

**AMEND BOARD RULES 1-4 PRESIDENT, 3-1 CHIEF EXECUTIVE OFFICER AND
7-15 DELEGATION OF AUTHORITY TO ACT, ESTABLISH BOARD RULE 1-10 FINANCE
AND AUDIT COMMITTEE AND ESTABLISH BOARD RULE 2-16 – APPROVAL OF DONATIONS**

THE GENERAL COUNSEL RECOMMENDS:

That the Board amend Board Rules 1-4 President, 3-1 Chief Executive Officer and Board Rule 7-15 Delegation of Authority to Act and establish Board Rules 1-10 Finance and Audit Committee and 2-16 Approval of Donations.

TEXT:

Sec. 1-4. President. The President shall preside at all meetings of the Board of Education at which the President is present. The President shall perform such duties and exercise such powers as usually pertain to the office of President, and shall also have such additional powers as may be granted by statute or by the Board of Education. ~~Subject to appropriation, the President may authorize the issuance of grants, gifts or donations to third parties for the benefit of students enrolled in the Chicago Public Schools.~~

Sec 1-10. Finance and Audit Committee. The Finance and Audit Committee shall consist of all members of the Board of Education. The Finance and Audit Committee is authorized to review the status of the Board's budget and expenditures, review the expenses of the Office of the Board, decide all requests for reimbursement of expenses by the President of the Board, receive reports from the Chief Executive Officer or the Chief Financial Officer regarding issues related to the Board's financial condition, and review the Board's procurement and expense reimbursement policies and related matters. The Finance and Audit Committee also shall perform other responsibilities as are designated by the Board or the Board President.

Sec. 2-16. Approval of Donations. Donations may be issued to students enrolled in the Chicago Public Schools and third parties for the benefit of students enrolled in the Chicago Public Schools only upon approval by a majority vote of the Board. For purposes of this Rule, the term donation means the voluntary contribution of funds by the Board to one or more individual students enrolled in the Chicago Public Schools or a not-for-profit entity that provides services to or advocates on behalf of students enrolled in the Chicago Public Schools. Donations are not authorized by or subject to the provisions of Chapter 7 of these Rules.

Sec. 3-1. Chief Executive Officer. The Chief Executive Officer shall have all the duties and powers authorized by the Illinois School Code and all such additional duties and powers as may be granted by the Board of Education. ~~Subject to appropriation, the Chief Executive Officer may authorize the issuance of grants, gifts or donations to third parties for the benefit of students enrolled in the Chicago Public Schools.~~

Sec. 7-15. Delegation of Authority to Act. The Board hereby delegates the following specific authority to the following Officers or their respective designees with respect to making and executing certain agreements, which authority may be exercised without prior Board action or approval. This authority includes the authority to approve payments and ratify agreements within the scope of the authority delegated in this section.

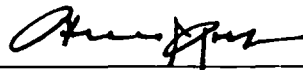
All authority exercised by the Officers pursuant to this Rule shall be reported to the Board on a monthly basis.

- a. The Chief Executive Officer has the authority to authorize and execute any and all intergovernmental agreements and other miscellaneous types of agreements that have no financial impact on the Board, subject to approval as to legal form by the General Counsel.

