</b>	<b>132</b> <b>86%</b>

\*Computation of percent of districts with this control element is based on total districts receiving commissions (110 districts).

SOURCE: Compiled by PEER from survey results.

## ***Summary of Survey Results***

PEER surveyed all 153 Mississippi school districts to determine their policies related to the sale of items to students by designated vendors and accounting for the funds received from these items. All of the school districts responded to the survey.

PEER sought to address several primary questions regarding school districts' use of vendors and accounting for commissions generated from these vendors' sales to students. (Several of the questions involved more specific questions shown beneath the primary questions below.)

- Does state law regulate the acceptance of money or items tantamount to gifts which may be received by school personnel?
- Do state laws, the State Board of Education, or the State Auditor's Office address controls over the selection of vendors?
- Do local school boards require school personnel to use a competitive process in selecting vendors who sell items to students?
  - To what extent do school districts report regulating the selection process by utilizing a competitive process?
  - What are the associated risks for not utilizing the competitive process?
- Do other states or school districts in other states require school personnel to use a competitive process in selecting vendors who sell items to students?
- To what extent do Mississippi's state law and State Auditor's guidelines provide controls over school districts' accounting for commissions generated through the sale or rental of items to students?
  - What are the risks associated with not establishing policies addressing the accountability of activity funds?
  - What are the risks associated with not providing students with a written disclosure statement?
  - What are the risks associated with not maintaining an independent listing?
  - What are the risks associated with not maintaining an activity fund account?
- To what extent do school districts report compliance with these controls over accounting for commissions?

## **Controls Over the Acceptance of Gifts**

**Does state law regulate the acceptance of money or items tantamount to gifts which may be received by school personnel?**

***No law prohibits school personnel from accepting money or gifts resulting from agreements with vendors for the sale of items to students.***

Although no vendor has acknowledged the practice of offering gifts to administrators in exchange for exclusive access to students, such a practice could improperly influence the selection process, resulting in selection of a vendor who might not provide high quality products at competitive prices. However, state law does not prohibit school administrators from accepting money or items tantamount to gifts when school districts enter into agreements with vendors for the sale of these items to students. In cases in which school districts purchase commodities from vendors, MISS. CODE ANN. §31-7-23 provides that any rebate or refunds received from vendors should benefit the governing authority or agency. However, this section does not apply to administrators who may receive gifts in the process of selecting vendors for the sale of items to students because payment for these items is made by students or their parents, not by the school.

## **Selection of Vendors**

Some school districts provide companies with access to students to sell rings, cap and gowns, year books, school pictures, and graduation items (e.g., invitations, cards, memory books) to students in the school districts. Usually at least four national companies who sell rings, caps and gowns, and graduation items (R. M. Hendrick, Jostens, Balfour, and Herff Jones) compete with local vendors for school districts' business. For the sale of school pictures, school districts generally use local vendors who compete with each other.

In response to PEER's survey, 152 districts (99%) reported that they select vendors to sell rings, 148 districts (97%) for caps and gowns, 126 districts (82%) for year books, 151 districts (99%) for school pictures, and 150 districts (98%) for graduation items such as invitations, memory books, and cards (see Exhibit 2, page 6).

Additionally, based on a telephone survey, PEER found that 139 districts (91%) reported that they selected vendors to sell school day accident insurance. Fourteen districts (9%) reported that they did not select vendors to sell school day accident insurance.

**Do state laws, the State Board of Education, or the State Auditor's Office address controls over the selection of vendors?**

***No state law, State Board of Education policy, or State Auditor's regulation establishes controls over school districts' vendor selection procedures.***

In the absence of state requirements, local school boards potentially offer some control over vendor selection procedures.

**Exhibit 2**

**School Districts Reporting Items Sold to Students  
(for School Year 1996-1997), Based on Responses  
from Mississippi's 153 School Districts**

<b>Items Sold</b>	<b>Number of Districts In Which This Item Is Sold</b>	<b>Percent of Districts In Which This Item Is Sold</b>
Class Rings	<b>152</b>	<b>99%</b>
Caps and Gowns	<b>148</b>	<b>97%</b>
Year Books	<b>126</b>	<b>82%</b>
School Pictures	<b>151</b>	<b>99%</b>
Graduation Items (e.g., memory books, invitations, cards)	<b>150</b>	<b>98%</b>

SOURCE: Compiled by PEER from survey results.

**Do local school boards require school personnel to use a competitive process in selecting vendors who sell items to students?**

***Seventy-three percent of school districts reported that they did not use a competitive process in selecting vendors to sell items to students. Competitive bidding is a generally accepted method to ensure that vendors provide products of the highest quality at the lowest cost to students.***

Although school boards have the authority to regulate vendor selections, no local school board requires school administrators to use a competitive process in selecting vendors for the sale of items to students. As a result, principals or superintendents are not required to adhere to practices that help ensure that vendors provide products of the highest quality at the lowest cost to students. Exhibit 1, page 3, shows that a majority of school districts (73%) reported that they did not use a competitive process in selecting vendors to sell all of these items to students.

To have adequate vendor selection controls, a school district should use a competitive process. The competitive process is one of the best means for helping to ensure quality service and goods at an affordable cost. Although open competitive bidding ensures the highest level of competition, for purposes of this analysis, PEER also included practices such as reviewing several proposals, obtaining several quotations, or competitively negotiating with vendors among the selection methods meeting the “competitive process” criterion (see discussion of these criteria in Exhibit 3, page 8).

