

Book	Policy Manual
Section	Vol. 39, No. 1 - EDGAR UGG - September 2024 MI
Title	Vol. 39, No. 1 - EDGAR UGG Revisions - September 2024 MI OVERVIEW
Code	01 - OVERVIEW
Status	From Neola



POLICY UPDATE SERVICE
 PROVIDED BY NEOLA, INC.

MI LOCAL UPDATE OVERVIEW AND COMMENTS
VOLUME 39, NUMBER 1 - EDGAR/UGG REVISIONS
SEPTEMBER 2024

This Special Update is issued to Neola Clients in response to the April 2024 release of revisions to the Uniform Grant Guidance regulations.

The Office of Management and Budget (OMB) revised several parts of the OMB Guidance for Grants and Agreements, now called the OMB Guidance for Federal Financial Assistance, located in title 2 of the Code of Federal Regulations (CFR). When the Office of Management and Budget (OMB) officially released revisions to the Uniform Guidance all Federal agencies, including the Department of Education (ED), were to ensure the 2024 revisions were effective for all Federal awards issued on or after October 1, 2024. However, per ED's guidance, recipients of Federal fiscal year 2024 State-administered formula grants (such as Title I and IDEA-B) issued on or after July 1, 2024, could implement the revised 2024 Uniform Guidance effective July 1, 2024, provided that they have revised any applicable State policies and procedures.

For Federal grants issued prior to July 1, 2024 and the close-out spending and reporting, the earlier regulations and policies should remain in effect through September 30, 2024, unless notified otherwise by the awarding agency or MDE.

OMB revised its guidance and the regulations in 2 CFR for the purpose of:

- incorporating statutory requirements and administration priorities;
- reducing agency and recipient burden;
- clarifying sections that recipients or agencies have interpreted in different ways; and
- rewriting applicable sections in plain language, improving flow, and addressing inconsistent use of terms within the guidance.

OMB's revisions are intended to improve Federal financial assistance management, transparency, and oversight through more accessible and easily understandable guidance.

Neola has conducted a thorough review of policy and administrative guidelines templates and is providing appropriate revisions and additions in this special update to assist districts in meeting compliance standards put forth by OMB. Policy documents in this special update have been reviewed by Brustein & Manasevit, PLLC Attorneys at Law and by Varnum, L.L.P. (Grand Rapids, MI) for consistency with Federal and State law, respectively.

Significant work, however, will be necessary for each district to draft and/or revise the required procedures for a variety of functions. Neola will, upon request, process and post districts' procedures/manuals as electronic links to provide for convenient flow from policy to administrative guidelines to district procedure.

This Update includes the following documents:

POLICIES

Policy 1130/3113/4113 – Conflict of Interest

Policy 6110 – Grant Funds (Uniform Grant Guidance)

Policy 6111 – Internal Controls

Policy 6112 – Cash Management of Grants
Policy 6114 – Cost Principles – Spending Federal Funds
Policy 6325 – Procurement – Federal Grants/Funds
Policy 6550 – Travel Payment & Reimbursement

Policy 7310 – Disposition of Surplus Property
Policy 7450 – Property Inventory

ADMINISTRATIVE GUIDELINES

AG 6325 - Procurement - Federal Grants
AG 6550 - Travel Payment & Reimbursement

AG 7450 - Property Inventory

If you have questions about any of these Special Update materials, please contact your Neola Associate. All production-related materials and questions should be directed to the Production Office - Coshocton at 632 Main Street, Coshocton, Ohio 43812 (phone: 800-407-5815 or email: production@neola.com). Billing and other questions should be directed to the Business Office - Stow at 3914 Clock Pointe Trail, Suite 103, Stow, Ohio 44224 (phone: 330-926-0514, fax: 330-926-0525, email: accounts@neola.com).

Book Policy Manual

Section Vol. 39, No. 1 - EDGAR UGG - September 2024 MI

Title Vol. 39, No. 1 - EDGAR UGG Revisions - September 2024 - MI Policy Disposition Sheet

Code 02 - Policy Disposition Sheet

Status From Neola

DISPOSITION OF NEW/REVISED/REPLACEMENT POLICIES FOR BOARD ADOPTION

VOL. 39, NO. 1 - EDGAR/UGG REVISIONS - SEPTEMBER 2024

Coding for District-Specific Edits

*1 = drafted by District staff

*2 = if the material was a work for hire, that is, material the District paid someone else to develop but from whom the District purchased the rights to publish

*3 = if the material is copyrighted to someone else from whom the District has secured permission to publish the material (No code is needed for accepting Neola's vetted material)

Policy Number	Date Adopted	District-Specific Edits (1, 2, or 3)	Date Tabled	Date Rejected
po1130				
po3110				
po4110				
po6110				
po6111				
po6112				
po6114				
po6325				
po6550				
po7310				
po7450				

Book Policy Manual
Section Pending Board Approval
Title CONFLICT OF INTEREST - PRIVATE PRACTICE
Code po1130
Status
Adopted September 12, 2001

1130 - CONFLICT OF INTEREST - PRIVATE PRACTICE

- A. ~~The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by School District employees is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the School District.~~

~~To accomplish this, the Board of Education has adopted the following guidelines to assure that conflicts of interest do not occur. These are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees.~~

- ~~1. No employee shall engage in or have a financial interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system.~~
- ~~2. Employees shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, client, or parents of such students or clients in the course of their employment with the School District.~~

~~Included, by way of illustration rather than limitation are the following:~~

- ~~a. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's employment or through his/her access to School District records~~
 - ~~b. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals~~
 - ~~c. the requirement of students or clients to purchase any private goods or services provided by an employee or any business or professional practitioner with whom any employee has a financial relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations~~
- ~~3. Employees shall not make use of materials, equipment, or facilities of the School District in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.~~

- B. ~~Should exceptions to this policy be necessary in order to provide mandatory services to students or clients of the School District, all such exceptions will be made known to the employee's supervisor and will be disclosed to the Superintendent before entering into any private relationship.~~

Staff members, officers, and agents shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by the ~~School~~ District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the ~~School~~ District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, ~~and agents, and Board members~~ including members of the ~~Board~~ to assure that conflicts of interest do not occur. These guidelines are not intended to be all-inclusive, nor to substitute for good judgment on the part of all employees, officers, ~~agents, and Board members~~ and agents.

1. No employee, officer, ~~or agent,~~ or Board member shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with the employee's, officer's, agent's, or Board member's his/her duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, the staff member/s/he should, prior to the matter being considered by the Board or administration, disclose the staff member's his/her interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, ~~or agent,~~ or Board member shall use their/his/her position to benefit either themselves/himself/herself or any other individual or agency apart from the total interest of the ~~School~~ District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, ~~or agent,~~ or Board member shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If the his/her direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, ~~or agent,~~ or Board member shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board President at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, ~~or agent,~~ or Board member must use this method of disclosure if the his/her financial interest amounts to \$5,000 or more.
4. Employees, officers, ~~and agents,~~ and Board members shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship the employee, officer, agent, or Board member they may have with any student, client, or parents of such students or clients in the course of the employee's, officer's, agent's, or Board member's their employment or professional relationship with the ~~School~~ District.

