

_____ School District No. _____

Policies and Procedures Manual

for the

Administration of Federal Education Programs

Pursuant to Requirements in 2 CFR Part 200: Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and Education Department General Administrative Regulations (EDGAR)

Introduction

Purpose

This manual sets forth the policies and procedures used by the [insert District name] (the “District”) to administer federal funds pursuant to 2 CFR Part 200, which took effect for non-federal entities on December 26, 2014. It also includes requirements and references from the federal regulations in the Education Department General Administrative Regulations (“EDGAR”) as well as certain policies and laws pertaining specifically to Idaho school districts.

The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District’s financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. In accordance with District policy, the Board, Superintendent and administrative staff shall be responsible for developing and enforcing policies and procedures for operation of the District. The Board of Trustees (“Board”) shall approve this Manual on an annual basis, or as appropriate, if federal, state or local changes in regulations or policy warrant immediate changes. New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District’s rules and practices.

Effective Date

For awards made prior to December 26, 2014, the uniform requirements found in 34 CFR Parts 74 and 80 of EDGAR still apply. For awards made on or after December 26, 2014, the uniform grant guidance in 2 CFR Part 200 applies. Much of the substance found in the previous 34 CFR Parts 74 and 80 is now found in 2 CFR Part 200.

Therefore, for formula grants administered by the Idaho State Department of Education (“SDE”), the policies and procedures in this document are in effect beginning July 1, 2015, in conjunction with the formula grant period that begins July 1, 2015. These policies and procedures will also be in effect for any new discretionary grants administered by SDE that begin on or after July 1, 2015.

For existing multi-year discretionary grants administered by SDE or by another awarding agency where the initial grant period began before July 1, 2015, the policies and procedures that were previously in effect remain in effect for the duration of that multi-year project period unless significant changes are made to the program. In that case, the policies and procedures in this document are in effect beginning with the year that significant changes were in effect.

In all cases, the Notice of Grant Award (“NOGA”) from SDE or the Grant Award Notification (“GAN”) from another awarding agency will specify which set of rules is in effect for that particular grant. If the grant award specifies that grantees must comply with 2 CFR Part 200 or with the

requirements in EDGAR, then the policies and procedures contained in this manual must be followed.

Type of Grant	Effective Date of These Policies and Procedures
Formula grants administered by SDE that begin on or after July 1, 2015	July 1, 2015
Discretionary grants administered by SDE that begin on or after July 1, 2015	July 1, 2015
Multi-year discretionary grants that began prior to July 1, 2015	Follow the policies and procedures that were in effect prior to these unless there are significant changes to the discretionary grant, at which time the policies and procedures in this document will take effect.

Special Note: The District must maintain all policies and procedures that previously applied to federal grants for five (5) years after the ending date of those grants for audit and monitoring purposes. The previously-used policies and procedures are in effect for any grants that were awarded prior to December 26, 2014.

Scope

The policies and procedures contained within this manual apply to all federal grants received by the District and to all employees of the District.

Monitoring for Compliance and Consequences for Non-compliance

The District is responsible for complying with all requirements of each federal award (2 CFR 200.300[b]). Compliance with these policies and procedures is monitored by the District. Failure of a District employee to comply with any of these requirements may result in disciplinary action, up to and including termination.

Definitions

Definitions as they pertain to federal grants appear in two places: 34 CFR Part 77 - Definitions That Apply to Department Regulations, and 2 CFR Part 200, Subpart A, which relate to the policies and procedures in this document. District employees who deal with federal grants must be familiar with the definitions in both.

Two terms used frequently in 2 CFR Part 200 are “state-administered grants” and “direct grants.” “State-administered grants” are those grants that pass through a state agency (i.e., a pass-through agency) such as SDE. *The majority of grants the District receives are state-administered grants.* Both SDE and the subgrantees must comply with the requirements in 34 CFR Part 76 in addition to the requirements in 2 CFR Part 200.

“Direct grants” are those grants that do *not* pass through another agency such as the SDE and are awarded directly by the federal awarding agency to the grantee organization. These are usually discretionary grants that are awarded by the U.S. Department of Education (“USDE”) or by another federal awarding agency. In many instances, the SDE may apply for a direct grant from the USDE on a competitive basis and then award subgrants. Or the District may apply directly from the USDE for a competitive grant. In either case, these grants are “direct grants,” and the District must comply with the requirements in 34 CFR Part 75 in addition to the requirements in 2 CFR Part 200.

All of the requirements outlined in these policies and procedures apply to both direct grants and state-administered grants.

The federal provisions contained and referenced in this document apply to all non-federal entities receiving and expending federal funds. A “non-federal entity” as defined in 2 CFR Part 200 means, “a state, local government, Indian tribe, institution of higher education (“IHE”), or nonprofit organization that carries out a federal award as a recipient or subrecipient.” Thus, for the purposes of these federal grant policies and procedures, a “non-federal entity” means a school district or a public charter school.

Education Department General Administrative Regulations (EDGAR)

The USDE adopted the uniform grant guidance in 2 CFR Part 200 as its regulations in 2 CFR Part 3474 (with two minor exceptions), which gives regulatory effect to the Office of Management and Budget (“OMB”) guidance in 2 CFR Part 200. Therefore, as of December 26, 2014, EDGAR now consists of:

EDGAR	Applicability
<u>34 CFR Part 75 – Direct Grant Programs</u>	Applies to grants awarded directly to the District by the USDE or by another federal awarding agency; also applies to subgrants awarded by SDE for a competitive grant that SDE applied for and received
<u>34 CFR Part 76 – State-Administered Programs</u>	Applies to all formula grants administered by SDE and to all grants allocated to SDE based on a formula
<u>34 CFR Part 77– Definitions that Apply to Department Regulations</u>	Applies to all federal education grants
<u>34 CFR Part 81 – General Education Provisions Act (GEPA) – Enforcement</u>	Applies to all federal education grants
<u>34 CFR Part 82 – New Restrictions on Lobbying</u>	All federal grants (government-wide)

EDGAR	Applicability
34 CFR Part 84 – Government-wide Requirements for Drug-Free Workplace	Applies to all entities that receive grants directly from the USDE or from any other federal agency. It does not apply to LEAs that only receive funds through SDE or another pass-through agency.
34 CFR Part 86 – Drug and Alcohol Abuse Prevention	Applies to IHEs (i.e., colleges and universities) receiving federal funds directly from the USDE or any other federal agency
34 CFR Part 97 – Protection of Human Subjects	Applies to all research involving human subjects conducted, supported, or otherwise subject to regulation by the USDE or any other federal department or agency that makes it applicable. There are exemptions for certain educational activities.
34 CFR Part 98 – Student Rights in Research, Experimental Programs, and Testing	Applies to all federal education grants unless specifically exempted in the regulations
34 CFR Part 99 – Family Educational Rights and Privacy	Applies to all entities receiving federal education funds
2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards	Applies to all new federal grants awarded as of December 26, 2014
2 CFR Part 3474 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (adopts 2 CFR Part 200 in its entirety with two minor exceptions)	Applies to all federal education grants awarded as of December 26, 2014
2 CFR Part 3485 – Nonprocurement Debarment and Suspension	Applies to all entities that receive federal grants, subgrants, and subcontracts (government-wide)

34 CFR Part 74, which previously applied to IHEs (i.e., colleges and universities) and non-profit organizations, was removed from EDGAR. 34 CFR Part 80, which previously applied to state and local governments (including school districts and public charter schools), was also removed in the new EDGAR but is reserved for future use. The uniform grant requirements that were previously in 34 CFR Parts 74 and 80 are now outlined in 2 CFR Part 200.

For grants that were awarded prior to December 26, 2014, the regulations in 34 CFR Parts 74 and 80 still apply. Grantees must maintain access to those parts as long as those grants are in effect and for five years after the ending date of the grant.

The following table provides the regulations that were in effect prior to December 26, 2014, and the regulations that are in effect on or after December 26, 2014.

Applicable to Grants Awarded <u>Prior to</u> December 26, 2014	Applicable to Grants Awarded <u>On or After</u> December 26, 2014
34 CFR Part 74 (OMB Circular A-110) and 34 CFR Part 80 (OMB Circular A-102)	2 CFR Part 200, Subparts B, C, and D
OMB Circulars A-21, A-87, and A-122 (Federal cost principles)	2 CFR Part 200, Subpart E
OMB Circular A-133, Audits	2 CFR Part 200, Subpart F
34 CFR Parts 75 - 99	34 CFR Parts 75-79 and 81-99

SAMPLE

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I. Financial Management System

Overview

Federal regulations require grantees to use fiscal control and fund accounting procedures that insure proper disbursement of and accounting for federal funds (34 CFR §76.702 and 2 CFR §200.302). Implementing and maintaining a proper accounting system is a fiduciary responsibility associated with receiving a federal award. The acceptance of an award creates a legal duty on the part of the District to use the funds or property made available under the award in accordance with the terms and conditions of the grant. The approved grant application itself constitutes an accounting document that establishes the purposes and amount of the awarding agency's obligation to the grantee. In turn, it establishes a commitment by the District to perform and expend funds in accordance with the approved grant agreement and the applicable laws, regulations, rules, and guidelines. 2 CFR §200.306(b).

Financial management requirements for Idaho school districts are established by the following:

- Federal Regulations
- Idaho Code
- IDAPA Rules
- Idaho's Financial Reporting Management System (IFARMS). *IFARMS provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of periodic financial reports. The uniformity of the system will enable small or large school districts to fulfill state requirements and give each district the flexibility to obtain program and account detail to meet their management needs.*

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures are in place to ensure that all financial management system requirements are met. Failure to meet a requirement may result in return of funds or termination of the award.

A. Financial Management Standards

The federal standards for financial management systems are found at 2 CFR §200.302. The required standards include:

Identification of Federal Awards

The District identifies, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification includes, as applicable, the Catalog of Federal Domestic Assistance ("CFDA") title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-

through entity. Upon receipt of each grant award, the District obtains the required information from SDE's NOGA or other awarding agency's GAN and enters the information in the general ledger using the assigned fund code.

Financial Reporting

Accountability is the paramount objective of financial reporting. Accurate, current, and complete disclosure of the financial results of each federal award or programs is made in accordance with the financial reporting requirements set forth in EDGAR and in 2 CFR §200.327 - .328. *The District collects and reports financial information with the frequency required in the terms and conditions of the award and monitors its activities under federal awards to assure compliance with applicable federal requirements.*

Accounting Records

The District maintains records which adequately identify the source and application (i.e., use) of funds provided for federally-assisted activities. In accordance with federal regulations, these records contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest. All transactions are supported by source documentation (i.e., purchase orders/requisitions, invoices, receipts, travel vouchers, time-and-effort documentation and employee salary records, copies of checks, etc.).

[Describe accounting system used by the District, e.g. name of system, whether it interfaces with the procurement and inventory systems; who is responsible for managing budgets and accounts payable, etc. The following is an example:

The accounting system mandated in IFARMS conforms to generally accepted accounting principles ("GAAP"). The accounting structure is organized and operated on a fund basis and is organization-wide covering all funds. The District uses the fund codes specified in IFARMS for each grant received to identify the source of funds. The use of funds is identified by using the required codes (fund and accounts) as specified in IFARMS. The District also uses location, project and year codes as specified in IFARMS.

The District uses the full 16-digit account code structure set forth in IFARMS to record all revenues, encumbrances and expenditures. The software program is used to ensure that the 16-digit coding structure is adhered to prior to any transaction being allowed to be entered into the system for authorization. In the event that a manual journal entry is required the direct supervisor reviews and approves the transaction prior to any final system entry.

Purchases are entered into the financial software by individual departments and proceed through the approval process for verification by several individuals before the final purchase order is approved and printed for use by the corresponding department.]

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. The District must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are tools (i.e., policies, procedures, best practices, and activities) to help program and financial managers achieve results and safeguard the integrity of their program. *The District’s internal controls are in compliance with the guidance in the Standards for Internal Control in the Federal Government (the Green Book) issued by the Comptroller General of the United States and the Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and are designed to provide effective and efficient operations based upon the following principles:*

- *A commitment to integrity and ethical values;*
- *Independent oversight over the development and performance of internal controls;*
- *Clearly defined organizational structure, clear reporting lines and appropriate authorities;*
- *A commitment to attract, develop and retain competent individuals; and*
- *Maintaining a level of competence that allows personnel to accomplish their assigned duties and holding individuals accountable.*

In accordance with 2 CFR §§200.61 and 200.303, “internal controls” means a process implemented by the District to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with grant programs and to further the selected objectives (i.e. assure that assets are used solely for authorized purposes); and
- Compliance with applicable laws and regulations.

