

SPECIAL UPDATE

October 2024

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

This special update package consists of the following:

Revisions to 11 current bylaws/policies; and Revisions to 2 administrative guidelines.

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 Wisconsin Department of Public Instruction.

OMB revised its guidance and the regulations in 2 C.F.R. 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 procedures templates and is providing appropriate revisions and additions in this special update to assist districts in meeting compliance standards put forth by OMB.

This Update includes the following documents:

Policy 3440 - Job-Related Expenses (Revised)

Policy 4440 - Job-Related Expenses (Revised) Policy 6110 - Grant Funds (Revised)

Policy 6111 - Internal Controls (Revised)

Policy 6112 - Cash Management of Grants (Revised)

Policy 6114 - Cost Principles - Spending Federal Funds (Revised)

Policy 6325 - Procurement - Federal Grants/Funds (Revised)

Policy 7310 - Disposition of Personal Property (Revised)

Policy 7450 - Property Inventory (Revised)

AG 6325 - Procurement - Federal Grants/Funds (New)

AG 7450 - Inventory Procedure (Revised)



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	JOB-RELATED EXPENSES
Code	po3440
Status	
Adopted	August 1, 2006
Last Revised	September 27, 2022

3440 - **JOB-RELATED EXPENSES**

The Board may provide for the payment of the actual and necessary expenses, including traveling expenses, of any professional staff member of the District incurred in the course of performing services for the District, whether within or outside the District, under the direction of the Board and in accordance with the District Administrator's administrative guidelines.

The validity of payments for job-related expenses shall be determined by the District Administrator.

Payment and reimbursement rates for per diem meals, lodging, and mileage shall be approved by the Board annually. The Board shall establish mileage rates in accordance with the Federal Internal Revenue Service 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.

[DRAFTING NOTE: Choosing this option requires this also to be applicable to all District travel.]

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

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

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.

The Board shall pay the expenses of professional staff members when they attend professional meetings approved in accordance with the policy of this Board and in accordance with the administrative guidelines of the District Administrator.

Whenever a staff member is unable to provide appropriate expense documentation, they may be reimbursed upon written approval of the expenses by the District Administrator.

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 6110 - **Grant Funds**.

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 the President (or designee), must apply to travel under Federal awards.

2 C.F.R. 200.464

2 C.F.R. 200.474

2 C.F.R. 200.475

~~5 U.S.C. 5701-11~~

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Revised 3/21/16

Revised 10/28/19

T.C. 9/27/22

Legal

2 C.F.R. 200.474

5 U.S.C. 5701-11



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	JOB-RELATED EXPENSES
Code	po4440
Status	
Adopted	August 1, 2006
Last Revised	October 1, 2024

4440 - **JOB-RELATED EXPENSES**

The Board may provide for the payment of the actual and necessary expenses, including traveling expenses, of any support staff member of the District incurred in the course of performing services for the District, whether within or outside the District, under the direction of the Board and in accordance with the District Administrator's administrative guidelines.

The validity of payments for job-related expenses shall be determined by the District Administrator.

Payment and reimbursement rates for per diem meals, lodging, and mileage shall be approved by the Board annually. The Board shall establish mileage rates in accordance with the Federal Internal Revenue Service 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.

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

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

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.

The Board shall pay the expenses of support staff members when they attend professional meetings approved in accordance with the policy of this Board and in accordance with the administrative guidelines of the District Administrator.

Whenever a staff member is unable to provide appropriate expense documentation, they may be reimbursed upon written approval of the expenses by the District Administrator.

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 6110 - ~~Federal~~ Grant Funds.

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 the President (or designee), must apply to travel under Federal awards.