Included, by way of illustration rather than limitation, are the following:

- a. the provision of any private lessons or services for a fee during scheduled school hours
 - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, ~~or agent's,~~ or Board member's employment or professional relationship with the District through his/her access to ~~School~~ District records
 - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
 - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, ~~or agent,~~ or Board member, or any business or professional practitioner with whom any employee, officer, ~~or agent,~~ or Board member has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees, officers, ~~and agents,~~ and Board members shall not make use of materials, equipment, or facilities of the ~~School~~ District in private practice unless district protocol is followed and administrator approval is granted. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the ~~School~~ District, all such exceptions will be made known to the employee's supervisor and will be disclosed to the Superintendent before entering into any private relationship.
 - C. No employee, officer, agent, or Board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that 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 an entity considered for a contract. Employees, officers, and agents can not participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.~~

[SELECT OPTION #1 OR OPTION #2]

~~**[] [OPTION #1]**~~

~~An employee, officer, agent, and Board member of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors [] Employees, officers, and agents can not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.~~

[OR]OR

X] [OPTION #2]

Pursuant to Federal rules, the District has set standards for situations where the financial interest is not substantial or the gift is an unsolicited item of nominal value. For purposes of this section, "nominal value" means that the gift has a monetary value of \$ _____ or less as established in M.C.L. 380.634 [] Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds. For purposes of this section, "nominal value" means that the gift has a monetary value of \$ _____ or less.

[END OF OPTIONS]

[In accordance with M.C.L. 380.634, the Michigan Department of Education (MDE) adjusts the limits on the value of gifts that may be accepted from vendors or potential vendors for Intermediate School District employees. The fiscal year ~~2023-2024~~2021-22 cap for gifts was \$7364.]

- D. ~~If to the extent that~~ the District has a parent, affiliate, or subsidiary organization that is not a State, local government, or Indian tribe, the ~~School~~ District may not conduct a procurement action involving the parent, affiliate, or subsidiary organization if the ~~School~~ District is unable, or appears to be unable, to be impartial **in conducting a procurement action involving a related organization.**
- E. Employees, officers, ~~and agents,~~ **and Board members** must **promptly** disclose any potential conflict of interest which may lead to a violation of this policy to the ~~School~~ District. Upon discovery of any potential conflict of interest, the ~~School~~ District will disclose, in writing, the potential conflict of interest to the appropriate Federal ~~awarding~~ agency or, if applicable, the pass-through entity.

The District will also **promptly disclose whenever, in connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. 3729-3733). The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and pass-through entity. The District is also required to report matters related to recipient integrity and performance in accordance with Appendix XII of 2 C.F.R. Part 200** ~~disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery, or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.~~

- F. Employees, officers, ~~and agents,~~ **and Board members** found to be in violation of this conflict of interest policy will be subject to disciplinary action, up to and including termination, as permitted by applicable Board policy.

[DRAFTING NOTE: The ~~School~~ District has discretion over the appropriate disciplinary actions. For example, the ~~School~~ District may suspend or terminate the individual's employment, transfer the individual, end the District's professional relationship with that individual, or temporarily re-assign the individual. All disciplinary actions must be in accordance with applicable Federal, State, and local law, as well as any collectively bargained agreements.]

Book	Policy Manual
Section	Pending Board Approval
Title	CONFLICT OF INTEREST
Code	po3110
Status	
Adopted	August 15, 2007
Last Revised	June 12, 2024

3110 - CONFLICT OF INTEREST

Staff members shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by ~~School~~ District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the ~~School~~-District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, ~~and agents,~~ ~~and Board members including members of the Board~~ to assure that conflicts of interest do not occur. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees, officers, ~~and agents,~~ ~~and Board members~~.

1. No employee, officer, ~~or agent,~~ ~~or Board member~~ shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with ~~the employee's,~~ ~~officer's, agent's, or Board member's~~ ~~his/her~~ duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, ~~the staff members/he~~ should, prior to the matter being considered by the Board or administration, disclose ~~the staff member's~~ ~~his/her~~ interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, ~~or agent,~~ ~~or Board member~~ shall use ~~their~~ ~~his/her~~ position to benefit either ~~themselves~~ ~~himself/herself~~ or any other individual or agency apart from the total interest of the ~~School~~ District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, ~~or agent,~~ ~~or Board member~~ shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If ~~the~~ ~~his/her~~ direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, ~~or agent,~~ ~~or Board member~~ shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, ~~or agent,~~ ~~or Board member~~ must use this method of disclosure if ~~the~~ ~~his/her~~ financial interest amounts to \$5,000 or more.
4. Employees, officers, ~~and agents,~~ ~~and Board members~~ shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship ~~the employee, officer, agent, or Board member~~ ~~they~~ may have with any student, client, or parents of such students or clients in the course of ~~the employee's, officer's, agent's, or Board member's~~ ~~their~~ employment or professional relationship with the ~~School~~-District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee during scheduled school hours
 - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, ~~or agent's~~, or Board member's employment or professional relationship with the District through ~~his/her~~ access to ~~School~~ District records
 - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
 - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, agent, Board member, or any business or professional practitioner with whom any employee, officer, ~~or agent~~, or Board member has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees, officers, ~~and agents~~, and Board members shall not make use of materials, equipment, or facilities of the ~~School~~ District in private practice unless district protocol is followed and administrator approval is granted. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the ~~School~~ District, all such exceptions will be made known to the employee's, officer's, or agent's supervisor and will be disclosed to the Superintendent **before** entering into any private relationship.
- C. ~~Employees, officers, and agents can not participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.~~ No employee, officer, agent, or Board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that 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 an entity considered for a contract.

Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds. For purposes of this section, "nominal value" means that the gift has a monetary value of \$73 or less, as established in M.C.L. 380.634. The Michigan Department of Education (MDE) adjusts the limits on the value of gifts that may be accepted from vendors or potential vendors for Intermediate School District employees.

[OPTION #1]

~~An employee, officer, agent, and Board member of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors [] Employees, officers, and agents can not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.~~

[OR]OR

[OPTION #2]

Pursuant to Federal rules, the District has set standards for situations where the financial interest is not substantial or the gift is an unsolicited item of nominal value. For purposes of this section, "nominal value" means that the gift has a monetary value of \$_____ or less as established in M.C.L. 380.634. [] Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds. For purposes of this section, "nominal value" means that the gift has a monetary value of \$_____ or less.

D. ~~If to the extent that~~ the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the ~~School~~ District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the ~~School~~ District is unable, or appears to be unable, to be impartial ~~in conducting a procurement action involving a related organization.~~

E. Employees, officers, ~~and~~ agents, ~~and Board members~~ must promptly disclose any potential conflict of interest which may lead to a violation of this policy to the ~~School~~ District. Upon discovery of any potential conflict of interest, the ~~School~~ District will disclose, in writing, the potential conflict of interest to the appropriate Federal ~~awarding~~ agency or, if applicable, the pass-through entity.

The District will also ~~disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity~~ promptly disclose whenever, in connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. 3729–3733). The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and pass-through entity. The District is also required to report matters related to recipient integrity and performance in accordance with Appendix XII of 2 C.F.R. Part 200.

F. Employees, officers, ~~and~~ agents, ~~and Board members~~ found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

(**NOTE:** The ~~School~~ District has discretion over the appropriate disciplinary actions. For example, the ~~School~~ District may suspend or terminate the individual's employment, transfer the individual, end the District's professional relationship with that individual, or temporarily re-assign the individual. All disciplinary actions must be in accordance with applicable Federal, State, and local law, as well as any collectively bargained agreements.)

Book	Policy Manual
Section	Pending Board Approval
Title	CONFLICT OF INTEREST
Code	po4110
Status	
Adopted	November 14, 2007
Last Revised	June 12, 2024

4110 - CONFLICT OF INTEREST

Staff members shall perform their official duties in a manner free from conflict of interest. To this end:

- A. The maintenance of unusually high standards of honesty, integrity, impartiality, and professional conduct by ~~School~~ District's Board members, employees, officers, and agents is essential to ensure the proper performance of school business as well as to earn and keep public confidence in the ~~School~~-District.