To accomplish these objectives, the District:

- Develops and maintains policies, procedures and effective practices to ensure federal funds are properly administered and spent, and federal property is safeguarded against loss and from unauthorized use or disposition. The District also ensures all employees who deal with federal funds are aware of the policies and procedures and are properly trained in the use of them. [Describe training procedures used by the District or refer to other policies regarding training. For example: *The District provides frequent opportunities for training to all employees regarding EDGAR requirements, including online and in-person training given by District administrators, SDE or others. The District maintains records of training for employees for compliance monitoring and audit purposes.*]
- *Takes prompt action when instances of non-compliance are identified, including non-compliance identified in audit findings, and taking the appropriate disciplinary action for employees who do not comply (See generally, District Policies 412-General Personnel Regulations; 442-Code of Ethics for Certificated Employees; 443-Certificated Employee*

Evaluations; 445-Probation of Certificated Employees; 454-Discharge of Certificated Employees; and 474-Evaluation of Non-Certificated Employees).

- *Takes reasonable measures to safeguard protected personally identifiable information and other information designated as sensitive consistent with applicable federal, state and local laws regarding privacy and obligations of confidentiality. The District safeguards students' personally identifiable information served in grant programs according to FERPA regulations by only allowing those persons with an education "need to know" reason or job duty required access through their position. (See District Policy 681 – Student Records).*

- The District uses the following, at least in part, to determine if internal controls are effective:
 - Only valid or authorized transactions are processed.
 - Transactions occurred during the grant period and were processed timely.
 - No proper transactions were omitted from the accounting records.
 - Transactions are calculated using an appropriate methodology.
 - Transactions appear reasonable relative to other data.
 - Property (including supplies and equipment) is tracked and used only for authorized purposes.
 - Property is properly disposed of.

Budget Control

On a regular basis, the District compares actual expenditures or outlays with budgeted amounts for each federal award. *(See the procedures listed above under "identification of federal awards" and "financial reporting." See also, District Policies 810-Budget Planning and Adoption; 812-Budget Adjustments; and 814-Monthly Budget and Treasurer's Report).*

Cash Management

The District maintains written procedures to implement the cash management requirements found in EDGAR.

Please see Section II(F) of this Manual (page [\[\]](#)) for these written cash management procedures.

Allowable Costs

The District maintains written procedures for determining allowability of costs in accordance with EDGAR.

Please see Section II(E) (page [\[\]](#)) for these written allowability procedures.

B. Budgeting

The Planning Phase: Meetings and Discussions

Before Receiving the Grant Award Notice (GAN): [Describe any initial budget discussions and meetings that take place prior to receiving the GAN, including who is involved, how the budget is put together, whether decisions are based on a needs assessment and, if so, what the needs assessment measures. For example: *The grant budget must be based on the proposed activities planned and described in the grant application. Prior to developing the budget, the program manager will determine the intent of the federal program and the activities that are allowable to be conducted with grant funds. Departments are then involved in planning discussions and meetings regarding the budget. Some topics that may be discussed include: how the grant budget is put together; assigning the appropriate fund code and object codes; and reviewing grant purposes and objectives, program requirements, reporting requirements, and special conditions. The program manager will coordinate with other District staff as appropriate to conduct the appropriate needs analysis using the appropriate data to determine the goals and objectives for the program and the activities that will be implemented to accomplish the goals and objectives. Once the goals, objectives, strategies, and activities are outlined, then the budget to carry out the identified strategies and activities will be developed. The [program manager] coordinates with the District's [business office] in preparing the budget to ensure budgeted items are categorized according to the proper class/object code. In most instances, particularly formula grants, the budget entered into the grant application will not be as detailed. The detailed budget is to be modified or revised as necessary to accommodate changes, which may result in an amendment to the application prior to incurring certain expenditures.*]

If the grant program will be implemented on a Title I school-wide campus, the planned activities and expenditures must be identified in the school-wide plan. Conducting activities and expending funds that are not included in the school-wide plan could result in an audit exception or monitoring finding for the District. *Therefore, the [program manager] is responsible for coordinating with the Title I program director and for ensuring the activities and anticipated expenditures are described in the school-wide plan.*

A determination of existing resources and how they are to be used is the initial beginning point for budgeting. Federal funds are utilized in a supplemental capacity to enhance the existing available resources. The federal regulations governing allowable and non-allowable expenses and costs are taken into consideration prior to budgeting funds.

Personnel responsible for the activities described in the planning process include:

- *Campus initiated purchase requestor*
- *Grant fund program director*
- *Business office personnel*

- [Others?]

Reviewing and Approving the Budget: The proposed grant budget will be part of the overall proposed budget for the district. The board of trustees will hold a public hearing on the proposed budget at least 28 days prior to its annual meeting in July, after giving proper public notice, pursuant to the requirements of Idaho Code §§33-402 and 33-801. The budget is adopted at the public budget hearing, or at a special meeting held no later than fourteen (14) days after the public budget hearing and shall be set forth using the prescribed format designated by the SDE. A signed copy of the budget will be sent to the SDE 21 days after the budget is adopted, but in no event later than July 15 of each year. The district's budget will be posted on the district's website within thirty (30) days of its approval, as required by Idaho Code §33-357B(vii).

After the budget has been approved by the board of trustees, the required set asides are pulled from the NOGA amount prior to other fund allocations. The budget amounts are then disseminated to each school and department as the NOGAs are received from SDE. The campus leadership committee determines the budget projections by category and returns the completed budget worksheet to the federal programs coordinator. The federal programs coordinator reviews the budget category request and cross references it with the comprehensive needs assessment and the campus improvement plan by campus and/or department. The budgets are then forwarded to the business office for entering into the districts software program for distribution and use in each department and on each campus. This process is completed prior to the beginning day of school in the fall.

By [insert timeframe], the [insert staff member(s)] reviews the items in the budget to ensure allowability. See Section [] for a discussion on performing allowability determinations. If the [insert staff member(s)] determines that a cost is not allowable, then steps are taken to ensure they become acceptable or are removed from consideration in the budget. [Describe what happens when a cost is determined to be unallowable. For example: The [insert staff member] notifies the [identify office] of the issue and requests a change to the proposed budget.]

Once [insert staff member(s)] determines that all budgeted items are allowable, the budget is sent to [insert staff member(s)/office] for final review and approval. Generally, the budget receives final approval by [insert staff member/office]. [Describe what happens once the budget is approved. For example: The assigned program manager then enters the final approved budget into the appropriate budget schedules of the grant application.]

Negotiating the Submitted Application

Once the grant application is submitted to the awarding agency, the designated program contact, usually the [Program or Project Director] assigned to the grant program, is available via phone and/or e-mail in the event that the awarding agency needs to contact the District to negotiate the application or to ask questions or seek clarification related to the proposed program and/or budget. The assigned [Program/Project Director] will seek guidance, if needed, from appropriate District personnel and will respond to any inquiries from the awarding agency within 72 hours. A delay in contacting the

awarding agency delays final approval of the grant application, which delays grant program implementation and providing services to intended beneficiaries of the grant.

After Receiving the GAN

Within [# of days] of receiving the approved application and NOGA/GAN from the awarding agency, a complete copy of the application and NOGA/GAN will be provided to the responsible [identify employee, e.g. program manager] and to the [office (e.g. business office)]. [Describe any budget discussions and meetings that take place after receiving the GAN. For example: All grant budgets are entered into the accounts of the District in the general ledger as approved in the application. If necessary, the District may convene a meeting of appropriate staff including [identify staff], to discuss the initial grant budget and any adjustments that need to be made based on the GAN.]

Amending the Budget

[Describe the process for amending the budget, including who is involved, notification and/or documentation requirements. For example: The District consults and complies with the guidelines and procedures provided by the SDE or other awarding agency as it pertains to when and how to submit an amendment to an approved application. Procedures are in place to ensure the District does not exceed any maximum allowable variation in the budget. The SDE's IFARMS Manual provides the following guidance regarding the use of formal notification (Idaho Code §33-402) and budget amendment procedures (Idaho Code §33-701(9)) for changes to the budget:

- Changes within a major function area shall not be subject to the provisions of Idaho Code §33-402 (for example, moving funds within an "Instruction" function area, or moving funds between travel and supplies within the same line item).
- Movement of appropriations between major function areas will be subject to the provisions of Idaho Code §§33-402 and 33-701(9)).
- An increase in the level of total appropriations because of an increase in revenue shall be subject to the provisions of Idaho Code §§33-402 and 33-701(9)).

In the event of a budget amendment requiring formal notice and action of the Board, the Board will be notified in writing a week prior to a meeting at which the proposed amendment will be made, as required by Idaho Code §33-701(9). Before the board makes a final decision on the proposed amendment to the budget, notice shall be posted as required by Idaho Code §33-402. The amended budget will be signed and submitted to the SDE, using the prescribed format.]

Budget Control

The District monitors its financial performance by comparing and analyzing actual results with budgeted results on a periodic basis throughout the fiscal year, as required by Idaho Code §33-701(9). If the budget amount is found to be over the 25% maximum allotment by the federal government, a

budget adjustment is proposed as discussed above. Once a budget adjustment is approved by the board of trustees, the adjusted funds can be utilized.

C. Timely Obligation of Funds

When Obligations are Made

Obligations are orders placed for property and services, contracts and sub-awards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 C.F.R. § 200.71. (This does not mean obligations for which goods and services will be delivered in a future grant period). Essentially, an obligation is a commitment to pay.

The following table illustrates when funds are determined to be obligated under federal regulations:

If the obligation is for:	The obligation is made:
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E-Cost Principles.	On the first day of the project period.

34 CFR §75.707; 34 CFR §76.707.

Period of Performance of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. 2 CFR §200.309. This period of time is known as the period of performance. 2 CFR §200.77. The period of performance is dictated by statute and will be indicated in the GAN. Further, certain grants have specific requirements for carryover funds that must be adhered to.

State-Administered Grants: As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the LEA will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the “Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. 34 CFR §76.709. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

Direct Grants: In general, the period of availability for funds authorized under direct grants is identified in the GAN.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period unless an extension is authorized. 2 CFR §200.343(b). Any funds not obligated within the period of availability or liquidated within the appropriate timeframe are said to lapse and must be returned to the awarding agency. 2 CFR §200.343(d). Consequently, the District closely monitors grant spending throughout the grant cycle.

Carryover

State-Administered Grants: As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to “carryover” any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. 34 CFR §76.709. Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

Direct Grants: Grantees receiving direct grants are not covered by the 12 month Tydings period. However, under 2 CFR §200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least ten (10) calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

The District will seek prior approval from the federal agency when the extension will not be contrary to federal statute, regulation or grant conditions and when:

- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or

- The extension involves any change in the approved objectives or scope of the project. 2 CFR §200.308(d)(2).

D. Accounting Records

[Describe how accounting records are kept, including which office is responsible for maintaining accounting records, how journal entries are made, etc. For example: *The [business office] is responsible for maintaining the official accounting records of the District. All grant budgets are entered into the accounts of the District in the general ledger. Funds are accounted for and records are kept in accordance with state and federal regulations. The District uses the accounting terminology specified in IFARMS and GAAP.*

Any person in the business office is allowed to review and make corrections or clarifications as necessary or warranted. The business manager approves all corrections and clarifications made by business office personnel. The [identify staff person, e.g. superintendent] reviews and approves any corrections made by the business manager.

The business office maintains (on paper or electronically) original source documentation to support all expenditures recorded in the general ledger. Source documentation may include but is not limited to purchase orders/requisitions, invoices, itemized receipts, travel authorizations and travel vouchers, contracts, proof of delivery, copies of checks, bank statements, etc.]

Whenever electronic source documentation is maintained, the District ensures the documentation is easily retrievable and is readable in accordance with the requirements in 2 CFR §200.335. Refer to *Section VII. Record Keeping* of this manual for more information about these requirements.

E. Spending Grant Funds

While developing and reviewing the grant budget, the [insert department or offices] should keep in mind the difference between direct costs and indirect costs. All costs charged to a federal grant are classified as either direct or indirect. While developing and reviewing the grant budget and when expending grant funds, program and fiscal staff should keep in mind the difference between direct costs and indirect costs as defined in EDGAR and 2 CFR Part 200 the Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (referred to as Part 200). All costs must be properly and consistently identified as either *direct* or *indirect* in the accounting system. It is the policy and or procedure for the District to review these costs to ensure the principles of the award are followed.

Direct and Indirect Costs

Determining Whether a Cost is Direct or Indirect: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 CFR §200.413(a).

Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. 2 CFR §200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 CFR §200.413(a). Indirect costs usually support areas that benefit all activities of the District, such as accounting/finance, budget, human resources, purchasing, building maintenance, etc.

