

# **Oroville Union High School District**

## **Internal Control Manual for Federal Grants**

Revised December 5, 2024

## TABLE OF CONTENTS

Introduction .....	3
Overview of the Financial Management System .....	5
Grant Application Process .....	5
Budgeting .....	5
Accounting Records .....	6
Reconciliation and Closeout Procedures .....	6
Federal Cash Management Policy .....	7
Timely Obligation of Funds .....	8
Carryover .....	9
Procurement .....	10
Direct and Indirect Costs .....	11
Allowability of Costs .....	11
Purchases of Equipment and Other Capital Expenditures .....	16
Procurement Standards .....	17
Responsibility for Purchasing .....	18
Purchasing Methods .....	19
Procurement Methods .....	20
Micro-purchases .....	21
Small Purchases .....	22
Procurement by Sealed Bids .....	24
Bidding Procedures .....	24
Competitive Process .....	24
Non-Public Works Projects .....	24
Public Works Projects .....	25
Competitive Proposals .....	25
Contract Cost and Price .....	26
Noncompetitive Proposals (Sole Sourcing) .....	27
Full and Open Competition .....	27
Conflict of Interest Requirements .....	28
Contract Administration .....	29
Property Management Systems .....	30
Disposal of Equipment .....	30
Compensation Policies .....	32
Standards for Documentation of Personnel Expenditures .....	32
Single Cost Objective .....	33
Multiple Cost Objective .....	33
Time and Effort Documentation .....	34
Periodic (Semiannual) Certification .....	34
Personnel Activity Report .....	34
Substitute Systems for Time Accounting .....	34
Substitute System Based on Sampling Method .....	34
Substitute System Based on Employee's Predetermined Schedule .....	35
Human Resource Procedures .....	36
Record Retention .....	37
Access to Records .....	37
Subrecipient Monitoring .....	38
Audit Resolution .....	38
Nondiscrimination in District Programs and Activities .....	39
Complaint Procedures .....	40

## **Introduction**

This manual sets forth the policies and procedures used by the Oroville Union High School District to administer federal funds. The manual contains the internal controls and grant management standards used by the District to ensure that all federal funds are lawfully expended. It describes in detail the District's financial management system, including cash management procedures, procurement policies, inventory management protocols, procedures for determining the allowability of expenditures, time and effort reporting and record retention. Employees of the District that manage or spend federal program funds are expected to review this manual to gain familiarity and an understanding of the District's procedures and practices.

This manual is designed to ensure compliance with the U.S. Education Department's General and Administrative Regulations (EDGAR).

References to the Code of Federal Regulations (CFR) have been included to identify the specific citation in the regulations.

This manual also supports the board policy governing federal grant funds (AR 3230).

The District maintains a proper financial management system in order to receive both grant awards and to expend grant funds in accordance with grant regulations. Fiscal controls and procedures are in place to ensure that all requirements are met. Failure to meet a requirement may result in a return of funds or termination of an award.

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

- Identification. The District must identify, in its accounts, all federal awards received and expended. Federal program and award identification must include, as applicable, the CFDA title and number, the federal award identification number, the year, the name of the federal agency, and, if applicable the name of the pass-through entity.
- Financial Reporting. An accurate, current and complete disclosure of the financial results of each federal award or program in accordance with the financial reporting requirements set forth in the EDGAR.
- Accounting Records. The District must maintain records that 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. The District must establish and maintain effective internal controls over each federal award that provide reasonable assurance that the District is managing the award in compliance with federal statutes, regulations and the terms and conditions of the award.
- Budget Control. Actual expenditures or outlays are compared with budgeted amounts for each federal award.
- Cash Management. The District must maintain written procedures to implement the cash management requirements found in EDGAR.
- Allowable Costs. The District must maintain written procedures for determining allowability of costs in accordance with EDGAR.

## **Overview of the Financial Management System**

### ***Grant Application Process***

Once a grant opportunity has been identified, the Superintendent is notified of potential grant funds. The application must be sent to the Superintendent with the following information:

- Source of funds
- Purpose of funds
- Timeline for application and approval
- Match requirements, if applicable
- Potential amount and length of funds
- Grant term

Grant funds are intended to supplement the District budget and cannot supplant budgeted funds. The cost of salary-driven and health benefits should be included in grant budgets when including personnel in an application. On-going costs should not be funded from one-time grant allocations or grants that are funded for a limited time.

Before signing the application, the Superintendent will provide the budget to the Assistant Superintendent/CBO to review for content.

The District uses the ESCAPE Technologies financial system program. ESCAPE is the primary system for purchasing, human resources, payroll, budget and accounting functions. Financial transactions are recorded using the Standardized Account Code Structure (SACS) in accordance with California Schools Accounting Manual (CSAM) guidance. CDE specifies Fund, Resource, Year, Object, Goal and Function codes. Each federal program is identified using the Resource code. In addition, the District uses optional codes for manager, site and a cost center for ease of budget monitoring by grant managers.

Once the District becomes aware of a grant award, either through notification from the California Department of Education (CDE) or receipt of a grant award notice (GAN), the Assistant Superintendent/CBO will assign the proper account codes for reporting transactions.

### ***Budgeting***

The appropriate grant manager responsible for each specific grant's compliance must prepare the grant budget. The Assistant Superintendent/CBO enters the initial budget, and any subsequent revisions, into the financial system upon grant award notification.

Budget amendments must be submitted to Assistant Superintendent of Curriculum and Instruction in advance of need. Grant budget amendments can be made for financial and/or programmatic reasons. Once approved by the Assistant Superintendent of Curriculum of Instruction, and the federal awarding agency or CDE if applicable, budget amendments will be entered into the financial system by the Assistant Superintendent/CBO.

### ***Accounting Records***

Accounting records are kept in hard copy and electronic formats. The Business Office is responsible for the maintenance of all purchase orders and related records. If an error is found, Business Office staff can make correcting journal entries. The Assistant Superintendent/CBO reviews and posts all journal entries to the financial system.

