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Federal Grants Management Procedures for an LEA

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Dear Superintendents, Federal Program Directors, and Business Managers,

On December 19, 2014, the US Department of Education (ED) released the newly updated Education Department General Administrative Regulations (EDGAR). This change was due to the Office of Management and Budget's (OMB) publications of the final Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (known as the Uniform Grant Guidance or UGG), which consolidated OMB circulars a-21, A-87, A-102 and A-122, A-133 into a uniform set of rules.

Pursuant to EDGAR, some of the policies and procedures MUST be in writing: Procurement (2 C.F.R. § 200.318), Cash Management (2 C.F.R. § 200.302 (6) and Allowable Costs (2 C.F.R. § 200.302 (7)).

This template provides the framework for creating policies and procedures related to the administration of federal education programs. Specifically, it contains the internal controls and grant management standards non-federal entities must use to ensure that all federal funds are lawfully expended. It describes in detail: financial management standards, including appropriate cash management procedures; allowability rules; procurement policies; property management protocols; and record retention requirements.

This document is designed to serve as a template for an entity to use when developing its own policies and procedures. This template does not include all compliance requirements and is meant to be a starting point and a reference guide for Local Education Agencies (LEA's) as they begin to draft policies and procedures that are unique to the specific circumstances of their organization. It includes questions to ask and issues to consider.

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MOST FREQUENTLY ASKED QUESTIONS

Question: What is the difference between Policies and Procedures?

Answer: Policies = goals. Policies are formal guidance for your LEA and may require adoption by a school board or other governing body.

Procedures = steps that ensure goals are met. The procedures are simply written fiscal steps/processes to achieve your LEA's goals. Changes in procedures must be internally reviewed by the appropriate staff. Written procedures (as well as policies) are evidence of compliance under all program monitoring tools. Written procedures are also used to train new staff. Procedures and processes do not need to be adopted by the local school board.

Question: Which sections require written procedures and which sections require written policies?

Answer: The exact Federal language is:

Procedures:

- ✓ Written Cash Management Procedure - § 200.302(b)(6) & § 200.305
- ✓ Written Allowability Procedures - § 200.302(b)(7)
- ✓ Written Procurement Procedures - § 200.319(c)
- ✓ Time and Effort: the exact language is "records". Records: § 200.430. NEW: Charges for salaries must be based on records that accurately reflect the work performed and be incorporated into official records. "Records" is the same as "documented procedures".

Policies:

- ✓ Written Conflicts of Interest Policy - § 200.318(c)
- ✓ Written Travel Policy - § 200.474(b)

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INTRODUCTION AND OVERVIEW

Introduction

This manual sets forth the policies and procedures used by [insert LEA name] to administer federal funds. The manual contains the internal controls and grant management standards used by the LEA to ensure that all federal funds are lawfully expended. It describes in detail the LEA's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. New employees of the LEA, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the LEA's rules and practices.

Overview

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

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

- Local, State and SDE Policies
- Federal Regulations
- Idaho Code
- IDAPA Rules

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- Idaho's Financial Reporting Management System (IFARMS)

IFARMS provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of periodic financial reports. The uniformity of the system will enable small or large school LEAs to fulfill state requirements and give each LEA the flexibility to obtain program and account detail to meet their management needs.

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FINANCIAL MANAGEMENT SYSTEM PROCEDURES

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

Financial Management Standards

The standards for financial management systems are found at 2 C.F.R. § 200.302. The required standards include:

Identification

The LEA must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the CFDA title and number, federal award identification number and year, the name of the federal agency, and, if applicable, the name of the pass-through entity.

Financial Reporting

Accurate, current, and complete disclosure of the financial results of each federal award or programs must be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).

Accounting Records

The LEA must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by source documentation.

Internal Controls

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

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"Internal controls" are tools to help program and financial managers achieve results and safeguard the integrity of their program. Internal controls should be designed to provide reasonable assurance that the following objectives are achieved:

- Effectiveness and efficiency of operations;
- Adequate safeguarding of property;
- Assurance property and money is spent in accordance with the grant program and to further the Selected objectives; and
- Compliance with applicable laws and regulations.

Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

Cash Management

The LEA must maintain written procedures to implement the cash management requirements found in EDGAR.

Please see page [_] for these written cash management procedures.

Allowable Costs

The LEA must maintain written procedures for determining the allowability of costs in accordance with EDGAR.

Please see page [_] for these written allowability procedures.

OVERVIEW OF THE FINANCIAL MANAGEMENT/ACCOUNTING SYSTEM

Budgeting

[In this section describe the financial management and accounting system(s) used by the LEA. What is the system's name? Does this system interface with the procurement and inventory systems? At what point is the budget loaded onto the system? How are budgets loaded and tracked in the system? What position/office is responsible for managing budgets and accounts payable? Under 2 C.F.R. 200.302, a recipient must track the CFDA title and number, federal award identification number and year, the name of the federal agency, and, if applicable, the

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name of the pass-through entity. How are the funds identified within the financial management system?

What position will be responsible for compiling timely and accurate financial reports, subject to whose review and approval? The reports should be prepared and submitted as specified by the financial reporting clause of each grant or contract award document. These reports must include monthly and cumulative expenditures, project budgets, and a balance remaining column.]

The Planning Phase: Meetings and Discussions

Before Receiving the Grant Award Notice (GAN): [In this section, describe any initial budget discussions and meetings that take place prior to receiving the GAN. Provide what planning occurs before the LEA receives the GAN and who is involved in those planning discussions and meetings. Some topics that may be discussed include: how the budget is put together; assigning account numbers and applicable codes; and reviewing grant objectives, reporting requirements, responsibilities, and special conditions. Other questions you may wish to address include: Does the LEA base early decisions on the prior year's award and then make adjustments once the GAN is received? Are decisions based on a needs assessment? If so, provide information on the needs assessment, what it measures, and how the data is used during the budget process. Are existing resources considered when making the budget? For example, does the LEA review existing unused equipment in storage to determine if it could benefit the program being planned?

[Additionally, include personnel responsible for the activities described in the policy, including the position and internal unit/office such as the Program Director in the Grants Accounting Office. Include a timeframe as to when these steps happen and reference an LEA organizational chart (create one if necessary) so the reader has an understanding of the different personnel and internal offices involved in the budgetary process (see Legal Authorities and Helpful Resources section below).]