To accomplish this, the Board of Education has adopted the following guidelines which apply to all District employees, officers, ~~and agents,~~ ~~and Board members including members of the Board~~ to assure that conflicts of interest do not occur. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all employees, officers, ~~and agents,~~ ~~and Board members~~.

1. No employee, officer, ~~or agent,~~ ~~or Board member~~ shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with ~~the employee's,~~ ~~officer's, agent's, or Board member's~~ ~~his/her~~ duties and responsibilities in the school system. When a staff member determines that the possibility of a personal interest conflict exists, ~~the staff members/he~~ should, prior to the matter being considered by the Board or administration, disclose ~~the staff member's~~ ~~his/her~~ interest (such disclosure shall become a matter of record in the minutes of the Board).
2. No staff member, officer, ~~or agent,~~ ~~or Board member~~ shall use ~~their~~ ~~his/her~~ position to benefit either ~~themselves~~ ~~himself/herself~~ or any other individual or agency apart from the total interest of the ~~School~~ District.
3. If the financial interest pertains to a proposed contract with the District, the following requirements must be met.

The staff member, officer, ~~or agent,~~ ~~or Board member~~ shall disclose the direct financial interest in the contract to the Board with such disclosure made a part of the official Board minutes. If ~~the~~ ~~his/her~~ direct financial interest amounts to \$250 or more or five percent (5%) or more of the contract cost to the District, the staff member, officer, ~~or agent,~~ ~~or Board member~~ shall make the disclosure in one (1) of two (2) ways:

- a. In writing, to the Board president at least seven (7) days prior to the meeting at which the vote on the contract will be taken. The disclosure shall be made public in the same manner as the Board's notices of its public meetings. (See Bylaw 0165.)
 - b. By announcement at a meeting at least seven (7) days prior to the meeting at which a vote on the contract is to be taken. The staff member, officer, ~~or agent,~~ ~~or Board member~~ must use this method of disclosure if ~~the~~ ~~his/her~~ financial interest amounts to \$5,000 or more.
4. Employees, officers, ~~and agents,~~ ~~and Board members~~ shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship ~~the employee, officer, agent, or Board member~~ ~~they~~ may have with any student, client, or parents of such students or clients in the course of ~~the employee's, officer's, agent's, or Board member's~~ ~~their~~ employment or professional relationship with the ~~School~~-District.

Included, by way of illustration rather than limitation are the following:

- a. the provision of any private lessons or services for a fee during scheduled school hours
 - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's, ~~or agent's~~, or Board member's employment or professional relationship with the District through ~~his/her~~ access to ~~School~~ District records
 - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
 - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer, agent, Board member, or any business or professional practitioner with whom any employee, officer, ~~or agent~~, or Board member has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
5. Employees, officers, ~~and agents~~, and Board members shall not make use of materials, equipment, or facilities of the ~~School~~ District in private practice unless district protocol is followed and administrator approval is granted. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
- B. Should exceptions to this policy be necessary in order to provide services to students or clients of the ~~School~~ District, all such exceptions will be made known to the employee's, officer's, or agent's supervisor and will be disclosed to the Superintendent **before** entering into any private relationship.
- C. ~~Employees, officers, and agents can not participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.~~ No employee, officer, agent, or Board member with a real or apparent conflict of interest may participate in the selection, award, or administration of a contract supported by the Federal award. A conflict of interest includes when the employee, officer, agent, or Board member, any member of their immediate family, their partner, or an organization that 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 an entity considered for a contract.

~~Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds. For purposes of this section, "nominal value" means that the gift has a monetary value of \$73 or less, as established in M.C.L. 380.634. The Michigan Department of Education (MDE) adjusts the limits on the value of gifts that may be accepted from vendors or potential vendors for Intermediate School District employees.~~

[OPTION #1]

~~An employee, officer, agent, and Board member of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors~~ Employees, officers, and agents can not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts.

[OR] OR

[OPTION #2]

Pursuant to Federal rules, the District has set standards for situations where the financial interest is not substantial or the gift is an unsolicited item of nominal value. For purposes of this section, "nominal value" means that the gift has a monetary value of \$_____ or less as established in M.C.L. 380.634. Employees, officers, and agents shall not solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. Employees, officers, and agents may, however, accept a gift of unsolicited items of "nominal value" from a contractor or party to subcontracts that do not involve Federal grant funds. For purposes of this section, "nominal value" means that the gift has a monetary value of \$_____ or less.

D. ~~If to the extent that~~ the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the ~~School~~ District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the ~~School~~ District is unable, or appears to be unable, to be impartial **in conducting a procurement action involving a related organization.**

E. Employees, officers, ~~and~~ agents, **and Board members** must **promptly** disclose any potential conflict of interest which may lead to a violation of this policy to the ~~School~~ District. Upon discovery of any potential conflict of interest, the ~~School~~ District will disclose, in writing, the potential conflict of interest to the appropriate Federal ~~awarding~~ agency or, if applicable, the pass-through entity.

The District will also ~~disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity~~ **promptly disclose whenever, in connection with the Federal award (including any activities or subawards thereunder), it has credible evidence of the commission of a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code or a violation of the civil False Claims Act (31 U.S.C. 3729–3733). The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and pass-through entity. The District is also required to report matters related to recipient integrity and performance in accordance with Appendix XII of 2 C.F.R. Part 200.**

F. Employees, officers, ~~and~~ agents, **and Board members** found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

(**NOTE:** The ~~School~~ District has discretion over the appropriate disciplinary actions. For example, the ~~School~~ District may suspend or terminate the individual's employment, transfer the individual, end the District's professional relationship with that individual, or temporarily re-assign the individual. All disciplinary actions must be in accordance with applicable Federal, State, and local law, as well as any collectively bargained agreements.)

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Legal 2 C.F.R. 200.112, 200.113, 200.318
M.C.L. 380.634, 380.1805(1)

Book	Policy Manual
Section	Pending Board Approval
Title	GRANT FUNDS
Code	po6110
Status	
Adopted	September 12, 2001
Last Revised	May 11, 2022

6110 - GRANT FUNDS

It is the objective of the Board of Education to provide equal educational opportunities for all students within the District. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the District that would benefit students and the educational program. Therefore, it is the intent of the Board to consider grant proposals and applications for their potential to enhance educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent or designee shall review new Federal education legislation and prepare proposals for programs ~~with the Superintendent~~ deems would be of aid to the students of this District. The Superintendent or designee shall approve each such proposal prior to its submission, and ~~notify~~ the Board ~~shall approve of~~ all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. ~~The Board~~ forbids the use of Federal monies for partisan political activities and for any use that would not be in accordance with Federal regulations and guidelines.

No Federal funds received by the District shall be used (1) to develop or distribute materials, or operate programs or courses of instruction directed at youth, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual; (2) to distribute or to aid in the distribution by any organization of legally obscene materials to minors on school grounds; (3) to provide sex education or HIV-prevention education in schools unless that instruction is age-appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in schools.

Grant Proposal Development

- A. All grant proposals must support at least one (1) District goal or priority.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

Grant Proposal Internal Review

- A. ~~Each New~~ grant proposals shall be reviewed and approved by the Superintendent prior to submission to the funding source.
- B. The Superintendent shall present the proposals to the Board ~~for approval~~ as part of the Budget and Appropriations approval process.

Mandatory Disclosures

The District must promptly disclose whenever they have credible evidence of a violation of Federal criminal law potentially affecting the Federal award including, but not limited to, any fraud, embezzlement, bribery, gratuity violations, identity theft, or sexual assault and exploitation, or a violation of the civil False Claims Act (2 C.F.R. 175.105) regarding the obligation to report credible information related to conduct prohibited by the Trafficking Victims Protection Act, 22 U.S.C. 7104c.

