

Authority

This policy is adopted by CESA #9 pursuant to the authority vested in it at s. 116.01, Wis. Stats.

Purpose

The purpose of this policy is to establish procedures and guidelines as to competition with third parties in the delivery of services to school districts and to improve the accountability of decisions of this CESA to produce goods and services.

Definitions

The following definitions shall apply herein unless the context dictates otherwise:

- A. "Internal Services"
Shall mean those governmental or proprietary services provided by this CESA to other departments or agencies of the State of Wisconsin, the school districts which it serves, or other governmental units on a cost-reimbursement basis.
- B. "Vendor-like Activities"
Shall be defined as being activities not directly instructional in nature. Said activities may include, but are not limited to audio/visual equipment repair, computer repair, delivery services, school store service and data processing.

Development of Internal Services Provision

The development of internal services may occur upon determination of this CESA of persuasive evidence of both need and desirability. Before being offered, such internal services shall have a reasonable commitment of support, cooperation and participation by local school districts. The materials supplied or services provided shall be of such a nature and acceptable quality, price and quantity, among other factors, as based upon a comparison with other providers, both public and private sector, and/or deemed to be not readily available.

Process of Establishing an Internal Service

- A. The initiation of an internal service will be upon the basis of a perceived need of member school district(s). Upon communication of such need, a determination of whether or not to fill said need shall be based upon consideration of the availability of the service or materials through other suppliers and shall be reviewed and approved by the PAC Executive Committee and Professional Advisory Committee and presented to the CESA Board of Control for approval.

- B. Prior to approval by the CESA Board of Control, documentation shall be established showing how the perceived need was expressed and the feasibility of service or product evaluated and validated including all costs of development. Projections shall also include revenue and expenditure data showing the maintenance of the activity over the assumed period of program duration.
- C. Upon approval of a project plan, the CESA Board of Control shall assume responsibilities for assuring strict adherence to the proposed plan and dissemination of information as to that plan to member districts.

Considerations in Approving a Project Plan for Delivery of Internal Services

- A. Need and Availability Assessment
It shall be determined whether the material or service in question is an improvement (pertaining to such criteria as quality, quantity, price, delivery or mode of administration) from those services or materials available from other sources.
- B. Accounting
The WCESAAS (Wisconsin Cooperative Educational Service Agency Accounting System) structure of fund accounting by function and object shall be utilized for proper accounting of internal service activities. It is required that accurate reports be provided relative to the following:
 - 1. Segregation of expenditures and revenue for each internal service, including both materials utilized and personnel.
 - 2. The accounting procedures shall account for the cost of research, development, promotion and distribution of material and/or service, when applicable.
 - 3. Cost effectiveness and projected balance of the internal service shall also be demonstrated in the accounting system.
- C. Marketing
Each internal service approved shall be promoted to make school districts who are potential beneficiaries aware that such a service or materials exist.
- D. Periodic Review
Whether an internal service shall continue to be provided shall be determined by the CESA Board of Control through the means of a periodic review of continued need and cost effectiveness.
- E. Cost Effectiveness
Each internal service shall be self-supporting. When an internal service is not immediately self-supporting, the CESA Board of Control shall take action to establish funding by loans from other funds. Failure of an internal service to become self-supporting shall be a cause for its review.

Contingency Funds

Reasonable contingency funds, in the amount of carryover balances, shall be capable of being maintained with respect to internal services. In the event such carryover balances exceed a reasonable contingency amount, this CESA shall inform its member school districts of such carryover balances. Said information shall include, at a minimum, a copy of the CESA's annual report

with the cover letter signed by the Administrator and the Board of Control President of the CESA. Said letter shall:

1. Detail the amount of the excess balance;
2. Detail the source of the excess balance;
3. Detail the uses of excess funds considered by the CESA Board of Control; and,
4. State the CESA Board of Control decisions relative to use of the excess funds.

LEGAL REFERENCE: Section 116.01, 116.03(4) Wisconsin Statutes

CROSS REFERENCE: Policy 610

Tentative Approval: July 11, 1990

FINAL APPROVAL: August 6, 1990

Revised and Approved: March 5, 2003