- *To what extent do school districts report regulating the selection process by utilizing a competitive process?*

Forty-one school districts (27%) reported regulating the selection of vendors through a competitive process for all items sold to students. However, one-hundred twelve (73%) reported that they selected vendors without using a competitive process for all items on the survey. These districts reported selecting vendors based on their reputation, experience, quality of service, traditions, commissions, recommendations of other school districts, or other methods of selecting vendors (see Exhibit 1, page 3.) (See Appendix B, page 22, for information on vendor selection methods for individual items.)

Additionally, based on a separate telephone survey, PEER found that out of the 139 districts who reported selecting vendors to sell school day accident insurance to students, 48 districts (35%) reported that they selected vendors using a competitive process versus 91 districts (65%) who reported that they did not use a competitive process to select vendors.

- *What are the associated risks for not utilizing a competitive process?*

Various risks are associated with not utilizing a competitive process. First, school districts may not receive the best value for students. The selection of vendors using a process that is not competitive and impartial contradicts the basic principles of public purchasing--open competition, fairness, not showing

### **Exhibit 3**

#### **Suggested Competitive Processes in Selecting Vendors for Sale of Items to Students**

To have adequate vendor selection controls, a school district should use a competitive process. The competitive process is one of the best means for helping to ensure quality service and goods at an affordable cost. A competitive selection process includes practices such as reviewing several proposals, obtaining several quotations, or competitively negotiating with vendors. Open competitive bidding ensures the highest level of competition. (PEER used these practices as criteria for “competitive process” in its survey of school districts’ practices on vendor selection.)

##### *Competitive Proposals, Quotations, and Negotiations*

Both competitive proposals and the quotations process entail school districts requesting information (proposals or quotations) from more than one vendor before making a final decision. However, school districts may also choose to negotiate with vendors submitting either proposals or quotations. This process could consider both the lowest cost and the quality of products provided to students.

##### *Competitive Bidding*

The bidding process should begin with school districts developing a request for proposals (RFP) which includes a detailed description of the specified item to be purchased. Secondly, the district should advertise the RFP. Thirdly, the district should review proposals and finally, award contracts to the vendor meeting the specifications and offering the best quality at the lowest cost.

SOURCE: PEER analysis.

favoritism, and providing the least cost to purchasers. Secondly, school districts limit themselves to known vendors rather than all possible vendors who may offer better services or products. Finally, school districts not using a competitive process do not have proper safeguards against favoritism and extravagance in awarding contracts.

**Do other states or school districts in other states require school personnel to use a competitive process in selecting vendors who sell items to students?**

***PEER identified a Texas school district (Katy Independent School District) that uses a competitive process consistently when selecting vendors who sell items to students.***

In a search for a school district that consistently uses a competitive process, PEER found that the Katy Independent School District in Katy, Texas, has adopted a competitive process for selecting vendors who sell items to students (e.g., rings, caps and gowns, and graduation items). Their process is similar to a process required by Texas law governing school districts' purchasing, but the district is not required by law to utilize this process in selecting vendors for the sale of items to students. The school district's purchasing agent explained that the process was adopted to maintain quality services and products for students.

In general, the Katy (Texas) Independent School District is a model system because it requires that: a request for proposals be developed, interested vendors submit their sealed quotations to the central purchasing office, no quotations be received after the designated date, a designated committee representing both students and parents makes the final selection of vendors, committee members refrain from coming in contact with vendors before the designated presentation night, and vendors be notified by phone and in writing of each committee's decision.

### **Controls over Commissions and Activity Funds In Mississippi**

**To what extent do Mississippi's state law and the State Auditor's guidelines provide controls over school districts' accounting for commissions generated through the sale or rental of items to students?**

***Mississippi law and the State Auditor's guidelines require school districts to develop and enforce certain policies governing the control of activity funds. The State Auditor's guidelines provide that the policies address issues which include the accounting system, bank accounts, receipt and expenditure of funds, maintaining an independent listing of students and the amounts they paid to vendors, and disclosure statements.***

Both state law and State Auditor's guidelines require school districts to develop and enforce certain policies governing the control of activity funds. The State Auditor's guidelines provide that the policy or regulations address issues which include the accounting system, bank accounts, receipt and expenditure of funds, maintaining an independent listing of students and the amounts paid to vendors, and disclosure statements. State law specifically requires that in



instances where the school board receives a commission, rebate, or fee on items sold to students as a fundraising activity, students shall receive a disclosure statement; state law also requires local schools to maintain an individual bank account in cases where the receipt and expenditure of funds are managed by the principal (see Exhibit 4, page 11, for a brief discussion of these criteria).

- *What are the risks associated with not establishing policies addressing the accountability of activity funds?*

School districts that do not maintain policies addressing the accountability of activity funds are faced with the potential risk of having a system of accounting which could result in fraud or embezzlement of funds. Additionally, no controls would be in place to allow the school district to monitor the receipt and expenditure of funds in determining conformity with state law and State Auditor's guidelines.

- *What are the risks associated with not providing students with a written disclosure statement?*

School districts not providing a disclosure statement to students may not be in compliance with state law (MISS. CODE ANN. Section 37-7-301). Additionally, parents may perceive the failure to provide students with a disclosure statement as an indication of dishonesty.

- *What are the risks associated with not maintaining an independent listing?*

School districts not maintaining an independent listing possess no method of determining exactly what was paid to vendors. This may cause school districts' reconciliation of commissions to be difficult, especially if questions arise regarding the amount that should have been contributed to the activity fund account. There is also a potential for persons within the administration receiving the funds to embezzle, because the amount due the school cannot be determined accurately without an independent list. Not maintaining an independent listing of students is one contributing factor affecting school districts' likelihood of being cheated out of what is due.