Reviewing and Approving the Budget: [In this section, discuss the process the LEA uses to review and approve the budget. This section should cover what staff members/offices are involved with reviewing the budget and the actions they perform. Also discuss the steps the LEA personnel takes when approving the budget, such as what staff member grants final approval, and what

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happens to the budget once it receives final approval. Include a timeframe. Sample language is provided below and should be modified based on the actual procedures of the LEA.]

By [insert timeframe], the [insert staff member(s)] reviews the items in the budget to ensure allowability. See Section [ ] for a discussion on performing allowability determinations. If the [insert staff member(s)] determines that a cost is not allowable, then [insert next steps]. [Describe what happens when a cost is determined to be unallowable. For example, does the relevant staff member notify the program office and alert them to make a change? Is the budget not approved and sent to specific staff to be amended prior to seeking final approval again?]

Once [insert staff member(s)] determines that all budgeted items are allowable, the budget is sent to [insert staff member(s)/office] for final review and approval. Generally, the budget receives final approval by [insert timeframe]. [Include what happens once the budget is approved. For example, does it go to an accounting office where it is loaded into an online accounting system?]

After Receiving the GAN

[In this section, describe any budget discussions and meetings that take place after receiving the GAN. For example, does your organization have a meeting to discuss the initial grant budget and any adjustments that need to be made based on the GAN? If so, who is involved in that meeting? Describe what happens if the GAN is for a different amount than initially budgeted or if the GAN is changed after it is issued (whether increased or decreased).

Amending the Budget

[In this section, describe the process for amending the budget and who is involved. Address the process for reviewing and finalizing any budget amendments, as well as any notification, formal approval, and/or documentation that must be created or maintained.]

Budget Control

The LEA monitors its financial performance by comparing and analyzing actual results with budgeted results. [Insert description of how this is done. Are there reports which compare actual expenditures to budgeted amounts? How often are these reports generated? What happens when there is a significant difference?]

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Accounting Records

[Describe how accounting records are kept. What are the definitions of each type of account (e.g., assets, liabilities, revenues, and expenses)? What office is responsible for maintaining accounting records, subject to whose review and approval? How are journal entries made? Are there any recurring journal entries? Is there a chart of accounts that provide the framework for the accounting system? If so, may want to insert or include as an appendix.]

Spending Grant Funds

While developing and reviewing the grant budget, the [insert department or offices] should keep in mind the difference between direct costs and indirect costs. All costs charged to a federal grant are classified as either direct or indirect. While developing and reviewing the grant budget and when expending grant funds, program and fiscal staff should keep in mind the difference between direct costs and indirect costs as defined in EDGAR and 2 CFR Part 200 the Uniform Administrative Requirements Cost Principles and Audit Requirements for Federal Awards (referred to as Part 200). All costs must be properly and consistently identified as either direct or indirect in the accounting system. It is the policy and/or procedure for the LEA to review these costs in the following order to ensure the principles of the award are followed: [In this section, describe the process used to determine what items (i.e., goods and services) should be included in the budget. This section should also cover the federal cost principles, selected items of cost, and how to determine whether the expenditure is an allowable use of federal funds. Sample language is provided below that reflects federal rules and requirements found in EDGAR and 2 CFR Part 200 the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, (referred to as Part 200). This language should be modified to accurately reflect the policies, procedures, and practices of the LEA.]

While developing and reviewing the grant budget, the [insert department or offices] should keep in mind the difference between direct costs and indirect costs.

Direct and Indirect Costs

Determining Whether a Cost is Direct or Indirect: Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 C.F.R. § 200.413(a). Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate

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to the results achieved. 2 C.F.R. § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a).

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials, and other items of expense incurred for the Federal award. 2 C.F.R. § 200.413(b). The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

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

Indirect Cost Rate: The State Department of Education, Public School Finance Department calculates and issues the restricted indirect cost rate to those LEAs who request one for one fiscal year. Annually, the LEA Business Manager completes the SDE prescribed Indirect Cost Rate Form, and submits the completed form to the Public School Finance Department by February of each year. The Indirect cost rate is issued in the spring to be used for the upcoming school year. Confirm if your LEA applies for the indirect cost rate each year. [Our LEA does or does not apply for indirect cost rate and applies indirect costs against which federal grants]

Applying the Indirect Cost Rate: Once the LEA has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of $25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award. 34 C.F.R § 75.564; 34 C.F.R. § 76.569. Once the LEA applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For Direct Grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions. 34 C.F.R. § 75.564.

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

DETERMINING ALLOWABILITY OF COSTS PROCEDURES

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

When determining how the LEA will spend its grant funds, the LEA staff will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 CFR Part 3474 and 2 CFR Part 200, which are provided in the bulleted list below. The following factors must be considered when making an allowability determination specific to each program.

Necessary and Reasonable

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

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

- Whether the cost is a type generally recognized as ordinary and necessary for the operation of the SDE or the proper and efficient performance of the federal award.
- The restraints or requirements imposed by factors, such as sound business practices; arms-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the SDE, its employees, its students, the public at large, and the federal government.

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- Whether the LEA significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost. 2 C.F.R. §200.404.

1.

While 2 C.F.R. §200.404 does not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective.

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

- Whether the cost is needed for the proper and efficient performance of the grant program.
- Whether the cost is identified in the approved budget or application.
- Whether there is an educational benefit associated with the cost.
- Whether the cost aligns with identified needs based on results and findings from a needs assessment.
- Whether the cost addresses program goals and objectives and is based on program data.

Allocable to the Federal Award

All costs must be Allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. 2 C.F.R. §200.405. For example, if 50% of an employee's salary is paid with grant funds, then that employee must spend at least 50% of his or her time on the grant program.

Consistent with Policies and Procedures

All costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the SDE.

- Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the federal award.
- Consistent treatment. A cost cannot be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

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Adequately Documented

All costs must be adequately and properly documented. All costs must be determined in accordance with generally accepted accounting principles (GAAP) unless provided otherwise in Part 200.

Not Included as a Match or Cost-Share

Costs cannot be included as a match or cost-share unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.

Be the net of All Applicable Credits

The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the state related to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate. 2 C.F.R. §200.406.