Cost Objective: A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit. A cost objective may be a major function of the District, a particular service or project, a federal award, or an indirect cost activity.

Identification with the federal award, rather than the nature of the goods and services involved, is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials and other items of expense incurred to carry out the objectives of the federal award. 2 CFR §200.413(b).

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the SDE or federal awarding agency; and
- The costs are not also recovered as indirect costs. 2 CFR §200.413(c).

Indirect Cost Rate: The SDE, Public School Finance Department computes and issues the restricted indirect cost rate to those districts requesting one for one fiscal year. Each year the District business manager completes the SDE prescribed Indirect Cost Rate Form, and submits the completed form to the Public School Finance Department by February. The indirect cost rate is issued in the spring to be used for the upcoming school year. **The District [does or does not] apply for indirect cost rate and applies indirect costs against specific federal grants.**

Applying the Indirect Cost Rate: Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar

amount of indirect costs allowable to that award. 34 CFR §75.564; 34 CFR §76.569. Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. 34 CFR §75.564.

Indirect costs are part of administrative costs (vs. program costs). Where a federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap must include all direct administrative charges as well as any recovered indirect charges. If administrative costs are limited to five percent (5%), for example, the total direct administrative costs plus indirect costs claimed for the grant cannot exceed five percent (5%).

Indirect costs are budgeted in the grant application in the corresponding line item. Although the maximum allowable indirect costs may be budgeted in the application, indirect costs can only be charged to the grant based on actual expenditures of direct costs. Therefore, if the District does not expend all of its funds during the grant period, the maximum amount of indirect costs budgeted based on the total grant award cannot be charged to the grant. Prior to finalizing expenditures for the grant and submitting the final expenditure report to SDE or other awarding agency, the District adjusts the final amount charged to indirect costs based on the *actual* expenditures.

In the event that a grant has any funds left at the end of the grant period the [business office] calculates the indirect costs from the indirect cost rate and submits it through an expenditure report. This is done for the final grant report for the year.

Determining Allowability of Costs

Grantees are required to have written procedures for determining the allowability of costs charged to federal grants. 2 CFR §200.302(b)(7). All costs must be allowable under the federal cost principles in 2 CFR Part 200, Subpart E, and under the terms and conditions of the specific federal award.

Expenditures must be aligned with approved budgeted items in the approved grant application. Any changes or variations from the state-approved budget and grant application need prior approval from the SDE or other awarding agency.

When determining how the District will spend its grant funds, [insert departments or offices] will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed goods or services. All expenditures made with federal education funds must meet the standards outlined in EDGAR, 2 CFR Part 3474 and 2 CFR Part 200, which are provided in the bulleted list below. [Insert department or offices] must consider these factors when making an allowability determination.

Factors Affecting Allowability of Costs

In general, District staff must consider the following elements when determining the allowability of a cost. In accordance with the federal cost principles, all costs budgeted and charged to a federal grant must be:

- **Be Necessary and Reasonable for the performance of the federal award.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices.

When determining reasonableness of a cost, consideration must be given to:

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices; arm's-length bargaining; federal, state and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
- Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. §200.404.

While 2 C.F.R. §200.404 does not provide specific descriptions of what satisfies the “necessary” element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. It means it is vital or required in order to meet the objectives of the grant or for the grant to be successful. Necessary does not mean “nice to have,” which means it is not necessary to accomplish the objectives of the program in that it is not vital or required for the success of the program.

A key aspect in determining whether a cost is necessary is whether the District can demonstrate that the cost addresses an existing need, and can prove it. For example, the District may deem a language skills software program necessary for a limited English proficiency program.

When determining whether a cost is necessary, consideration may be given to:

- Whether the cost is needed for the proper and efficient performance of the grant program.
 - Whether the cost is identified in the approved budget or application.
 - Whether there is an educational benefit associated with the cost.
 - Whether the cost aligns with identified needs based on results and findings from a needs assessment.
 - Whether the cost addresses program goals and objectives and is based on program data.
- **Allocable to the federal award.** A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. §200.405. For example, if 50% of a teacher’s salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program. *Additionally, if equipment or supplies purchased with grant funds benefits more than one grant program, the purchase must be “split-funded” among the grant programs receiving benefit. The District must be able to demonstrate how a particular cost benefits the specific population being served in the grant. This is an area of frequent audit exceptions.*
- **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.** For example, personnel whose travel is paid with federal funds is reimbursed at the same rates as personnel whose travel is paid with state or local funds and the grant is charged accordingly.
- **Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200, Subpart E, or in the terms and conditions of the federal award.**
- **Consistent treatment.** A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
- **Adequately documented.** All expenditures must be properly documented *with original source documentation that is clearly written and maintained on file (either electronically or on paper) with accounting records. Documentation includes purchase orders/requisitions, invoices, receipts, verification of receipt of goods and services, travel authorizations and vouchers, contracts, time-and-effort records, copies of checks, bank statements, etc. Expenditures that are not supported by source documentation cannot be charged to the grant.*
- **Be determined in accordance with generally accepted accounting principles (GAAP), unless provided otherwise in 2 CFR Part 200.**

- **Not included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such.** Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
- **Be the net of all applicable credits.** The term “applicable credits” refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. §200.406.

2 CFR Part 200’s cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state- and District-level requirements and policies regarding expenditures to be followed as well. For example, state and/or District policies relating to travel or equipment may be narrower than the federal rules, and **the stricter State and/or District policies must be followed.** *The relevant District policies relating to travel can be found at: [insert link or policy number(s)].* Further, certain types of incentives are allowable under federal law, but may not be allowable under State law.

Selected Items of Cost – 2 CFR Part 200, Subpart E

2 CFR Part 200, Subpart E, examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability must be familiar with the 2 CFR Part 200 selected items of cost section. The District must follow these rules when charging these specific expenditures to a federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, SDE, District and program-specific rules may deem a cost as unallowable and District personnel must follow those non-federal rules as well.

The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable or allowable only under certain conditions or circumstances. The item may also be unallowable because it does not meet one of the factors affecting allowability of costs, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

The selected item of cost addressed in 2 CFR Part 200, Subpart E includes the following (in alphabetical order):

Item of Cost	Citation of Allowability Rule
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446

Item of Cost	Citation of Allowability Rule
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the **stricter requirements must be met for a cost to be allowable**. Accordingly, employees must consult federal, State and District requirements when spending federal funds. For example, often the State's travel rules are more restrictive than federal rules, which means the State's policies must be followed. *The SDE adheres to the State Travel Policies and Procedures as approved by the State Board of Examiners, which can be accessed at the following link: <http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm>. The District's travel policies can be accessed at the following link: [insert link].*

Other Considerations for Allowability

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

Most federal programs also contain the supplement, not supplant requirements. In general, this means that the District cannot use federal grant funds to pay for a cost or activity that is usually supported by state or local funds.

In summary, for a cost to be allowable under a federal grant program, the District ensures it meets *all* of the following conditions. A cost that does not meet all of these conditions could be questioned during an audit or monitoring visit and could require repayment to the awarding agency. The cost must be:

- ✓ reasonable in cost (as described above)
- ✓ necessary to accomplish the objectives of the grant program (as described above)
- ✓ based on an identified need, concern, or area of weakness within the grant program
- ✓ appropriate under the authorizing program statute
- ✓ consistent with the underlying needs of the program in that it benefits the intended population of students or teachers for which the funds are appropriated
- ✓ allocable to the grant based on the relative benefits received (as described above)
- ✓ authorized or not prohibited under state or local laws or regulations
- ✓ consistent with policies, regulations, and procedures that apply to all activities, including other grants and state and local activities
- ✓ treated consistently as either a direct cost or as an indirect cost
- ✓ determined in accordance with GAAP
- ✓ not used to meet cost sharing or matching requirements of another federal grant (unless specifically permitted in the other program statute or regulations)
- ✓ consistent with the terms and conditions of the grant award
- ✓ budgeted in the approved grant application
- ✓ adequately documented with appropriate supporting original source documentation
- ✓ the net of any applicable credits such as rebates or discounts
- ✓ allowable under the federal cost principles
- ✓ in most cases, supplemental to the core foundation program of the school and to other activities normally conducted by the school (i.e., supplement, not supplant)

- ✓ if the school is a Title I schoolwide program, the grant program’s activities and applicable costs must be included in the schoolwide plan, the school must have conducted a comprehensive needs assessment, and the plan must contain the required components specified in statute (see Title I, Part A, §1114[b]).

Refer to Fiscal Grants Management Procedures Handbook under “necessary and reasonable” OMB circular A-87.

State Department of Education Resources

SDE guidance on allowability is available through the following links:

IDEA part B

<http://www.sde.idaho.gov/sped/funding>

Title I-A, Allowable vs. Unallowable (Fiscal Compliance Tab)

<http://www.sde.idaho.gov/federal-programs/funding/index.html>

Title II-A, Allowable Activities

<http://www.sde.idaho.gov/federal-programs/funding/index.html>

Title I-C, Non-Regulatory Guidance

<http://www.sde.idaho.gov/el-migrant/migrant/files/general/Title-I-C-Non-Regulatory-Guidance.pdf>

Title III, Program Guidance

<http://www.sde.idaho.gov/el-migrant/el/index.html>

Costs That Require Special Attention

In addition to the aforementioned, certain types of costs may be allowable under federal law but may not be allowable under state law or guidelines, or may only be allowable under certain circumstances and conditions. *For example, the following items warrant special attention: allowable awards and incentives; cell phones; employer contributions to voluntary retirement plans; field trips; printing costs; food costs, including for hosting meetings and conferences; fundraising; gifts; promotional items; social events; and training on grant writing.*

The District makes every effort to comply with these guidelines in the expenditure of federal grant funds to avoid audit exceptions. District employees engaged in federally-funded activities should be familiar with this Manual. The District provides opportunities for training to employees on the contents of this Manual as necessary.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

Travel: Travel costs are the expenses for transportation, lodging, subsistence (i.e. meals), and related items incurred by employees who are in travel status on official business of the District. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R §200.474(a).

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy. 2 C.F.R §200.474(b).

The SDE adheres to the State Travel Policies and Procedures as approved by the State Board of Examiners, which provides for reimbursement on a per diem basis. *The District's travel policy follows this guidance.*

The SDE policy is accessible at:

<http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm>.

The District's travel policy is accessible at: [insert link].

Advertising and Public Relations Costs: Pursuant to the requirements in 2 CFR §200.421, the costs of advertising are allowable only for the recruitment of grant personnel; the procurement of goods and services for the award; disposal of scrap or surplus materials acquired under the award; and program outreach. Allowable public relations costs are those necessary to communicate with the public and press pertaining to specific activities or accomplishments or as necessary to keep the public informed on matters of public concern. All advertising and public relations costs must be necessary for the performance of the particular award, and must not be for the purpose of advertising or relating to the public with regard to the District in general.

Hosting Meetings and Conferences: 2 CFR §200.432 discusses the allowability of conference costs paid by the District as a sponsor or host of the conference. A conference is defined as "a meeting, retreat, seminar, symposium, workshop or event whose primary purpose is the dissemination of technical information beyond the non-federal entity (i.e., the conference is for non-employees) and is necessary and reasonable for successful performance under the award." These federal guidelines state

that costs may include rental of facilities, cost of meals and refreshments, local transportation, and other items incidental to such conferences unless further restricted by the terms and conditions of the federal award. Per the guidance, conference hosts/sponsors must exercise discretion and judgment in ensuring that conference costs are appropriate, necessary, and managed in a manner that minimizes the costs to the federal award.

However, the USDE issued more restrictive guidance related to the use of funds for conferences and meetings (under Allowable Cost Guidance), particularly with regard to food costs such as meals, snacks, and refreshments (*See*, Frequently Asked Questions to Assist U.S. Department of Education Grantees to Appropriately Use Federal Funds for Conferences and Meetings, December 2014, available at: www2.ed.gov/policy/fund/guid/gposbul/gposbul.html).

Per guidance from the USDE:

“Generally, there is a very high burden of proof to show that paying for food and beverages with Federal funds is necessary to meet the goals and objectives of a Federal grant. When a grantee is hosting a meeting, the grantee should structure the agenda for the meeting so that there is time for participants to purchase their own food, beverages, and snacks. In addition, when planning a meeting, grantees may want to consider a location in which participants have easy access to food and beverages.

While these determinations will be made on a case-by-case basis, and there may be some circumstances where the cost would be permissible, it is likely that those circumstances will be rare. Grantees, therefore, will have to make a compelling case that the unique circumstances they have identified would justify these costs as reasonable and necessary.”