- b. The Chief Operating Officer has the authority to authorize and execute the following:
1. Any and all real property leases/licenses where the Board is the landlord/licensor, with a term less than ten (10) years, regardless of the dollar amount, subject to approval as to legal form by the General Counsel (except for leases/licenses at 125 S. Clark Street, Chicago, Illinois and for leases/licenses with Charter Schools, which require prior Board approval), provided however that the Chief Operating Officer may authorize and execute such leases/licenses with no further approval from the General Counsel when using the form agreement established by the Law Department with no modifications thereto other than to include business terms. Further, the Chief Operating Officer has the authority to authorize and execute all real property leases/licenses where the Board is the tenant/licensee, the term is less than ten (10) years, and the dollar amount for the term of the lease/license is \$75,000 or under, subject to approval as to legal form by the General Counsel.
 2. All Change Orders related to construction. "Change Order" means a change in a contract term other than as specifically provided for in the contract which authorizes or necessitates any increase or decrease in the cost of the contract or the time to completion. The Chief Operating Officer shall establish construction change order procedures for the submission and approval of Change Orders. The Chief Operating Officer shall report all Change Orders to the Board on a monthly basis. The monthly report shall include a brief description of the change, the original contract amount, the net change by previous Change Orders in dollar amount and by percentage, the total contract amount prior to the current Change Order being submitted, the net increase/decrease in contract amount with the current Change Order in dollar amount and by percentage, and the revised contract amount. All Change Orders must be in compliance with the Public Works Contract Change Order Act (50 ILCS 525).
 3. Agreements or documents for the sale, disposition, transfer, donation or auctioning of Board assets, subject to approval as to legal form by the General Counsel, and provided that the compensation to be paid to a third party for these services shall be payable or deductible from the proceeds. The Chief Operating Officer shall also have the authority to approve the transfer of school assets to other schools (including charter schools). Board assets mean those goods which are tangible, non-real estate properties. The sale, disposition, transfer, donation and auctioning of Board assets with an original purchase price or fair market value of \$5,000 or more that were purchased with funds from the State Board of Education shall be subject to the approval of Corporate Accounting. The Chief Operating Officer shall report to the Board on an annual basis all assets sold, transferred, donated, or otherwise disposed under the delegation of authority herein.
- ~~Effective October 22, 2008, all references to the Chief Operating Officer in any Board Rule, Policy or contract shall also constitute a reference to the Chief Administrative Officer.~~
- c. The Chief Education Officer has the authority to authorize and execute any and all educational and/or programmatic agreements, including payment of tuition, that have a financial impact on the Board up to \$75,000, subject to approval as to legal form by the General Counsel.
- d. The Chief Financial Officer has the authority to: i) accept any and all grants, donations and gifts of any dollar amount; ~~and ii) make grants, donations and gifts under \$75,000; and iii) refund any unspent dollars from grants, donations or gifts.~~ The Chief Financial Officer has the authority to execute any and all grant, donation or gift acceptance agreements and amendments related thereto required by any such grantor, donor or giftor, including agreements to indemnify the grantor, donor or giftor, provided however that any grant, donation or gift acceptance agreements and amendments related thereto with a value of \$250,000 or more shall be subject to approval as to legal form by the General Counsel. The Chief Financial Officer together with the head of the department receiving the grant have the authority to provide such additional information, assurances and certifications as are necessary in connection with such grant. For all grants, gifts and donations and refunds of same, the Chief Financial Officer shall report to the Board on a monthly basis all grants, gifts and donations received or made in excess of \$50,000, and all refunds of unspent grants, gifts or donations in excess of \$5,000.

- e. The Chief Purchasing Officer has the authority to approve payments up to \$75,000 and to authorize and execute any and all of the following purchasing documents, subject to approval as to legal form by the General Counsel, when such purchases are made in accordance with the Board Rules set forth in Chapter VII, provided however that the Chief Purchasing Officer may authorize and execute such purchasing documents with no further approval from the General Counsel when using the form agreement established by the Law Department with no modifications thereto other than to include business terms:
 - 1. Agreements for Non-biddable Items (as defined in Section 7-13) that do not exceed \$75,000;
 - 2. Options to renew and/or mutually-agreed-to extensions of agreements for Non-biddable Items that do not exceed \$75,000; and
 - 3. Amendments to Contracts for Non-biddable Items initially costing \$75,000 and under, which amendments have no financial implications or do not increase the total obligation to more than \$75,000.
- f. The General Counsel has the authority to authorize and execute any and all agreements and documents regarding the following:
 - 1. access and right of entry to property which may include indemnification;
 - 2. indemnification related to agreements for the purchase, sale, use, occupancy, license or lease of real estate;
 - 3. zoning, taxes and other governmental petitions and requests;
 - 4. indemnification related to shrink-wrap and click-wrap agreements;
 - 5. agreements with a nominal value of less than \$5,000 granting non-exclusive rights to use Board intellectual property and other agreements related to the grant of intellectual rights and permissions, including any indemnification of third parties associated with said agreements; and,
 - 6. other legal matters having no direct financial impact on the Board.
- g. The Chief Performance Officer has the authority to execute data sharing agreements with no financial obligation on the part of the Board subject to approval as to legal form by the General Counsel.
- h. The Communications Officer has the authority to execute access agreements to film in Board facilities and CPS schools subject to approval as to legal form by the General Counsel.
- i. The Chief Information Officer has the authority to execute agreements with no financial implications regarding non-disclosure, confidentiality and network access with no further approval from the General Counsel when using the form agreement established by the Law Department with no modifications thereto other than to include contact information and business terms.

Respectfully Submitted:



Patrick J. Rocks
General Counsel