- *What are the risks associated with not maintaining an activity fund account(s)?*

The potential risk of not maintaining an activity fund account is that accounting for activity funds is more difficult, especially if the funds are commingled with other funds that are not intended for educational or academic purposes. Also, school districts without an activity fund account may not be in compliance with state law (MISS. CODE ANN. Section 37-7-301).

## **Exhibit 4**

### **Controls over Commissions from Sales of Items to Students and Activity Funds Required by State Law or State Auditor's Guidelines**

The State Auditor requires school districts to develop and enforce policies governing the control of activity funds. These policies must address issues which include the accounting system, bank accounts, receipt and expenditure of funds, maintaining an independent listing of students and the amounts paid to vendors, and disclosure statements. State law requires school districts to provide a statement to students advising them of the intended use of proceeds derived from the sale or rental of items to students.

PEER used the controls discussed in this exhibit as criteria for questions regarding commissions and activity funds in its survey of school districts. These criteria are:

#### ***Activity Fund Policy or Procedures***

Both state law and State Auditor's guidelines require the school board of each public school to adopt a policy or procedure addressing adequate control over activity funds. This policy serves as a mechanism of adequate oversight for controlling the accountability of activity funds and should comply with the guidelines as provided by the State Auditor. Additionally, the school board should adopt a policy specifying the preferred accounting system (centralized or decentralized) that will be used to account for activity funds.

A centralized accounting system requires that local schools receive and deposit activity funds into the designated depository. However, the expenditure of funds must take place at the central level. This accounting system does not provide principals with the authority to write checks on the activity fund account.

A decentralized accounting system provides local schools with the authority to receive, deposit, and expend activity funds. This accounting system allows principals to write checks on the activity fund account. As a method of accounting for expended funds, State Auditor's guidelines require that principals deliver a report to the district's central office regarding any transactions on the activity fund account no later than five working days after the close of the month.

**Exhibit 4 (continued)***Written Disclosure of Intended Use of Funds*

Providing students with a disclosure statement is a good means for maintaining a positive relationship with students and parents. Parents and taxpayers should be informed about the intended use of funds that are contributed to the school districts. MISS. CODE ANN. § 37-7-301 (gg) (ii) provides that in instances where the school board receives a commission, rebate, or fee on items that are sold to students as a fund raising activity, students shall receive a disclosure statement which advises them of the intended use of proceeds derived from the sale or rental of items to students.

*Independent Listing*

Maintaining an independent listing of students and the amounts they paid to vendors is a good mechanism to determine commissions or rebates that are due from vendors. If the school board adopts an activity fund policy allowing schools to conduct fund raising activities, State Auditor's guidelines require school districts to adopt a system of accountability which includes keeping an independent listing of items sold or rented to students and the amounts paid to vendors. This independent listing serves as a mechanism in aiding school districts with reconciling commissions or compensations.

*Activity Fund Bank Accounts*

Maintaining an activity fund bank account will allow school districts to maintain financial records as a way of monitoring the cash flow of funds. These accounts will also provide school districts with the opportunity to minimize the risk of embezzlement and maximize the amounts due the schools.

State Auditor's guidelines require school districts participating in fund raising activities to maintain an activity fund account(s) in a financial institution that is selected by the school board. In cases where the receipt and expenditure of funds are managed by the principal, the MISS. CODE ANN. §37-7-301 requires local schools to maintain an individual bank account.

SOURCE: PEER analysis of state law and State Auditor's guidelines.

**To what extent do school districts report compliance with these controls over accounting for commissions?**

***Over half (55%) of the state's school districts reported having a policy requiring written disclosures to students stating the intended use of funds to be contributed to school districts from the sale of items. Approximately one-third of districts (35%) receiving commissions from the sale of items reported that they keep track of what students paid to vendors. Most districts receiving commissions reported that they maintain activity fund bank accounts (99% of districts) and have written policies for accountability for such funds (93% of districts).***

*Written Disclosure*--As shown in Exhibit 1, page 3, PEER determined that 84 school districts (55%) reported their school board having a policy requiring schools to provide written disclosure statements to students for at least one item sold to students. Sixty-nine school districts (45%) reported that their district did not have a policy on disclosure statements. However, many of these districts commented that for the sale of school pictures, the school photographer generally provided a disclosure statement on the advertisement packets given to students.

*Independent Listing*--Thirty-nine school districts (35%) receiving commissions on any item reported keeping track of what students paid to vendors. The remaining 71 districts (65%) of all districts receiving commissions on any item reported that they did not keep track of what students paid. Representatives of the State Auditor's Office stated that this is a relatively new requirement, which could account for the rate of noncompliance.

*Activity Fund Bank Accounts*--According to PEER's survey, 109 school districts (99%) receiving commissions on any item reported that one or more activity fund bank accounts were maintained for activity funds. One school district (1%) reported not having a bank account even though it received commissions on at least one item.

*Policy or Regulations*--PEER analysis determined that 143 school districts (93%) reported having written policies or regulations for ensuring accountability for activity funds. Ten school districts (7%) reported not having written policies or procedures.

## ***Conclusions***

No control mechanism exists to regulate the actions of school administrators who may receive gifts from vendors of items sold directly to students. Additionally, local school boards have not required school administrators to use a competitive process in selecting vendors to sell items to students. As a result, school districts may not receive the best prices for students. Since the process is not open and competitive, school administrators may award contracts based on favoritism or may be too extravagant in awarding contracts. The potential exists for vendors to provide money or items tantamount to gifts to administrators and influence their selection of vendors.