### ***Reconciliation and Closeout Procedures***

The financial activity for the District's federal grants is recorded in the ESCAPE financial system. The Assistant Superintendent/CBO enters the grant budgets and subsequent adjustments into the system. Salaries and purchases are encumbered to monitor available funds. During the course of the grant, grant managers have access to grant financial statements by accessing them through ESCAPE. The grant managers are responsible for spending monies during the available grant period. Upon completion of the grant, the Assistant Superintendent/CBO will prepare final expenditure reports and submit them to the awarding agency, if required.

## **Federal Cash Management Policy**

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement in accordance with the Cash Management Improvement Act 31 CFR, Part 205.

Funds allocated under the Every Student Succeeds Act (EESA) are drawn by submitting cash balances for program resources through the California Department of Education's Federal Cash Management Data Submission program on a quarterly basis. Most other federal grant funds are received through a reimbursement process based on actual costs incurred. However, if the District receives an advance in federal grant funding, the District will report interest earned to CDE on a quarterly basis for each federal resource. Interest will be remitted to CDE annually. The District is allowed to keep interest amounts up to \$500 per year for administrative purposes.

If the District includes non-federal match funding in the Federal program resource codes, the District may reduce the daily federal cash balances by the corresponding proportionate share of the required cash match for each program.

### ***Timely Obligation of Funds***

Obligations are orders placed for property and services, contracts and subawards made and similar transactions during a given period that require payment by the District during the same or future period.

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

<b>If the obligation is for:</b>	<b>The obligation is made:</b>
Acquisition of property	On the date which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the district	On the date which the District makes a binding written commitment to obtain the services
Public utility service	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District 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 CFR § 75.707 and § 76.707

All obligations must occur on or between the beginning and ending dates of the grant project. This period is known as the period of performance. The period of performance is dictated by statute. Further, certain grants have specific requirements for the carryover of funds that must be considered.

State Administered Grants: Generally, state-administered federal funds are available for obligation within the year that funds are appropriated. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. This maximum period includes a 15-month period of initial availability, plus a 12-month period of carryover.



Federal education grant funds are typically available for expenditure on July 1 of each year. The District will always plan to spend all of the current year grant funds within the same year the grant was appropriated.

Direct Grants: The period of availability for funds authorized under direct grants is identified in the grant award notice.

For both state-administered and direct grants, regardless of the period of availability, the District must liquidate all obligations incurred under the award within 90 days after the end of the funding period unless an extension is authorized. Any funds unobligated at the end of the period of availability or not liquidated within the appropriate timeframe will lapse and be returned to the awarding agency. Consequently, the Director of Student Services and the Assistant Superintendent of Business closely monitor spending throughout the grant cycle to promote use of all allocated funds within the period of availability.

### ***Carryover***

Carryover of grant funds in the subsequent year will be permitted in accordance with each specific grant's regulations. Some grants, such as VEA and Indian Education, do not allow a carryover of funds and must be spent in the year allocated.

Title I, Part A carryover cannot exceed 15%. Each site principal is responsible for monitoring their allocation to ensure that their carryover does not exceed the carryover cap. The site principal must notify the Assistant Superintendent of Curriculum and Instruction if, at any time, they become aware that they will not be able to spend their allocation below the cap limitation by the end of the fiscal year. The Assistant Superintendent of Curriculum and Instruction may apply to CDE for a waiver of the Title I carryover cap once every three years. Carryover of Title I grant funds will be incorporated into the available funds in the subsequent year and redistributed in the same manner as the current year allocation.

## **Procurement**

As a recipient of federal funds, the District is responsible for administering federal grants in a manner consistent with the grantor's terms and conditions. Federal funds must be administered in a manner consistent with the cost principles contained in EDGAR and 2 CFR § 200 (the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards). The Assistant Superintendent of Curriculum and Instruction and the Assistant Superintendent/CBO are responsible for ensuring compliance with these regulations.

Although each grant may have specific allowable and unallowable costs, the District adheres to the federal cost principles when developing and administering the budget. Federal cost principles require costs to be allowable, reasonable and allocable.

To meet the definition of **allowable**, an expenditure must be:

- Necessary and reasonable to carry out the grant
- Be consistent with the policies and procedures that apply uniformly to federal and non-federally funded expenditures
- Not be included a part of a match of other federal funds
- Be adequately documented

To meet the definition of **reasonable**, the expenditure cannot exceed the amount a prudent person would spend on that item at the time the decision was made to incur the expense. Reasonableness is further ensured by:

- Use of business practices, adherence to federal, state and local laws and regulations and the terms and conditions of the federal grant
- Use of market prices in the local area for comparing the costs of goods and services

To meet the definition of **allocable**, the expenditure is chargeable or assignable to the federal grant or cost objective in accordance with the relative benefits received.

Allocable is further defined as:

- Costs are incurred specifically for the federal grant
- Costs can be distributed in proportions that may be approximated using reasonable methods
- Costs are necessary to the overall operation of the non-federal entity

## ***Direct and Indirect Costs***

Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal grant 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. Indirect costs are those costs 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 to the results achieved (i.e. human resources/payroll, utility costs, purchasing, maintenance, accounting, etc.). Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs.

Identification with the federal grant, rather than the nature of the goods and services involved, is the determining factor in distinguishing direct from indirect costs. Typical costs charged directly to a federal grant are the compensation of employees who work on that grant, their related fringe benefit costs, the costs of materials and other items of expense incurred for that grant. 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 to the project or activity.
- Such costs are explicitly included in the budget or have the written approval of the federal awarding agency.
- The costs are not also recovered through application of the indirect cost rate.

The CDE annually approves the indirect cost rates that can be used for all school districts in California. These calculations are submitted to CDE during the Unaudited Actuals submission process each fall. The indirect cost rate used by the District cannot exceed the rate approved by CDE. Some federal grants have specific maximum allowable rate that can be charged to a particular grant, which may be less than the CDE approved rate.

