

Lamoille North Supervisory Union

General Grant Purchase Procedures

Detailed documentation of expenses is a critical element of accounting for any charges made to a grant. If there is no way to account for costs being allowable, it could result in repayment of grant funds for all grants, LNSU wide, not just to an individual school. Please read these procedures carefully along with the other attached documents.

IF IT ISN'T DOCUMENTED, IT DIDN'T HAPPEN!

With that in mind please be aware of the following policies and procedures:

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Attachments: Federal Procurement Procedures, Employee Stipend Form, LNSU Request for Grant Fund Purchase Order, Sample Contract Agreement, Allowability of Cost Procedure, Fiscal Management & General Financial Accountability Guidelines Policy, Conflict of Interest Policy, Cash Management Procedures, Capital Asset Policy, Travel Policy and Travel Procedures.

Grant Purchases – General

Purchases cannot be made prior to substantial approval from the granting agency. A grant award is sent to LNSU central office with a very specific period of performance and first date for obligating funds. Purchases dated prior to that award date, may be disallowed. The only exception is child nutrition services, which fall under unique procurement procedures or if the grant specifically allows for prior date purchases.

Purchases cannot be made using the schools petty cash accounts.

All purchases, to the maximum extent practicable, should begin with the creation of a purchase order, unless board approval is required. At which point, PO creation follows board approval. This will result in less disallowed grant expenses needing to be coded to the general fund.

If the proposed purchase is outside of the scope of work or strategy already approved by the VT AOE, an amendment is needed. Contact the person responsible for writing the grant. Spending for the new strategy/scope of work will not be allowed unless and until the amendment has been approved.

As with all district purchases, no tobacco, alcohol or any illegal substance, dependent costs or sales tax will be allowed.

Purchases must follow the LNSU Allowability of Cost Procedures and meet the Federal Procurement Procedures. (Attached)

Grant Purchases – General

Non salary purchases require a fully approved purchase order, prior to committing to a purchase.

Purchase Order requirements:

- 1) The school should enter a requisition detailing the purchase. In the body of the requisition please detail the service, supply or equipment being purchased. If for a conference or workshop, detail the training, specifically how it relates to the grant, and the dates of training, location and who is attending. Attachments can serve as further backup.
- 2) If a PCard is the selected vendor, the notes section must indicate the vendor who is ultimately benefiting from the purchase so a SAM check can be completed.
- 3) In the notes section of the requisition please include the strategy # if one has been assigned and all other pertinent information required for the Grants Manager to verify it complies with the approved strategy. The general ledger code should match the approved grant expense code.
- 4) A completed LNSU Request for Grant Fund Purchase Order must be attached to the requisition, with all necessary back up including but not limited to: quotes, bids, conference description, etc.
- 5) The requisition is submitted for approval. The Grants Manager reviews the requisition for accuracy, compliance to the approved strategy and necessary and reasonableness of the purchase. The Grants Manager will also verify the vendor has not been suspended or debarred. If approved, it moves on to the Principal or building administrator for final review and approval. If returned, there will be a note from the Grants Manager and/or Principal/Building Admin as to what needs to be changed, amended or why the requisition will not be approved.
- 6) Food Service (fund 6001) ONLY – PO's are expected to be created at the beginning of the fiscal year to encumber all estimated food purchases-

PURCHASES MADE PRIOR TO THE ABOVE PROCESS PUT YOU AT RISK OF NOT BEING ABLE TO USE GRANT MONIES FOR THIS PURCHASE. Very few exceptions will be made at the discretion of the finance coordinator.

This process will save a lot of headaches down the road if there are issues with the vendor, procurement, purpose of the purchase or general ledger account coding before a purchase is made.

Procurement Thresholds

Details regarding the procurement procedures to follow will depend on the federal method used and can be found in the LNSU Federal Procurement Procedures.