The disclosure must be made in writing to the Federal agency, the agency's Office of Inspector General, and the pass-through entity.

Whistleblower Protections

An employee of the District may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing information to the appropriate agency or individual that the employee reasonably believes is evidence of gross mismanagement of a Federal contract or grant, a gross waste of Federal funds, an abuse of authority relating to a Federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a Federal contract or grant. See Policy 1411/3211/4211 - Whistleblower Protection and Policy 8900 - Anti-Fraud.

Grant Administration

- A. The administration of grants will adhere to all applicable Federal, State, local, and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as District policies and administrative guidelines.
- B. The Superintendent is responsible for the efficient and effective administration of grant awards through the application of sound management practices.
- C. The Superintendent is responsible for administering grant funds in a manner consistent with underlying agreements, applicable statutes, regulations, and objectives, and the terms and conditions of the grant award.
- D. The District, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls, including the organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- E. All Federal funds received by the District will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Superintendent may require that each draw of Federal monies be aligned with the District's payment process (whether reimbursement, cash advance or a combination).

Maintenance of Effort (MOE) and Maintenance of Equity (MOEquity) requirements of the Federal program will be met in accordance with the requirements of the specific funded program. The District shall maintain appropriate documentation and records to substantiate compliance or to justify allowable exceptions, exemptions, or waivers.

- F. The Superintendent is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.
- G. Employee positions established through the use of grant funding shall may terminate if and when the related grant funding ceases.
- H. Program reports including, but not limited to, audits, site visits and final reports shall be submitted to the Superintendent for review and distribution to the Board and other appropriate parties.

Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local, and grantor rules, regulations, and assurances as well as District policies and administrative guidelines.

The District shall provide for the following:

- A. Identification of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the Assistance Listings title and number, Federal award identification number, year the Federal award was issued, and name of the Federal agency or pass-through entity, in District accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.
- B. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.
- C. Effective control over and accountability for all funds, property, and assets. The District must safeguard all assets and ensure they are used solely for authorized purposes. Records that adequately identify the source and application of funds provided for Federally funded activities. These records must contain information pertaining to Federal

awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

- D. Effective control over, and accountability for, all funds, property, and other assets. The District must adequately safeguard all assets and assure that they are used solely for authorized purposes.

Further, the District must:

1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal award;
 2. comply with the U.S. Constitution, Federal statutes, regulations and the terms and conditions of the Federal award;
 3. evaluate and monitor the District's compliance with statutes, regulations and the terms and conditions of the Federal award; and
 4. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings;
 5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.
- E. Take reasonable cybersecurity and other measures to safeguard information including protected personally identifiable information (PII) and other types of information. This also includes information the Federal awarding agency or pass-through entity designates as sensitive or other information the District considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality. Comparison of expenditures with budget amounts for each Federal award.
- F. Actual expenditures or outlays must be compared with budgeted amounts for each Federal award.
- G. Recordkeeping and written procedures to the extent required by Federal, State, local, and grantor rules and regulations pertaining to the grant award and accountability, including but not limited to, the following areas:
1. cash management in accordance with 2 C.F.R. 200.305
 2. allowability of costs in accordance with subpart E and the terms and conditions of the Federal award
 3. conflict of interest
 4. procurement
 5. equipment management
 6. conducting technical evaluations of proposals and selecting recipients
 7. compensation and fringe benefits
 8. travel
- H. Disclosure of any potential conflict of interest and all mandatory violation disclosures potentially affecting the Federal award/grant to the Federal awarding agency or pass-through agency in accordance with applicable Federal policy.
- I. Insurance coverage for real property and equipment, if applicable, equivalent to such property owned by the District.

Audit Requirements

A single or program-specific audit (2 C.F.R. 200.514, 2 C.F.R. 200.507) is required for any year if the District expends \$1,000,000 or more in Federal awards during the District's fiscal year. When Federal awards expended are less than \$1,000,000, the District may be exempt from Federal audit requirements (2 C.F.R. 200.501) for that year. However, in all instances, the District's records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the Government Accountability Office (GAO).

The District shall:

- A. arrange for the audit required in accordance with 2 C.F.R. 200.509 and make sure that the audit is properly performed and submitted in accordance with 2 C.F.R. 200.512;
- B. prepare financial statements including the schedule of expenditures of Federal awards in accordance with 2 C.F.R. 200.510;
- C. promptly follow up and take corrective action on audit findings, including preparing a summary schedule of prior audit findings and a corrective action plan (2 C.F.R. 200.511); and
- D. provide the auditor access to personnel, accounts, books, records, supporting documentation, and any other information needed for the auditor to perform the audit.

Certifications and Records Retention

Financial reports must include a certification, signed by an official who is authorized to legally bind the District. The certification should state:

"I certify to the best of my knowledge and belief that the information provided herein is true, complete, and accurate. I am aware that the provision of false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil, or administrative consequences including, but not limited to, violations of U.S. Code Title 18, Sections 2, 1001, 1343 and Title 31, Sections 3729-3730 and 3801-3812"

Each certification must be maintained pursuant to the requirements of 2 C.F.R. 200.334. The District shall retain all Federal award records for three (3) years from the date of submission of the final financial report.

Program Income

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.

It 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, license fees and royalties on patents and copyrights, and 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. Additionally, taxes, special assessments, levies, fines and ~~other such similar~~ 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. Finally, license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions made under the Federal award subject to 37 C.F.R. Part 401 are not program income.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the District uses the deduction method of accounting for program income. Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the Federal ~~awarding~~ agency or pass-through entity.

- Revised 11/13/02
- Revised 8/15/07
- Revised 3/27/13
- Revised 9/13/17

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Legal	2 C.F.R. 200.501-511
	2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.302, 200.307
	2 C.F.R. 200.309, 200.310, 200.313, 200.318-.320, 200.343(b)&(e)
	34 C.F.R. 75.707, 76.563, 76.565, 76.707
	20 U.S.C. 7906
	Compliance Supplement for Single Audits of State and Local Governments

Book	Policy Manual
Section	Pending Board Approval
Title	INTERNAL CONTROLS
Code	po6111
Status	
Adopted	September 13, 2017

6111 - INTERNAL CONTROLS

The Superintendent shall establish, document, and maintain effective internal control over financial grants and awards that provide reasonable assurance that the program and funds are managed in compliance with applicable the U.S. Constitution, statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations;
- B. reliability of reporting for internal and external use; and
- C. compliance with applicable laws and regulations.

These internal controls should comply with the guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with the U.S. Constitution, Federal statutes, regulations, and the terms and conditions of the Federal awards;
- B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- D. take reasonable cybersecurity and other measures to safeguard protected "personally identifiable information" ("PII") and other information the awarding agency or pass-through entity designates as sensitive or the District considers sensitive consistent with applicable Federal, state, local, and tribal laws and District policies regarding privacy and obligations of confidentiality information including protected "personally identifiable information" (PII) and other types of information. This also includes information the Federal agency or pass-through entity designates as sensitive or other information the District considers sensitive and is consistent with applicable Federal, State, local, and tribal laws regarding privacy and responsibility over confidentiality.

PII is defined at 2 C.F.R. 200.791 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. "

However, the definition of PII is not anchored attached to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

Suggested resources:

- A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;
- B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.