## ***Allowability of Costs***

Expenditures must be aligned with approved budgets. Any changes or variations require approval prior to a commitment of funds.

Grant managers monitoring federal grant funds will review the proposed cost to determine whether it is an allowable use of grant funds before obligating and spending those funds. All costs supported by federal grants must meet the standards outlined in the EDGAR, which are provided in the bulleted list below.

All expenditures of federal grant funds must be reviewed and approved by the Assistant Superintendent of Curriculum and Instruction and the Assistant Superintendent/CBO to determine compliance with the standards and verification that funds are available to support the request.

District staff must consider the following elements when determining the allowability of the cost.

- Reasonable – 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. When determining reasonableness of an expenditure, the following considerations must be made:
  - Was the cost a type generally recognized as ordinary and necessary for operation of the District or the proper and efficient performance of the federal award?
  - Are there restraints or requirements imposed by factors such as federal, state or local laws, district business practices or the terms and conditions of the federal grant?
  - Is the price comparable to market prices within the geographic area?
  - Was prudence exercised in the circumstances in considering the responsibilities to the District, its employees, its students, the public and the federal government?
  - Were District purchasing practices and policies followed to insure that costs are not unreasonably increased to the federal grant?
  
- Necessary – a cost is necessary if it is essential to addressing an existing need.
  - Is the cost needed for proper and efficient performance of the grant program?
  - Is the cost identified in the approved budget or application?
  - Is there an educational benefit associated with the cost?
  - Does the cost align with identified needs based on results and findings from a needs assessment?
  - Does the cost address program goals and objectives and is it based on program data?
  
- Allocable - a cost is allocable to the federal program if the program receives a benefit in proportion to the funds charged to it.

- Consistency – policies and procedures are applied uniformly to both federally funded grants and other programs in the District. In addition, a cost cannot be assigned to a federal program 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.
- Conforms to limitations – costs conform to any limitations or exclusions included in the CFR Part 200 cost principles or in the terms and conditions of the grants.
- Adequately documented – all costs must be supported by proper documentation.
- Conforms to GAAP – all costs conform to generally accepted account principles, unless otherwise provided for in CFR Part 200.
- Not included as a match for another federal program – costs cannot be included as a match or cost-share for another federal program unless specifically authorized by the federal program.
- Net of all applicable credits – costs should be reported net of discounts, rebates or allowances, recoveries or indemnities on losses, adjustments of overpayments or erroneous charges. To the extent that such credits accruing or received relate to the federal award, they shall be credited to the program as either a cost reduction or a cash refund, as appropriate.
- Allowable – a cost must be allowable by the federal program, by federal, state and local laws, and by District policies and procedures.
  - Is the cost allowable under the relevant program?
  - Is the cost consistent with the approved program plan and budget?
  - Is the cost consistent with program specific fiscal policies?
  - Is the cost consistent with the EDGAR?
  - Is the cost consistent with any specific conditions imposed on the grant?
  - Is the cost consistent with the underlying needs of the program?

CFR Part 200 addresses the allowability of 55 specific cost items (commonly referred to as the Selected Items of Cost). These cost items are listed in the following chart along with the Code of Federal Regulations citation where it is discussed. District staff responsible for spending federal grant funds must be familiar with the individual Selected Items of Cost to ensure a cost is allowable. Just because an item is on the list does not necessarily mean it is allowable. All

the factors previously discussed must be considered before obligating the District. In addition, state, District and program-specific rules may deem a cost as unallowable.

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising	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 Provision	2 CFR § 200.433
Contributions and Donations	2 CFR § 200.434
Defense and Prosecution of Criminal & Civil Proceedings, claims, appeals and Patent Infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee Health and Welfare	2 CFR § 200.437
Entertainment Costs	2 CFR § 200.438
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
Fund Raising & 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
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	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

Specific District-specific policies related to some of the identified cost items are:

- All expenditures of federal program funds must be reviewed and approved by the Assistant Superintendent of Curriculum and Instruction and the Assistant Superintendent/CBO. This is accomplished through the electronic requisition process in the ESCAPE financial system.
- Facility-related expenditures require coordination with the Facilities Director.
- Professional development expenditures are approved by the site principal, the Assistant Superintendent of Curriculum and Instruction and the Assistant Superintendent/CBO for compliance with Board Policy 4331. This is facilitated through the submission of a Professional Development Request form.

Professional development activities funded through the Every Student Succeeds Act (ESSA) include the Title I, Title II, Title IV and Title V programs. Professional development expenditures for these programs must be for activities that:

- a. are an integral part of school and District strategies for providing educators (including teachers, principals, other school leaders, specialized instructional support personnel, and para-educators) with the knowledge and skills necessary to enable students to succeed in a well-rounded education and to meet State academic standards; and
  - b. are sustained (not stand-alone, one day, or short term workshops), intensive, collaborative, job-embedded, data-driven and classroom-focused.
- Food expenditures for local trainings and activities must be approved by the Assistant Superintendent of Curriculum and Instruction and the Assistant Superintendent/CBO. Generally, there is a very high burden of proof to show that paying for food and beverages with federal funds is necessary to meet the goals and objectives of a grant. While these determinations will be made on a case-by-case basis, it is likely that those circumstances will be rare. Requests must include documentation to show that it is not possible to accomplish the agenda of a meeting or training without working through lunch, as federal grant funds may not be used to pay for a “working lunch” that is not necessary.

The following considerations will must be documented:

- Is a working lunch necessary?
  - Is the portion of the agenda to be carried out during lunch substantive and integral to the overall purpose of the meeting?
  - Is there a genuine time constraint that requires the working lunch?
  - If a working lunch is necessary, is the cost of a working lunch reasonable?
- Board Policy 3350 establishes the District's rules related to employee expenses incurred during travel for District business purposes. Reimbursable expenses may include, but are not limited to, costs of transportation, parking fees, tolls, lodging, registration fees, communication expenses and other incidental expenses. An employee must obtain approval from their administrator prior to traveling. All out-of-state travel for which reimbursement will be claimed requires advance approval by the Governing Board. Employees are encouraged to minimize costs by sharing transportation and lodging whenever possible.