Furthermore, many districts reported failure to comply with the State Auditor's guidelines which provide that schools or districts maintain an independent listing of amounts paid by students for such items. Noncompliance with this regulation places districts at a higher risk of sustaining financial impact due to their inability to detect a vendor's failure to pay the full amount due to the school or district. Representatives of the State Auditor's Office told PEER that they will continue to train school district personnel regarding this and other standards to increase compliance.

## ***Recommendations***

1. The Legislature should amend MISS. CODE ANN. §37-7-301 to require open and competitive bidding for the selection of vendors who sell items directly to students (e.g., rings, caps and gowns, school pictures, year books, graduation items, and accident insurance). (See Appendix C, page 23, for proposed legislation.)
2. The Legislature should prohibit school administrators who enter into agreements with vendors selling items to students from accepting money or items tantamount to gifts from vendors.

## Appendix A

### School Districts Meeting Criteria for Adequacy in Vendor Selection and Activity Fund Controls

		Competitive Process										
District Name	Met All	Rings	Caps and Gowns	Yearbooks	School Pictures	Graduation Items	Use a Competitive Process On Any Item*	Independent Listing or Received No Commissions	Provide Written Disclosure to Students	Activity Fund Bank Account	Written Policy On Activity Funds	
	A	B	C	D	E	F	G	H	I	J	K	
ABERDEEN SCHOOL DIST	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	
ALCORN SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	
AMITE CO SCHOOL DIST	NO	NO	NO	NO	YES	NO	YES	YES	NO	YES	YES	
AMORY SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	
ATTALA CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	YES	
BALDWIN SCHOOL DIST	NO	NO	NO	YES	NO	NO	YES	NO	NO	YES	YES	
BAY ST LOUIS WAVELAND SCHOOL DIST	NO	NO	NO	YES	YES	YES	YES	YES	NO	NO	YES	
BENOIT SCHOOL DISTRICT	NO	N/A	N/A	N/A	N/A	N/A	NO	YES	NO	NO	NO	
BENTON CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	YES	NO	NO	YES	
BILOXI PUBLIC SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	YES	NO	NO	YES	
BOONEVILLE SCHOOL DIST	NO	NO	NO	NO	YES	NO	YES	NO	NO	YES	YES	
BROOKHAVEN SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES	
CALHOUN CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	YES	
CANTON PUBLIC SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES	
CARROLL CO SCHOOL DIST	NO	NO	NO	N/A	NO	NO	NO	NO	NO	YES	YES	
CHICKASAW CO SCHOOL DIST	YES	NO	N/A	N/A	YES	NO	YES	YES	YES	YES	YES	
CHOCTAW CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	
CLAIBORNE CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	YES	YES	
CLARKSDALE SEPARATE SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES	
CLAY CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	YES	YES	
CLEVELAND SCHOOL DIST	YES	NO	NO	NO	YES	NO	YES	YES	YES	YES	YES	
CLINTON PUBLIC SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES	
COAHOMA CO AHS	NO	YES	YES	N/A	YES	YES	YES	YES	NO	NO	NO	
COAHOMA COUNTY SCHOOL DISTRICT	NO	NO	YES	N/A	YES	YES	YES	YES	NO	NO	NO	
COFFEEVILLE SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES	
COLUMBIA SCHOOL DISTRICT	YES	NO	NO	NO	YES	NO	YES	YES	YES	YES	YES	
COLUMBUS MUN SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	YES	NO	
COPIAH CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	
CORINTH SCHOOL DIST	NO	NO	YES	YES	YES	YES	YES	NO	YES	YES	YES	
COVINGTON CO SCHOOLS	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES	
DESOTO COUNTY SCHOOL DIST	NO	NO	NO	NO	YES	NO	YES	NO	YES	YES	YES	
DREW SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES	
DURANT PUBLIC SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES	
EAST JASPER CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	YES	

NOTE: Shaded district names indicate that the district reported having policies and procedures that met all PEER criteria for adequacy in vendor selection and activity fund controls (columns G-K).

\*YES in this column indicates that the district reported using a competitive process to select a vendor for at least one of the items listed (i.e., received a YES in column B, C, D, E, or F).

SOURCE: Compiled by PEER from survey results.