LEA vs Federal and State Cost Guidelines

Federal rules require State/LEA level requirements and policies regarding expenditures to be followed as well. For example, LEA policies relating to travel or equipment may be narrower than the State rules. **The stricter guidance must be followed.**
[Include relevant LEA rules]. The LEA adheres to the State/LEA Travel Policies and Procedures as approved by the State Board of Examiners or [enter your LEA governing body]

Frequent Types of Costs

Travel: Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of a grant recipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip, and results in charges consistent with those normally allowed

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in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written travel reimbursement policies. 2 C.F.R §200.474(a).

The costs must be consistent with the State or LEA's established policy. 2 C.F.R §200.474(b).

The stricter policy must be followed.

The State Department of Education adheres to the State Travel Policies and Procedures as approved by the State Board of Examiners. Reference link http://www.sco.idaho.gov/web/sbe/sbeweb.nsf/pages/trvlpolicy.htm

Insert a sentence directing the reader to the LEA's travel policies. A typical travel policy addresses the types of travel, including single day travel, overnight travel, out-of-state travel, what expenses may be reimbursed, and what type of documentation is needed for reimbursement. As always, ensure that this travel policy conforms to State and local laws.]

Example 1: Travel advances will not be issued, as P-Cards (see page__ for more information about P card purchases) should be used to make all required purchases other than meals. Meals will be reimbursed after the fact.

Example 2: The federal and state cost principles allow for reimbursement for meals on a per diem basis, whether or not the employee actually spends the entire per diem. The LEA, however, allows for reimbursement of meals at actual costs, not to exceed the federal rate, or local policy, whichever is less.

Selected Items of Cost

Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable, or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles. For example, the item is applicable to the grant, but the price is too expensive, which would make the purchase unreasonable, which automatically makes

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it unallowable. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

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

The selected item of cost addressed in Part 200 includes the following (in alphabetical order):

Item of Cost	**Citation of Allowability Rule**
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438

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Item of Cost	Citation of Allowability Rule
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages, and other settlements	2 CFR § 200.441
Fundraising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization Costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465

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Item of Cost	Citation of Allowability Rule
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Individuals with Disabilities Education Act (IDEA) Part B and Preschool along with accompanying program regulations, non-regulatory guidance and grant award notifications.

As a practical matter, the LEA staff should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means, for instance, that funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for English Learners must only be spent on EL students and cannot be used to benefit non-EL students.
Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the LEA staff should review data when making purchases to ensure that federal funds meet these areas of concern.

State Department of Education Resources

IDEA Part B
http://www.sde.idaho.gov/sped/funding/

Title I-A Program Guidance
http://www.sde.idaho.gov/federal-programs/basic/index.html

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Title II-A Program Guidance
http://www.sde.idaho.gov/federal-programs/teacher/index.html

Title I-C and III-A Program Guidance
http://www.sde.idaho.gov/el-migrant/index.html

[Enter other SDE and LEA's links if available]

Helpful Questions for Determining Whether a Cost is Allowable

This section provides additional helpful questions to ask when determining whether a cost is allowable. Sample language is provided below and should be modified based on the needs and practices of the LEA.

In addition to the cost principles and standards described above, the LEA staff can refer to this section for a useful framework when performing an allowability analysis. In order to determine the allowability of the purchase, it is helpful to ask the following questions:

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

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FEDERAL CASH MANAGEMENT PROCEDURES

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

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the LEA.
Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

Payment Methods

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

The LEA **[**Grant Accountant/Business Manager**]** will request reimbursement for actual expenditures incurred under the federal grants [**monthly]**. [This section should include any required details. For example, must reimbursement requests be signed? Are the requests tied to specific set-asides and/or approved budget line items? What source documentation, if any, must be submitted with the reimbursement request?]

Payment Methods

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

The LEA [Grant Accountant/Business Manager] will request reimbursement for actual expenditures incurred under the federal grants [**monthly**]. [This section should include any required details. For example, must reimbursement requests be signed? Are the requests tied to specific set-asides and/or approved budget line items? What source documentation, if any, must be submitted with the reimbursement request?]

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Federal subawards/allocations: All reimbursement requests will be submitted through the Grant Reimbursement Application (GRA) electronically.

GRA portal: https://apps.sde.idaho.gov/GrantReimbursement/

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

Some funding will require the completion of traditional paper invoices or separate reimbursement requests.

GRA requests or invoices (whichever applies) are submitted to the State Department of Education. All reimbursements are based on actual disbursements, not on obligations.

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

Reimbursements of actual expenditures do not require interest calculations.

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

Reimbursements of actual expenditures do not require interest calculations.

TIMELY OBLIGATION OF FUNDS

When Obligations are Made

Obligations are orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period. 34 C.F.R. § 200.71

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

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

34 C.F.R. § 75.707; 34 C.F.R. § 76.707.

[Delete if it does not apply: In addition, the LEA system requires *encumbrance* accounting. The amount *committed (or obligated)* must also be known to avoid over-expenditure of budgeted funds. An *encumbrance* accounting system is a method of ascertaining the availability of funds and then reserving funds to cover outstanding obligations.

Period of Performance of Federal Funds

State-Administered Grants *(Grants that are received through the pass-through agency such as State Department of Education)*

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

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State-Administered Grants (also known as pass-through grants) are available for 27 months.

The period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover 34 C.F.R. § 76.709. For example, funds awarded on July 1, 2015, would remain available for obligation through September 30, 2017.

The following grants have the period of availability of 27 months:

Grants under the Individuals with Disabilities Education Act (IDEA)

- IDEA Part B
- Preschool

Grants under Every Student Succeeds Act (ESSA)

- Title I, Part A - Improving Basic Programs
- Title I, Part A (Sec. 1003) - School Improvement
- Title I, Part C - Education of Migratory Children
- Title I, Part D - Prevention and Intervention Programs for Children and Youth who are
- Neglected, Delinquent, or at Risk
- Title II, Part A - Supporting Effective Instruction
- Title III - Language Instruction for English Learners and Immigrant Students
- Title VI-B, (Sec. 5003) - Rural Education Initiative (Title will change to Title V in 2017)
- Title X - Education for the Homeless (Title will change to Title IX in 2017)

All grants under ESSA (coming in 2017) have a limitation on maximum carryover amounts (see page 25).