2 C.F.R. 200.464

2 C.F.R. 200.474

2 C.F.R. 200.475

~~5 U.S.C. 5701-11~~

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2 C.F.R. 200.474

5 U.S.C. 5701-11



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	GRANT FUNDS
Code	po6110
Status	
Adopted	August 1, 2006
Last Revised	October 28, 2019

6110 - **FEDERAL GRANT FUNDS**

It is the objective of the Board of Education to provide equal educational opportunities for all District students within the District. Government agencies, as well as foundations, businesses, and individuals, periodically offer both human and material resources to the District that benefit students and the educational program. Therefore, it is the intent of the Board to study Federal legislation 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 District Administrator shall review new Federal education legislation and prepare proposals for programs s/he the District Administrator deems would be of aid to the students of this District. The District Administrator shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accord with Federal guidelines on discrimination. All Federal funds received by the District will be used in accordance with the applicable Federal regulations and guidelines. The District Administrator shall ensure that each draw of Federal monies is as close as administratively feasible to the related program expenditures.

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 the instruction is age appropriate and includes the health benefits of abstinence; or (4) to operate a program of contraceptive distribution in the 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

Each grant proposal shall be reviewed and approved by the District Administrator prior to submission to the funding source.

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. 200.113) 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 and the agency's Office of Inspector General, and to the pass-through entity, such as the Department of Public Instruction.

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 1211/Policy 3211/Policy 4211 - Whistleblower Protection and Policy 8900 - 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 District Administrator is responsible for the efficient and effective administration of grant awards through the application of sound management practices.
- C. The District Administrator is responsible for administering grant funds in a manner consistent with underlying agreements, ~~program~~ 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 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 District Administrator shall require that each draw of Federal monies be aligned with the District's payment process (whether reimbursement, cash ~~advance~~ advance, or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.

Maintenance of Effort (MOE) and Maintenance of Equity (MOE) 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 District Administrator 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 terminate if and when the related grant funding ceases.
- H. Program reports including but not limited to audit, site visits and final reports shall be submitted to the District Administrator 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 Administrator 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, the year the Federal award was issued, and name of the Federal agency or pass-through entity. Identification, 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.

Maintaining records that sufficiently identify the amount, source, and expenditure of Federal funds for Federal awards. These records must contain information necessary to identify Federal awards, authorizations, financial obligations, unobligated balances, as well as assets, expenditures, income, and interest. All records must be supported by source documentation.

- C. ~~Records that identify adequately 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~~ ensure 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; and.~~
 5. ~~take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or 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~~**local**, and grantor rules and regulations pertaining to the grant award and ~~accountability~~**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 or longer if required by the Board-adopted retention schedule.

Cost Principles

The District Administrator 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 the associated agreements/assurances, program objectives, and the specific terms and conditions of the grant award.

Costs may be allowable to a specific grant award if the cost is necessary and reasonable for the performance of the grant program initiative, is in accordance with generally accepted accounting principles (GAAP), and is allocable to the grant award if the goods or services involved are charged in accordance with relative benefits accrued to the initiative. A cost is reasonable if it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the purchasing decision is made.

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 the District 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.

2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.113, 200.302, 200.307
2 C.F.R. 200.309, 200.310, 200.313, 200.318 - .320, 200.343(b) & (e), 200.403
2 C.F.R. 200.404 and 200.406, 200.501-511
34 C.F.R. 75.707, 76.563, 76.565, 76.707
Compliance Supplement for Single Audits of State and Local Governments
20 U.S.C. 7906

31 U.S.C. 3729-3733

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Legal 34 C.F.R. 75.707, 76.563, 76.565, 76.707
2 C.F.R. 200.56, 200.71, 200.77, 200.80, 200.112, 200.113, 200.302, 200.307
2 C.F.R. 200.309, 200.310, 200.313, 200.318 - .320, 200.343(b) & (e), 200.403,
2 C.F.R. 200.404 and 200.406
Compliance Supplement for Single Audits of State and Local Governments
20 U.S.C. 7906



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	INTERNAL CONTROLS
Code	po6111
Status	
Adopted	March 21, 2016
Last Revised	October 28, 2019

6111 - INTERNAL CONTROLS

The District Administrator shall establish, document, and maintain effective internal controls over Federal awards that provide reasonable assurance that the District is managing all Federal awards 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 the U.S. Constitution, 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 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. "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.

PII is defined at 2 C.F.R. Section 200.79200.1 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 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.

