MODEL POLICY #3

AUDIT AND TRANSPARENCY IN CONTRACTS

Why Adopt This Policy?

School boards should consider adopting a policy ensuring the transparency and accountability in District contracts. This policy sets up a regular review process for the school board to inspect contracts that have already been entered into and allows the Board to review new contracts of a specified financial threshold before they begin. By adopting this policy, the school board can demonstrate responsible stewardship of public funds and mitigate the risk of financial mismanagement.

Note: *This model policy contains bracketed text for school boards to select details about an appropriate threshold amount and/or particular subject areas which will trigger the notice requirement when district administration enters into a new contract with a vendor. Our recommendation would be to set an amount that is appropriate based on the overall budget levels of the district.*

Policy

This policy is established to ensure transparency and accountability in the financial transactions and contractual relationships between the district and its vendors.

At least once per year, the school board will conduct a review of all contracts between the district and vendors. This policy applies to all contracts entered into between the district and its vendors, whether or not financial considerations are involved.

If district administration enters into a new contract of greater than [*Insert threshold amount and/or subject areas here. See note above.*], the District Administrator shall report to the school board and provide a copy of the contract within 30 days of entering into the new contract.

The district shall post, at least once per year at the beginning of the school year, a full list of contracts between the district and vendors. If the district contracts for services that require the district to share student information, parents shall be provided effective notice that student information will be shared by the district, and have an opportunity to object to the information of their child(ren) being included in the information shared. See legal analysis. District administration shall ensure to the fullest extent possible that the vendor complies with all state and federal laws regarding confidentiality of student personal information.

If the district shares student information with external researchers, the district shall notify parents and share research findings and identify if the district made any changes to curriculum, policies, or programs as a result.

> *Districts should consider an appropriate threshold amount and/or particular subject areas which will trigger the notice requirement when district administration enters into a new contract with a vendor. Our recommendation would be to set an amount that is appropriate based on the level of budgeting for the district.*

Legal Analysis

Federal law limits the disclosure of personally identifiable student information from educational records without parental consent. 20 U.S.C. § 1232g; 34 C.F.R. § 99 (Family Educational and Privacy Rights Act). Except as authorized by federal law, any personally identifiable information collected in an audit or evaluation shall be protected in a manner which will not permit the personal identification of students and their parents other than by officials designated by law. *Id. See also* 20 U.S.C. § 1232h (Protection of Pupil Rights Amendment).

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