Additionally, the USDE guidance states that grantees should consider whether a face-to-face meeting or conference is the most effective or efficient way to achieve the desired result and whether there are alternatives, such as webinars or video conferences, that would be equally or similarly effective and more efficient in terms of time and costs than a face-to-face meeting. The USDE guidance also states that grantees should consider how the meeting or conference will be perceived by the public; for example, will the meeting or conference be perceived as a good use of taxpayer dollars?

District staff will adhere to these guidelines if and when hosting a meeting or conference for non-employees. Prior to planning a meeting or conference, approval will be obtained from the superintendent. If necessary or required, the proposed meeting or conference will be budgeted in the approved application.

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, [insert department or offices] can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?
- Is the proposed cost consistent with an approved program plan and budget?
- Is the proposed cost consistent with program specific fiscal rules?
 - For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
- Is the proposed cost consistent with EDGAR?
- Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, [insert departments or offices] should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, [insert department or offices] should review data when making purchases to ensure that federal funds to meet these areas of concern.

F. Federal Cash Management Policy/Procedures

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, the District receives payment from the SDE on a reimbursement basis. 2 CFR § 200.305. However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses. 2 CFR § 200.305(b)(9).

According to guidance from the USDE, when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the District.

Interest would not accrue if the District uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

Payment Methods

Reimbursements: The District will initially charge federal grant expenditures to nonfederal funds.

The District [Grant Accountant/Business Manager] will request reimbursement for actual expenditures incurred under the federal grants *monthly* through the Grant Reimbursement Application Federal Grant Policies and Procedures

(GRA) or other electronic reporting system approved by SDE. Reimbursement requests will be submitted either by completing an identified SDE/District form or via GRA drawdown request to the SDE GRA portal. All reimbursements are based on actual disbursements, not on obligations. Reimbursements of actual expenditures do not require interest calculations.

The SDE will process reimbursement requests received on or before the 10th of the month and the 24th of the month, and will be paid by the 11th and 25th of the month accordingly.

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for SDE review upon request.

Noncompliance with Cash Management Requirements

Pursuant to the provisions of 2 CFR §200.338, grantees that fail to comply with cash management requirements, including the repayment of interest earned, may be subject to the following special conditions or enforcement actions:

- *Identification as a high-risk grantee, pursuant to the provisions of 2 CFR §3474.10 and 2 CFR §200.207, which may involve the imposition of special conditions and being placed on reimbursement basis only (grantee would not be able to draw down its own funds in the ER system without first submitting supporting documentation for expenditures)*
- *Temporarily withholding cash payments pending correction of the deficiency*
- *Disallowing all or part of a cost not in compliance*
- *Suspension or termination of the award*
- *Withholding further awards for future grants from SDE*
- *Debarment or suspension from receiving any future federal funds from any entity*
- *Other remedies that may be legally available*

G. Program Income

Definition

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant's period of performance. 2 CFR §200.80.

Program income includes, but is not limited to:

- income from fees for services performed;
- the use or rental of real or personal property acquired under federal awards;

- the sale of commodities or items fabricated under a federal award (costs to purchase or fabricate items must be allowable under the grant and the activities must be appropriate for the grant program);
- license fees and royalties on patents and copyrights;
- principal and interest on loans made with federal award funds.

Interest earned on advances of federal funds is **not** program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does **not** include rebates, credits, discounts, and interest earned on any of them. 2 CFR §200.80. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. 2 CFR §200.307.

The District will describe in the applicable grant application any program income it wishes to earn, including a description of the activity(ies) that will be conducted to earn program income and how the activity(ies) will further the objectives of the grant program. The [business manager/superintendent, etc.] will make the final determination if the activity that is proposed to generate program income is suitable for the program and whether it is permissible to proceed with requesting it in the application.

Use of Program Income

The District does not currently utilize or produce any program income. In the event that this situation arises in the future the following is a rough draft of the possible applicable procedures for use.

The default method for the use of program income for the District is the deduction method. 2 CFR §200.307(e). Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Thus, prior to submitting the expenditure report, the amount of program income must be deducted from total expenditures. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through entity. 2 CFR §200.307(e)(1).

The District may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award. 2 CFR §200.307(e)(2).

While the deduction method is the default method, the District always refers to the NOGA/GAN prior to determining the appropriate use of program income. *If the NOGA/GAN does not address the use of program income or does not authorize districts to use the addition method, the District must determine if it needs to request authorization from SDE or other awarding agency to apply the addition method if it is in the best interest of the District.*

Reporting Program Income

If the District earns any program income, all program income will be reported on the expenditure report, even when the District has been given permission in the application to retain the program income and add it to the grant funds.

Earning Program Income after the Grant Period

There are no federal requirements governing the disposition of program income earned after the end of the grant period, unless the terms of the agreement or the program-specific federal regulations provide otherwise. After the ending date of the grant, the District is no longer required to report any program income generated for the grant. For multi-year discretionary grant projects, this means at the end of the multi-year grant project.

II. Procurement System

The District maintains the following purchasing procedures.

A. Responsibility for Purchasing

In accordance with state and federal law, and District policy, the District's objective is to purchase the best products, materials, and services at the lowest practical prices within relevant requirements of state and federal law and regulations. It is important to acquire goods and services for the best price through fair and open competition to protect the interest of the local, state and federal government while still maintaining the desired quality and minimizing exposure to misuse of funds.

Procurement involves the planning that goes into purchasing food, supplies, goods and services. In terms of federal programs (such as Child Nutrition, Education grants under ESSA, IDEA Part B and Preschool), the District must comply with the federal procurement standards found in 2 CFR Part 200, as well as any additional applicable state and local procurement regulations (which may be more restrictive than federal standards). The District must follow whichever regulations are the most restrictive. These standards are meant to prevent fraud, waste and program abuse.

The District's purchasing policies and procedures, including conflict of interest standards, are set forth in the following policies:

- 228 – *Board Member Conflict of Interest*
- 418 – *Personnel (Employee) Conflict of Interest*
- 850 – *Purchasing*
- 850.30 – *Purchasing or Leasing Personal Property*
- 850.60 – *Service Contracts*
- 850.90 – *Public Works Construction*
- 851 – *Supplemental Bidding Procedures*

The District's policies identified above reflect requirements found in the following state laws:

- Idaho Code §§18-1359 *et seq.* (ethics in public purchasing)
- Idaho Code §§33-315 through -318 (cooperative educational services)
- Idaho Code §33-601 (acquisition and disposal of school property)
- Idaho Code §33-1510 (contracts for school transportation services)
- Idaho Code §§44-1001 *et seq.* (terms of public works contracts)
- Idaho Code §§54-1218 (preparation and review of school construction plans by licensed engineer)
- Idaho Code §§54-1901 *et seq.* (public works contractors)

- Idaho Code §§54-4501 *et seq.* (public works construction managers)
- Idaho Code §§67-2300 *et seq.* (miscellaneous public works construction requirements)
- Idaho Code §§67-2800 *et seq.* (political subdivision purchasing requirements)
- Idaho Code §§74-401 (Ethics in Government Act)

B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased.

Purchases up to \$3,500 (Micro-Purchases without bids, but strong internal control to determine that a price is reasonable)

“Micro-purchase” means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount (not per unit) of which does not exceed \$3,500. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the extent practicable, the District distributes micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the District considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all micro-purchases.

Best Practices

Note: *The Federal minimum requirement is up to \$3,500; however, it is considered to be a good practice to implement a strong internal control over compliance requirements which allows maintaining accountability over purchased assets (2 CFR §200.62(a)(2). For example, any capital outlay purchased by the SDE including those of durable goods (e.g. furniture, electronics) with a unit cost over \$500.00 is approved by the Financial Executive Officer before the purchase is made by the SDE. Electronic devices are to be purchased in coordination with IT and the Chief Procurement Officer.*

Purchases between \$3,501 and \$24,999 (no sealed bids, but quotations are obtained from at least two qualified sources)

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$25,000. Pursuant to Idaho Code §67-2803(2), these types of small purchases are exempt from competitive bidding requirements, provided such purchases shall be guided by the best interests of the District as determined by the Board. Thus, if small purchase procedures are used, verbal *or written* price or rate quotations are obtained from an adequate number of qualified sources. Such price or rate quotations will be documented to demonstrate that price or rate quotations were obtained from an adequate number of qualified sources.

Purchases between \$25,000 and \$50,000 (Large Purchase Procedures must follow Idaho Code §67-2806)

Purchases of goods and services in this category are guided by the requirements of Idaho Code §67-2806(1), *as set forth in District Policy 850.30*. Thus, written requests for bids describing the goods or services to be purchased will be provided in writing (either electronically or by physical delivery) to at least three (3) vendors. The District will provide no less than three (3) business days for responses to the solicitation, unless an emergency exists. Objections to the solicitation by vendors must be received at least one (1) business day before the date and time scheduled for receipt of bids.

If the District finds that it is impractical or impossible to obtain three (3) bids, it may acquire the goods or services in any manner it deems best from a qualified vendor quoting the lowest price. However, when fewer than three (3) bids are considered, the District will document in writing the efforts undertaken to procure at least three (3) bids, and such documentation will be maintained for at least six (6) months after the procurement is made. If two (2) or more price quotes are the same and the lowest bid, the District may accept the one it chooses.

Purchases over \$50,000

Sealed Bids (Formal Advertising): For purchases over \$50,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publically advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

Competitive Proposals: The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
- Proposals must be solicited from an adequate number of qualified sources; and
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients. For purchases using this method of procurement, the District will issue a Request for Proposal (RFP) that details the technical requirements sought and the method of conducting evaluations. *See District Policies 850.30, 850.60 and 850.90.*

Contract/Price Analysis: In accordance with the requirements of 2 CFR §200.323, the District will make independent estimates of the goods or services being procured before receiving bids or proposals to get an estimate of how much the goods and services are valued in the current market.

Accordingly, the District performs a cost or price analysis in connection with every federal procurement action in excess of \$50,000, including contract modifications, as set forth below. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, [insert position/office] must come to an independent estimate prior to receiving bids or proposals. 2 CFR §200.323(a). [Describe the process to do this. For example:

Cost Analysis → Non-competitive Contracts: A cost analysis involves a review of proposed costs by expense category, and the federal cost principles apply, which includes an analysis of whether the costs are allowable, allocable, reasonable, and necessary to carry out the contracted services. In general,

- A cost analysis must be used for all non-competitive contracts, including sole source contracts.
- The federal cost principles apply.
- All non-competitive contracts must also be awarded and paid on a cost-reimbursement basis, and not on a fixed-price basis.
- In a cost-reimbursement contract, the contractor is reimbursed for reasonable actual costs incurred to carry out the contract.
- Profit must be negotiated as a separate element of the price in all cases where there is no competition.]

When performing a cost analysis, the [insert position/office] negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work. 2 CFR §200.323(b).

Price Analysis → Competitive Contracts: A price analysis determines if the lump sum price is fair and reasonable based on current market value for comparable products or services. In general,

- A price analysis can only be used with competitive contracts and is usually used with fixed-price contracts. It cannot be used with non-competitive contracts.
- Compliance with the federal cost principles is not required for fixed-price contracts, but total costs must be reasonable in comparison to current market value for comparable products or services.
- A competitive contract may be awarded on a fixed-price basis or on a cost-reimbursement basis. If awarded on a cost-reimbursement basis, the federal cost principles apply and costs are approved by expense category, and not a lump sum.

Costs or prices based on estimated costs for contracts are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable costs under the federal cost principles.

Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the LEA; or
- After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$50,000. *See District Policies 850, 850.30 and 850.60 for additional information on the District's sole source purchasing guidelines.*

C. Purchase Cards

The District currently [pick one: *does or does not*] use District-issued credit cards or procurement cards. [If the District uses P-cards, insert policy or reference/link to policy here; if the District does not currently use P-cards, the following is an example of what might be included: *However, if the District uses such cards in the future, the following minimum standards, in addition to District Policy 868, will apply.*

The use of District-issued credit cards or procurement cards (P-cards) is carefully controlled and monitored to prevent fraud, waste and abuse. The District [identify responsible employee(s), e.g. superintendent, business manager, human resources director and procurement director] work together to set and enforce policies and procedures. Misuse and abuse will not be tolerated. The P-card system allows for predetermined authority on spending limits for cardholding employees; however it is required that the cardholder receive advance approval for all travel and highly recommended that they receive it for all other purchases. Approval should include what is being purchased, how much it will cost, and why it is necessary.