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2 C.F.R. 200.1

2 C.F.R. 200.62

2 C.F.R. 200.303

Book	Policy Manual
Section	Pending Board Approval
Title	CASH MANAGEMENT OF GRANTS
Code	po6112
Status	
Adopted	September 13, 2017

6112 - CASH MANAGEMENT OF GRANTS

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The District's payments methods shall minimize the time elapsing between the transfer of funds from the ~~United States Treasury~~ ~~Federal agency~~ or the Michigan Department of Education (MDE) (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass-through entity to request payment. The District shall request grant funds payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit ~~requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of~~ payment requests as often as necessary when electronic fund transfers are used or at least monthly when electronic transfers are not used. See ~~requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of~~ the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested ~~will~~ **must** be as close as is administratively feasible to the actual disbursement ~~by the District~~ for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely payments ~~to~~ contractors in accordance with contract provisions.
- C. **Whenever possible, advance payment requests by the District must be consolidated to cover anticipated cash needs for all Federal awards received by the recipient from the awarding Federal agency or MDE.**
- D. ~~To the extent~~ If available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on ~~such Federal~~ funds before requesting additional cash payments. **[DRAFTING NOTE: It is generally recommended that the District request that program income be added to their total award, but separating program income out and then noting how to address these applicable credits.]**
- E. The District shall account for the receipt, obligation and expenditure of funds.
- F. Advance payments will be deposited and maintained in insured accounts whenever possible.
- G. Advance payments will be maintained in interest bearing accounts unless the following apply:
 1. The District receives less than ~~\$120~~ **250,000** in Federal ~~awards~~ **funding** per year.
 2. The best ~~reasonably~~ available interest-bearing account would not **reasonably** be expected to earn interest in excess of \$500 per year on Federal cash balances.

3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
 4. A foreign government or banking system prohibits or precludes interest bearing accounts.
 5. An interest-bearing account is not readily accessible (for example, due to public or political unrest in a foreign country).
- H. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal funds must be returned advance payments deposited in interest bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ("PMS") through an electronic medium using either the Automated Clearing House ("ACH") network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as "addenda records" by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number ("PAN") if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment ("ASAP"), National Science Foundation ("NSF") or another Federal agency payment system.
- I. All interest in excess of \$500 per year must be returned to PMS regardless of whether the District was paid through PMS. Instructions for returning interest can be found at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.
 - J. All other Federal funds must be returned to the payment system of the Federal agency. Returns should follow the instructions provided by the Federal agency. All returns to PMS should follow the instructions provided at <https://pms.psc.gov/grant-recipients/returning-funds-interest.html>.

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2 C.F.R. 200.305

Book	Policy Manual
Section	Pending Board Approval
Title	COST PRINCIPLES - SPENDING FEDERAL FUNDS
Code	po6114
Status	
Adopted	September 13, 2017
Last Revised	May 11, 2022

6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

Cost Principles

A cost is reasonable if it does not exceed an amount that a prudent person would incur under the circumstances prevailing when the decision was made to incur the cost. Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a 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;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students or membership (if applicable), the public at large, and the Federal Government; and
5. whether the cost represents any significant deviation from the established practices or Board of Education policy which may increase the expense the degree to which the cost represents a deviation from the Board of Education's established written policies and procedures for incurring costs.

While Federal regulations do not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. 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.

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

- a. the cost is needed for the proper and efficient performance of the grant program;
- b. the cost is identified in the approved budget or application;

- c. there is an educational benefit associated with the cost;
- d. the cost aligns with identified needs based on results and findings from a needs assessment;
- e. the cost addresses program goals and objectives and is based on program data.

A cost is allocable to the Federal award if the ~~goods or services involved are chargeable or~~ cost is assignable to ~~the that~~ Federal award in accordance with the relative benefit received. This standard is met if the cost: is incurred specifically for the Federal award; benefits both the Federal award and other work of the District and can be distributed in proportions that may be approximated using reasonable methods; ~~and or~~ is necessary to the operation of the District and is assignable ~~in part~~ to the Federal award in accordance with ~~these~~ cost principles ~~mentioned here~~.

- B. Conform to any limitations or exclusions set forth in the cost principles in 2 C.F.R. Part 200 or in the terms and conditions of the Federal award, including prohibitions regarding costs incurred for telecommunications and video surveillance services or equipment ~~or as a substantial or essential component of any system or as critical technology as part of any system~~. Such prohibition also applies to funds generated as program income, indirect cost recoveries, or to satisfy cost share requirements ~~related to any company the Federal Government recognizes as a national security risk~~.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
- D. Be accorded 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 allocated to a Federal award assigned as an indirect cost under another award.
- E. Be determined in accordance with generally accepted accounting principles.
- F. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those ~~transactions that offset or reduce direct or indirect costs receipts or reductions 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; ~~insurance refunds or rebates~~; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the ~~State District~~ relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

- G. Be not included as a match or cost-share ~~requirements of any other Federally-financed program in either the current or a prior period~~, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented:
 1. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant-funded programs to assure that only permissible personnel expenses are allocated;
 2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.
- I. ~~Administrative closeout costs may be incurred until the due date of the final report(s). If incurred, these costs must be liquidated prior to the due date of the final report(s) and charged to the final budget period of the award unless otherwise specified by the Federal agency.~~

~~Be~~ All other costs must be incurred during the approved budget period(s). At its discretion, the Federal agency is authorized to waive prior written approvals to carry forward unobligated balances to subsequent budget periods.

The budget period means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to ~~incur financial obligations carry out authorized work and expend~~ the funds awarded, including any funds carried forward or other revisions pursuant to ~~the law~~ 2 C.F.R. 200.308. Prior written approval from the Federal ~~awarding~~ agency or State pass-through entity may be required to carry forward unobligated balances to subsequent budget periods, unless waived.

Selected Items of Cost

The District shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.

The following rules of allowability must apply to equipment and other capital expenditures:

- A. Capital expenditures for general purpose equipment, buildings, and land are ~~unallowable~~ allowable as direct charges, ~~except~~ but only with the prior written approval of the Federal ~~awarding~~ agency or pass-through entity.
- B. Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of ~~\$5,000~~ 10,000 or more have the prior written approval of the Federal ~~awarding~~ agency or pass-through entity.
- C. Capital expenditures for improvements to land, buildings, or equipment ~~that~~ which materially increase their value or useful life are ~~unallowable~~ allowable as a direct cost ~~except~~ but only with the prior written approval of the Federal ~~awarding~~ agency, or pass-through entity.
- D. All Federally-funded contracts in excess of \$2,000 related to construction, alterations, repairs, painting, decorating, etc. must comply with Davis-Bacon prevailing wage requirements.
- E. Allowability of depreciation on buildings, capital improvements, and equipment shall be in accordance with 2 CFR 200.436 and 2 CFR 200.465.
- F. When approved as a direct cost by the Federal ~~awarding~~ agency or pass-through entity under Sections A-C, capital expenditures will be charged in the period in which the expenditure is incurred, or as otherwise determined appropriate and negotiated with the Federal ~~awarding~~ agency.
- G. The District may claim the unamortized portion of any equipment written off as a result of a change in capitalization levels by continuing to claim the otherwise allowable depreciation on the equipment, or by amortizing the amount to be written off over a period of years negotiated with the cognizant agency for indirect cost.
- H. If the District is instructed by the Federal ~~awarding~~ agency to otherwise dispose of or transfer the equipment, the costs of such disposal or transfer are allowable.
- I. Equipment and other capital expenditures are unallowable as indirect costs.

Statutory requirements may limit the allowability of costs. Any costs that exceed the maximum amount allowed by statute may not be charged to the Federal award. Only the amount allowable by statute may be charged to the Federal award.

Payments made for costs determined to be unallowable by the Federal agency, cognizant agency for indirect costs, or pass-through entity must be refunded (with interest) to the Federal Government.