**Appendix A (continued)**

**School Districts Meeting Criteria for Adequacy in Vendor Selection and Activity Fund Controls**

<u>District Name</u>	<u>Competitive Process</u>						<u>Use a Competitive Process On Any Item*</u>	<u>Independent Listing or Received No Commissions</u>	<u>Provide Written Disclosure to Students</u>	<u>Activity Fund Bank Account</u>	<u>Written Policy On Activity Funds</u>
	<u>Met All</u>	<u>Rings</u>	<u>Caps and Gowns</u>	<u>Yearbooks</u>	<u>School Pictures</u>	<u>Graduation Items</u>					
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>					
EAST TALLAHATCHIE CONSOL SCH DIST	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
ENTERPRISE SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	YES	YES
FOREST MUNICIPAL SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES
FORREST CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES
FORREST COUNTY AG HIGH SCHOOL	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES
FRANKLIN CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES
GEORGE COUNTY SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES
GREENE CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES
GREENVILLE PUBLIC SCHOOLS	NO	YES	YES	YES	YES	YES	YES	YES	NO	YES	YES
GREENWOOD PUBLIC SCHOOL DISTRICT	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES
GRENADA SCHOOL DIST	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
GULFPORT SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
HANCOCK CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES
HARRISON CO SCHOOL DIST	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
HATTIESBURG PUBLIC SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES
HAZLEHURST CITY SCHOOL DISTRICT	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES
HINDS CO AHS	NO	NO	NO	NO	YES	NO	YES	YES	NO	NO	NO
HINDS CO SCHOOL DIST	NO	YES	YES	N/A	YES	YES	YES	YES	NO	YES	YES
HOLLANDALE SCHOOL DIST	NO	NO	YES	NO	YES	NO	YES	NO	YES	YES	YES
HOLLY SPRINGS SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
HOLMES CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
HOUSTON SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
HUMPHREYS CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
INDIANOLA SCHOOL DIST	NO	NO	YES	YES	YES	NO	YES	NO	YES	YES	YES
ITAWAMBA CO SCHOOL DIST	YES	NO	NO	NO	YES	NO	YES	YES	YES	YES	YES
ITAWAMBA JR COLLEGE AND AHS	YES	NO	NO	NO	YES	NO	YES	YES	YES	YES	YES
JACKSON CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES
JACKSON PUBLIC SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES
JEFFERSON CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
JEFFERSON DAVIS CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES
JONES CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	NO	YES	YES
KEMPER CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
KOSCIUSKO SCHOOL DISTRICT	NO	NO	NO	NO	NO	NO	NO	YES	NO	NO	YES
LAFAYETTE CO SCHOOL DIST	NO	NO	NO	YES	NO	NO	YES	NO	YES	YES	YES
LAMAR CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	NO	YES	YES
LAUDERDALE CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES
LAUREL SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES	YES
LAWRENCE CO SCHOOL DIST	NO	YES	YES	YES	YES	YES	YES	NO	YES	YES	YES
LEAKE CO SCHOOL DIST	NO	NO	NO	NO	NO	NO	NO	NO	YES	YES	YES



## Appendix A (continued)

## School Districts Meeting Criteria for Adequacy in Vendor Selection and Activity Fund Controls

[illegible]

## Appendix A (continued)

## School Districts Meeting Criteria for Adequacy in Vendor Selection and Activity Fund Controls

[illegible]

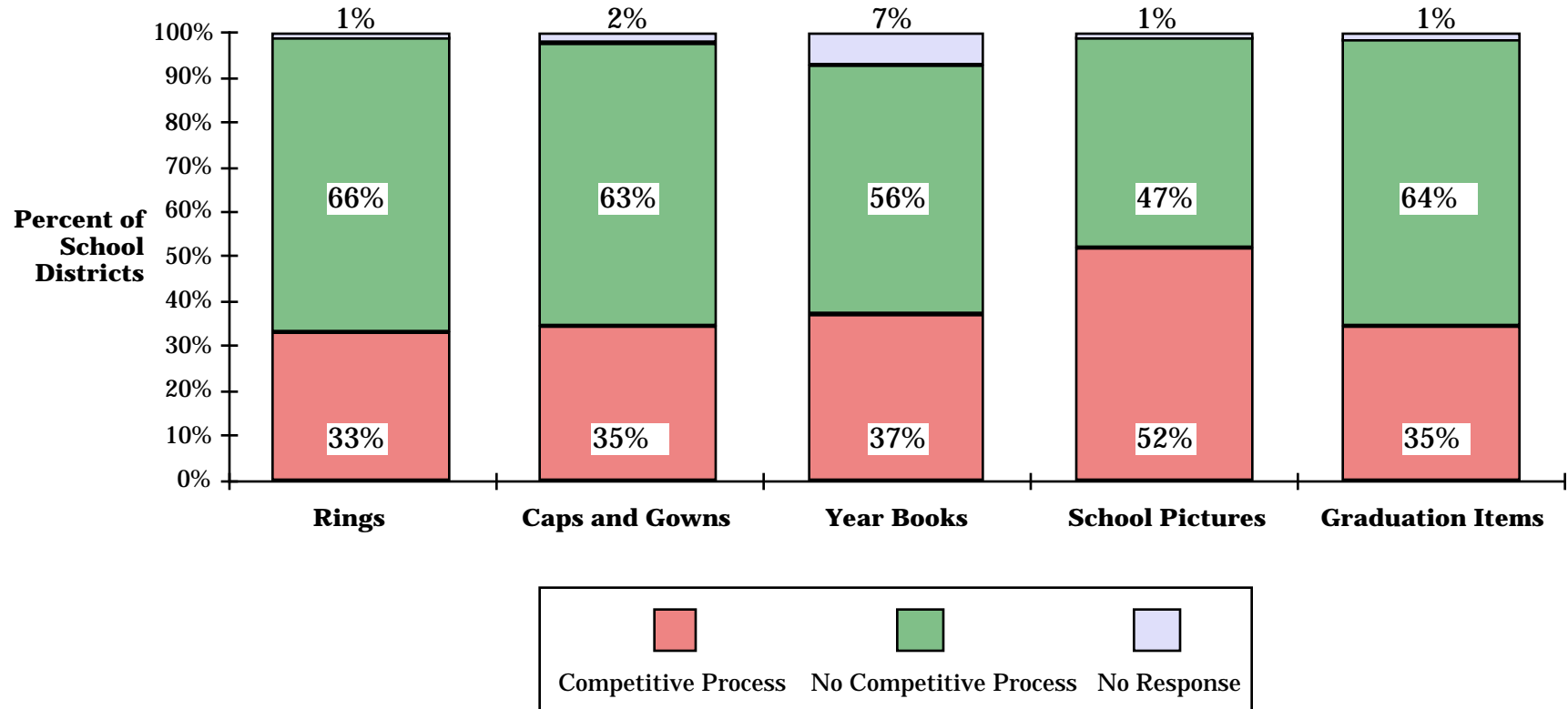
## Appendix A (continued)

## School Districts Meeting Criteria for Adequacy in Vendor Selection and Activity Fund Controls

[illegible]

## Appendix B

### School Districts' Reported Methods of Selecting Vendors of Items Sold Directly to Students



SOURCE: Compiled by PEER from survey results.