In accordance with suggested procedures in District Policy 868, the District:

- *Holds reviewers of credit card purchases to the same standards as cardholders;*
- *Applies the same set of rules to all card users, although spending limits may vary;*
- *Restricts card usage by spending limits, unauthorized merchant category codes, and time of use to business hours; and*
- *Issues cards to employees only after they have completed training on the purchasing card program.*

Segregation of Duties

- *Identifies certain employees to be cardholders and others within the same department to be reviewers of the cardholders' purchases;*
- *Does not allow the same employee to buy, receive, approve and reconcile card purchases;*
- *Has different employees set up cardholders and reviewers in the P-card system and the banking system.*

Cardholders

- *Requires cardholders to turn in detailed receipts in accordance with policies and documenting the business reason. Restaurant receipts must include line-by-line detail of the order.*
- *Requires cardholders to complete training prior to receiving a card and acknowledge in writing receipt of the policy and procedure manual.*

Reviewers

- *Revokes a department's card privileges if a departmental reviewer does not review and approve transactions according to policy;*
- *Requires the reviewers to call the employee immediately upon noticing a questionable transaction rather than waiting for the due date of receipts;*
- *Requires the reviewers to complete training prior to reviewing transactions and acknowledging in writing receipt of the policy and procedure manual; and*
- *Reviewers are responsible for 1 to 5 cardholders at most in order to be effective.*

Monitoring and Oversight

- *Is selective when issuing cards; focus on repetitive, small-dollar purchases.*
- *Keeps limits as low as possible to accommodate normal business needs. If there is a need to allow for emergency purchases, certain employees can have a higher limit.*
- *Card reviewers must follow the same high standards applied to cardholders.*
- *The business office staff reviews the work of the card reviewers, and the list of P-card users is reviewed annually.*
- *Uses applicable software to review the average spent by cardholder, purchases from unauthorized suppliers, purchases shipped to the cardholder's home, and purchase amounts slightly below purchase limits.*
- *Reviews reports provided by the P-card programs such as declined authorizations report, disputes report, and lost/stolen card report which can reveal employees in need of additional training or attempting to misuse the card.*

- *Reviews the District-wide activity periodically to identify frequently used vendors or products to consider negotiating volume discounts in order to obtain best prices for the District.*
- *Encourages staff to contact the administration to report any fraud.*

Each credit card transaction must be properly accounted for. Each individual who uses a purchasing card must sign a user agreement form prior to issuance of the card. These cards may be used to purchase gas, hotel, travel, supplies, or contracted services in the event that a vendor does not accept a PO as payment.]

D. Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR §200.319. In an environment of full and open competition, no proposer or bidder has a competitive advantage over another. All potential proposers and bidders must be provided the same information and have the same opportunity to submit a bid or proposal. Providing a competitive advantage to one or more potential proposers or bidders over another can open up the potential for disputes and lawsuits that can be costly and can significantly delay the completion of projects.

In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

The District will only receive questions on RFPs or Bids in writing and the responses for those questions will be sent to all interested vendors via email or addendum. The [business manager] is responsible for communicating this information and ensuring that no limits to open competition is created.

The District also complies with the following requirements in 2 CFR Part 200 to ensure full and open competition when purchasing with federal funds.

Geographical Preferences Prohibited

The District conducts procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract. However, nothing in this section preempts state licensing laws.

Contracting with Small and Minority Businesses

The District takes all necessary affirmative steps to assure that historically underutilized businesses (HUBs), including minority businesses and women's business enterprises, and labor surplus area firms are used when possible. 2 CFR §200.321. [Describe the process used by the District. For example: To accomplish this, the District uses the following required affirmative steps:

- placing qualified small and minority businesses and women's business enterprises on solicitation lists
- assuring that small and minority business, and women's business enterprises are solicited whenever they are potential sources
- dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises
- establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises
- using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce, and
- requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

The [identify responsible employee] monitors and maintains these procedures as outlined by federal regulations.]

Prequalified Lists

The District will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the District will not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

The District will ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and identify all requirements which the offers must fulfill and all other factors to be used in evaluating bids or proposals. 2 CFR §200.319(c).

E. Federal Procurement System Standards

In addition to avoiding conflicts of interest and ensuring full and open competition as described herein, the District’s written procurement procedures for purchases made with federal funds reflect applicable state and local laws and regulations and conform to the following federal standards for procuring goods and services with federal funds. 2 CFR §200.318.

Avoiding Acquisition of Unnecessary or Duplicative Items

The District avoids the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another other appropriate analysis to determine the most economical approach.

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds. Please see *Section II, Financial Management Standards, E. Spending Grant Funds, Determining Allowability of Costs*, for written procedures on determining allowability.

Use of Intergovernmental Agreements

To foster greater economy and efficiency, the District enters into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services. 2 CFR §200.318(e). This includes cooperative purchasing agreements, joint powers agreements and interlocal agreements as provided by Idaho law. The [identify responsible employee, i.e., business manager] will make the determination of whether a purchase should be made through one of these mechanisms.

Use of Federal Excess and Surplus Property

The District considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. 2 CFR §200.318(f).

Procurement of Recovered Materials: In addition, the District will comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act when required. 2 CFR §200.322. The requirements of section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (“EPA”) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition. The requirements of everyday items such as paper products, non-paper office products, office furniture, floor mats, and awards and plaques, as well as many other items, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000. *Requirements also include:*

- *Procuring solid waste management services in a manner that maximizes energy and resource recovery; and*
- *Establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.*

Pursuant to section 6002, the decision not to procure recovered materials must be based on a determination that such procurement items:

- A. *are not reasonably available within a reasonable period of time;*
- B. *fail to meet the performance standards set forth in the applicable specifications or fail to meet the reasonable performance standards of the District; or*
- C. *are only available at an unreasonable price.*

Debarment and Suspension

The District awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, financial and technical resources, and the contractor’s ability to complete the project on time and in accordance with specifications. **[Describe how this is done. For example:**

The District will check references where possible and engage in practical activities such as checking with the local Better Business Bureau and the Idaho Attorney General’s office to ensure there are no outstanding complaints against the contractor.

The District will award a contract to a contractor who has the appropriate experience, expertise, qualifications, and any required certifications, necessary to perform the work. Contractors should also have the financial resources to sustain the project while the initial work is being completed and during each service period until he or she submits invoices for payment to the District as work is

completed (for example, at the end of each month). Contractors should have the proper equipment or the capability to subcontract for the proper equipment necessary to complete the contracted work. For example, if the contractor is to develop curriculum guidelines on a computer, the contractor should already have his or her own computer with the appropriate software.]

The District may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over \$25,000 the District verifies that the vendor with whom the District intends to do business with is not excluded or disqualified. 2 CFR Part 200, Appendix II(1) and 2 CFR §§180.220 and 180.300. The [identify responsible employee, i.e. business manager] is required to check for excluded parties at the System for Award Management (“SAM”) website before any procurement transaction paid with federal funds. This list is located at: <http://www.sam.gov>. 2 CFR Part 180 and 2 CFR Part 3485.

Contract Provisions

In all federally-funded contracts, the District includes the applicable provisions described in Appendix II to 2 CFR Part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. 2 CFR §200.326. Provisions include the following:

1. All contracts paid from grants administered by the SDE must retain copyright for the SDE and for the federal government unless otherwise negotiated in writing with the SDE. Pursuant to the provisions in 2 CFR §200.315, title to intangible property vests in the District as long as such property is used for authorized purposes. However, the SDE and the federal awarding agency reserve a royalty-free, non-exclusive and irrevocable right to reproduce, publish, or otherwise use the work for federal purposes, and to authorize others to do so.
2. All contracts greater than \$150,000 must address administrative, contractual, or legal remedies.
3. All contracts greater than \$10,000 must address termination for cause and for convenience.
4. All construction contracts must include the Equal Employment Opportunity clause.
5. All prime construction contracts in excess of \$2,000 must include a provision for compliance with the Davis-Bacon Act and its implementing regulations.
6. All contracts in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with the Contract Work Hours and Safety Standards Act and its implementing regulations.
7. All contracts that meet the definition of “funding agreement” and where the District wishes to enter into a contract with a small business firm or non-profit organization must include a provision for compliance with the Rights to Inventions Made by Non-

profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements.

8. All contracts and subgrants greater than \$150,000 must contain a provision for compliance with the Clean Air Act and the Federal Water Pollution Control Act and their implementing regulations.
9. All contracts must include compliance with the Energy Policy and Conservation Act pertaining to mandatory standards and policies relating to energy efficiency contained in the state energy conservation plan.
10. A contract or subcontract must not be made to any party that is debarred or suspended from receiving federal funds.
11. Lobbying Certification and Disclosure of Lobbying (Byrd Anti-Lobbying Amendment) – All contractors that apply or bid for an award of \$100,000 or more must file the required Lobbying Certification that it has not and will not use any federal funds to lobby. If non-federal funds are used to lobby, the contractor must complete the Disclosure of Lobbying and forward the disclosure to the next tier, who must forward it through each tier to the federal awarding agency.
12. All contracts greater than \$10,000 must include compliance with section 6002 of the Solid Waste Disposal Act and its implementing regulations. 2 CFR §200.322

Maintenance of Procurement Records

The District maintains records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to, the following:

- The rationale for the method of procurement, selection of contract type (i.e., the reason the District chose procurement by micro-purchase, small purchase procedures, sealed bid, competitive proposals, or noncompetitive proposals);
- The type of contractual agreement or instrument used and the rationale for using that type;
- The process used to either select or reject the contractor (what was the process and what were the factors considered in selecting or rejecting the contractor);
- The basis for the contract price (including a cost or price analysis); and
- Verification that the contractor is not suspended or debarred.

Please see section for more information on the District's record management policies.

Time and Materials Contracts

Time and materials contracts are a hybrid of fixed-price and cost-reimbursement contracts. They present the highest risk to the government and the lowest risk to the contractor. Therefore, they are the least desirable for the federal or state government and are rarely awarded. 2 CFR §200.318(j).

The District may use a time and materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the District is the sum of: the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. In other words, the contractor is saying it will work until the task is completed, but it has no idea how long it will take, nor how much money it will cost. This obviously can be very cost prohibitive and can encourage fraudulent behavior by some unscrupulous contractors. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The District may elect not to use a Time and Materials contract with any federal funds agreement.

Settlements of Issues Arising Out of Procurements

The District alone is responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements made with federal funds. 2 CFR §200.318(k). These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the District of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction. *The [identify responsible employee, i.e., business manager, superintendent, etc.] is the primary office responsible for handling and coordinating the settlement of any contractual and administrative issues arising out of procurements.*

Protest Procedures to Resolve Dispute

The District maintains protest procedures in accordance with Idaho Code §§67-2805 and 67-2806, and District policy (see Policies 850, 850.30, 850.60, 850.90 and 851) to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the SDE or other awarding agency. 2 CFR §200.318(k). The [identify responsible employee, i.e. superintendent, business manager, etc.] is the primary office responsible for handling and coordinating any disputes relating to procurements.

F. Conflict of Interest Requirements

Substantial state and federal requirements exist pertaining to standards of conduct and conflict of interest. It is the intent of the District for all employees, officers, or agents to conduct all activities associated with procurements in compliance with the highest ethical standards, including the avoidance of any real or perceived conflict of interest. It is also the intent of the District to impose appropriate sanctions or disciplinary actions, including but not limited to termination and/or prosecution, for any employees or officers who violate any of these requirements.

Standards of Conduct

In accordance with 2 CFR §200.318(c)(1), the District maintains the following standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

Idaho Code §74-403 provides the following definitions relating to standards of conduct and conflicts of interest:

“Business with which a public official is associated” means any business of which the public official or member of his household is a director, officer, owner, partner, employee or holder of stock over five thousand dollars (\$5,000) or more at fair market value.

“Conflict of Interest” means any official action or any decision or recommendation by a person acting in a capacity of a board member, the effect of which would be private pecuniary benefit of the board member, member of his or her household, a relative, or a business with which the board member, a member of his or her household, or a relative, is associated.

“Members of a household” means the spouse and dependent children of the board member and/or persons whom the board member is legally obligated to support.

“Relative” means a person related to the board member by blood or marriage within the second degree.

“Remote Interest” means an interest of a board member in a contract that is of: (i) a non-salaried officer of a non-profit corporation; (ii) an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary; (iii) a landlord or tenant of a contracting party; or (iv) a holder of less than one percent (1%) of the shares of a corporation or cooperative which is a contracting party.

“Spouse” means a board member’s husband or wife by lawful marriage.

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value. Under Idaho Code §18-1359(1)(b), trivial benefits not to exceed a value of \$50 incidental to personal, professional or business contacts is considered nominal, provided such benefits do not involve a substantial risk of undermining official impartiality.