~~2 C.F.R. 200.61 .62~~

2 C.F.R. ~~200.79~~200.1

2 C.F.R. 200.303

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Book Policy Manual
Section Ready for Board Review EDGAR Policies
Title CASH MANAGEMENT OF GRANTS
Code po6112
Status
Adopted October 28, 2019

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 District Administrator shall implement internal controls in the area of cash management.

The District's ~~payments~~ **payment** methods shall minimize the time elapsing between the transfer of funds from the ~~United States Treasury Federal agency~~ or the Department of Public Instruction (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic funds 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 District Administrator is authorized to submit **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~~ **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~~ **disbursements by the District** for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely ~~payment~~ **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 Wisconsin Department of Public Instruction (DPI).**
- 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~~ **such Federal** funds before requesting additional cash payments.
- E. The District shall account for the receipt, ~~obligation~~ **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~~ **interest-bearing** accounts unless the following apply:
 1. The District receives less than ~~\$120,000~~ **\$250,000** in Federal ~~awards~~ **funding** per year.
 2. The best ~~reasonably~~ **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~~ **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 ~~advance payments deposited in interest-bearing accounts must be remitted~~ funds must be returned 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 ASAP, 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	Ready for Board Review EDGAR Policies
Title	COST PRINCIPLES - SPENDING FEDERAL FUNDS
Code	po6114
Status	
Adopted	October 28, 2019
Last Revised	June 27, 2022

6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS

The District Administrator 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~~ State, and local laws, the associated agreements/assurances, program ~~objectives~~ 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~~ tribal, and other laws and regulations;
3. market prices for comparable ~~goods or services~~ costs 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 does not represent any significant deviation from the established practices or Board policy which may unjustifiably increase the expense~~ the degree to which the cost represents a deviation from the Board's established written policies and procedures for incurring costs.

~~Whether an expenditure is necessary is determined based on the needs of the program. The expenditure must be necessary to achieve an important program objective and it must be established that the expenditure addresses an existing need. 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:

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

3. there is an educational benefit associated with the cost;
4. the cost aligns with identified needs based on results and findings from a needs assessment;
5. 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 assignable to the Federal award in accordance with the relative benefit received.

This standard is met if the cost:

1. is incurred specifically for the Federal award;
 2. 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~~
 3. is necessary to the overall 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 **as required by law 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.
- 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 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~~ **credits**, or offsets.

The term **"applicable credits"** **applicable credits** refers to those ~~receipts or reductions of expenditures that operate to offset or reduce expense items~~ **transactions that offset or reduce direct or indirect costs** 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 District Administrator shall implement a system for District personnel to account for time and efforts expended on grant-funded programs to ~~assure~~ **document** 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. **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 ~~carry out authorized work and expend~~ **incur financial obligations** of 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~~ **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 ~~(as defined in Policy 7455—Accounting System for Capital Assets):~~

- A. Capital expenditures for ~~general purpose~~ **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 ~~which~~ **that** 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, alteration, 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 C.F.R. 200.436 and 2 C.F.R. 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 District Administrator 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. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs, but may not be double charged or inconsistently charged as both.

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 agency or pass-through entity, as well as capital expenditures for special purpose equipment with a unit cost of less than \$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 (1) 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 (1) component of the District, the governing body of the District, compensation of the District Administrator, 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 Wisconsin Department of Instruction (DPI) or the pass-through entity (Federal funds subject to 2 CFR Part 200 pertaining to determining indirect cost allocation).

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.

The following list illustrates when funds are determined to be obligated under the U.S. Department of Education 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.
- C. Personal services by a contractor who is not an employee of the District - on the date which the District makes a binding written commitment to obtain the services.
- D. Performance of work other than personal services - on the date when the District makes a binding written commitment to obtain the work.
- E. Public utility services - when the District receives the services.
- F. Travel - when the travel is taken.
- G. Rental of property - when the District uses the property.
- H. A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 C.F.R. Part 200, Subpart E - Cost Principles - on the first day of the project period.

When Obligations are Made

Financial obligations are orders placed for property and services, contracts and subawards made, and similar transactions that require payment.

This term is used when referencing a recipient's or subrecipient's use of funds under a Federal award.

