

Original Adoption: _____

To ensure the lawful expenditure of any federal formula or discretionary grant funds awarded to the district, the Superintendent or designee shall comply with the requirements of the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance"), as contained in 2 CFR 200.0-200.521 and Appendices I-XII.

Allowable Costs

Prior to obligating or spending any federal grant funds, the Superintendent or designee shall determine whether a proposed purchase is an allowable expenditure in accordance with 2 CFR 200.400-200.475 and the terms and conditions of the award. The Superintendent or designee shall also determine whether the expense is a direct or indirect cost as defined in 2 CFR 200.413 and 200.414 and, if the purchase will benefit other programs not included in the grant award, the appropriate share to be allocated to the federal grant.

The Superintendent or designee shall review and approve all transactions involving federal grant funds and shall ensure the proper coding of expenditures consistent with the California School Accounting Manual.

Period of Performance

All obligations of federal funds shall occur on or between the beginning and ending dates of the grant project and shall be paid no later than 120 calendar days after the end of the funding period, unless specifically authorized by the grant award to be carried over beyond the initial term of the grant.

Procurement

When procuring goods and services with a federal grant, the Superintendent or designee shall comply with the standards contained in 2 CFR 200.317-200.327 and Appendix II of Part 200, and with any applicable state bidding or procurement law or district policy that is more restrictive.

As appropriate to encourage greater economy and efficiency, the Superintendent or designee shall avoid acquisition of unnecessary or duplicative items, give consideration to consolidating or breaking out procurements, analyze lease versus purchase alternatives, consider entering into an interagency agreement for procurement of common or shared goods and services, and/or use federal excess or surplus property.

The procurement of goods or services with federal funds shall be conducted in a manner that provides full and open competition in accordance with state laws and district regulations and the following requirements:

1. Any purchase of supplies or services that does not exceed the "micro-purchase" threshold established by the district in accordance with 48 CFR 2.101 may be awarded without soliciting competitive quotes, provided that the district considers the price to be reasonable and maintains written evidence of this reasonableness in the record of all micro-purchases.
2. For any purchase that exceeds the micro-purchase threshold but is less than the bid limit required by Public Contract Code 20111, the Superintendent or designee shall utilize "small-purchase" procedures that include obtaining price or rate quotes from an adequate number of qualified sources.

3. *Contracts for goods or services over the bid limits required by Public Contract Code 20111 shall be awarded pursuant to California law and AR 3311 - Bids, unless exempt from bidding under the law.*
4. *If a purchase is exempt from bidding and the district's solicitation is by a request for proposals, the award may be made by either a fixed-price or cost-reimbursement type contract awarded to the entity whose proposal is most advantageous to the program, with price and other factors considered.*
5. *Procurement by noncompetitive proposals (sole sourcing) may be used only when the item is available exclusively from a single source, the need or emergency will not permit a delay resulting from competitive solicitation, the awarding agency expressly authorizes sole sourcing in response to the district's request, and/or competition is determined inadequate after solicitation of a number of sources.*
6. *Time and materials type contracts may be used only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract for which the cost is the sum of the actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit.*

For any purchase of \$25,000 or more, the Superintendent or designee shall verify that any vendor which is used to procure goods or services is not excluded or disqualified by the federal government.

All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description shall avoid detailed product specifications to the extent possible, but may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or not economical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used to define the performance or other salient requirements of procurement, clearly stating the specific features of the named brand which must be met by offers. In addition, every solicitation shall identify all requirements which the offer must fulfill and any other factors to be used in evaluating bids or proposals.

The Superintendent or designee shall maintain sufficient records to document the procurement, including, but not limited to, the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price.

The Superintendent or designee shall ensure that all contracts for purchases using federal grant funds contain the applicable contract provisions described in Appendix II to Part 200 - Contract Provisions for Non-Federal Entity Contracts Under Federal Awards.

Capital Expenditures

The Superintendent or designee shall obtain prior written approval from the awarding agency before using federal funds to make capital expenditures, including the acquisition of land, facilities, equipment, and intellectual property and expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

Conflict of Interest

Governing Board members, district employees, and other district representatives shall not participate in the selection, award, or administration of a contract supported by federal funds if they have a real or apparent conflict

of interest, such as when they or a member of their immediate family, their partner, or an organization which employs or is about to employ any of them has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. Such persons are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from contractors or subcontractors unless the gift is an unsolicited item of nominal value.

Employees engaged in the selection, award, and administration of contracts shall also comply with BB 9270 - Conflict of Interest.

Persons involved in the selection, award, or administration of a contract supported by federal funds shall be subject to discipline for any violation of conflict of interest standards.

Cash Management

The Superintendent or designee shall ensure the district's compliance with 2 CFR 200.305 pertaining to payments and cash management, including compliance with applicable methods and procedures that minimize the time elapsing between the transfer of funds to the district and the district's disbursement of funds.