## Appendix C

### Proposed Legislation Concerning School Vendor Selection

Mississippi Legislature

Regular Session, 1998

BY:

#### BILL

AN ACT TO AMEND SECTION 37-7-301, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT SCHOOL DISTRICT BOARDS OF TRUSTEES USE COMPETITIVE BIDDING PROCEDURES WHEN SELECTING VENDORS AUTHORIZED TO MAKE SOLICITATIONS OF STUDENTS ON SCHOOL PROPERTY OR FOR FUND RAISING ACTIVITIES ; TO AMEND SECTION 31-7-23 TO PROHIBIT SCHOOL ADMINISTRATORS FROM ACCEPTING ANY GIFTS OR THINGS OF VALUE FROM VENDORS SELLING ITEMS TO STUDENTS; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

Section 1. Section 37-7-301, Mississippi Code of 1972, is amended as follows:

**§ 37-7-301. General powers and duties.**

The school boards of all school districts shall have the following powers, authority and duties in addition to all others imposed or granted by law, to wit:

- (a) To organize and operate the schools of the district and to make such division between the high school grades and elementary grades as, in their judgment, will serve the best interests of the school;
- (b) To introduce public school music, art, manual training and other special subjects into either the elementary or high school grades, as the board shall deem proper;
- (c) To be the custodians of real and personal school property and to manage, control and care for same, both during the school term and during vacation;
- (d) To have responsibility for the erection, repairing and equipping of school facilities and the making of necessary school improvements;
- (e) To suspend or to expel a pupil for misconduct in the school, upon school buses, on the road to and from school, during recess or upon the school playgrounds, and to delegate such authority to the appropriate officials of the school district;
- (f) To visit schools in the district, in their discretion, in a body for the purpose of determining what can be done for the improvement of the school in a general way;
- (g) To support, within reasonable limits, the superintendent, administrative superintendent, principal and teachers where necessary for the proper discipline of the school;
- (h) To exclude from the schools students with what appears to be infectious or contagious diseases; provided, however, such student may be allowed to return to school upon presenting a certificate from a public health officer, duly licensed physician or nurse practitioner that the student is free from such disease;
- (i) To require those vaccinations specified by the State Health Officer as provided in Section 41-23-37, Mississippi Code of 1972;

(j) To see that all necessary utilities and services are provided in the schools at all times when same are needed;

(k) To authorize the use of the school buildings and grounds for the holding of public meetings and gatherings of the people under such regulations as may be prescribed by said board;

(l) To prescribe and enforce rules and regulations not inconsistent with law or with the regulations of the State Board of Education for their own government and for the government of the schools, and to transact their business at regular and special meetings called and held in the manner provided by law;

(m) To maintain and operate all of the schools under their control for such length of time during the year as may be required;

(n) To enforce in the schools the courses of study and the use of the textbooks prescribed by the proper authorities;

(o) To make orders directed to the superintendent of schools or administrative superintendent for the issuance of pay certificates for lawful purposes on any available funds of the district and to have full control of the receipt, distribution, allotment and disbursement of all funds provided for the support and operation of the schools of such school district whether such funds be derived from state appropriations, local ad valorem tax collections, or otherwise;

(p) To select all school district personnel in the manner provided by law, and to provide for such employee fringe benefit programs, including accident reimbursement plans, as may be deemed necessary and appropriate by the board;

(q) To provide athletic programs and other school activities and to regulate the establishment and operation of such programs and activities;

(r) To join, in their discretion, any association of school boards and other public school-related organizations, and to pay from local funds other than minimum foundation funds, any membership dues;

(s) To expend local school activity funds, or other available school district funds, other than minimum education program funds, for the purposes prescribed under this paragraph. "Activity funds" shall mean all funds received by school officials in all school districts paid or collected to participate in any school activity, such activity being part of the school program and partially financed with public funds or supplemented by public funds. The term "activity funds" shall not include any funds raised and/or expended by any organization unless commingled in a bank account with existing activity funds, regardless of whether the funds were raised by school employees or received by school employees during school hours or using school facilities, and regardless of whether a school employee exercises influence over the expenditure or disposition of such funds. Organizations shall not be required to make any payment to any school for the use of any school facility if, in the discretion of the local school governing board, the organization's function shall be deemed to be beneficial to the official or extracurricular programs of the school. For the purposes of this provision, the term "organization" shall not include any organization subject to the control of the local school governing board. Activity funds may only be expended for any necessary expenses or travel costs, including advances, incurred by students and their chaperons in attending any in-state or out-of-state school-related programs, conventions or seminars and/or any com-

modities, equipment, travel expenses, purchased services or school supplies which the local school governing board, in its discretion, shall deem beneficial to the official or extracurricular programs of the district, including items which may subsequently become the personal property of individuals, including yearbooks, athletic apparel, book covers and trophies. Activity funds may be used to pay travel expenses of school district personnel. The local school governing board shall be authorized and empowered to promulgate rules and regulations specifically designating for what purposes school activity funds may be expended. The local school governing board shall provide (a) that such school activity funds shall be maintained and expended by the principal of the school generating the funds in individual bank accounts, or (b) that such school activity funds shall be maintained and expended by the superintendent of schools in a central depository approved by the board. The local school governing board shall provide that such school activity funds be audited as part of the annual audit required in Section 37-9-18. The State Auditor shall prescribe a uniform system of accounting and financial reporting for all school activity fund transactions;