The District will not reimburse personal travel expenses including, but not limited to, tips or gratuities, alcohol, entertainment, laundry, expenses of any family member that is accompanying the employee, personal use of an automobile, personal losses or traffic violation fees.

Mileage will be reimbursed at the current Internal Revenue Service business rate for miles driven, excluding commute miles. Meals will be reimbursed at the current District per diem rate. All other expenditures are reimbursed at actual cost and require supporting documentation. Reimbursement is facilitated by submitting a Travel Expense Report and Claim Form within sixty (60) days of incurring the expense.

- Procurement of contracted services requires the completion of the District's Independent Contractor Services Form, which entails obtaining advance approval by the Assistant Superintendent/CBO and the Governing Board.

### ***Purchases of Equipment and Other Capital Expenditures***

The Assistant Superintendent of Curriculum and Instruction will request prior written approval from CDE to make capital expenditures of \$10,000 or more. This includes equipment replacement, other capital assets and improvements which materially increase the value or useful life of equipment or other capital assets. The Assistant Superintendent of Curriculum and Instruction will facilitate this by submitting a Request



for Approval form to CDE that describes the justification for the capital expenditure as it relates to the requirements of the federal grant along with supporting bids or price quotes.

For the food service program, CDE has developed a USDA Capital Expenditure Approved List. The District is not required to submit a request to purchase for those items listed. See <https://www.cde.ca.gov/ls/nu/sn/capexpapprovedlist.asp> for the complete list.

### ***Procurement Standards***

In accordance with Board Policy 3300, the District recognizes its fiduciary responsibility to oversee the prudent expenditure of District funds.

The District must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services, the District is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods or services (i.e. piggyback contracts).

The District is encouraged to use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The District is encouraged to use value-engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

The District must award 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, record of past performance and financial and technical resources.

The District may not subcontract with or award subcontracts to any person or company who is debarred or suspended. For all contracts over \$25,000, the District must verify that the vendor with whom the District intends to do business with is not excluded or disqualified. This can be accomplished by requiring a certification of eligibility from the

vendor or using the Federal System of Award Management (SAM) website to determine whether a particular entity has been excluded.

The District must maintain records sufficient to detail the history of procurement. 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
- Basis for the contract price

The District may use a time and materials type contract only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract in which the cost to the District is the sum of the actual cost 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 District must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

The District alone must be responsible, in accordance with 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 District of any contractual responsibilities under its contracts. The federal awarding agency will not substitute its judgment for that of the District unless the matter is primarily a federal concern. Violations of law will be referred to the authority having proper jurisdiction.

### ***Responsibility for Purchasing***

The Assistant Superintendent/CBO is the purchasing agent for the District and as such, retains the authority to review and approve all purchases. In addition, all requests for purchases of goods or services from the Every Student Succeeds Act, federal Special Education and Carl Perkins Career and Technical Education Improvement Act programs is reviewed and approved by the Assistant Superintendent of Curriculum and Instruction to ensure compliance with grant requirements.

The Assistant Superintendent/CBO, with assistance of the Butte County Office of Education, provides appropriate access to the ESCAPE financial system for users to prepare purchase requisitions. User lists are maintained by the Assistant Superintendent/CBO as employees are hired, leave or change roles within the District.

The Assistant Superintendent of Business/CBO maintains the electronic workflow process in ESCAPE so that requisitions are routed for the appropriate approvals.

Budgetary controls are set up within ESCAPE, which prevent a user from processing a requisition in excess of the budget.

### ***Purchasing Methods***

- Purchase orders. Requisitions for goods and services are submitted electronically using the ESCAPE financial software. Once prepared, requisitions are routed electronically to Subject Area Coordinators, Principals and the Assistant Superintendent of Curriculum and Instruction, as appropriate. In the final step of the approval process, all requisitions are reviewed and approved by the Assistant Superintendent/CBO. Approved requisitions are processed into Purchase Orders by the Accounts Payable Technician, who also prints and distributes them.

Requisitions for contracted services must be accompanied by the District's Independent Contractor Services contract. The Assistant Superintendent/CBO and the Board must approve contracts prior to the performance of the service.

- Reimbursements for purchases of goods. Employees may submit reimbursement requests using the District's Reimbursement Claim form. Receipts for purchases must accompany the form. The claim form is intended to assist employees with making small purchases of less than \$200. Reimbursement requests must be submitted within 60 days of making a purchase.
- Reimbursement for travel. Employees may submit advance/reimbursement requests for travel related expenditures using the District's Travel Expense Claim forms. Advances may be requested for mileage and meal expenses using the same forms. Reimbursement requests must be submitted within 60 days of incurring the expense.
- Cal Cards. U.S. Bank Visa Cal Cards are provided to administrators and career technical education teachers. The Assistant Superintendent/CBO maintains the user list and updates them as employees are hired, leave or change roles within

the District. Limits on single purchase and monthly purchase limits are established by the Assistant Superintendent/CBO and enforced by U.S. Bank. U.S. Bank also monitors the allowability of vendors where the card can be used and will deny charges for inappropriate use. Cal Card users must submit receipts for purchases to the Accounts Payable Technician within three (3) business days of making a purchase.

- Other Credit Cards. On occasion, the District will provide other credit cards to be used at local business (Home Depot, Food Maxx, etc.). Generally, these cards have small credit limits. Users are responsible for submitting receipts to the Accounts Payable Technician prior to the billing period and ensuring that there are adequate funds in the budget to accommodate the purchase being made.