The District follows the policies and procedures set forth in its duly adopted conflict of interest policies (Policy 228 – Board Member Conflict of Interest and Policy 418 – Employee Conflict of Interest).

It is a serious breach of the public trust to subvert the public purchasing process by directing purchases to certain favored vendors, or to tamper with the purchasing process, whether it is done for kickbacks, friendship or any other reason. State law relating to violations of the ethical standards of conduct and conflicts of interest imposes upon violators certain criminal and civil penalties, as set forth in Idaho Code §§18-1360, 74-406(1), and 74-509.

Organizational Conflicts

Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 CFR §200.318(c)(2). *There are currently no organizational conflicts in the District. [Or, if there are organizational conflicts, describe the standards of conduct covering organizational conflicts.]*

Disciplinary Actions

The District will impose appropriate sanctions or disciplinary actions, including but not limited to termination of employment and/or prosecution, for any employee or officer who violates any requirements related to standards of conduct and conflict of interest. 2 CFR §200.318(c)(1). *See District Policy(ies) ## relating to conflicts of interest and employee discipline.*

Mandatory Disclosure

Upon discovery of any potential conflict, the District will disclose in writing the potential conflict to the SDE and/or federal awarding agency in accordance with applicable SDE or federal awarding agency policy. 2 CFR §200.112.

In addition, the District will disclose, in a timely manner, in writing to the SDE and/or the federal awarding agency, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the federal award. 2 CFR §200.113. Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.338, Remedies for Noncompliance, including Debarment and Suspension. *The [superintendent or his/her designee] will conduct any necessary investigation and submit it in writing to the SDE.*

G. Contract Administration

The District maintains the following oversights to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. 2 CFR §200.318(b). [Describe what procedures are in place. For example: *Departments and/or schools are individually responsible to ensure that the terms, specifications and conditions of the contract are being met. If there is a problem noted it is the responsibility of the department and/or school to notify the appropriate administrator regarding the situation.*

Documentation for Contracts/Agreements

The District maintains the following written documentation, at a minimum, for each contract paid with federal funds **[Identify what documents are maintained. For example:**

- 1. A copy of the written, signed contract/agreement for services to be performed;**
- 2. The rationale or procedure for selecting a particular contractor;**
- 3. Evidence the contract was made only to a contractor or consultant possessing the ability to perform successfully under the terms and conditions of the contract or procurement;**
- 4. Records on the services performed – date of service, purpose of service – ensuring that services are consistent and satisfactorily performed as described in the signed contract or purchase order;**
- 5. Documentation that the contractor was not paid before services were performed; and**
- 6. Records of all payments made (such as a spreadsheet or report generated from the general ledger), including the total amount paid to the contractor.**

The responsible party for maintaining this information is the [identify responsible employee(s), i.e., Superintendent, Human Resources Director, Business Manager].]

Payment Only After Services Are Performed

For both state and federally funded contracts, it is not permissible under Idaho law to pay a contractor or consultant in advance of performing services. Advance payment to contractors is considered “lending credit” to the contractor and is prohibited under the Idaho Constitution, Article 8, §4. For ongoing services that occur monthly, payment can be made at the end of every month (based on a proper invoice submitted by the contractor and verification of work performed) for services performed during the month, or some other similar arrangement. **[Describe any other procedures utilized by the District regarding payment for services/goods. For example:**

Consultants and contractors will not be paid without having a properly signed and dated contract or other written agreement in place which clearly defines the scope of work to be performed, the beginning and ending dates of the contract, and the agreed-upon price. The contract should also include a description of the payment procedures.

Upon performance of services (monthly or upon completion of services), the contractor is required to submit an invoice to the District that contains at a minimum the following:

- a clear identification of the contractor/consultant, including name and mailing address;**
- a corresponding contract (or written agreement) number, if applicable;**
- the dates (beginning and ending date) during which the services were performed (i.e., billing period);**
- a description of the services/activities completed during the billing period; and**

- *the total amount due to the contractor for the billing period.*

By submitting a properly-prepared invoice, the contractor is certifying that it is true and correct.]

Prompt Payment to Vendors/Contractors

The District pays all vendors/contractors within sixty (60) days of receipt of a proper invoice and the receipt of the goods or services, unless the District and vendor/contractor have agreed by a contract in place at the time the order was placed that a longer period of time is acceptable, in accordance with the Idaho Prompt Payment Act, Idaho Code §67-2302.

III. Property Management Systems

A. Property Classifications

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the District for financial statement purposes, or \$5,000. 2 CFR §200.33. The District’s capitalization level is [insert amount].

Supplies means all tangible personal property other than those described in 2 CFR §200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial statement purposes or \$5,000, regardless of the length of its useful life. 2 CFR §200.94.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. 2 CFR §200.20.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance). 2 CFR §200.12.

B. Inventory Procedure

[In this section, describe the process that is performed when inventory is received. Where is new inventory received? What position inspects the property to make sure it’s in good condition and that it matches what is listed on the purchase order and invoice. Is a receiving report produced? What information is included? Who logs into the property management system? Where is the receiving report kept and with what other documentation?]

Next, describe what type of property is tagged and what position/office performs the tagging. All equipment must be tagged and computing devices, such as laptops, smartphones, and tablets should also be tagged. Describe what positions are responsible for configuring or installing certain types of equipment and/or computing devices. For example, the following is a procedure that could be used:

New inventory that has a value of over \$5,000.00 is received by the purchaser. The [identify responsible office/department, i.e. business office] runs an annual report that lists all items purchased throughout the year over this value. The district software issues an inventory bar code that is distributed to the purchaser to place on the item. The code is then maintained in the software system

for the useful life of the item. These codes are divided between federal and local moneys spent for the purchase of the item and separate lists are maintained. All equipment must be tagged, including, but not limited to computing devices, such as laptops, smartphones and tablets. Following the useful life of an item it is terminated from the system and disposed of in accordance with federal or state regulations which are applicable to its type and originator of purchase funds.]

C. Inventory Records

For each item of equipment and computing device purchased with federal funds, the following information is maintained [insert what is maintained; for example:

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title*;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use** and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property.

*Pursuant to federal regulations, the District holds conditional title for equipment purchased with federal funds unless a statute specifically authorizes a federal agency to vest title in the District without further obligation to the federal government. Title will vest in the District as long as:

- The District uses the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project;
- The District does not encumber the property without approval of the SDE or other awarding agency; and
- The District uses and disposes of the property in accordance with federal rules.

**Equipment or property purchased exclusively with IDEA Part B funds must be used exclusively for the benefit of the Special Education Program.

The [identify responsible department] is responsible for maintaining and verifying the inventory and updating the system processes for the District. The bar code [or other type of system] system they utilize is communicated with the [business office] for input into the fixed asset system of the District. The equipment purchased by the individual school or department is maintained by that entity and the [business office] enters these items into the financial software of the District. The bar code or other tracking device is generated for these items by the [business office].

When the useful life of the item is complete, or the property is sold, lost or stolen, the school or department will document the event and notify the appropriate [business office] personnel. The item will then be removed from the inventory and the documentation maintained as to the reason for the removal.]

D. Physical Inventory

A physical inventory of the property is taken and the results reconciled with the property records every year. The purpose of the annual inventory is to reconcile equipment, supplies, and textbooks on hand with the inventory records on file. [Describe how this process is done. For example: *In addition to the annual inventory, [school administrators, e.g. principals] are also responsible for maintaining and updating the inventory records for his or her site throughout the year, and for removing (discarding or transferring to another District site or outside entity) obsolete equipment from his/her site. The [business office or identify other responsible department(s)] will work in conjunction with other departments to run reports and go to each school physically to verify the location of the inventory.]*

E. Equipment Insurance and Maintenance

The District insures equipment acquired or improved with federal funds at the same levels and in accordance with the same policies as provided to equipment purchased with state or local funds unless required to be insured by terms and conditions of the federal grant. 2 CFR §200.310.

In accordance with 2 CFR 200.313(d)(4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition. [Insert maintenance procedures, including whether restrictions on use are utilized, who is contacted if an item is broken, lost or stolen, etc. For example: *The District takes preventive measures to preserve and prolong the useful life of the property, minimizes the incident of failure through breakage of its component parts, and promotes the property's full utility through maintenance of high standards of condition and performance. The District also takes remedial maintenance measures designed to correct any deficiencies found as they become known. In the event property appears to be broken or no longer usable, the [identify office] shall be notified.]*

F. Lost or Stolen Items

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Any loss, damage, or theft is investigated in accordance with District policies and procedures. In the event it is determined that an employee intentionally lost, damaged or stole District property, disciplinary action will be taken, up to and including termination and possible referral to law enforcement. *See* the District Policy Manual for specifications. 2 CFR §200.313(d)(3).

G. Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the SDE.

During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible. However, the original purchase of any equipment to be used in other programs will be properly allocated (i.e., prorated) among the applicable funding sources.

When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.

[Insert any procedures for the transfer of equipment between programs or projects. For example, if a school no longer needs a computing device, how are other schools alerted to the possibility that this equipment is available?]

H. Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, [insert name of position/office responsible] will contact the SDE or other awarding agency for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of **\$5,000 or less**, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency, however, the provisions of Idaho Code §33-601 shall be followed in the disposal of any property. If the item has a current FMV of **more than \$5,000**, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

If acquiring replacement equipment, the District may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

Disposition of the equipment will be properly recorded in the fixed asset inventory. When disposal of equipment is warranted the documentation is received by the business office and is then removed from the District software inventory system and the documentation is maintained in the business office. The inventory will be disposed of in accordance with federal and state regulations and practices.

If the District is authorized or required to sell the property, proper sales procedures will be followed to ensure the highest possible return. 2 CFR §200.313(d)(5). *The District follows its sales procedures set forth in its District Policy Manual (Policy 920 – Acquisition and Sale of Personal Property; and Policy 922 – Acquisition and Sale of Real Property).*

IV. Written Compensation Policies (Time and Effort)

A. Time and Effort

Allowable Compensation

Compensation for employees paid from federal funds will be in accordance with the established written policy for compensation for all employees, and the written policy will be consistently applied among all employees, whether paid from state, local, or federal funds. *See District Policy 877 and Procedure 877P.* Compensation includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits.

Costs of compensation are allowed to be charged to a federal award to the extent that they satisfy the following requirements as specified in 2 CFR §200.430 and that the total compensation for individuals:

1. Is reasonable for the services rendered and conforms to the established written policy of the District consistently applied to both federal and non-federal activities;
2. Follows an appointment made in accordance with the District's rules or written policies and meets the requirements of federal statute; and
3. Is determined and supported by documentation that meets the federal Standards for Documentation of Personnel Expenses.

Reasonable Compensation

Compensation for employees engaged in work on federal awards will be considered reasonable to the extent that it is consistent with that paid for similar work in other activities of the District. In cases where the kinds of employees required for the federal awards are not found in the other activities of the District, compensation will be considered reasonable to the extent that it is comparable to that paid for similar work in the labor market in which the District competes for the kind of employees involved.

Professional Activities Outside the District

Unless an arrangement is specifically authorized by the SDE or other awarding agency, the District must follow its written policies and practices concerning the permissible extent District employees may provide professional services outside the District for non-District compensation. If a policy does not exist or does not adequately define the permissible extent of consulting or other non-District activities undertaken by an employee for extra outside pay, the federal government may require that the effort of professional staff working on federal awards be allocated between:

1. *District activities and*
2. *Non-district professional activities.*

If the SDE or other awarding agency considers the extent of non-District professional effort excessive or inconsistent with the conflicts-of-interest terms and conditions of the federal award, appropriate arrangements governing compensation will be negotiated on a case-by-case basis.

Therefore, District Policy No. 492, which governs employees obtaining payment for performing professional services outside the District, is incorporated into the District's written employee compensation policy. Any employee wishing to perform professional services outside the District and receive payment for such services by another entity must disclose the Conflict of Interest to their immediate supervisor prior to agreeing to perform professional services outside the District. The purpose of the Conflict of Interest is to disclose the nature of the professional services to be performed outside the district to ensure a conflict of interest does not exist for the District. The disclosure will be made to [identify responsible supervisor] for review and determination of whether a potential conflict of interest exists.