Informal Procurement Methods:

Micro – Purchase: \$0.01 – \$9,999.99

Small Purchase: \$10,000.00 - \$39,999.99

Formal Procurement Methods:

Sealed Bids: \$40,000.00 +

Proposals: \$40,000.00 +

Non-Competitive Proposals: \$40,000.00 +

Contracted Services

Contracts are necessary for purchased services, which include hiring vendors/contractors for professional development or performing any service in our schools, PRIOR to the work being started.

Contracts must be clear in the scope of work, dates of service and amount payable to the vendor.

Note: All grant funded Vendors and Contractors must successfully pass a Federal System of Award Management disbarment search.

As in any other purchase this contracted service must begin with a requisition/purchase order and the contract should be attached to the PO prior to work starting.

Before payment is made, there must be a sign-off on the invoice that the contracted work was performed as stated in the contract including agenda's and sign in sheets if applicable.

Grant Funded Professional Development Procedures

Professional development can be performed in two different ways, a contractor/vendor is hired to train staff at the school level or the staff may attend conferences or workshops in a different venue.

Contracted Vendors:

Vendors/outside contractors are paid to work with staff in the school setting. A contract is necessary to pay this vendor PRIOR to work being started.

Before payment is made, there should be a sign-off that the contracted work was performed as stated in the contract. Agendas and sign in sheets should be attached to the invoice.

Stipends:

If the staff is expected to work outside of their contracted days /contracted hours then stipends will be necessary in order to compensate them appropriately. IF THIS WORK IS DURING SCHOOL HOURS OR ON AN INSERVICE DAY, ADDITIONAL COMPENSATION IS NOT ALLOWED. Supplemental pay forms should be submitted BEFORE work begins if paying for work beyond the regular contract with grant funds. Documentation should state the work expectations and payment provisions. Make sure the description of the work is detailed enough to tie into the grant objectives.

An attendance sign in sheet must be submitted prior to or with payment. Please attach to the supplemental pay form.

Training/Professional Development outside of the school setting:

Staff sometimes travel to professional development opportunities. When entering in the requisition for the event, please attach an agenda or brochure identifying the content of the training and the dates of the training.

A Certificate of attendance is needed for each staff person attending this PD. If the conference does not provide one, then please bring a LNSU certificate of attendance that can be found on the LNSU website www.lnsd.org.

Travel costs include the expense of transportation, lodging, and food and should be coded to object code 0581. Travel reimbursement must be processed within 60 days of the trip. The cost of lodging and food must be considered reasonable and necessary. Costs for dependents is never reimbursable. Alcohol purchases and sales tax are never reimbursable; however, room & meals tax are allowable. Mileage: if traveling by private vehicle, mileage to the event will be reimbursed at the current IRS reimbursement rate and is subject to the LNSU Mileage Reimbursement Procedures. **Reimbursement should be forwarded for payment within 60 days per IRS regulations or will be subject to income tax.**

Transportation and accommodations: Airfare and hotel accommodation costs must be the basic and least expensive, whenever possible. Circuitous airline routing or travel requiring excessive prolonged

Grant Funded Professional Development Procedures

travel or at unreasonable hours can be used to allow for additional costs for a flight. Also additional expenses can be allowed for accommodations if the basic ones are not reasonably adequate for the participants needs for the conference/workshop they are attending. Again, purchase orders must be created prior to airline tickets or hotel reservations being made.

Food/subsistence: in order to be reimbursed for food purchases, receipts must be original, itemized, readable and dated. Per LNSU policy, in no event will alcohol purchases be reimbursable. With few exceptions, lost receipt forms will NOT be allowed for grant funded reimbursement. If an employee is requesting reimbursement, expense reimbursement forms must be completed, attaching all of the original invoices and referencing the approved PO before reimbursement will be processed. All reimbursement requests must be processed as soon as possible after the conference. Again, requisitions/POs must be created, estimating the cost for meals and other travel expenses, prior to the trip.

When staff is traveling for a conference/workshop, a daily stipend may be allowed depending on whether or not the conference happens during a normal school day, in-service day or during a non school day.