The following table illustrates when funds are determined to be obligated under the U.S. Department of Education regulations:

If the obligation is for:	The obligation is made:
Acquisition of Property	On the date the District makes a binding written commitment to acquire property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date the District makes a binding agreement to obtain the services
Performance of work other than personal services	On the date when the District makes a binding written commitment to obtain the work



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6325 - **PROCUREMENT – FEDERAL GRANTS/FUNDS**

Procurement of all supplies, materials, equipment, and services paid for from Federal funds including any 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 policies, and administrative procedures.

The District Administrator 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, minority business, 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 and administrative guidelines (Policy 6320 - Purchasing and AG 6320A - Purchasing).

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 – Ethics and Conflict of Interest, Policy 3230 – Ethics and Conflict of Interest, and Policy 4230 – Ethics and Conflict of Interest.

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

Competition

All procurement transactions ~~for the acquisition of property or services required under a~~ under the Federal award paid for from Federal funds or District matching funds shall be conducted in a manner that ~~encourages~~ provides full and open competition and that is in accordance with 2 C.F.R. Part 200, good administrative ~~practice~~ practice, and sound business ~~judgement~~ judgment. ~~In order to promote~~ To ensure 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~~ bids, from competition for such procurements.

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

- 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
- 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~~ 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 on a continuous basis.

The District shall require that all prequalified lists of persons, firms, or products which are used in ~~acquiring goods and services are current and include enough qualified sources to provide maximum open and free competition~~ 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. 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 incorporate a clear and accurate description of the technical requirements for the ~~material, product, or service to be procured~~ property, equipment, or service being 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 material, ~~product~~ property, equipment, or service to be procured. ~~and, when necessary, shall~~ When necessary, the description must set forth those minimum essential characteristics and standards to which ~~it shall conform if it is to satisfy its intended use~~ the property, equipment, or service shall conform. Detailed product specifications should be avoided if at all possible.

When it is impractical or uneconomical to ~~make a clear and accurate description of~~ clearly and accurately describe the technical requirements, a "brand name or equivalent" description ~~may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which 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~~ 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.

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 for property or services transaction 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 District may use informal procurement methods to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal procurement methods used for procurement of property or services at or below the simplified acquisition threshold include:

1. Micro-purchases Purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,500. To the maximum extent practicable, the District should distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the District Administrator considers the price to be reasonable based on research, experience, purchase history or other relevant information and documents are filed accordingly 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 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 simplified acquisition threshold of \$150,000, except as otherwise required by State law. Small purchase procedures require that price or rate quotations shall be obtained from two (2) 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) ("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 200.319 or non-competitive procurement. The formal methods of procurement are:

1. Sealed bids 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 \$150,000, unless otherwise required by State law.

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 identified 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 two (2) 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 ~~award will be made~~ is awarded in writing to the lowest responsive bid and responsible bidder. ~~Where~~When specified in bidding documents, the invitation for bids, factors such as discounts, transportation ~~costs~~, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts ~~may~~ must 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 ~~for sound documented reason~~ but must document and provide a justification for all bids it rejects.

2. Proposals

Procurement by proposals is a method in which either a ~~fixed price~~ 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.

If this method is used, the following requirements apply:

- a. Requests for proposals ~~shall be publicized and~~ require public notice and must identify all evaluation factors and their relative importance. ~~Any response to the publicized requests for proposals shall be considered to the maximum extent practical~~ To the maximum extent practicable, any proposals submitted in response to the public notice must be considered.
- b. Proposals shall be solicited from two (2) sources.
- c. The District ~~shall use its written method~~ must have written procedures for conducting technical evaluations ~~of the proposals received and for selecting recipients~~ and for making selections.
- d. Contracts ~~shall~~ must be awarded to the responsible ~~firm~~ offeror whose proposal is most advantageous to the ~~program, with price and other factors considered~~ District considering price and other factors.