State-Administered Grants available for less than 27 months

[Describe any grants that have additional State restrictions on the period of availability, such as The 21st Century Community Learning Centers (CCLC) program or GEARUP]

Direct Grants [the LEA applies for these grants directly to the US Department of Education. There is no intermediary agency. If your LEA receives direct grants, enter necessary information here.

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In general, the period of availability for funds authorized under direct grants is identified in the GAN]

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

Carryover

State-Administered Grants (also known as pass-through grants): As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to "carryover" any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months.

34 C.F.R. § 76.709. Accordingly, the LEA may have multiple years of grant funds available under the same program at the same time.

Carryover limitation depends on program requirements:

Program	Maximum Percent of Total Allocation
Title IA Basic Program	15%
Title IC Migrant Program	15%
Title IIA Improving Teacher Quality	25%, reasonable and necessary
Title III English Language Acquisition	reasonable and necessary
Title VI-B Rural and Low Income	25%, reasonable and necessary

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IDEA Part B	>10% will require justification

Carryover Procedures

For all applicable grants, the carryover certification/verification is part of the grant application process. The State Department of Education (SDE) requires that each LEA calculate the amount of funds to be carried from one school year to the next and include the carryover amount in the current school year's budget. Each LEA must submit an application for funding to the SDE to receive Federal grants at the LEA level. The calculation of the carryover amount is part of the plan and budget. Preliminary carryover amount is estimated by the LEA upon each Federal application submission. When final allocations are available, the LEA will adjust the budgets to align the final allocation amount with the internal budget, as well as reflect the actual carryover amount as of September 30th.

Excess Carryover for ESSA grants only: Should an LEA exceed the carryover limitation and be ineligible for a waiver, the amount that has been exceeded reverts back to the State.

Waiver: The LEA may waive the carryover limitation if the State Department of Education determines that the request of an LEA is reasonable and necessary.

Program	**How often can a waiver be requested?**
Title IA Basic Program	Once every three years
Title IC Migrant Program	Waived with exception per occurrence
Title IIA Improving Teacher Quality	Waived with exception per occurrence
Title III English Language Acquisition	Waived with exception per occurrence
Title VI-B Rural and Low Income	Waived with exception per occurrence

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The waiver is submitted through the comment section of the Consolidated Federal and State Grants Application. Narrative explanation:

- ✓ WHY the LEA has the excess carryover
- ✓ The plan to expend the funds in the coming year, to avoid the excess carryover in the future

Direct Grants (delete if this does not apply)

[LEAs apply for these grants directly through the US Department of Education. There is no intermediary agency. If your LEA receives direct grants, enter necessary information here]. Grantees receiving direct grants are not covered by the 12 month Tydings period. However, under 2 C.F.R. § 200.308, direct grantees enjoy the unique authority to expand the period of availability of federal funds. The LEA is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the LEA must provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

[Insert a description of the process to provide written notice of an extension of a direct grant. What positions/offices make this decision? What position provides final approval? What position writes the notice? The written notice must include the reasons for the extension as well as the revised period of performance. Describe this requirement when detailing what the written notice must include. Include a timeframe for the approval/sending the notice.]

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

- The terms and conditions of the Federal award prohibit the extension;
- The extension requires additional Federal funds; or
- The extension involves any change in the approved objectives or scope of the project. 2 C.F.R. § 200.308(d)(2).

[Insert description of how program extensions are requested. What position/office makes the determination that prior approval is necessary? Also, describe a similar process as to the one providing written notice. State any ways in which it would differ.]

Program Income

[Please specify whether it applies or doesn't apply to your LEA.]

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Definition

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

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, 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. 2 C.F.R. § 200.80. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. 2 C.F.R. § 200.307.

Use of Program Income

The default method for the use of program income for the LEA is the deduction method. 2 C.F.R. § 200.307(e). 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 LEA is otherwise directed by the federal awarding agency or pass-through entity. 2 C.F.R. § 200.307(e)(1). The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award. 2 C.F.R. § 200.307(e)(2).

While the deduction method is the default method, the LEA always refers to the GAN prior to determining the appropriate use of program income.

[What is the process for calculating program income and how it is accounted for within the financial management system? Are special revenue accounting codes used? Describe the process to request the addition method if a program office wishes to do so.]

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PROCUREMENT SYSTEM PROCEDURES

[In this section, describe what position has the authority to initiate purchases. May this position delegate purchasing authority to responsible individuals within their department? Which department will be responsible for processing contracts/purchase orders? Subject to whose ultimate authority? Does this department maintain a list of persons authorized to make purchases? How does it get this list? Who will make the final determination on any proposed purchase where budgetary or other conditions may result in denial?]

Overview

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

Purchase Methods

Amount	Description	Reference
$0 to $10,000	Micro-Purchases To the extent practicable, the LEA distributes micro-purchases equitably among qualified suppliers. Micro-Purchases may be awarded without soliciting competitive quotations if the LEA considers the price to be reasonable. The LEA maintains evidence of this reasonableness in records of all micro-purchases. Even though the quotes are not required, the best practice is to receive/search/review at least three quotes. Capital Objects	2 CFR 200.320 (a) and defined by 2 CFR 200.67

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Amount	Description	Reference
	Capital Object above $5,000 require prior approval by the SDE (usually, via grant application: i.e. CFSGA, IDEA Part B, SWIP) Best Practices or LEA policy Note: The Federal minimum requirement is up to $10,000; however, it is considered to be a good practice to implement a strong internal control over compliance requirements which allows maintaining accountability over purchased assets (2 C.F.R. § 200.62(a)(2). For example, any capital outlay purchased by the LEA including those of durable goods (e.g. furniture, electronics) with a unit cost less than $10,000 but over $[enter amount]_____ is approved by the appropriate financial staff member before the purchase is made by the LEA. Electronic devices are to be purchased in coordination with IT.	
$10,001-$49,999	Small Purchase Procedures No sealed bids, but quotations are obtained from at least 2 numbers of qualified sources - we suggest three, but if there are not that many in the area, then 2 will suffice. If small purchase procedures are used, verbal price or rate quotations must be obtained from an adequate number of qualified sources. Document all verbal responses.	2 CFR 200.320 (b) Procurement by small purchase procedures
$50,000-$99,999	Semi-Formal Bidding Semi-Formal bidding: Issue written requests for bids describing goods or services desired to at least three	IC 67-2806 (1)

