

MN ASSOCIATION OF CHARTER SCHOOLS – NEW LAW PRIMER 2024

PROCUREMENT POLICY REQUIREMENT – (MN STATUTES 124E.26)

NEW: PROCUREMENT POLICY REQUIRED FOR ALL STATE FUNDS

- Charter schools **must** adopt a procurement policy **prior to the expenditure of any state funds**.
- All purchases made using state funds **must** be made consistent with the procurement policy the school adopts.

PROCUREMENT POLICY REQUIRED COMPONENTS

- **Charter school procurement policies must at a minimum include:**
 - 1) conflict of interest provisions consistent with the conflict of interest section in the charter school law (124E.14)
 - 2) thresholds for purchases by employees **without** board approval
 - 3) thresholds for purchases that require competitive bidding processes, **including** that a competitive bidding process **must** occur for **any procurement estimated to exceed \$25,000**
 - 4) a prohibition on breaking up a procurement into smaller components to avoid the thresholds in this section

REDUCTION IN AID

- If a charter school makes a purchase without a procurement policy adopted by the school's board or makes a purchase not in conformity with the school's procurement policy, **MDE may reduce that school's state aid in an amount equal to the purchase.**

EFFECTIVE DATE - AUGUST 1, 2024