All travel for conferences and workshops, as with all grant purchases, must meet the definition of being reasonable and necessary. This means the cost is necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles. Reasonable costs are determine if in its nature and amount the cost does not exceed that which would be incurred by a prudent person under the same circumstances at the time the decision was made to incur the cost. When in doubt, please contact the Grants Manager.

Equipment and Supply Procedures

Equipment purchases are subject to different procedures than supply purchases. Goods purchased or received with grant funds are property of the school district.

Technology purchases, whether considered a supply or equipment, must be purchased in collaboration with the IT Department.

Supplies:

Supply purchases require a requisition/purchase order PRIOR to purchasing and should use an object code of 06???. Supplies can include, but are not limited to resource materials, computer equipment under \$5,000 per unit, books and other small, non-depreciable purchases.

Grant funds cannot be used to purchase food with the exception of the 21st Century, the Parental Involvement grant where light meals can be used to entice parents to attend after school/evening trainings/enrichment and for reimbursement to staff attending professional development outside of the school where it is reasonable and necessary. All of these exceptions, must be included in an approved strategy.

Equipment:

Equipment is defined as tangible personal property or certain electronic services with a useful life of more than one year and a per unit acquisition cost of \$5,000 or more.

Prior approval from the Agency of Education is necessary before any equipment purchase is made. In some cases this approval is necessary prior to a grant award. Application can be made on the Grants Management System. Please contact the Business Manager for help and guidance.

Equipment purchases require a requisition/purchase order PRIOR to purchasing and should be under object code 07???.

All equipment purchases with grant funds MUST be tracked and only used for the grant purpose. Once the procurement has taken place the item must be kept in a secure place and the item must be used by and for the purpose of the grant. Inventory will be taken on all equipment purchases using grant funds at least every two years.

Equipment, purchased with grant funds, cannot be sold, scrapped or returned without proper documentation at the LNSU, federal and/or state level. Please contact the Grants Manager PRIOR to disposing of equipment purchased with grant funds. In some cases, sale of items may require reimbursement to the grantor.

Payment to Vendors: Invoices or receipts for supplies or equipment must be dated, original and itemized. If an employee is requesting reimbursement, expense reimbursement forms must be

Equipment and Supply Procedures

completed, attaching all of the original invoices and referencing the approved PO before reimbursement will be processed.

Payment of Invoices

Invoices should be carefully reviewed, the PO number must be on the face of the invoice and a signature needs to be provided from someone who can verify this grant purchase met the requirements of the strategy. In the event that this is a technology purchase, there should also be a signature of the technology member acknowledging the item(s) have been received and that they have cataloged the purchase. Invoices will then be reviewed a second time by the LNSU Finance Coordinator or their designee in their absence.

Packing slips need to be provided when received with the purchase. Every attempt should be made to use school financial resources for purchases. Under no circumstances should personal Amazon accounts be used for purchases. All deliveries need to be made to the school NOT to an employee's home.

Grant Funded Employee Pay and Stipends

Salary/wage funded positions do NOT require a purchase order, but may require following other procurement procedures.

There are two different ways employees can be funded with grant monies, as a supplement pay in the form of a stipend and as part of their regular biweekly pay.

Stipend supplemental:

Extra duty pay should begin with a supplemental pay form PRIOR to the employee completing the services. Stipends are only allowed if the work being completed is above and beyond their normal work day and duties. Typically you will fill out Option #2 on the supplemental pay form, making sure ALL sections are complete for verification to the approved grant strategy. Only after this work has been completed, will payment be allowed.

Grant funded positions:

When grant funding pays for a portion or all of a staff's salary and benefits, documentation is necessary to verify the employees duties line up with the grant strategy. The Finance Coordinator will provide either a Personal Activity Report (PAR) or a semiannual certification as determined by the employee's job duties and grant strategy cost objectives. These forms are due monthly to meet federal requirements. PARs are used for employees working on multiple cost objectives. Time Certifications are for employees working 100% of their time on one cost objective.

Grant Funded Intellectual Property

All intellectual property created as a result of grant and tax funds shall be the property of the school district.