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Amount	Description	Reference
	vendors. Allow 3 days for a written response, unless an emergency exists; 1 day for objections.	
$100,000 and above	Formal bidding Publish notice at least 2 weeks in advance of bid opening. Make bid specifications available; written objections allowed. May request bid security/bond. All bids will be publicly opened at the time and place prescribed in the invitation for bids. A firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bid, is the lowest in price. Any or all bids may be rejected if there is a sound documented reason.	IC 67-2806 (2) Idaho requirements. 2 CFR Part 200.319

Purchases over $100,000

Sealed Bids (Formal Advertising): For purchases over $100,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to 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 services if the following conditions apply:

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

If sealed bids are used, the following requirements apply:

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

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

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

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

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

[For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients. Use this section to describe this method. The method should address, among other issues, the factors considered in the evaluation, what position/office performs the evaluation, the number of evaluations

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performed, the timeframe for conducting any evaluations and the selection of a vendor; and whether another position reviews the evaluation.]

Contract/Price Analysis: The LEA performs a cost or price analysis in connection with every procurement action in excess of $100,000, including contract modifications. A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis are dependent on the facts surrounding the particular procurement situation; however, [insert position/office] must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a). [Describe the process to do this. For example, are similar prior procurements analyzed? What other research is performed? Is there a review process?]

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

Noncompetitive Proposals (Sole Sourcing)

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

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

[Insert a description of when and how the LEA uses the noncompetitive proposal method. This should include who is required to provide approval and what documentation is maintained to justify sole sourcing. Additionally, may wish to define "public exigency or emergency."]

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds $100,000.

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Purchase Cards (LEA-Issues Credit Cards)

[If the LEA uses purchase cards, insert purchase card policy here. Describe what positions are provided with a procurement card. Provide detail on what types of purchases can be made (e.g., gas, hotels or other travel expenses) and the maximum amount that can be charged. Describe the documentation that must be maintained for purchases made with purchase cards. Describe what controls are in place to ensure that procurements made with purchase cards are compliant with federal cost principles. For example, are card statements reviewed by another individual? If this individual finds a suspicious purchase, what is the protocol? What is the mechanism to obtain refunds from individuals who do not use a purchase card correctly?] See example below.

Example

…..The P-Card system allows for predetermined authority on spending limits for cardholding employees; however, it is required that the cardholder receive advance approval for all travel and highly recommended that they receive it for all other purchases. Approval should include what is being purchased, how much it will cost, and why it is necessary.

The LEA's superintendent, business manager, human resources director, and procurement director work together to set and enforce policies and procedures. Misuse and abuse will not be tolerated.

In accordance with suggested procedures [insert references] the LEA:

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

Segregation of Duties

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

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Cardholders

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

Restrictions

- *Restricted purchases such as capital outlay, individual meals, etc., do apply to P-card use.*
- *Electronic devices are to be purchased in coordination with IT.*

Each individual who uses a purchasing card must sign a user agreement form prior to issuance of the card. These cards may be used to purchase gas, hotel, travel, supplies, or contracted services in the event that a vendor does not accept a PO as payment. See above for the requirement regarding information that must be retained and turned in for verification of purchases.

Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 C.F.R §200.319. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

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

EDGAR further requires the following to ensure adequate competition.

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Geographical Preferences Prohibited

The LEA must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Prequalified Lists

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

Solicitation Language

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

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

Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

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

These considerations are given as part of the process to determine the allowability of each purchase made with federal funds. Please see page [_] for written procedures on determining allowability.

Use of Intergovernmental Agreements

To foster greater economy and efficiency, the LEA enters into state and local intergovernmental agreements where appropriate for procurement or use of common or shared goods and services.

Use of Federal Excess and Surplus Property

The LEA considers the use of federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

Debarment and Suspension

The LEA awards contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, a record of past performance, and financial and technical resources.

The LEA may not subcontract with or award subgrants to any person or company who is debarred or suspended. For all contracts over $25,000 the LEA verifies that the vendor with whom the LEA intends to do business with is not excluded or disqualified. 2 C.F.R. Part 200, Appendix II(1) and 2 C.F.R. §§ 180.220 and 180.300.

[How is this done (i.e checking the excluded parties list on Sam.gov; collecting a certification; through a clause or condition to the covered transaction)? Who is responsible for the verification?]

For example, LEA checks Excluded Parties List System database maintained by the Federal government at https://www.epls.gov and checks the Idaho State Repository: https://www.idcourts.us/repository/start.do to ensure the person or company is neither debarred or suspended prior to awarding the contract.

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Maintenance of Procurement Records

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

Please see page [_] for more information on the LEA's record policies.

Time and Materials Contracts

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

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the LEA must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlements of Issues Arising Out of Procurements

The LEA alone is responsible, in accordance with the good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims. These standards do not relieve the LEA of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

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

[Insert LEA's protest procedures here. Protest procedures must be in accordance with state and local law. Issues that should be addressed include, but are not limited to, how potential vendors receive notice of ability to protest, what position/office receives the protest; what position/office

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reviews the protest; whether a report of the review is provided to the complainant; and timeframes for both making the protest and reviewing the protest. The position/office that reviews the protest should be different than the one that awarded the contract.]

Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 C.F.R. §200.18(c)(1), the LEA maintains the following standards of conduct covering conflict of interest and governing the actions of its employees engaged in the selection, award and administration of contracts.

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

The officers, employees, and agents of the LEA may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts unless the gift is an unsolicited item of nominal value. [Include a description of a gift that is a nominal value. Ensure that this is compliant with state and local rules.]

[Insert definitions to terms in the above standards of conduct. For example, does "immediate family" mean a spouse and children or also parents? "Partner" and "Financial or other interest" should be defined as well. Additionally, describe the process for reporting conflicts of interest, both real and potential. Ensure that alternative methods are described in the case that the individual receiving the report is involved in the potential conflict. Describe the process to remove an employee from a procurement transaction if there is a conflict of interest, as well as the documentation required to show that the employee has properly recused him or herself. Detail what training is provided on conflict of interest policies and whether a signed certification is required from an employee acknowledging the policy. Name the positions/offices involved in these activities.

As always, review state and local conflict of interest laws to ensure that written standards of conduct are extensive enough.]