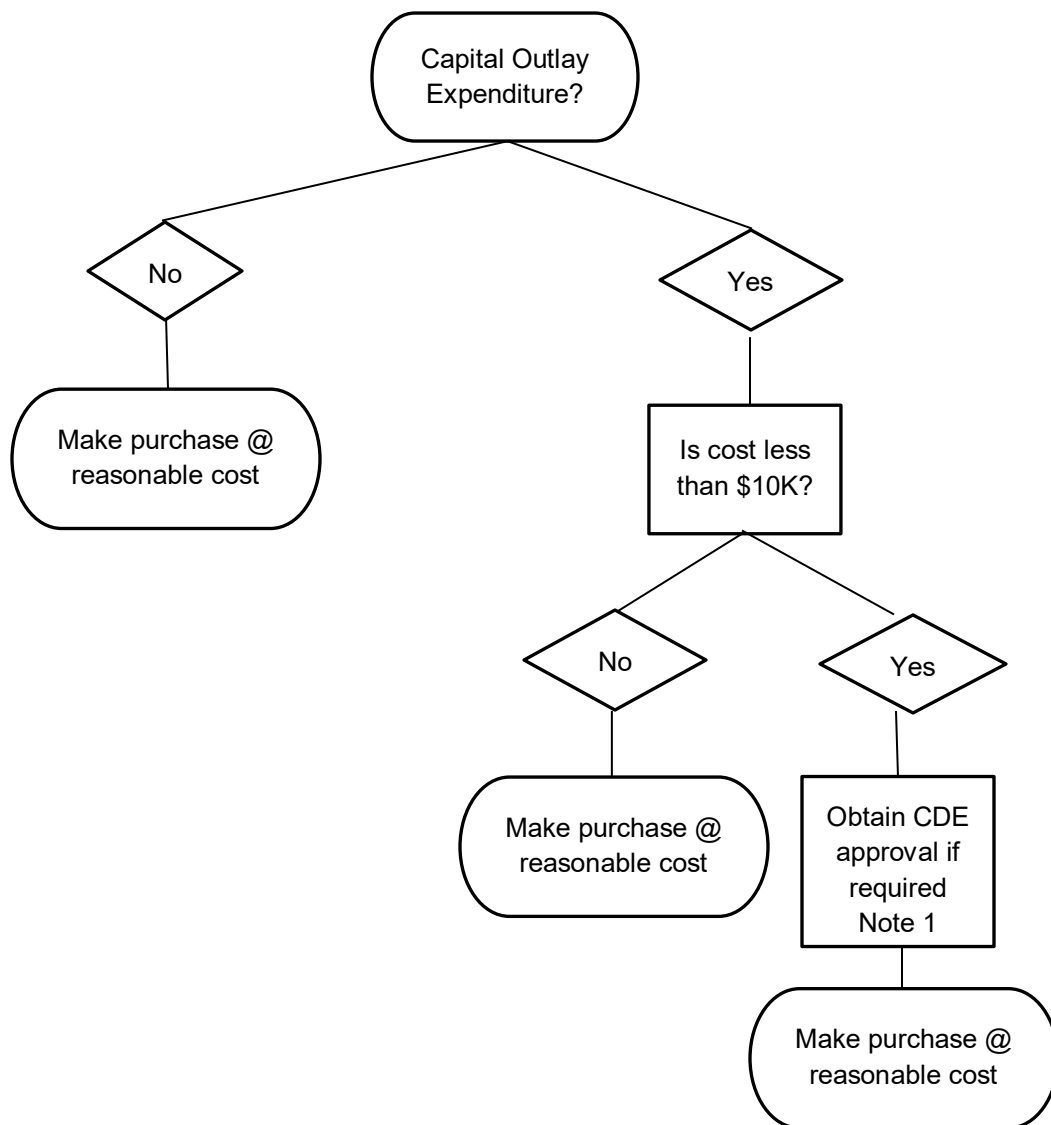
### ***Procurement Methods***

Federal and state regulations for procurement methods may differ in some instances. The following documented methods or limits are aligned to the most restrictive guidance when comparing the regulations of both.

## Micro-purchases

A micro-purchase is the acquisition of supplies or services for which the aggregate dollar amount does not exceed \$50,000. To the extent practicable, the District shall distribute equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotes. The purchase must include documentation that supports the reasonableness of the cost. Price reasonableness normally will be based on a comparison with historical prices paid for this item, catalog prices or other offers.

### Micro-purchase Process (Up to \$50,000)



Note 1 – The Food Service Department should consult the USDA Capital Expenditure Approved List to determine if CDE approval is necessary.

## *Small Purchases*

2 CFR § 320(b) establishes procedures for simple and informal procurement methods for securing services, supplies or other property where the aggregate dollar value is between \$50,001 and \$250,000.