Prior Written Approval

To avoid subsequent disallowance or dispute based on unreasonableness or nonallocability, the District may seek the prior written approval of the Federal agency (or, for indirect costs, the cognizant agency for indirect costs) before incurring the cost. The absence of prior written approval on any element of cost will not, in itself, affect the reasonableness or allocability of that cost unless prior approval is specifically required for allowability.

Cost Compliance

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

Determining Whether a Cost is Direct or Indirect:

The association of costs with a Federal award (rather than the nature of the procurement transaction) determines whether costs are direct or indirect. Costs incurred for the same purpose in like circumstances must be treated consistently as direct or indirect.

- A. 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.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; program evaluation costs or other institutional service operations; and infrastructure costs directly attributable to the program (such as long-distance telephone calls specific to the program, etc.). Direct costs may also include capital expenditures if approved by the Federal ~~awarding~~ agency or pass-through entity, as well as capital expenditures for special purpose equipment with a unit cost of less than \$~~5,000~~10,000.

If a cost benefits two (2) or more projects or activities in proportions that can be determined without undue effort or cost, the cost must be allocated to the projects based on the proportional benefit.

- B. 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. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one component of the District, the governing body of the District, compensation of the Superintendent, compensation of the chief executive officer of any component of the District, and operation of the immediate offices of these officers.

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:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal ~~awarding~~ agency.
4. The costs are not also recovered as indirect costs.

Where a Federal program has a specific cap on the percentage of administrative costs that may be charged to a grant, that cap shall include all direct administrative charges as well as any recovered indirect charges.

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Michigan Department of Education (MDE) or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

~~Equipment and other capital expenditures are unallowable as indirect costs.~~

Timely Obligation of Funds

Financial obligations are orders placed for property and services, contracts and subawards made, and similar transactions that require payment under a Federal award that will result in expenditures by a recipient or subrecipient under a Federal award. This term is used when referencing a recipient's or subrecipient's use of funds under a Federal award.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education ("USDOE") regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the District - when the services are performed.

Book	Policy Manual
Section	Pending Board Approval
Title	PROCUREMENT - FEDERAL GRANTS/FUNDS
Code	po6325
Status	
Adopted	September 27, 2017
Last Revised	June 12, 2024

6325 - PROCUREMENT – FEDERAL GRANTS/FUNDS

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies, and administrative procedures.

The Superintendent shall have and use a procurement and contract administration system in accordance with the USDOE requirements (2 C.F.R. 200.317-.326), including affirmative steps for small businesses, and minority businesses and women's business enterprises, veteran-owned businesses, and labor surplus area firms for the administration and management of Federal grants and Federally-funded programs. The District shall maintain oversight that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320 and AG 6320A.

When required by Federal program legislation, all Federally-funded contracts in excess of \$2,000 related to construction, alteration, repairs, painting, decorating, etc. must comply with Davis-Bacon prevailing wage requirements.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3110 and Policy 4110 – Conflict of Interest.

The District will avoid acquisition of unnecessary or duplicative items. ~~Consideration~~ Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. When appropriate, an analysis shall be made between leasing and purchasing property or equipment to determine the most economical approach, and where appropriate, an analysis shall be made of lease versus purchase alternatives and any 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.

To foster greater economy and efficiency, the District may enter into State and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Competition

All procurement transactions ~~under the for the acquisition of property or services required under a~~ Federal award paid for from Federal funds or District matching funds shall be conducted in a manner that ~~provides~~ encourages full and open competition and that is in accordance with 2 C.F.R. Part 200, good administrative practice, and sound business judgment. ~~To ensure~~ In order to ~~promote~~ objective contractor performance and eliminate unfair competitive advantage, the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids ~~or requests for proposals~~ from competition for such procurements.

~~Examples of situations that may restrict competition include, but are not limited to~~ Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms ~~in order~~ for them to qualify to do business;
- B. unnecessary experience and excessive bonding requirements;
- C. noncompetitive pricing practices between firms or between affiliated companies;

- D. noncompetitive contracts to consultants that are on retainer contracts;
- E. organizational conflicts of interest;
- F. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- G. any arbitrary action in the procurement process.

~~Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless 1) an applicable Federal statute expressly mandates or encourages a geographic preference; or 2) the District is contracting for architectural and engineering services, in which case 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.~~

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and services that are subject to this policy, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list.

The District shall require that all prequalified lists of persons, firms, or products which are used in procurement transactions are current and include enough qualified sources to provide maximum open competition. When establishing or amending prequalified lists, the District (or subrecipient) must consider objective factors that evaluate price and cost to maximize competition acquiring goods and services are current and include enough qualified sources to provide maximum open and free competition. The District shall not preclude potential bidders from qualifying during the solicitation period.

To the extent consistent with established practices and legal requirements applicable to the recipient or subrecipient, this subpart does not prohibit recipients or subrecipients from developing written procedures for procurement transactions that incorporate a scoring mechanism that rewards bidders that commit to specific numbers and types of U.S. jobs, minimum compensation, benefits, on-the-job-training for employees making work products or providing services on a contract, and other worker protections. This subpart also does not prohibit recipients and subrecipients from making inquiries of bidders about these subjects and 2 C.F.R. Revisions 2024: Unofficial Comparison Version assessing the responses. Any scoring mechanism must be consistent with the U.S. Constitution, applicable Federal statutes and regulations, and the terms and conditions of the Federal award.

Solicitation Language (Purchasing Procedures)

The District shall have written procurement procedures (in accordance with 2 C.F.R. 200.319(d)) that require that all solicitations made pursuant to this policy incorporate a clear and accurate description of the technical requirements for the property, equipment, or service being procured material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the property, equipment, material and/or product or service to be procured. When necessary, the description must and, when necessary, shall set forth those minimum essential characteristics and standards to which the property, equipment, or service shall conform it shall 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 clearly and accurately describe make a clear and accurate description of the technical requirements, a "brand name or equivalent" description of features to provide procurement requirements may be used. The specific features of the named brand must be clearly stated and the District must identify any additional requirements which the offerors must fulfill and all other factors that will be used in evaluating bids or proposals may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which shall be met by offers shall be clearly stated; and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

Procurement Methods

The District shall have and use documented procedures, consistent with the standards described above for the following methods of procurement:

A. Informal Procurement Methods

Informal procurement methods for small purchases expedite the completion of transactions, minimize administrative burdens, and reduce costs. Informal procurement methods may be used when the value of the procurement transaction When the value of the procurement for property or services under a Federal award does not exceed the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are not required. The informal procurement methods District may use informal procurement methods to expedite the completion

~~of its transactions and minimize the associated administrative burden and cost. The informal methods used for procurement of property or services at or below the simplified acquisition threshold include:~~

1. Micro-purchases

Procurement by micropurchase is the acquisition of supplies or services, the aggregate dollar amount consistent with the Code of Federal Regulations (C.F.R.) 200.67 Micro-purchases. To the extent practicable, the District should distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if Superintendent considers the price to be reasonable **based on research, experience, purchase history, or other relevant information, and maintains documents to support its conclusion. The District shall maintain evidence of this reasonableness in the records of all purchases made by this method.**

2. Small Purchases

Small purchases include the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the State of Michigan bid threshold (M.C.L. 380.1274) for goods and the Federal Simplified Acquisition Threshold as defined in 2 C.F.R. 200.88 for services. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

Districts are responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures which must not exceed the threshold established in the Federal Acquisition Regulations (FAR). When applicable, a lower simplified acquisition threshold used by the ~~non-Federal entity~~**District** must be authorized or not prohibited under State, local, or tribal laws or regulations.