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Organizational Conflicts

[If the LEA has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the LEA must include written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 C.F.R §200.318(c)(2).]

Disciplinary Actions

[Insert description of disciplinary actions to be taken against an individual who violates the standards of conduct.]

Mandatory Disclosure

Upon discovery of any potential conflict, the LEA will disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy.

Contract Administration

The LEA maintains the following oversights to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

[For property, this section should discuss what position/office(s) receives any purchased property, how a receiving report is generated, and what information is included. The policies should ensure that there is proper segregation of duties. For example, the person who signs the contractor issues the purchase order should be different from the person who ensures the proper goods were received. May also cite to Property Management section if the LEA would rather place this information there.

For services, this section should discuss what position/office ensures that the services are provided. Discuss how this position will do so. Again, proper segregation of duties is important.]

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PROPERTY MANAGEMENT SYSTEMS PROCEDURES

Property Classifications

[The following property classifications are found in federal law. The LEA should include all relevant property definitions and revise to ensure property classifications are also in accordance with state and local law. For example, non-federal entities are authorized to alter the definition of equipment as long as the revised definition includes all of the property included with the federal definition.]

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the LEA for financial statement purposes, or $5,000. 2 C.F.R. §200.33.

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

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

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

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

Inventory Procedure

[In this section, describe the process that is performed when inventory is received. Where is new inventory received? What position inspects the property to make sure it's in good condition and that it matches what is listed on the purchase order and invoice? Is a receiving report produced?

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What information is included? Who logs into the property management system? Where is the receiving report kept and with what other documentation?]

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

Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained [insert how it is maintained]:

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

2. [Describe the process to adjust the inventory records in the event the property is sold, lost or stolen, or cannot be repaired.]

Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least yearly.

[Use this section to describe how the physical inventory is performed. What position/office performs the physical inventory? Is there a specific time period when the inventory is performed? Describe how the reconciliation is performed between the physical inventory and the property records. For example, at the State Department of Education level, at least yearly, a physical inventory is taken of all equipment in the Fixed Asset System (typically those items with state identification tags). A representative from Accounting/Human Resources generates current

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inventory listings and works with each employee to verify those items for which the employee is responsible.

Example:

….At least yearly, a physical inventory will be taken of all equipment in the ___ System, typically those items with the LEA's identification tags. A representative from _____ will generate current inventory listings and work with each employee to verify those items for which the employee is responsible……

Maintenance of Equipment

In accordance with 2 C.F.R.313(d)(4), the LEA maintains adequate maintenance procedures to ensure that property is kept in good condition. [Insert procedures to ensure that property is maintained in good condition. For example what restrictions are placed on the use of equipment and/or computing devices? What position and/or office is contacted if it appears an item is broken?]

Lost or Stolen Items

The LEA maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property.

[Insert description of what safeguards are in place to ensure the property is safeguarded. Is property allowed to be taken off-site? Are there any sign-in, sign-out procedures for computing devices? Are computing devices and other applicable equipment marked as property of the LEA? If the equipment is lost or suspected to be stolen, what are the procedures? What position and/or office does this get reported to? Are interviews conducted and a police report filed? How long is the property listed in the inventory after the property is lost/stolen?]

Use of Equipment

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

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During the time equipment is used on the project or program for which it was acquired, the equipment will also be made available for use on other projects or programs currently or previously supported by the federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by the federal awarding agency that financed the equipment. Second preference is given to programs or projects under federal awards from other federal awarding agencies. Use for non-federally funded programs or projects is also permissible.

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

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

Disposal of Equipment

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

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of $5,000 or less, it may be retained, sold, or otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than $5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

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

[EDGAR requires recipients to establish sales procedures to ensure the highest possible return. Insert description of sales procedures, including what position/office handles the sale of unneeded equipment and the number of offers that must be received.]

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State references: The State of Idaho Board of Examiners - State Personal Surplus Property Policy and Procedures http://www.sco.idaho.gov/

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WRITTEN TIME AND EFFORT PROCEDURES

Time and Effort Requirements/Standards

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

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

- Be supported by a system of internal controls which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- Be incorporated into official records;
- Reasonably reflect total activity for which the employee is compensated, not exceeding 100% of compensated activities;
- Encompass both federally assisted and all other activities compensated by the LEA on an integrated basis;
- Comply with the established accounting policies and practices of the LEA and
- Support the distribution of the employee's salary or wages among specific activities or costs objectives.

[Comment: Despite the lack of specific rules requiring certain signatures or certain periods of certification, it's very possible that auditors may interpret the requirement that records "must be supported by a system of internal controls which provides reasonable assurance" as including the need for certain signatures or periods of certification. Because of that uncertainty, we generally recommend no change to your time and effort system if you believe you're in compliance with the previous rules until auditors begin to interpret these new standards.

Reconciliation and Closeout Procedures Requirements/Standards

Because all employee compensation charges must be consistent with a subgrantee's established policies it is important for subgrantees to ensure their human resources policies are up-to-date and carefully followed.

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The LEA has a written procedure for describing time and effort requirements.

a) The LEA has a written process to include type of documentation maintained and what the requirements are for the documentation, such as who has to sign the documentation, how often the certifications are completed, whether the certifications are completed on paper or electronically, if the certification is reviewed by a supervisor, timeframe for reviewing the certification, and sample certifications, and
b) A description of the close-out procedure that is conducted at the end of the fiscal year addressing that the certifications are annually collected and reviewed for accuracy and appropriate signatures and dates.

2. The LEA has a written process to reconcile actual costs to budgeted distributions.

a) Multi-funded payroll charges must match the actual distribution of time recorded on the monthly certification documents.
b) Fully federally funded (100%) payroll charges can be documented semi-annually.

Budget estimates may be used for interim accounting purposes; however, there is a requirement to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. There must be a system of internal controls to review after-the-fact interim charges made to a Federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the Federal award is accurate, allowable, and properly allocated. The process description should include:

a) The position/office that performs the reconciliation
b) How often the reconciliation is completed (recommend at least quarterly)
c) The difference between the actual costs and budgeted distributions before adjustments are made (recommend annual adjustments only if the quarterly comparisons show the differences between budgeted amounts and actual costs are less than 10%; and the budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

3. The LEA has a written procedure for an employee that is separating service from the LEA that addresses when the employee is required to submit final certification.