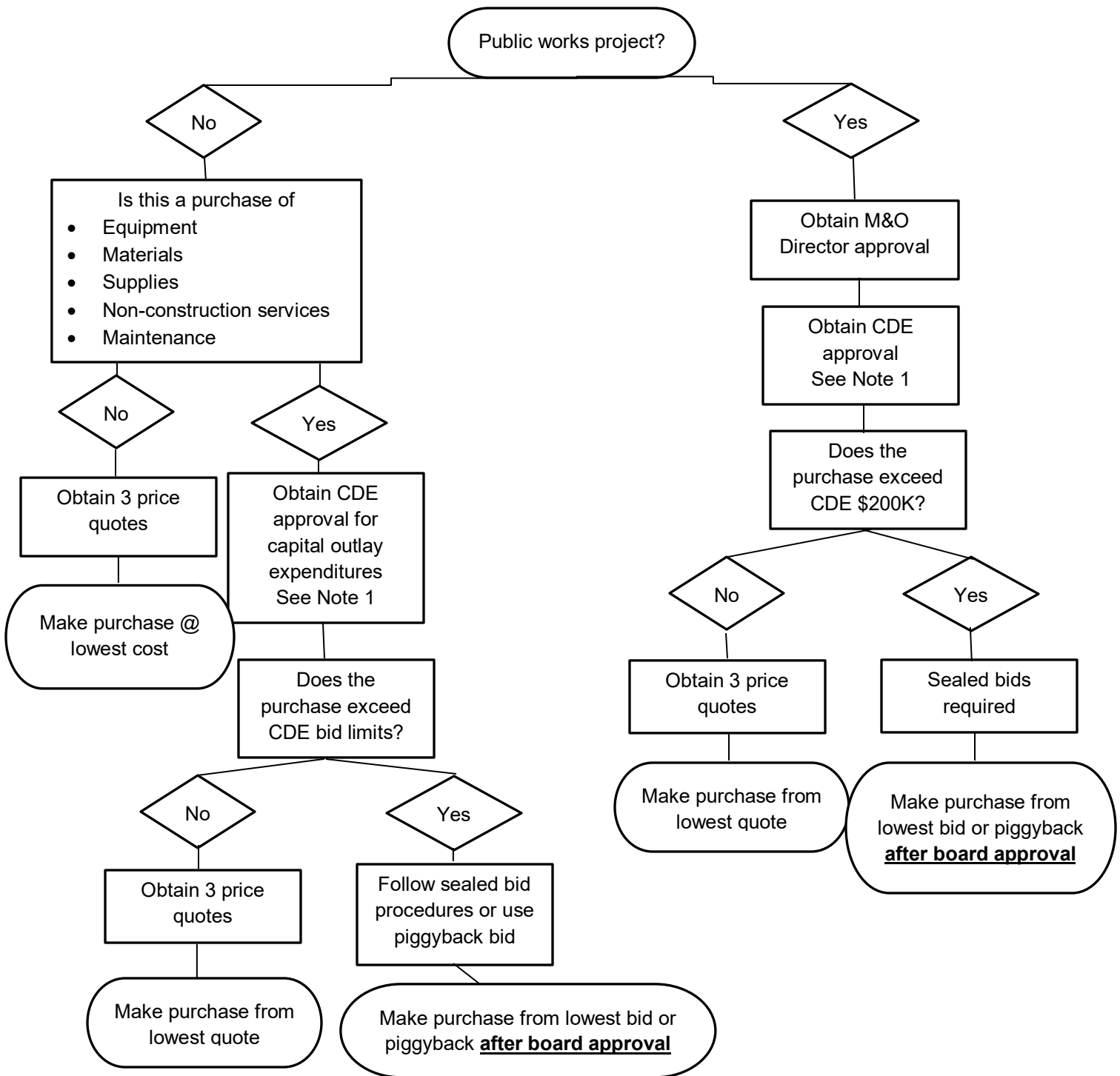
Federal regulations require the purchaser to obtain price or rate quotes from an adequate number of qualified sources.

Small purchases are still subject to the state bidding regulations for purchases of supplies, equipment and services for non-public works projects. In accordance with the requirements of the Public Contract Code Section 20111(a), the California State Superintendent of Public Instruction annually adjusts the bid limit that sets the requirement for competitive bids. The bid limit applies to 1) the purchase of equipment, materials and supplies; 2) services, except for construction services; and 3) repairs, including maintenance projects that are not public projects (Note: at the time this manual was updated, the established bid limit was \$114,500. Please consult the Assistant Superintendent/CBO for the current bid limit in effect).

The state's definition of maintenance means routine, recurring and usual work for preserving, protecting and keeping a facility operating in a safe, efficient and continually usable condition for the intended purpose for which it was designed, improved, constructed, altered or repaired. Maintenance includes, but is not limited to carpentry, electrical, plumbing, glazing and other craft work designed to preserve the facility, as well as repairs, cleaning and other operations on machinery and other permanently attached equipment, but does not include painting, repainting or decorating other than touch-up. All expenditures for maintenance services must be coordinated with the Maintenance Director.

For public works projects, the district has elected to become a participating member of the California Uniform Public Construction Cost Accounting Act (CUPCCA) pursuant to the Public Contract Code § 22030. The district follows the CUPCCA accounting procedures when awarding contracts for public works projects (AR 3311.1 in Board Policy). Public works projects include painting, repainting, construction, erection, alteration, renovation, improvement, demolition and repair work involving and District-owned, leased or operated facility. Projects of \$45,000 or less may be performed by district employees by force account, negotiated contract, or purchase order. Informal bids may be used to grant contracts for public works projects that do not exceed \$200,000. All expenditures for public works projects must be coordinated with the Maintenance Director.

Small Purchase Process  
(\$50,001 - \$250,000)



Note 1 – The Food Service Department should consult the USDA Capital Expenditure Approved List to determine if CDE approval is necessary.

### *Procurement by Sealed Bids*

When sealed bids are required, bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid conforms to all material terms and conditions of the invitation for bids and is the lowest in price. The sealed bid method is the preferred method for procuring construction contracts.

Public works projects in excess of \$200,000 are subject to formal bidding procedures. All expenditures for public works projects must be coordinated with the Maintenance Supervisor. Bids are awarded by the Governing Board.

### ***Bidding Procedures***

AR 3311.1 in Board Policy outlines the informal and formal bidding procedures used by the District.

#### *Competitive Process*

##### 1. For Non-Public Works Projects

To utilize the sealed bid method, the following conditions should be present:

- 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.
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally based on price.

If sealed bids are used, the following requirements apply:

- 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 and 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 must be opened publically.
- A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder.



Where specified in bidding documents, factors such as discounts, transportation costs 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.

Advertising for bids is done by placing a notice at least once a week for two weeks in a local newspaper of general circulation that is published in the District, or if no such newspaper exists, then it is advertised in some newspaper of general circulation that is circulated in the county. In addition, the advertisement may be posted on the District's website or through an electronic portal.

The notice shall state the work to be done or materials or supplies to be furnished and the time, place and website where bids will be opened. If a mandatory pre-bid conference will be conducted, the notice shall contain the time, date and location of the conference, site visit or meeting and details regarding when and where project documents, including the final plan and specifications, are available. Any such mandatory visit or meeting shall occur not less than five calendar days after the publication of the notice.