B. Formal Procurement Methods

When the value of the procurement for property or services under a Federal award exceeds the simplified acquisition threshold, or a lower threshold established by the State, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement method can be used in accordance with the standards on competition in C.F.R. 200.319 or non-competitive procurement. The formal methods of procurement are:

1. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to more than the amount allowed by Michigan statute and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed the amount allowed by Michigan statute.

In order for sealed bidding to be feasible, the following conditions shall be present:

- a. a complete, adequate, and realistic specification or purchase description is available;
- b. two (2) or more responsible bidders **are have been defined as** willing and able to compete effectively for the business; and
- c. the procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally **based** ~~on the basis of~~ price.

When sealed bids are used, the following requirements apply:

- a. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
- b. The invitation for bids ~~will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond~~**must define the items or services with specific information, including any required specifications, for the bidder to properly respond.**
- c. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.

- d. A firm, fixed-price contract ~~is awarded~~ ~~award will be made~~ in writing to the lowest **responsive bid and** responsible bidder. **When specified in the invitation for bids** ~~Where specified in bidding documents,~~ factors such as discounts, transportation costs, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts ~~must~~ **may** only be used to determine the low bid when **the District determines they are a valid factor based on** ~~prior experience indicates that such discounts are usually taken.~~
- e. The Board reserves the right to reject any or all bids, **but must document and provide a justification for all bids it rejects** for sound documented reason.

2. Proposals

Procurement by proposals is a method in which either a fixed price or cost-reimbursement ~~type~~ contract is awarded. ~~Proposals are generally~~ **This method is** used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method.

~~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 that firms are a potential source to perform the proposed effort.~~

If this method is used, the following requirements apply:

- a. Requests for proposals **require public notice, and must** ~~shall be publicized and~~ identify all evaluation factors and their relative importance. **To the maximum extent practicable, any proposals submitted in response to the public notice must be considered** ~~Any response to the publicized requests for proposals shall be considered to the maximum extent practical.~~
- b. Proposals shall be solicited from an adequate number of sources.
- c. The District **must have written procedures** ~~shall use its written method~~ for conducting technical evaluations **and for making selections** ~~of the proposals received and for selecting recipients.~~
- d. Contracts ~~must~~ **shall** be awarded to the responsible ~~offeror~~ **firm** whose proposal is most advantageous to the **District considering price and other factors** ~~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 the 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.

3. Noncompetitive Procurement

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

- a. **the aggregate amount of the procurement transaction does not exceed the micro-purchase threshold;** ~~micro-purchases~~
- b. ~~the item is available only from~~ **the procurement transaction can only be fulfilled by** a single source;
- c. the public exigency or emergency for the requirement will not permit a delay resulting from ~~publicizing~~ **providing public notice of** a competitive solicitation;
- d. ~~the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the District~~ **the District requests in writing to use a noncompetitive procurement method, and the Federal agency or pass-through entity provides written approval; or**
- e. after ~~solicitation of a number of~~ **soliciting several** sources, competition is determined to be inadequate.

Domestic Preference for Procurement

The District should, as appropriate and to the extent consistent with law, the District shall, to the extent practicable and consistent with law under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States. Such requirements shall be included in all subawards, including all contracts, and purchase orders for work or products under the Federal award.

Procurement of Recovered Materials

The District must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6962. These requirements include:

- A. procuring only items designated in the guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000;
- B. procuring solid waste management services in a manner that maximizes energy and resource recovery; and
- C. establishing an affirmative procurement program for the procurement of recovered materials identified in the EPA guidelines.

The District should, to the greatest extent practicable and consistent with law, purchase, acquire, or use products and services that can be reused, refurbished, or recycled; contain recycled content, are biobased, or are energy and water efficient; and are sustainable.

This may include purchasing compostable items and other products and services that reduce the use of single-use plastic products.

Contract/Price Analysis

The District shall perform a cost or price analysis for every procurement transaction, including contract modifications, in excess of the Simplified Acquisition Threshold (currently \$250,000). The method and degree of analysis conducted depend on the facts surrounding the particular procurement transaction. For example, the District should consider potential workforce impacts in their analysis if the procurement transaction will displace public sector employees. However, as a starting point, the District must make independent estimates before receiving bids or proposals in connection with every procurement action in excess of \$250,000, including contract modifications. 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 District must not use the "cost plus a percentage of cost" and "percentage of construction costs" methods of contracting.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that the costs incurred or cost estimates included in negotiated prices would be allowable for the District according to cost principle requirements. The method and degree of analysis are dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate 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.

Time and Materials Contracts

The District uses 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. A 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 Because 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. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Suspension and Debarment

The District will award contracts only to responsible contractors that possess possessing the ability to perform successfully under the terms and conditions of the proposed contract procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as 1) contractor integrity; 2) compliance with public policy; 3) compliance; 4) proper classification of employees; 5) record of past performance; and 6) 4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 C.F.R. Part 180.

Suspension is an action taken by the District that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. Chapter 1) for a temporary period, pending completion

Book	Policy Manual
Section	Pending Board Approval
Title	TRAVEL PAYMENT & REIMBURSEMENT
Code	po6550
Status	
Adopted	June 12, 2013
Last Revised	September 13, 2017

6550 - TRAVEL PAYMENT & REIMBURSEMENT

[DRAFTING NOTE: Travel charges must be consistent with the District's established written policies. The District must allow costs for "above and beyond regular dependent care" if consistent with established written policy for all travel.]

Travel expenses incurred for official business travel on behalf of the Board of Education shall be limited to those expenses necessarily incurred by the employee in the performance of a public purpose authorized, in advance, in accordance with administrative guidelines. Travel costs may include the transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the District.

The District shall establish mileage rates in accordance with the Federal IRS prescribed mileage rate.

Employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

Commercial airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would (1) require circuitous routing; (2) require travel during unreasonable hours; (3) excessively prolong travel; (4) result in additional costs that would offset the transportation savings; or (5) offer accommodations not reasonably adequate for the traveler's medical needs. Instances of commercial airfare cost in excess of the basic least expensive unrestricted accommodations class must be justified and documented on a case-by-case basis.

~~[] The costs of identifying and providing locally available dependent care resources for conference participants are allowable as needed.~~

[X] Conference costs must be appropriate, necessary, and managed to minimize costs to the Federal award.

[DRAFTING NOTE: This draft policy includes the Federal rules for commercial airfare and temporary dependent care costs. Based on State or local laws and policies, Districts may decide that all temporary dependent care costs or commercial airfare costs in excess of the basic least expensive unrestricted accommodations class are unallowable under any circumstance.]

Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the District's travel policy and administrative guidelines. For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that (1) the participation in the event by the individual traveling is necessary to the Federal award; and (2) the costs are reasonable and consistent with the District's travel policy.

All travel shall comply with the travel procedures and rates established in the administrative guidelines. All costs incurred with Federal funds must meet the cost allowability standards within Board Policy 6114.

To the extent that the District's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.

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Book	Policy Manual
Section	Pending Board Approval
Title	DISPOSITION OF SURPLUS PROPERTY
Code	po7310
Status	
Adopted	September 12, 2001
Last Revised	September 13, 2017

7310 - **DISPOSITION OF SURPLUS PROPERTY**

The Board of Education requires the Superintendent to review the property of the District periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy.

A. Instructional Material

The District shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current
3. worn beyond salvage

B. Equipment

[DRAFTING NOTE: Pursuant to 2 C.F.R. 200, the following definition regarding equipment being tangible personal property should be added to the County policy. See also Policy 7450 - Property Inventory to provide for a consistent threshold for such expenditures.]