4. The LEA has a written procedure for an employee that is separating service from the LEA that addresses when the employee is required to submit final certification.

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Employee Exits Standards

[In this section, describe the procedure for an employee that is separating his or her services from the LEA. For example, discuss when the employee is required to submit his or her final certification. Is it at the exit interview?]

Provide a link guiding the reader to the human resources policies and stating where he or she can find the policies.]

Example of Written Time and Effort Procedures for LEA#XXX

LEA XXX

Example: Written Time and Effort Procedures

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

- **Semi-annual certification:** (single cost objective 100%)
- **Personnel Activity Reports (PARs)** (multiple cost objectives)
- **Substitute system** (multiple cost objectives with a predetermined, set schedule.)

Semi-annual certification

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

- Work 100% of their time on a single grant program and/or single cost objective.
- Work 100% of their time in administering one program such as a Federal Programs Director who administers only one program.
- Work 100% of their time under a single cost objective funded from eligible multiple funding sources.

These employees are not required to maintain time-and-effort records if their job description clearly shows that the employee is assigned 100% to the program or single cost objective. Each employee must certify in writing, at least semi-annually, that he/she worked solely on the

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program or single cost objective for the period covered by the certification. The certification is signed by the employee or by the supervisor having first-hand knowledge. Charges to the grant must be supported by these semi-annual certifications. The semi-annual certification is executed after the work has been completed, and not before. The semi-annual certifications are maintained by the Human Resources Department of the LEA.

Examples of the LEA employees who work on a "single cost objective"

An LEA supports an elementary school teacher with local funds but pays her with Title I, Part A funds to provide after-school tutoring for low-achieving students. Although the teacher could not be paid with Title I, Part A funds to provide elementary education in general, the portion of her time spent on after-school tutoring is easily separated from her teaching position by her schedule. Accordingly, the teacher's after-school tutoring is a single cost objective and she need only file a semiannual certification for the time she works in the after-school program supported by Title I, Part A funds.

Personnel Activity Reports (PAR)

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

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

These employees are required to maintain time-and-effort records OR (NEW) to account for their time under a substitute system (NEW) (see below). Employees must prepare time-and-effort summary reports monthly (recommended) to coincide with pay periods. Such reports must reflect an after-the-fact distribution of the actual time spent on each activity and must be signed by the employee. These reports are submitted monthly (recommended) to the LEA's Payroll Department.

Substitute System (multiple cost objectives with fixed schedule)

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

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employee work schedule must include sufficient controls to ensure that the schedules are accurate.

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

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

Employee schedules must:

- Indicate the specific activity or cost objective
- Account for the total hours
- Be certified at least semiannually and signed by the employee or a
- Any significant revisions to an employee's established schedule must be documented
- The effective dates of any changes must be clearly indicated in the documentation provided.

Federal rules require LEAs to submit a management certification form to the SDE before eligible employees participate in the substitute system. C.F.R 200.430 (5)(i). The form is included (see page_)

Reconciliation and Closeout Procedures

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

If using budget estimates, the LEA will periodically, at least quarterly, reconcile payroll charges to the actual time and effort reflected in the employees' time-and-effort records.

- If the difference between the actual and budgeted amounts is 10% or greater:
  The LEA will adjust its accounting records at least quarterly

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- If the reconciled difference is less than 10%:
  The LEA will adjust the accounting records at least annually

But in both cases, the accounting records will be adjusted to reflect actual time-and-effort records.

Employee Exits

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

Examples: Time and Effort Documentation (see next page)

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Examples: Time and Effort Documentation (see next page)

The same form can be used for all types of certification.

Type of certification (Semi-Annual) SAMPLE

_X_ Semi-annual *(single cost objective 100%)*

____Personal Activity Report (PAR) *(multiple cost objectives)*

___Substitute System *(multiple cost objectives with predetermined, set schedule)*

Type of Schedule:
___ Daily
___Weekly
___ Biweekly
__ Other: _____

Employee and Position:

Reporting Period:

EXAMPLE

Cost objective (program activity)	Fund Code-Program Function Code	Program	Distribution of Time (percentage or hours)
Elementary School Teacher	251-500	Title I-A	100%

Employee's Signature and Date

I hereby certify this report is an accurate representation of the total activity during the period indicated.

Reviewed by supervisor: _____ Date

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Type of certification Personnel Activity Report (PAR) EXAMPLE

____ **Semi-annual** *(single cost objective 100%)*

_X__ **Personnel Activity Report (PAR)** *(multiple cost objectives)*

___**Substitute System** *(multiple cost objectives with predetermined, set schedule)*

Type of Schedule:
___Daily
___Weekly
___ Biweekly
___ Other: _____

Employee and Position:

Reporting Period:

EXAMPLE

Cost objective (program activity)	Fund Code-Program Function Code	Program	Distribution of Time (percentage or hours)
Federal Program Director	251-500	Title I-A	41%
Federal Program Director	257-500	IDEA Part B	14%
Federal Program Director	100-500	Non-Federal	45%
Total			100%

Employee's Signature and Date

I hereby certify this report is an accurate representation of the total activity during the period indicated.

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Attachments (for substitute systems only) **EXAMPLE**

2015-16 SCHOOL YEAR SCHEDULE

Employee: Jane Doe

Position: Instructional Assistant

School: Lincoln Elementary

Monday	Tuesday	Wednesday	Thursday	Friday
8:00-8:30 Consult with staff regarding Title I students/curriculum	*8:00-8:30* Consult with staff regarding Title I students/curriculum	*8:00-8:30* Consult with staff regarding Title I students/curriculum	*8:00-8:30* Consult with staff regarding Title I students/curriculum	*8:00-8:30* Consult with staff regarding Title I students/curriculum
8:30-8:45 Break	*8:30-8:45* Break	*8:30-8:45* Break	*8:30-8:45* Break	*8:30-8:45* Break
8:45-9:15 Special ed. support	*8:45-9:15* Special ed. support	*8:45-9:15* Special ed. support	*8:45-9:15* Special ed. support	*8:45-9:15* Special ed. support
9:15-10:00 Small group reading	*9:15-10:00* Small group reading	*9:15-10:00* Small group reading	*9:15-10:00* Small group reading	*9:15-10:00* Small group reading
10:00-10:30 Small group math	*10:00-11:00* 2nd-grade Title I reading/math	*10:00-10:30* Small group math	*10:00-11:00* 2nd-grade Title I reading/math	*10:00-10:30* Small group math
10:30-11:00 2nd-grade Title I reading/math		*10:30-11:00* 2nd-grade Title I reading/math		*10:30-11:00* 2nd-grade Title I reading/math
11:00-11:30 Lunch Break	*11:00-11:30* Lunch Break	*11:00-11:30* Lunch Break	*11:00-11:30* Lunch Break	*11:00-11:30* Lunch Break
11:30-11:45 Individual special ed.	*11:30-11:45* Individual special ed.	*11:30-11:45* Individual special ed.	*11:30-11:45* Individual special ed.	*11:30-11:45* Individual special ed.