## 2. For Public Works Projects

### 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. 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.
- Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

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

## Contracting with Small and Minority Business, Women's Business Enterprises and Labor Surplus Area Firms

The District must take all necessary affirmative steps to assure that minority businesses, women's business enterprises and labor surplus area firms are used when possible. Affirmative steps must include:

- Placing qualified small and minority business and women's business enterprises on solicitation lists.
- Assuring that small and minority business and women's business enterprises are solicited whenever they are potential sources.
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business enterprises and women's business enterprises.
- Establishing delivery schedules, where the requirements permit, which encourage participation by small and minority businesses and women's business enterprises.
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
- Requiring the prime contractor, if subcontracts are to be let, to make the affirmative steps listed in the previous bullets.

### Contract Cost and Price

The District must perform a cost or price analysis in connection with every procurement action of more than \$250,000 or more, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the purchaser must make independent estimates before receiving bids or proposals.

The District must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. 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.

### Noncompetitive Proposals (Sole Sourcing)

Procurement by noncompetitive proposals is procurement through solicitations 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 District.
- After solicitation from a number of sources, competition is determined to be inadequate.

### Full and Open Competition

All procurement transactions must be conducted in a manner providing full and open competition consistent with 2 CFR § 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 compete for such procurements. Some of the situations considered 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 “an equal” product to be offered and describing the performance or other relevant requirements of the procurement.
- Any arbitrary action in the procurement process.

The District must conduct procurements in a manner that prohibits the use of geographical preferences, except in those cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering 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.

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

Solicitation language should 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 that unduly restricts 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 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 performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated and identify all requirements which the vendors must fulfill and all other factors to be used in evaluating bids or proposals.

#### *Conflict of Interest Requirements*

The District complies with the requirements of state law and the Uniform Guidance for conflicts of interest and mandatory disclosures for all procurements with federal funds.

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 arises when the employee, officer or agent, or any member of his/her immediate family, his/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.

Each employee, board member or agent of the District who is engaged in the selection, award or administration of a contract supported by a federal grant or award and who has a potential conflict of interest must disclose that conflict in writing to the Superintendent.

The officers, employees and agents of the District may neither solicit nor accept gratuities, favors or anything of monetary value from contractors or parties to subcontracts.

The Superintendent will disclose in writing to the Governing Board and the federal awarding agency or other pass-through entity, in a timely manner, all violations of

federal criminal law involving fraud, bribery or gratuities potentially effecting any federal award.

The Governing Board, the Superintendent and the Assistant Superintendent/CBO are required to submit a Statement of Economic Interest, also known as the Form 700 to the Fair Political Practice Commission (FPPC). This provides transparency and ensures accountability. The submission of this form provides necessary information to the public about an official's personal financial interests to ensure that officials are making decisions in the best interest of the District and not enhancing their personal finances. It also serves as a reminder to the individual submitting the Form 700 of potential conflicts of interest so that they can abstain from making or participating in District decisions that are deemed conflicts of interest.

### Contract Administration

The contract manager will vary based on the type of contract. The contract manager is responsible for the following:

- Coordinating communications with the vendor.
- Evaluating the qualifications of the contract personnel for compliance with contract requirements.
- Determining acceptability of reports and deliverables produced by the contractor.
- Approving or rejecting contract payment requests.
- Ensuring the contract amendments are in writing and approved by the Assistant Superintendent/CBO.
- Providing complete contract files to the Business Office where they will be maintained.

## **Property Management Systems**

To comply with AR 3440 in Board Policy, an inventory of capital assets will be maintained by the Receptionist using the FAMP program for all equipment valued in excess of \$500. In accordance with AR 3512 in Board Policy, assets will be kept in good condition and will be safeguarded to prevent loss, damage or theft.

Each piece of equipment will have a bar code assigned to it that identifies the District name and bar code number. The FAMP program will be used to document a description of the fixed asset, a serial number or other identification number, the source of funds used to purchase the property, the acquisition date, the cost, the location, the use and condition of the property and any ultimate disposition information including the date of disposal and the sales price.

At least once every two years, a physical inventory of the property is conducted with the results reconciled to the FAMP inventory records.

Equipment purchased for use in a federal program shall be used in that program as long as needed, whether or not the program continues to be supported by federal funds. The equipment may be used in other activities currently or previously supported by a federal agency when such use does not interfere with the work on the project or program for which it was originally acquired or when use of the equipment is no longer needed for the original program.

### ***Disposal of Equipment***

The Board approves all disposals of equipment. Grant managers must request permission to dispose of equipment by completing a FAMP Disposal form and submitting it to the Superintendent's office.

In the event that the District is provided equipment that is federally owned, the District shall request disposition instructions from the federal awarding agency when it no longer needs the equipment.

When the District has a need to replace equipment originally purchased with funds from a federal grant, it may, subject to the approval of the awarding agency, trade in the original equipment or sell the property and use the proceeds to offset the cost of the replacement property.

When any original or replacement equipment or supplies acquired under a federal grant are no longer needed for the original project or program or for other federally supported activities, the District may retain or sell such items, or if the item(s) has an aggregate

current fair market value that does not exceed \$2,500, may otherwise dispose of the item in a manner approved by the Governing Board. Whenever the District sells equipment or supplies that have a current fair market value of \$5,000 or more, it shall provide an amount to the federal awarding agency equal to the agency's share of the current market value of the equipment or the proceeds from the sale.

Surplus or obsolete personal property may be disposed through any of the following methods:

- Advertise for bids by posting a notice in at least three public places in the District for at least two weeks, or by publishing a notice at least once a week for at least two weeks in a newspaper having a general circulation in the District and, if possible, publishing within the District. The property shall be sold to the highest responsible bidder or shall reject all bids. Property for which no qualified bid has been received may be sold without further advertising.
- By means of a public auction.
- Without advertising for bids under any of the following conditions:
  - The Governing board unanimously determines that the property does not exceed \$2,500 in value.
  - The property is sold to agencies of the federal, state or local government or to another school district or any agency eligible under the federal surplus property law and the sale price equals the cost of the property plus the estimated cost of purchasing, storing and handling.
  - The property is sold or leased to agencies of the federal, state or local government or to any other school district and the price and terms of sale/lease are fixed by the Governing Board and approved by the County Superintendent of Schools.