The District complies with other requirements pertaining to allowable and unallowable costs as specified in 2 CFR §200.430(d), (e), and (f), including:

- 1. Compensation for certain employees of cost-reimbursement contracts covered under 10 USC 2324(e)(1)(P); 41 USC 1127; and 41 USC 4304(a)(16);*
- 2. Changes in compensation resulting in a substantial increase in the District's employees' level of compensation; and*
- 3. Incentive compensation based on cost reduction, efficient performance, suggestion awards, safety awards, etc.*

B. Documentation of Personnel Expenses

Standards for Documentation of Personnel Expenses

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. This includes an employee whose salary is paid with state or local funds but is used to meet a required "match" in a federal program. These documents, known as time and effort records, are maintained in order to charge the costs of personnel compensation to federal grants.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;

- Encompass both federally assisted and all other activities compensated by the District on an integrated basis;
- Comply with the established accounting policies and practices of the District and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives if the employee works on:
 - More than one federal award;
 - A federal award and a non-federal award;
 - An indirect cost activity and a direct cost activity;
 - Two or more indirect activities which are allocated using different allocation bases; or
 - An unallowable activity and a direct or indirect cost activity.

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spend on grant activities. This includes an employee whose salary is paid with state or local funds but is used to meet a required match or cost share for a federal program.

These documents, known as time and effort records, are maintained in order to charge personnel costs to federal grants. In addition, current and up-to-date job descriptions for each employee are maintained.

Time and Effort Procedures

All split-funded employees who are funded partially from a federal fund account are required to complete time and effort reports. Time and effort records must be maintained contemporaneously (as the work occurs) and must contain the following three (3) elements:

- The activity – a brief description of what the employee did;
- Time frame – the amount of time it took the employee to do it; and
- Funding source/program or other cost objective (the funding source/program/cost objective it will be charged to).

Time and effort records must also:

- Be executed after or as the work is completed, and not before;
- Account for the total activities of the employee (100% of their time), including employees working part-time schedules or overtime;
- Specify the reporting period; and
- Be signed and dated by the employee.

All District employees who are paid in whole or in part with federal funds will maintain documentation in accordance with the foregoing requirements.

All charges to payroll for personnel who work on one or more federal programs or cost objectives must be based on one of the following, depending on the circumstances:

- **Semi-annual certification** – for employees who work 100% of the time on a single program and/or cost objective, in which case a signed and dated job description must be in the employee’s personnel file.
- **Time and effort records** – for employees working on more than one program and/or multiple cost objectives, and a signed and dated job description must be in the employee’s personnel file.
- **Substitute system** - substitute systems for allocating employee salaries and wages may be used in place of time and effort reports. Substitute systems may include, but are not limited to, random-moment sampling, “rolling time studies,” case counts, or other quantifiable measures of work performed.

Additional summary information pertaining to each of the above categories is provided below. Refer to the section “compensation for personal services” in 2 CFR §200.430 for more detailed information pertaining to charges to payroll.

Semi-Annual Certification

Semi-annual certification applies to employees who do one of the following:

- Work 100% of their time on a single grant program and/or single cost objective;
- Work 100% of their time in administering programs that are part of consolidated administrative funds such as a Federal Programs Director who administers only these programs;
- Work 100% of their time under a single cost objective funded from eligible multiple funding sources. For example, a Title I, Part A, schoolwide program is a single cost objective.

“Cost Objective” means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the District, a particular service or product, a federal award, or an indirect cost activity.

These employees are not required to maintain time-and-effort records. However, each employee must certify in writing, at least semi-annually, that he/she worked solely on the program or single cost objective for the period covered by the certification. The certification must be signed by the employee and by the supervisor having first-hand knowledge of the work performed and should reference the employee’s signed and dated job description maintained in their personnel file. Charges to the grant must be supported by these semi-annual certifications. The semi-annual certifications are maintained by the [identify office, e.g., Human Resources Department] of the District.

Job Descriptions: These employees are also required to maintain on file a signed and dated job description which clearly shows that the employee is assigned 100% to the program or single cost

objective. The job description must be updated annually and when a function or activity is added to or deleted from an existing job description, must clearly identify the function and activities performed by the employee for the applicable fund source(s) or cost objective, and must be maintained in the employee's personnel file.

The semi-annual certification must

- *be executed after the work has been completed, and not before*
- *state that the employee worked solely (i.e., 100% of the time) on activities related to one particular grant program or single cost objective*
- *identify the grant program or cost objective*
- *specify the 6-month reporting period*
- *be signed and dated by the employee and a supervisor with first-hand knowledge of the work performed*

Charges to the grant must be supported by these semi-annual certifications. All certifications must be retained for audit and monitoring purposes. It is recommended that the certifications be retained in a central location to facilitate an audit.

***Refer to the Appendices for an example of the semi-annual certification form. The District Policy Manual also provides policies and procedures relating to time and effort reporting, as well as semi-annual certification forms.*

Time and Effort (i.e., Personnel Activity Reports (PARs))

Time and effort applies to employees who do one of the following:

- Do not work 100% of their time on a single grant program and/or single cost objective;
- Work under multiple grant programs or multiple cost objectives.

These employees are required to maintain time-and-effort records or to account for their time under a substitute system (see below). Employees must prepare time-and-effort summary reports at least monthly (or every other week, as applicable) to coincide with pay periods. Such reports must reflect an after-the-fact distribution of 100% of the actual time spent on each activity and must be signed by the employee. Monthly reports must be submitted to the [Identify department, e.g. Payroll Department] and charges to payroll must be adjusted at least monthly to coincide with preparation and submittal of expenditure reports.

Examples of employees who work on multiple cost objectives:

- *An employee who works partially on administering programs included in NCLB consolidated administrative funds pool, and partially on administering other programs (not included in NCLB consolidated administrative funds pool), must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.*

- *An employee who works partially on administrative activities (paid from administrative funds) and partially on program activities (paid from program funds) of the same program must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.*
- *An employee who works on regular Title I activities and Title I parent involvement activities must maintain time-and-effort records. (The District must document the 1% of its allocation expended on parent involvement activities if the District receives more than \$500,000 in Title I, Part A.) These are two different cost objectives.*
- *An employee who works part of the time on direct cost activities and part of the time on indirect cost activities must maintain time-and-effort records or account for his or her time under a substitute system. These are two different cost objectives.*

A sample time and effort report is provided in the Appendices.

Substitute Systems in Lieu of Time and Effort (PAR) Reports

In accordance with 2 CFR §200.430(i)(5), substitute systems for allocating salaries and wages may be used in place of time and effort reports. Substitute systems may include, but are not limited to, random-moment sampling, “rolling time studies,” case counts, or other quantifiable measures of work performed. Substitute systems that use sampling methods must meet acceptable statistical sampling standards. Refer to 2 CFR §200.430(i)(5) for detailed requirements. The substitute system must be approved by the SDE.

Only eligible employees participate in the substitute system. To qualify for this substitute system in lieu of traditional PARs, the employee must work on multiple activities or cost objectives (i.e., more than one federal grant award) based on a predetermined, set schedule. Most likely it is applicable to classroom teachers or instructional aides. The certification is signed by the employee or by the supervisor having first-hand knowledge. Documented employee work schedules must include sufficient controls to ensure that the schedules are accurate.

To be eligible to document time and effort under the substitute system, employees must:

1. *Currently work on a schedule that includes multiple activities;*
2. *Work on specific activities or cost objectives based on a predetermined schedule; and*
3. *Not work on multiple activities or cost objectives at the exact same time on their schedule.*

Employee schedules must:

- *Indicate the specific activity or cost objective;*

- *Account for the total hours;*
- *Be certified at least semiannually and signed by the employee;*
- *Any significant revisions to an employee's established schedule must be documented;*
- *The effective dates of any changes must be clearly indicated on the documentation provided.*

Documentation of rationale and calculations for allocating salaries and wages based on a substitute system must be maintained for audit purposes. In order for any employees to use a substitute system, the District must also submit a management certification form to the SDE. 2 CFR §200.430(i)(5).

At this time the District does not participate in a Substitute System.

Reconciliation and Closeout Procedures

It is critical for payroll charges to match the actual distribution of time recorded on the monthly certification documents. The District may **initially** charge payroll costs based on budget estimates. Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed.

If using budget estimates, the District will periodically, at least quarterly, reconcile payroll charges to the actual time and effort reflected in the employees' time and effort records. If the quarterly (or more frequent) **reconciled difference** between the actual and budgeted amounts is **10% or greater**, two things will occur:

- The District will adjust its accounting records to reflect the costs based on the actual time and effort reported.
- To minimize future differences, the District will revise the budget estimates for the following quarter to reflect the actual distribution, if necessary.

If the reconciled difference is **less than 10%**, the District will adjust the accounting records annually. But in all cases, the accounting records will be adjusted to reflect actual time and effort records. Please note that the 10% variance only governs how often the reconciliation will occur. It does not govern whether or not the reconciliation will occur.

Employee Exits

For an employee that is separating his or her services with the District, the employee will complete the required paperwork and submit his or her final certification or time and effort report to the [Human Resources Department]. The [HR department] will verify the final paperwork as complete and notify the [Business Office] of completion prior to the issuance of the final pay check.

C. Human Resources Policies

The allowability of various types of personnel compensation costs is dependent on whether they are spent in accordance with written policies and procedures. For example, the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as annual leave, sick leave, or holidays, is allowable if, among other criteria, the costs are provided under established written leave policies.

Leave

All employees, including those paid with federal funds and those not, will adhere to the District's written leave policies (*See District Policy Manual: Policy 407 – FMLA leave; 407.50 – Sick Leave; 408 – Jury Duty; 480 – Vacation Leave for Non-Certificated Employees*). The District consistently follows one of the following accounting bases [select one of the following:]

The district uses the cash basis of accounting. Under this method of accounting, the cost of leave is recognized in the period that the leave is taken and paid for. Payments for unused leave when an employee retires or terminates employment are allowable in the year of payment.

The district uses the accrual basis of accounting. The accrual basis may only be used for those types of leave for which a liability as defined by GAAP exists when the leave is earned. Allowable leave costs are the lesser of the amount accrued or funded.

Severance Pay

If the District institutes any mass or abnormal severance pay, the District will request prior written approval from the SDE or other awarding agency in accordance with 2 CFR §200.431(i)(2)(ii).

Sample Time and Effort Documentation

Sample time and effort forms are set forth in the Appendices.

V. Record Keeping

A. Record Retention

In general, records document the use of funds, compliance with program and fiscal requirements, and the performance of the grant. In accordance with 34 CFR §§76.730 - .731 and §§75.730 - .731, the District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other records to show compliance with federal program requirements. The District also maintains records of significant project experiences and results. 34 CFR §75.732. These records and accounts must be retained and made available for programmatic or financial audit.

Pursuant to the provisions in 34 CFR §81.31(c), the USDE is authorized to recover any federal funds misspent within five (5) years before the receipt of a program determination letter. Consequently, the SDE recommends that the District maintain records for a minimum of five (5) years from the date on which the final expenditure report is submitted or the ending date of the grant, whichever is later, unless otherwise notified in writing to extend the retention period by SDE or other awarding agency. The SDE further recommends the District retain one (1) audit year, which is a total of six (6) years, to comply with their record retention schedule for all federal fiscal and programmatic records. However, if any litigation, claim or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 CFR §200.333. *Therefore, the District will retain records for six (6) years, as recommended by the SDE.*

The SDE follows the state's policy as set in the Human Resource Records Retention Schedule of the Records Management Guide and the Payroll Records Retention Schedule of the Records management Guide, which can be found at:

http://history.idaho.gov/sites/default/files/uploads/Human_Resource_Records_Book_0.pdf
http://history.idaho.gov/sites/default/files/uploads/Payroll_Records_Book_0.pdf.

The District retains and destroys records in accordance with these requirements [or insert reference to the District's records retention policy]. Failure to produce a program or fiscal record for an auditor or monitor during the 5-year retention period will most likely result in an audit or monitoring finding and the repayment of funds for the missing documentation.

B. Records That Must Be Maintained

A record is any recorded information that documents school business; it serves as evidence that an activity, event, decision, or transaction occurred. A record must be retrievable at a later date (i.e., for 5 years after the ending date of the grant or after submittal of the final expenditure report, whichever is later).

Not every piece of paper or every piece of data is an official record. Materials used for reference are just that – reference materials; they are not records. District personnel must use some judgment in determining whether a record constitutes an “official business record” by looking at the content of the record to determine its value in serving as evidence. A good place to start is by consulting the District’s records management policy. The [identify responsible employee, i.e. business manager, etc.] serves as the District’s records management officer.

Records are created by the District to support a grant activity and they are retained as evidence of that activity. Records may come in a variety of different forms and may be created by the District or be received by the District in any medium, including hard copy paper or electronic, audio, or video. Whether the District creates it, or receives it from someone outside the District, if it documents school operations, it’s a record and must be retained according to the records retention schedule.

Most e-mails are records; telephone messages can be records. The record can be on a computer’s hard drive, on a USB, on a DVD, in a filing cabinet, or on someone’s desk. Even if the record contains confidential information and may be exempt from release under a Public Information Request (PIR), it is still a record and must be retained using proper security procedures to safeguard the confidential data.