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student catch-up	student catch-up	student catch-up	student catch-up	student catch-up
11:45-12:35 Small group math	*11:45-12:35* Small group math	*11:45-12:35* Small group math	*11:45-12:35* Small group math	*11:45-12:35* Small group math
12:35-1:05 Small group writing	*12:35-1:05* Small group writing	*12:35-1:05* Small group writing	*12:35-1:05* Small group writing	*12:35-1:05* Small group writing
1:05-1:20 Break	*1:05-1:20* Break	*1:05-1:20* Break	*1:05-1:20* Break	*1:05-1:20* Break
1:20-1:40 Title I prep	*1:20-1:40* Title I prep	*1:20-1:40* Title I prep	*1:20-1:40* Title I prep	*1:20-1:40* Title I prep
1:40-2:30 First-grade Title I reading/math	*1:40-2:30* First-grade Title I reading/math	*1:40-2:30* First-grade Title I reading/math	*1:40-2:30* First-grade Title I reading/math	*1:40-2:30* First-grade Title I reading/math
2:30-3:30 Title I lesson planning and student learning plan follow-up	*2:30-3:00* Title I lesson planning *3:00-3:30* Bus duty	*2:30-3:30* Title I lesson planning and student learning plan follow-up	*2:30-3:00* Title I lesson planning *3:00-3:30* Bus duty	*2:30-3:30* Title I lesson planning and student learning plan follow-up

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Example: LEA MANAGEMENT CERTIFICATION (for substitute system)

LEA Name & #:

State educational agencies (SEAs) are authorized to approve local educational agencies (LEAs) to use a substitute system for time-and-effort reporting in accordance with the following guidelines. In permitting an LEA to use the substitute system, the SEA must obtain from the LEA a management certification certifying that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate. Complete the form below and email this form to amukuna@sde.idaho.gov

System Guidelines

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

a. Currently, working on a schedule that includes multiple activities or cost objectives that must be supported by monthly personnel activity reports;

b. Work on specific activities or cost objectives based on a predetermined schedule; and

c. Not work on multiple activities or cost objectives at the exact same time on their schedule.

(2) Under the substitute system, **in lieu of personnel activity reports**, eligible employees may support the distribution of their salaries and wages through documentation of an established work schedule that meets the standards under section (3). An acceptable work schedule may be in a style and format already used by an LEA.

(3) Employee schedules must:

a. Indicate the specific activity or cost objective that the employee worked on for each segment of the employee's schedule;

b. Account for the total hours for which each employee is compensated during the period reflected on the employee's schedule; and

c. Be certified at least semiannually and signed by the employee and a supervisory official having firsthand knowledge of the work performed by the employee.

(4) Any revisions to an employee's established schedule that continue for a prolonged period must be documented and certified in accordance with the requirements in section (3). The effective dates of any changes must be clearly indicated in the documentation provided.

(5) Any significant deviations from an employee's established schedule, that require the employee to work on multiple activities or cost objectives at the exact same time, including but not limited to lengthy, unanticipated schedule changes, must be documented by the employee using a personnel activity report that covers the period during which the deviations occurred.

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The LEA discloses the following known deficiencies with the system or known challenges with implementing the substitute system (if applicable):

I certify that only eligible employees will participate in the substitute system and that the system used to document employee work schedules includes sufficient controls to ensure that the schedules are accurate.
Superintendent/Authorized Signature and Date:

Printed Name:

Applicable School Year:
Email completed form to amukuna@sde.idaho.gov

RECORD KEEPING

Record Retention

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

The State Department of Education hereby recommends that the LEAs maintain five years and one audit year to comply for their record retention schedule for all federal fiscal and programmatic records, which is a total of six (6) years.

[How are the records destroyed? Is there a records inventory that gets updated?]

The State Department of Education follows the state's policy as set in the Human Resource Records Retention Schedule of the Records Management Guide which can be found at https://history.idaho.gov/wp-content/uploads/2018/08/Board_and_Commission_Records_Book_0.pdf

Collection and Transmission of Records

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[Insert description of how records are maintained. Are all records kept electronically? Are they also kept as paper copies? If so, are they kept on-site or off-site? How are records provided to awarding agencies to meet reporting requirements and to auditors and monitors? If the records are kept electronically, 2 C.F.R. 200.335 allows recipients to transmit them electronically, meaning there's no need to make paper copies.]

Access to Records

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

Privacy

[Describe the protections that the LEA has in place to ensure that the personal information of both students and employees is protected. For example, are there password policies that require frequent changes? Are employees trained on the requirements of the Family Educational Rights and Privacy Act (FERPA)? Are there any procedures in place for when a request for documentation is made to ensure that the person has the right to the documentation?]

Frequently Asked Questions

[If you have any typical questions, they can be added here.]

I. Legal Authorities and Helpful Resources

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

- Education Department General Administrative Regulations (EDGAR)
  - http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html

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3.

- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 200)
  - http://www.ecfr.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5
  -
- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 CFR Part 3474)
  - http://www.ecfr.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/ecfrbrowse/Title02/2cfr3474_main_02.tpl

    4.
- Federal program statutes, regulations, and guidance
  - http://www.ed.gov/
  - [Include any additional links to (or reference citations to) federal statutes, regulations and guidance.]

    5.
- State regulations, rules, and policies
  - [Include links to (or reference citations to) state regulations, rules and policies.]

    6.
- LEA regulations, rules, and policies
  - [Include links to (or reference citations to) LEA regulations, rules, and policies.]

    7.
- Organizational Chart
  - [Include an organizational chart as an attachment to this policy.]

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