The District may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby the competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where the price is not used as a selection factor, can only be used in procurement of to procure A/E professional services. ~~It~~ The method cannot be used to purchase other ~~types of services though~~ provided by A/E firms that 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 (1) or more of the following circumstances apply:

- a. ~~micro purchases~~ the aggregate amount of the procurement transaction does not exceed the micro-purchase threshold;
- 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

~~As appropriate and to the extent consistent with law, the District shall~~The District should, to the extent practicable ~~under a Federal award~~and consistent with law, 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~~subawards, ~~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 ~~in connection with every procurement action in excess of \$250,000, including contract modifications~~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.

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.~~

~~The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the District shall come to an independent estimate prior to receiving bids or proposals.~~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.

~~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. ~~Time~~A time-and-materials ~~and materials~~-type contract means a contract whose cost to the District is the sum ~~of~~of the actual costs of ~~materials,~~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 ~~possessing~~that possess the ability to perform successfully under the terms and conditions of the proposed ~~procurement~~contract. 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 46) financial and technical resources.

~~The District Administrator 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 CFR 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 of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 C.F.R. Part 180 Subpart G)~~

~~Debarment is an action taken by the District Administrator to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 C.F.R. Chapter 1). A person so excluded is debarred. (2 C.F.R. Part 180 Subpart H)~~

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended ~~vendors~~vendors, at www.sam.gov; collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 C.F.R. Part 180 Subpart C)

Bid Protest

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the ~~awarding~~agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (~~RFPs~~)("RFPs") or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the ~~Office of the~~District Administrator within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the District Administrator shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to ~~protest~~,protest or failure to file a formal written protest within the time ~~prescribed~~,prescribed shall constitute a waiver of proceedings.

Maintenance of Procurement Records

The District shall maintain records sufficient to detail the history of all procurements. These records will ~~include~~include, but are not necessarily limited ~~to~~to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (including a cost or price analysis).

Records Retention

~~The District must retain all Federal award records for three (3) years from the date of submission of the final financial report, or as otherwise required pursuant to the Board-adopted records retention schedule, whichever is longer. For awards that are renewed quarterly or annually, the District must retain records for three (3) years from the date of submission of the quarterly or annual financial report, respectively, or as otherwise required pursuant to the Board-adopted records retention schedule, if longer. Records to be retained include, but are not limited to, financial records, supporting documentation, and statistical records. Other records retention requirements shall be in accordance with 2 C.F.R. 200.334 and the Board-adopted records retention schedule.~~

~~The District must collect, transmit, and store Federal award information in an open file, non-licensed, and machine-readable formats. The District may substitute electronic versions of original paper records through duplication or other forms of electronic conversion, provided that the procedures are subject to periodic quality control reviews. Quality control reviews must ensure that electronic conversion procedures provide safeguards against the alteration of records and assurance that records remain in a format that is readable by a computer system.~~

2 C.F.R. 200.334 - 200.336

2 C.F.R. 200.520

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2 C.F.R. 200.317 - .326

Appendix II to Part 200

2 C.F.R. 200.334 - 200.336

2 C.F.R. 200.520



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	DISPOSITION OF PERSONAL PROPERTY
Code	po7310
Status	
Adopted	August 1, 2006
Last Revised	November 9, 2021

7310 - **DISPOSITION OF PERSONAL PROPERTY**

The Board requires the District Administrator to review the personal 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. The disposition of real property is governed by Policy 7300 - Disposition of Real Property.

"Personal property" means property other than real property. It may be tangible, having physical existence, such as vehicles, equipment, or instructional materials or intangible, such as intellectual property.

"Real property" means land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.

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, or
3. worn beyond salvage

B. **Equipment**

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 \$10,000 (→) to replace (→) as a single unit **END OF OPTIONS** and does not lose its identity when incorporated into a more complex unit.

The District shall inspect the equipment used in the instructional educational program and other equipment owned by the District periodically, to determine the condition and usability of such equipment in the current educational program or other District operations. 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/or no longer contributing to the educational program or in use for other operational purposes;
4. some potential for sale at a school auction; or
5. creates a safety or environmental hazard.



Book	Policy Manual
Section	Ready for Board Review EDGAR Policies
Title	PROPERTY INVENTORY
Code	po7450
Status	
Adopted	August 1, 2006
Last Revised	March 21, 2022

7450 - **PROPERTY INVENTORY**

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

The District Administrator shall maintain a continuous inventory of all District-owned equipment and supplies, including computing devices, annually.