(t) To contract, on a shared savings, lease or lease-purchase basis, for energy efficiency services and/or equipment as provided for in Section 31-7-14, not to exceed ten (10) years;

(u) To maintain accounts and issue pay certificates on school food service bank accounts;

(v)(i) To lease a school building from an individual, partnership, nonprofit corporation or a private for-profit corporation for the use of such school district, and to expend funds therefor as may be available from any non-minimum program sources. The school board of the school district desiring to lease a school building shall declare by resolution that a need exists for a school building and that the school district cannot provide the necessary funds to pay the cost or its proportionate share of the cost of a school building required to meet the present needs. The resolution so adopted by the school board shall be published once each week for three (3) consecutive weeks in a newspaper having a general circulation in the school district involved, with the first publication thereof to be made not less than thirty (30) days prior to the date upon which the school board is to act on the question of leasing a school building. If no petition requesting an election is filed prior to such meeting as hereinafter provided, then the school board may, by resolution spread upon its minutes, proceed to lease a school building. If at any time prior to said meeting a petition signed by not less than twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified electors of the school district involved shall be filed with the school board requesting that an election be called on the question, then the school board shall, not later than the next regular meeting, adopt a resolution calling an election to be held within such school district upon the question of authorizing the school board to lease a school building. Such election shall be called and held, and notice thereof shall be given, in the same manner for elections upon the questions of the issuance of the bonds of school districts, and the

results thereof shall be certified to the school board. If at least three-fifths ( $\frac{3}{5}$ ) of the qualified electors of the school district who voted in such election shall vote in favor of the leasing of a school building, then the school board shall proceed to lease a school building. The term of the lease contract shall not exceed twenty (20) years, and the total cost of such lease shall be either the amount of the lowest and best bid accepted by the school board after advertisement for bids or an amount not to exceed the current fair market value of the lease as determined by the averaging of at least two (2) appraisals by members of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers. The term "school building" as used in this item (v) shall be construed to mean any building or buildings used for classroom purposes in connection with the operation of schools and shall include the site therefor, necessary support facilities, and the equipment thereof and appurtenances thereto such as heating facilities, water supply, sewage disposal, landscaping, walks, drives and playgrounds. The term "lease" as used in this item (v)(i) may include a lease/purchase contract;

(ii) If two (2) or more school districts propose to enter into a lease contract jointly, then joint meetings of the school boards having control may be held but no action taken shall be binding on any such school district unless the question of leasing a school building is approved in each participating school district under the procedure hereinabove set forth in item (v)(i). All of the provisions of item (v)(i) regarding the term and amount of the lease contract shall apply to the school boards of school districts acting jointly. Any lease contract executed by two (2) or more school districts as joint lessees shall set out the amount of the aggregate lease rental to be paid by each, which may be agreed upon, but there shall be no right of occupancy by any lessee unless the aggregate rental is paid as stipulated in the lease contract. All rights of joint lessees under the lease contract shall be in proportion to the amount of lease rental paid by each;

(w) To employ all noninstructional and noncertificated employees and fix the duties and compensation of such personnel deemed necessary pursuant to the recommendation of the superintendent of schools or the administrative superintendent;

(x) To employ and fix the duties and compensation of such legal counsel as deemed necessary;

(y) Subject to rules and regulations of the State Board of Education, to purchase, own and operate trucks, vans and other motor vehicles, which shall bear the proper identification required by law;

(z) To expend funds for the payment of substitute teachers and to adopt reasonable regulations for the employment and compensation of such substitute teachers;

(aa) To acquire in its own name by purchase all real property which shall be necessary and desirable in connection with the construction, renovation or improvement of any public school building or structure. If the board shall



be unable to agree with the owner of any such real property in connection with any such project, the board shall have the power and authority to acquire any such real property by condemnation proceedings pursuant to Section 11-27-1 et seq., Mississippi Code of 1972, and for such purpose, the right of eminent domain is hereby conferred upon and vested in said board. Provided further, that the local school board is authorized to grant an easement for ingress and egress over sixteenth section land or lieu land in exchange for a similar easement upon adjoining land where the exchange of easements affords substantial benefit to the sixteenth section land; provided, however, the exchange must be based upon values as determined by a competent appraiser, with any differential in value to be adjusted by cash payment. Any easement rights granted over sixteenth section land under such authority shall terminate when the easement ceases to be used for its stated purpose. No sixteenth section or lieu land which is subject to an existing lease shall be burdened by any such easement except by consent of the lessee or unless the school district shall acquire the unexpired leasehold interest affected by the easement;

(bb) To charge reasonable fees related to the educational programs of the district, in the manner prescribed in Section 37-7-335;

(cc) Subject to rules and regulations of the State Board of Education, to purchase relocatable classrooms for the use of such school district, in the manner prescribed in Section 37-1-13;

(dd) Enter into contracts or agreements with other school districts, political subdivisions or governmental entities to carry out one or more of the powers or duties of the school board, or to allow more efficient utilization of limited resources for providing services to the public;

(ee) To provide for in-service training for employees of the district. Until June 30, 1994, the school boards may designate two (2) days of the minimum school term, as defined in Section 37-19-1, for employee in-service training for implementation of the new statewide testing system as developed by the State Board of Education. Such designation shall be subject to approval by the State Board of Education pursuant to uniform rules and regulations;

(ff) The school boards of all school districts, as part of their duties to prescribe the use of textbooks, may provide that parents and legal guardians shall be responsible for the textbooks and for the compensation to the school district for any books which are not returned to the proper schools upon the withdrawal of their dependent child. If a textbook is lost or not returned by any student who drops out of the public school district, the parent or legal guardian shall also compensate the school district for the fair market value of the textbooks;

