

Federal Grant Procedures for Cash Management, Cost Allowability & Procurement

Uniform Guidance 2 CFR 200

Cash Management: The district shall follow the payment guidelines as stated in Subpart D, Section 200.305, and Board Policy 6112.

Payment Procedures:

1. The district will utilize the reimbursement process as a general practice. At a minimum, cash requests for any district expenditures will be evaluated and prepared by treasurer's department staff on at least a monthly basis.
2. The district may utilize the advance process but shall only do so for extraordinary circumstances to cover district expenditures that are ready to be paid and will be paid within five business days of receipt of funds. Advance requests will be prepared by the treasurer's department staff as needed.

Cost Allowability: The district shall follow the cost principle guidelines as stated in Subpart E – Section 400, and Board Policies 6114 and 6550.

Compensation and Fringe Benefits

1. Prior to the beginning of the grant period, curriculum and special education directors will inform the treasurer's department of those employees working on the grant programs and whether or not each employee is working on one or more cost objectives. Directors will provide supporting documentation, such as job descriptions or activity reports, as to the duties and responsibilities of these employees which confirm the allowability of payroll and benefits to be charged to the grant programs.
2. Treasurer's staff will develop a grant spreadsheet of all allowable costs for the personnel and provide to the directors charged with completing grant applications. Updated compensation and benefits will be provided when necessary.
3. Only compensation and fringe benefits attributable to the grant and grant period will be charged to the grant funds. Severance payments will not be charged to the grant funds.
4. Time and effort documentation will be maintained by the use of single-funding certificates for salaried staff working solely on a single federal award or cost objective. Salaried staff working on more than one federal program and hourly staff will use the district's time clock system. Curriculum and special education directors are responsible for obtaining the completed certificates from salaried staff and forwarding to the treasurer's department on a semi-annual basis (December & June).
5. Allowable costs for compensation and fringe benefits will be charged by the treasurer's department staff to the grant programs each payroll period.
6. Curriculum and special education directors will inform the treasurer's department of any changes to work assignments and cost objectives.

Purchased Services (including travel), Supplies, Equipment, Other

1. Only those expenditures that can be identified specifically for a particular grant program pursuant to the grant guidelines and are allowable pursuant to the Uniform Administrative Requirements and board policy will be charged to the grant.
2. The district's purchasing procedures will be followed for all expenditures, including reimbursements and travel.
3. The district's professional leave procedures will be followed for travel expenditures.
4. The district's capitalization threshold for equipment will follow federal requirements or the district's threshold for non-federal funds, whichever is lower. The district's procedures for capitalized equipment will be followed.

Procurement**: The district will follow the general procurement standards in Subpart D, Sections 200.317 through 200.326, Board Policy 6325 and shall follow one of the following methods of procurement:

1. **Micro-Purchases – \$10,000 or Less**
Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (Section 200.67). To the extent practicable, the district must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations, if the district considers the price to be reasonable. (Aggregate is defined as the collective dollar amount of all components or parts of supplies or services.)
2. **Small Purchase Procedures - Purchases between \$10,000 and \$250,000**
Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than the Simplified Acquisition Threshold (Section 200.88). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number (at least 2) of qualified sources.
3. **Sealed Bids (formal advertising) – Purchases over \$250,000**
Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c) (1) of this section apply.

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

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

When sealed bids are used, the following requirements apply:

- a. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from an adequate (two or more) number of qualified

suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.

- b. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
- 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 in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when 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.

4. Competitive Proposals – Purchases over \$250,000

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid method. The superintendent's designee and the treasurer/CFO will develop methods of conducting technical evaluations of proposals and selecting recipients of the proposals prior to the advertisement of requests for proposals.

If this method is used, the following requirements apply:

- a. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
- b. Proposals shall be solicited from an adequate (two or more) number of sources.
- c. The district shall document its written method for conducting technical evaluations of the proposals received and for selecting recipients.
- d. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

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

5. Noncompetitive Proposals

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

- a. The item is available only from a single source.
- b. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation.

- c. The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the district.
- d. After solicitation of a number of sources, competition is determined to be inadequate.

Process for Determining the Procurement Method

A look-back period of at least 2 years' worth of expenditures for the purchased goods or services will be utilized to determine what the aggregate amount was in a fiscal year. Staff will then use the data to estimate what the cost will be for the current fiscal year. The data, along with any procurement documentation, such as quotes and bids, will be submitted with the purchase requisition. If the lowest quote or bid is not accepted, reasons must be documented and submitted with the purchase requisition.

****Pursuant to 2 CFR 200.110, the district will comply with the procurement standards in previous OMB guidance (as reflected in Section 200.104) for a total of three fiscal years after December 26, 2014 (FY16, FY17, FY18). As such, the effective date for implementation of the procurement standards for the district will start Fiscal Year 2019.**