When authorized by law, the district may receive advance payments of federal grant funds, limited to the minimum amounts needed and timed in accordance with the actual immediate cash requirements of the district for carrying out the purpose of the program or project.

Except under specified conditions, the district shall maintain the advance payments in an interest-bearing account. The district shall remit interest earned on the advanced payment to the awarding agency on an annual basis, but may retain interest amounts specified in 2 CFR 200.305 for administrative expenses.

When required by the awarding agency, the district shall instead submit a request for reimbursement of actual expenses incurred. The district may also request reimbursement as an alternative to receiving advance payments.

The Superintendent or designee shall maintain source documentation supporting the expenditure of federal funds, such as invoices, time sheets, payroll stubs, or other appropriate documentation.

Personnel

All district employees who are paid in full or in part with federal funds shall document the amount of time they spend on grant activities. Such records shall be incorporated into the official records of the district and shall be subject to a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated in accordance with 2 CFR 200.430.

Salaries and wages of employees whose salary is paid with state or local funds but are used to meet a cost-sharing or matching requirement of the federal grant shall be documented in the same manner as salaries and wages claimed for reimbursement under a federal grant.

Records

Except as otherwise provided in 2 CFR 200.334, or where state law or district policy requires a longer retention period, financial records, supporting documents, statistical records, and all other district records related to a federal award shall be retained for a period of three years from the date of submission of the final expenditure

report or, for a federal award that is renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report.

Audits

Whenever the district expends \$750,000 or more in federal grant funds during a fiscal year, it shall arrange for either a single audit or a program-specific audit in accordance with 2 CFR 200.507 or 200.514.

The Superintendent or designee shall ensure that the audit meets the requirements specified in 2 CFR 200.500-200.521.

Specified records pertaining to the audit of federal funds expended by the district shall be transmitted to the clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the audit period, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or a different period is specified in a program-specific audit guide.

In the event that the audit identifies any deficiency, the Superintendent or designee shall promptly act to either correct the identified deficiency, produce recommended improvements, or demonstrate that the audit finding is invalid or does not warrant action.

Policy Reference Disclaimer: These references are not intended to be part of the policy itself, nor do they indicate the basis or authority for the board to enact this policy. Instead, they are provided as additional resources for those interested in the subject matter of the policy.

State

Ed. Code 42122-42129
Ed. Code 64001

Description

Budget requirements
School plan for student achievement, consolidated application programs

Federal

2 CFR 180.220
2 CFR 200.0-200.521
2 CFR 200.1-200.99
2 CFR 200.100-200.113
2 CFR 200.317-200.326
2 CFR 200.327-200.329
2 CFR 200.333-200.337
2 CFR 200.400-200.475
2 CFR 200.500-200.521
34 CFR 76.730-76.731
48 CFR 2.101

Description

Amount of contract subject to suspension and debarment rules
Federal uniform grant guidance
Definitions
General provisions
Procurement standards
Monitoring and reporting
Record retention
Cost principles
Audit requirements
Records related to federal grant programs
Federal acquisition regulation; definitions

Management Resources

California Department of Education Publication
California Department of Education Publication
Education Audit Appeals Panel Publication

U.S. Department of Education Publication
Website
Website
Website

Description

California Department of Education Audit Guide
California School Accounting Manual
Guide for Annual Audits of K-12 Local Education Agencies and State
Compliance Reporting
Questions and Answers Regarding 2 CFR Part 200, March 17, 2016
U.S. Government Accountability Office
Office of Management and Budget, Uniform Guidance
State Controller's Office

Website	System for Award Management (SAM)
Website	Education Audit Appeals Panel
Website	U.S. Department of Education
Website	California Department of Education

Cross References

<u>Code</u>	<u>Description</u>
0500	Accountability
1340	Access to District Records
1340	Access to District Records
3100	Budget
3100	Budget
3231	Impact Aid
3270	Sale and Disposal of Books, Equipment and Supplies
3270	Sale and Disposal of Books, Equipment and Supplies
3300	Expenditures and Purchases
3311	Bids
3311	Bids
3311.4	Procurement of Technological Equipment
3312	Contracts
3314	Payment for Goods and Services
3314	Payment for Goods and Services
3350	Travel Expenses
3400	Management of District Assets/Accounts
3400	Management of District Assets/Accounts
3440	Inventories
3460	Financial Reports and Accountability
3460	Financial Reports and Accountability
3512	Equipment
3512-E (1)	Equipment
3551	Food Service Operations/Cafeteria Fund
3551	Food Service Operations/Cafeteria Fund
3580	District Records
3580	District Records
4131	Staff Development
4231	Staff Development
4331	Staff Development
6173.4	Title VI Indian Education Program
6178	Career Technical Education
6178	Career Technical Education
6190	Evaluation of The Instructional Program
9270	Conflict of Interest
9270-E (1)	Conflict of Interest