Records generally include but are not limited to:

- *General correspondence, including letters and e-mail*
- *Handwritten notes and electronic notes*
- *Completed forms and reports and the data used to complete the reports*
- *Personnel documentation*
- *Websites created by the District*
- *Audio tapes and video tapes*
- *Final, complete, and signed (if applicable) documents*
- *Plans, photographs, or drawings*
- *Data in spreadsheets and databases*
- *Financial records, including but not limited to budgets, accounting ledgers, all supporting documentation for expenditures, copies of checks, bank statements, etc.*

Records that generally do not need to be maintained include:

- *Convenience copies (extra identical copies created only for convenience of reference or research)*
- *Drafts of documents*
- *Copies of documents furnished to the public to fulfill a public records request*
- *Blank forms/stocks of publications (keep at least one copy for archives to demonstrate compliance or proof of program activities)*
- *Library or museum materials*

- *Dispute resolution working files (the final written finding or report is a record)*
- *Personal or junk e-mail*
- *Ccs of e-mails (or letters) or convenience copies of e-mails (or letters) (the recipient in the “To” line is the keeper of the official record).*

However, if there is a public record request for any record that exists, whether or not it needs to be maintained to document District business, the record may not be destroyed until the public record request has been responded to. If the public record request is denied, the record in dispute may not be destroyed until more than 180 calendar days have expired from the date of mailing of the notice of denial or partial denial, if no proceeding in district court was filed, or when all authority is granted by a court. Idaho Code §74-115.

C. Collection and Transmission of Records

[Insert description of how records are maintained. For example: Paper and electronic copies of records are maintained by the District according to the District’s records retention and student records policies. Additionally, in accordance with the provisions in 2 CFR § 200.335, whenever practical, the District will collect, transmit, and store federal grant-related information in open and machine readable formats rather than in closed formats or on paper. However, the SDE or other awarding agency must always provide or accept paper versions of grant- related information to and from the District upon request. When original records are electronic and cannot be altered, there is no need to create and retain paper copies. When original records are paper, electronic versions may be substituted through the use of duplication or other forms of electronic media provided that they are subject to periodic quality control reviews, provide reasonable safeguards against alteration, and remain readable.]

D. Access to Records

All grant records are government records and are the property of the District; they are not the personal property of an individual. Records should be easily accessible by all personnel in the District who may need to refer to the documentation for program management, accounting, compliance, audit, or monitoring purposes. With the exception of confidential personnel hiring records, proprietary information of contractors, and confidential student information, all grant information is public information.

Pursuant to the provisions in 2 CFR §200.336, the District provides the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the District’s personnel for the purpose of interview and discussion related to such documents.

The rights of access in this section are not limited to the required retention period but last as long as the records are retained. 2 CFR § 200.336(b)

E. Destruction of Records

Because records establish compliance with the use of funds and with program and fiscal requirements, failure to retain the proper records or to dispose of them prematurely can result in monumental problems for the District, including the repayment of all funds associated with the activity, event, decision, or transaction for which the records are missing.

The District will not destroy any record that is involved in ongoing:

- Litigation
- Claim
- Negotiation
- Public information request
- Audit or investigation
- Administrative review or hearing

The District retains and destroys records in accordance with the [same system used by the SDE or insert reference to the District's records retention policy]. *The SDE follows the state's policy as set forth in the Human Resource Records Retention Schedule of the Records Management Guide and the Payroll Records Retention Schedule of the Records management Guide, which can be found at:*

http://history.idaho.gov/sites/default/files/uploads/Human_Resource_Records_Book_0.pdf

http://history.idaho.gov/sites/default/files/uploads/Payroll_Records_Book_0.pdf.

F. Privacy

The privacy of student and employee personal information is restricted to those with an educationally vested interest or those in a specific job related role for access. [Describe the protections the District has in place to ensure personal information of both students and employees is protected. For example: *The District has a password policy that requires employees to change passwords on a regular basis. In addition, the District provides regular opportunities for training to employees on state and federal privacy laws, rules and regulations, including the Family Educational Rights and Privacy Act ("FERPA"). See District records policies in the District Policy Manual on the District's website.*]

VI. Legal Authorities and Helpful Resources

The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.

- Education Department General Administrative Regulations (EDGAR)
 - <http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html>
- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200)
 - <http://www.ecfr.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5>
- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 3474)
 - http://www.ecfr.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/ecfrbrowse/Title02/2cfr3474_main_02.tpl
- Federal program statutes, regulations, and guidance
 - <http://www.ed.gov/>
- State statutes and regulations
 - <https://legislature.idaho.gov/idstat/TOC/IDStatutesTOC.htm>
 - <https://adminrules.idaho.gov/rules/current/08/index.html>
- District policies and procedures
 - [Include links to (or reference citations to) District regulations, rules, and policies.]
- Organizational Chart
 - [Include an organizational chart as an attachment to this policy.]

APPENDICES

Appendix 1 – Federal Funds Request to Travel Form

FORM: TRVL

STATE OF IDAHO - STARS
TRAVEL EXPENSE VOUCHER
 (Use the EXPDISB form to record fiscal coding for STARS data entry)

REV. 04/29/2013

Reset Amts

CLAIMANT INFORMATION

AGENCY NAME	AGENCY CODE	CONTACT NAME	PHONE #	DATE
CLAIMANT'S NAME		VENDOR NO.	OFFICIAL HOME STATION	
PERSONAL VEHICLE LICENSE NUMBER		STATE VEHICLE LICENSE NUMBER		
PURPOSE OF TRAVEL				

TRAVEL DETAIL INFORMATION

FROM CITY		DEPARTED DATE		DEPARTED TIME		
TO CITY/ST		ARRIVED DATE		ARRIVED TIME		
MEETING DATES/TIMES						
DATE	TOTAL MEALS ALLOWED ¹	P-CARD MEALS TO DEDUCT ²	LODGING ³	P-CARD LODGING TO DEDUCT ⁴	PERSONAL VEHICLE MILES DRIVEN	COMMENTS
TOTALS	\$0.00	\$0.00	\$0.00	\$0.00	0	

MODE OF TRAVEL

MODE OF TRAVEL	AMOUNT ⁵	P-CARD AMT TO DEDUCT ⁶	COMMENTS	MISC	AMOUNT ⁷	P-CARD AMT TO DEDUCT ⁸	COMMENTS
PRIVATE VEHICLE				OTHER			
COMM AIRFARE				OTHER			
TRAIN, BUS				OTHER			
TAXI				OTHER			
OTHER				OTHER			
OTHER				OTHER			
TOTAL	\$0.00	\$0.00		TOTAL	\$0.00	\$0.00	

TOTALS / SIGNATURES

TOTALS of Columns 1 through 8	\$0.00	
Less Rotary/P-Card Advance	\$0.00	Rotary Adv #
TOTAL (+) Due to Employee, (-) Due to Agency	\$0.00	
Third-Party reimbursement is coming from: 		
I hereby certify that the information in this voucher is correct and just. CLAIMANT SIGNATURE:		
I hereby certify that the travel was performed under competent orders, for the purpose for which it was undertaken, and that it was necessary in the public service. AGENCY APPROVAL:		

Appendix 2 – Potential Conflict of Interest Evaluation Form

Potential Conflict of Interest Evaluation Form

Date: _____

Legal Name of Employee: _____

Position of Employee: _____

Campus of Employee: _____

Name of Person Filing Report: _____

Describe the Potential Conflict of Interest:

Investigation results into possible conflict of Interest:

Next Step corresponding to the finding results:

_____ No Action will be taken

_____ Written Reprimand

_____ Verbal Reprimand

_____ Administrative Leave

_____ Termination of Employment Contract

_____ Other (explain below)

Signature of Executive Director of Administrative Services

Date

Signature of Superintendent

Date

Appendix 3 – Semi-Annual Certification Form

**Supervisor’s
Certification / Assurance**

I assure that the employee/s listed below are devoting **100%** of their work time to allowable
A _____ activities in _____ **B** _____ program, for the period beginning
C _____ and ending _____ **D** _____.¹

Names of Employee	Position	Names of Employee	Position
<i>Add rows as needed...</i>			

I certify that I have knowledge of this employee’s attendance and total hours compensated, as represented in this report for the months indicated, and that the work performed is appropriate for the funding source requirements.

 Supervisor’s Signature

 Date

 Title

 School Name / Job Location

PURPOSE OF THIS FORM: This form is used by any employee(s) funded full time (100%) from a single federal grant award. Use this form if an employee/s supervisor will sign in the place of the employee/s.²

DIRECTIONS FOR COMPLETION:

- Blank A - Choose ONE program area in which the employee works: e.g. Carl Perkins, NCLB, or Special Education (IDEA)

¹ Failure to verify time and effort within the certification period or improper allocation of employee’s time according to contractual agreement can lead to breach of contractual agreement, loss of future awards, and adverse public image.

² Criminal charges may be brought against an individual who certifies a falsified report (Federal False Claims Act).

- **Blank B** – Choose **ONE** funding source from which the employee is paid: IDEA Part B or IDEA Preschool program; Perkins Basic Grant; NCLB Consolidated Administration; Title I; Title IIA; Title IID; Title III; Title IV; Title V; Title VI; Title X.
- **Items C and D** are beginning and ending dates for which the employee is certifying his / her work activity.
- List all employees funded under applicable budgets (IDEA Part B, IDEA Preschool, Title I, Perkins, etc. There must be a method of separating each program area—separate page or columns)
- List the position of the employee (teacher, educational assistant, etc.)
- Immediate supervisor signs giving assurance that the employees listed work only on allowable activities. (For school employees, the immediate supervisor would be the principal.) Signature and date are to be “after the fact” for work completed.
- Provide date of signature
- List the title of supervisor
- Indicate where the employee works: school name, central office, etc.

Adapted from the State of Tennessee, State Department of Education, ED-5440

Appendix 4 – Time and Effort (PAR) Form

Personnel Activity Report (PAR)

PURPOSE OF THIS FORM: This form is used to document the Time Reporting requirements of the Education Department General Administrative Guidance (EDGAR), set forth in 2 CFR Part 200 *et seq.* Employees who work on multiple activities funded from different sources have personnel activity records that support the distribution of their salaries / wages. A log must be attached to each monthly PAR documenting the time reported. The same time log should be used to document all of the employee’s work activities.

DIRECTIONS FOR COMPLETION:

Personnel Activity Report (PAR) (Must be completed at least monthly and coincide with pay period, e.g., if the pay period is every two weeks, the form must be completed and submitted every two weeks)

- Give full name of employee
- Social Security or Identifying Number—*optional*
- Month/year—must be completed each month after-the-fact
- Work Activity—list any program from which the employee’s salary is funded (General Purpose, CTE, IDEA Part B, Title I, etc.) Then give the percentage of time the employee works in each program
- Add each percentage of time across the column to determine total percentage of time worked— this must agree with employee personnel and budget records.
- Employee must sign each month
- Date PAR was completed and signed by employee
- Give position/title of employee (SE Supervisor, Teacher, Educational Assistant, Nurse, etc.)
- *Signature of Supervisor and date is optional and may be deleted*
- Provide the location of where the employee is assigned to work (name of school, central office, etc.)
- Attach supporting time log to PAR form.

(Letterhead or Name of LEA)
Personnel Activity Report (PAR)

Employee Name: _____

Employee SSN: *(Optional)* _____

		Percentage of Time Worked by Activity					
Month	Year	Work Activity #1	Work Activity #2	Work Activity #3	Work Activity #4	Work Activity #5	TOTAL % of Time Worked

The signature(s) below certifies this employee performed activities reflected in the attached log as distributed in the above percentages during the month specified.

Signature of Employee

Date

Position Title

Job Location/School Name

Signature of Supervisor *(optional)*

Date

**This certification is in support of the time reporting requirements of
EDGAR, 2 CFR Part 200.**

Adapted from the State of Tennessee, State Department of Education, ED-5440

(Letterhead or Name of LEA)

TIME & EFFORT LOG

*Detailed Time Report for _____ School District Staff
Multi-fund Employee (Federal Grant & Other Funds)*

Location: _____ Month: _____

Staff Name: _____ Signature: _____

Day	Grant:		Other Fund:		Total Hours
	Hrs.	Task	Hrs.	Task	
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					

*List below of numbered tasks can be changed to meet your needs. Use number instead of whole task information on form.

- 1 School/Site visit
- 2 Meeting
- 3 Community/Parent contact
- 4 Professional Development
- 5 Extended Day
- 6 Material/Meeting Preparation
- 7 Sick
- 8 Other

Total Grant Hours: _____

Total Other Fund Hours: _____

Supervisor's Signature