~~For purposes of this policy, "equipment" means tangible personal property (including information technology systems) having a useful life of more than one (1) year and a per-unit acquisition cost which equals or exceeds \$5,000.~~ 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 **\$10,000 ENTER AMOUNT, (-)** to replace ~~(-)~~ as a single unit **[END OF OPTION]** 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 **\$10,000-ENTER AMOUNT. [DRAFTING NOTE: The Federal regulation (2 C.F.R. 200.439) allows for a \$10,000 threshold. Capital expenditures with a unit cost of \$10,000 or more require prior written approval of the Federal agency or pass-through entity such as the Department of Public Instruction (DPI).]**

Capital assets include equipment as well as the following:

- A. land, buildings (facilities), and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease- purchase, exchange, or through capital leases
- B. additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance)

Capital expenditures, which are expenditures for capital assets, require prior written approval in order to be allowable in certain situations. General purpose equipment, buildings, and land, as well as improvements to land, buildings, or equipment which materially increase their value or useful life, are unallowable as direct charges unless the Federal awarding agency or pass-through entity provides prior written approval. Whereas capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity.

When defining supplies for inventory purposes, no items will be counted whose total acquisition cost is less than \$5,000.

"Computing devices" are machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories for printing, transmitting and receiving, or storing electronic information. Examples of computing devices include laptops, smartphones, tablets, etc. Computing devices are classified as equipment if their acquisition cost meets the above-mentioned equipment threshold. Computing devices that do not meet the acquisition cost threshold are considered supplies. Regardless of whether a computing device is classified as an equipment or supply, it must be counted during the inventory.

It shall be the duty of the administrator 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.

The District Administrator shall maintain a system of property records which shall show, as appropriate to the item recorded, the:

- A. description of the property;
- B. serial number or other identification number;
- C. acquisition date;
- D. acquisition cost;
- E. location;
- F. use and condition of the property;
- G. manufacturer;
- H. evaluation in conformity with insurance requirements.

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

Equipment and computing devices 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. The property shall be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the Federal award.
 - 1. When no longer needed for the original program or project, the property may be used in other activities in the following order of priority: 1) activities under a Federal award from the Federal awarding agency which funded the original program or project; then 2) activities under Federal awards from other Federal awarding agencies.
 - 2. During the time that property is used on the project or program for which it was acquired, the District must also make the property available for use on other projects or programs currently or previously supported by the Federal program, provided that the use will not interfere with the work on the original project or program.
- 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 property 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 agency or the pass-through entity and Policy 7300 - Disposition of Real Property/Personal Property and Policy 7310 - Disposition of Surplus Property (-), and AG 7310 - Disposal of Nonfixed-Asset Property **END OF OPTION**. The property 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 and Policy 7310 (-) and AG 7310.
- 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. Property records shall be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), title entity, acquisition date, cost of the property, percentage of Federal participation in the project costs for the award under which the property was acquired, the location, use, and condition of the property, and ultimate disposition data, including date of disposal and sale price of the property, in accordance with this policy.
- 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: A physical inventory of the property must be taken and results reconciled with property records at least once every two (2) years, in accordance with this policy.
 - 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. A control system shall be developed to provide adequate safeguards to prevent loss, damage, or theft of the property. Any such loss, damage, or theft shall be investigated.

- 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. Adequate maintenance procedures shall be implemented to keep the property in good condition.
- 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, percentage of Federal agency contribution towards the original purchase, the location, use, and condition of the property, and ultimate disposition data, including date of disposal and sale price of the property. 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.
- I. A physical inventory of the property must be conducted and results reconciled with property records at least once every two (2) years. 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 if required by the terms and conditions of the Federal award. Disposition of the equipment shall be made in accordance with the provisions of 2 C.F.R. 200.313.
- J. A control system shall be in place to provide safeguards for preventing 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. Regular maintenance procedures shall be implemented to keep the property in 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 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 agency, the District shall request disposition instructions from the Federal agency or the 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 2 C.F.R. 200.313.

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