(gg) To conduct fund-raising activities on behalf of the school district that the local school board, in its discretion, deems appropriate or beneficial to the official or extracurricular programs of the district; provided that:

(i) Any proceeds of the fund-raising activities shall be treated as "activity funds" and shall be accounted for as are other activity funds under this section; and

(ii) Fund-raising activities conducted or authorized by the board for the sale of school pictures, the rental of caps and gowns or the sale of graduation invitations for which the school board receives a commission, rebate or fee shall contain a disclosure statement advising that a portion of the proceeds of the sales or rentals shall be contributed to the student activity fund;

(hh) to procure any vendor whose products or services are used in conjunction with fundraising activity, as well as any vendor who is invited into the schools to make sales to students through a competitive bid process consisting of the following:

(i) The development of a request for proposals which shall be advertised in at least one newspaper of general circulation in the county wherein the school district is located, and shall inform interested parties of the goods or services which are to be offered for sale, or lease, to the students as well as any other restrictions on responses to the request for proposals, including deadlines for submissions.

(ii) Review of the responses by a school district committee of at least five persons of whom at least one (1) shall be a student and at least one (1) shall be a parent. In reviewing responses, the committee shall rank the responses on the basis of the prices offered, the quality of the product offered, the reputation of the vendors, the extent to which the product or service meets the student's needs, and the vendor's history, if any, in providing products or services to the school district or its students.

(iii) The committee may reject any proposals which do not conform to the specifications provided in the request for proposals, and may reject all proposals if, in the opinion of the committee, the district or the students are best served by such action.

(iv) The committee shall review responses ranked as provided above and shall select the vendor which in the opinion of the committee will provide the best product or service to the students and the district. Records of the selection process shall be maintained by the district for at least three (3) years.

(v) The successful bidder shall be informed of selection by telephone and in writing.

- (ii) ——— ~~(hh)~~ To allow individual lessons for music, art and other curriculum-related activities for academic credit or nonacademic credit during school hours and using school equipment and facilities, subject to uniform rules and regulations adopted by the school board;
- (jj) ——— ~~(ii)~~ To charge reasonable fees for participating in an extracurricular activity for academic or nonacademic credit for necessary and required equipment such as safety equipment, band instruments and uniforms;
- (kk) ——— ~~(jj)~~ To conduct or participate in any fund-raising activities on behalf of or in connection with a tax-exempt charitable organization;
- (ll) ——— ~~(kk)~~ To exercise such powers as may be reasonably necessary to carry out the provisions of this section; and
- (mm) ——— ~~(ll)~~ To expend funds for the services of nonprofit arts organizations or other such nonprofit organizations who provide performances or other services for the students of the school district.

SOURCES: Codes, 1942, § 6328-24; Laws, 1953, Ex Sess, ch. 28, § 2; 1970, ch. 373, § 1; 1971, ch. 340, § 1; 1982, ch. 466, § 1; 1985, ch. 466, § 1; 1985, ch. 493, § 3; 1986, ch. 415, § 3; 1986, ch. 483, § 18; 1986, ch. 492, § 9; 1987, ch. 307, § 4; 1989, ch. 585, § 6; 1990, ch. 535, § 4; 1990, ch. 549, § 1; 1993, ch. 562, § 1; 1995, ch. 515, § 1; 1995, ch. 344, § 3; 1995, ch. 426, § 2; 1996, ch. 437, § 1, eff from and after passage (approved March 29, 1996).

Section 2. Section 31-7-23, Mississippi Code of 1972, is amended as follows;

**§ 31-7-23. Rebates, refunds, etc. from vendor to inure to benefit of agency or governing authority.**

(1) Any rebates, refunds, coupons, merit points, gratuities or any article of value tendered or received by any agency or governing authority from any vendor of material, supplies, equipment or other articles shall inure to the benefit of the agency or governing authority making the purchase. The agency or governing authority may, in accordance with its best interest, either take delivery of the article of value tendered and use the same or convert it to cash by selling it for its fair and reasonable value, making use of the proceeds from such sale for the exclusive benefit of the agency or governing authority.

~~SOURCES: Codes, 1942, § 9024.5; Laws, 1958, ch. 480, §§ 1-4; 1980, ch. 440, § 10, eff. from and after January 1, 1981.~~

(2) Whenever any school principal, assistant principal, superintendent, assistant superintendent or other school district employee participates in the selection procedure allowing vendors to sell products or services to students as provided for in Section 1 of this act, such person may not receive any gift or thing of value, including money, from any vendor seeking or receiving the privilege of selling items to students. Any gift or thing of value, including money, which may heretofore be given to employees of the school district shall become the property of the school district and any school district employee who accepts a gift or thing of value, including money, in violation of this provision shall be punished in accordance with Section 31-7-55.

Section 3. This act shall take effect and be in force from and after July 1, 1998.

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## PEER Staff

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### Director

Max Arinder, Executive Director  
Ava Welborn

### Administration and Support Division

Steve Miller, General Counsel and  
Controller

Shirley Anderson  
Thelisa Chapman  
Louwill Davis  
Sam Dawkins  
Larry Landrum  
Pat Lockett  
Mary McNeill  
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### Evaluation Division

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Michael Boyd  
Ted Booth  
Katherine Stark Frith  
Barbara Hamilton  
Jacqui Hatfield  
Dale Hetrick  
Kelly Lockhart  
Joyce McCants  
David Pray  
John Ringer  
La Shonda Stewart  
Linda Triplett  
Larry Whiting

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