For purposes of this policy, equipment shall mean tangible personal property (including information technology systems), a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, having a useful life of more than one (1) year, and a per-unit cost that equals or exceeds \$~~5,000~~ 5,000 (X) to replace ~~()~~ as a single unit [END OF OPTION] and does not lose its identity when incorporated into a more complex unit.

The District shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate the equipment has no usable life remaining
3. obsolete and no longer contributing to the educational program
4. some potential for sale at a school auction
5. creates a safety or environmental hazard

C. Disposition

The Superintendent is authorized to dispose of obsolete instructional and other property by selling, it to the highest bidder, by donation to appropriate parties, or by proper waste removal in compliance with 2 C.F.R. 200.313(e) and 200.314.

When there is a residual inventory of unused supplies exceeding \$10,000 in aggregate value at the end of the period of performance, and the supplies are not needed for any other Federal award, the District may retain or sell the unused supplies. Unused supplies means supplies that are in new condition, not having been used or opened before. The aggregate value of unused supplies consists of all supply types, not just like-item supplies. The Federal agency or pass-through entity may be entitled to compensation in an amount prescribed in 2 C.F.R. 200.314.

Disposal of surplus property purchased with Federal funds shall be disposed of in accordance with Federal guidelines.

When 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, the District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award.

Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.

~~Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.~~

Except as provided in §200.313~~200.312~~ Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current ~~per unit~~ fair-market value in excess of \$~~10,000~~~~5,000~~ (per unit) may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale ~~by the Federal awarding agency's percentage of participation in the cost of the original purchase.~~ If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$~~1,000~~~~500~~ or ten percent (10%) of the proceeds, whichever is less, to cover expenses associated with the selling and handling of the equipment~~for its selling and handling expenses.~~

The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

When included in the terms and conditions of the Federal award, the Federal agency may permit the District to retain equipment, or authorize MDE to permit the District to retain equipment, with no further obligation to the Federal Government unless prohibited by Federal statute or regulation.

[CROSS REFERENCE: po7450]

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Legal 2 C.F.R. 200.312, 200.313

Cross References po7450 - PROPERTY INVENTORY

Book	Policy Manual
Section	Pending Board Approval
Title	PROPERTY INVENTORY
Code	po7450
Status	
Adopted	December 12, 2012
Last Revised	May 11, 2022

7450 - **PROPERTY INVENTORY**

As steward of this District's property, the Board of Education recognizes that efficient management and full replacement upon loss requires accurate inventory and properly maintained property records.

The District shall ~~conduct a complete~~ maintain an inventory of all District-owned equipment ~~every two (2) years and at such intervals that coincide with~~ Generally Accepted Accounting Principles ("G.A.A.P.") reporting requirements.

For purposes of this policy, "equipment" shall mean **tangible personal property (including information technology systems)**, a unit of furniture or furnishings, an instrument, a machine, an apparatus, or a set of articles which retains its shape and appearance with use, is nonexpendable, **having a useful life of more than one (1) year, and a per-unit cost that equals or exceeds** ~~costs at least~~ \$5,000 to replace ~~and/or as a single unit~~ and does not lose its identity when incorporated into a more complex unit. When defining supplies for inventory purposes, no items will be counted whose total value is less than \$5,000. **DRAFTNG NOTE: The Federal threshold (2 C.F.R. 200.439) for a supply designation is \$10,000,000 regardless of length of useful life, however, the District may set an early acquisition cost level for designation as supply. Capital expenditures with a unit cost of \$10,000,000 or more require prior written approval of the Federal awarding agency or pass-through entity.**

It shall be the duty of the Superintendent to ensure that inventories are recorded systematically and accurately and property records of equipment are updated and adjusted annually by reference to purchase orders and withdrawal reports.

Major items of equipment shall be subject to annual spot check inventory to determine loss, mislocation, or depreciation; any major loss shall be reported to the Board.

The District shall maintain a system of property records which shall show, as appropriate to the item recorded, the description and identification **(serial number or other identification number)**, and year of purchase, ~~initial cost, location, and/or condition and depreciation.~~

The District is responsible for maintaining and updating property records when there is a change in the status of the property.

Equipment acquired **in whole or in part** under a Federal award will vest upon acquisition to the District, subject to the following conditions:

- A. The equipment shall be used for the authorized purposes of the award project during the period of performance or until the equipment is no longer needed for the purposes of the project.
- B. **While the equipment is being used for the originally-authorized purpose, the District (or subrecipient) must not dispose of or encumber its title or other interests without the approval of the Federal agency or pass-through entity.** ~~The equipment shall not be encumbered without the approval of the Federal awarding agency or the pass-through entity.~~
- C. The equipment may only be used and disposed of in accordance with the provisions of the Federal ~~awarding~~ agency or the pass-through entity and Policy 7300 - **Disposition of Real/Personal Property** and Policy 7310 - **Disposition of Surplus Property (X)**, and AG 7310 - **Disposal of District Property**.
- D. **The District must use equipment for the project or program for which it was acquired and for as long as needed, whether or not the project or program continues to be supported by the Federal award. The District must not encumber the equipment without prior approval of the Federal agency or pass-through entity.**

- E. When no longer needed for the original project or program, the equipment may be used in other activities in the following order of priority:
1. Activities under other Federal awards from the Federal agency that funded the original program or project; then
 2. Activities under Federal awards from other Federal agencies. These activities include consolidated equipment for information technology systems.
- F. During the time that equipment is used on the project or program for which it was acquired, the District must also make the equipment available for use on other programs or projects supported by the Federal Government, provided that such use will not interfere with the purpose for which it was originally acquired. First preference for other use of the equipment must be given to other programs or projects supported by the Federal agency that financed the equipment. Second preference must be given to programs or projects under Federal awards from other Federal agencies. Use for non-Federally funded projects is also permissible, provided such use will not interfere with the purpose for which it was originally acquired. The District should consider charging user fees as appropriate. If the District does use equipment to earn program income, it must not charge a fee that is less than a private company would charge for similar services unless specifically authorized by Federal statute.
- G. When acquiring replacement equipment, the District may either trade-in or sell the equipment and use the proceeds to offset the cost of the replacement equipment.
- H. Property records shall be maintained that include a description of the equipment, a serial number or other identification number, the source of funding for the equipment (including the Federal Award Identification Number (FAIN), title holder, acquisition date, cost of the property, entity, acquisition date, cost of the equipment, percentage of Federal agency contribution toward the original purchase, participation in the project costs for the award under which the equipment was acquired, the location, use, and condition of the property, equipment, and ultimate disposition data, including date of disposal and sale price of the property, equipment.
- I. A physical inventory of the property must be taken, conducted and results reconciled with property records at least once every two (2) years.
- J. A control system shall be in place, developed to provide safeguards for preventing adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft of the property must be investigated. The District must notify the Federal agency or pass-through entity of any loss, damage, or theft of equipment that will have an impact on the program.
- K. Adequate Regular maintenance procedures shall be implemented to keep the property in good, proper working condition.
- L. Proper sales procedures shall be established to ensure the highest possible return, in the event the District is authorized or required to sell the equipment/property.
- M. When original or replacement equipment acquired under a Federal award is no longer needed for the original project/program or for activities currently or previously supported by a Federal awarding agency, and except as otherwise provided by Federal statutes, regulations, or Federal awarding agency disposition instructions, the District shall request disposition instructions from the Federal awarding agency or pass-through entity if required by the terms and conditions of the Federal award. Disposition of the equipment shall be made in accordance with the provisions of C.F.R. 200.313.

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[CROSS REFERENCE: po7310]

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Legal 2 C.F.R. 200.313

Cross References po7310 - DISPOSITION OF SURPLUS PROPERTY