## **Compensation Policies**

Compensation for personal services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the federal award, including but not necessarily limited to wages and salaries.

Compensation for personal services may also include fringe benefits. Costs of compensation are allowable if they are reasonable for the services rendered and conforms to the established policy of the District consistently applied to both federal and non-federal awards and they follow an appointment made in accordance with the District's normal hiring policies.

### ***Standards for Documentation of Personnel Expenditures***

The cost objective(s) on which an employee works is the main factor in determining whether federal time documentation requirements can be satisfied by a periodic personnel certification or whether the requirements must be met through the more detailed Personnel Activity Report (PAR).

Salaries and wages used in meeting cost sharing or matching requirements of federal awards must also be supported by one of these methods.

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

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

Budget estimates (i.e. estimates determined before the services are performed) alone do not qualify as support for charges to federal awards. They can be used for interim purposes as long as 1) the estimates are reasonable approximations of the activity to be performed, and 2) differences are identified and entered into the records in a timely



manner. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable and properly allocated.

### ***Single Cost Objective***

A set of work activities may be considered a single cost objective when both the service(s) being performed and the population(s) being served are allowable under any of the programs supporting the cost objective. Costs allocable to a cost objective must be allowable under any of the programs that fund the activities. Following are examples of employees working on a single cost objective:

- Single funded activity – An employee works solely on activities of a single federal program.
- Schoolwide program – A school site employee works solely in a school with a schoolwide plan that has been approved by the California Department of Education.
- Combined federal and state awards – An employee is funded by a mixture of federal and/or state awards where the services provided and the populations served are eligible and allowable under any of the awards. An example of this would be Special Education program staff that spend all of their time working within the Special Education program.
- Combined federal, state and local awards – An employee who is funded by a mixture of federal, state and local resources where the services provided and the populations served are allowable and eligible under any of the funding sources. An example of this would be a Food Service worker that spends all of his/her time in the preparation and serving of school meals.

### ***Multiple Cost Objectives***

When an employee works on more than one award and the activities performed may not be considered a single cost objective, the employee is considered to work on multiple cost objectives.

## ***Time and Effort Documentation***

### ***Periodic (Semiannual) Certification***

Employees who work solely on a single federal award or cost objective need only complete a periodic certification. The periodic certification must:

- Be prepared at least semiannually.
- Be signed by the employee or supervisor having firsthand knowledge of the work performed by the employee.
- State that the employee worked solely on that single federal program or cost objective during the period covered by the certification.

Where multiple employees work on the same cost objective, a blanket certification may be used as the documentation for all employees who worked on the cost objective.

### ***Personnel Activity Report***

Employees who work on multiple activities or cost objectives of which at least one is federal must complete a Personnel Activity Report (PAR).

A PAR must:

- Reflect an after-the-fact distribution of the actual activity of each employee.
- Account for the total activity for which an employee is compensated.
- Be prepared at least monthly.
- Be signed by the employee.

### ***Substitute Systems for Time Accounting***

2 CFR § 200.430 allows for the use of substitute systems for time accounting using sampling methods that meet statistical sampling methods for allocating salaries. The United States Department of Education has approved two such systems for California's school districts to use for substantiating federal salary charges for those employees working on multiple-funded activities or cost objectives.

#### **1) Substitute System Based on Sampling Method**

This system allows the District to collect PARs from employees every fourth month (three times a year). The information from these PARs is used both to reconcile the

federal timekeeping estimates from the previous three months and to estimate the percentage of time employees will spend on various federal programs in the next three months. If this system is chosen, all multi-funded employees, who would otherwise be required to complete PARs must participate in this system. Employees funded solely from a single federal source or whom work on a single cost objective must not participate in the sampling method substitute system to avoid distorting the multi-funded data.

## 2) Substitute System Based on Employee's Predetermined Schedule

The District may use alternative documentation, such as a master schedule, instead of a PAR to document the time and effort of an employee who works on multiple activities or cost objectives who does so on a predetermined, or fixed, schedule. An individual documenting time and effort under this substitute system is permitted to certify time and effort on a semiannual basis.

In order to use this system, the District must submit a management certification to the California Department of Education that certifies that only eligible employees will participate in this substitute system and that the system used to document employee work schedules has sufficient controls to ensure that the schedules are accurate. Additionally, the certification must include a full disclosure of any known deficiencies with the system or known challenges with implementing the substitute system.

To be eligible to document time and effort under this substitute system, employees must meet the following guidelines:

- Work according to a schedule that includes multiple activities or cost objectives that must otherwise be supported by monthly PARs.
- Work on specific activities or cost objectives according to a predetermined schedule.
- Not work on multiple activities or cost objectives at the exact same time on their schedule.

Under this predetermined schedule substitute system, in lieu of PARs, eligible employees may support a distribution of their salaries through documentation of an established work schedule that meets the standards described below:

- Indicate the specific activity or cost objective that the employee works on for each segment of the employee's schedule.
- Account for the total hours for which the employee is compensated during the period reflected on the employee's schedule.
- Be certified at least semiannually and signed by the employee and by a supervisor having firsthand knowledge of the work performed by the employee.

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 must be documented by the employee using a PAR that covers the period during which the deviations occurred. Unplanned, unforeseen and infrequent deviations of less than 5% of the predetermined schedule are not generally considered significant.

### ***Human Resource Procedures***

The District's procedures for hiring and terminating employees must be followed when staffing federal programs.

Staffing requests are submitted to the Human Resources Manager. Once the Superintendent approves the staffing request, the Human Resources Manager will advertise the position and provide notifications to bargaining unit members, if applicable. Once applicants are screened and interviewed, the interview committee will submit a hiring recommendation to the Superintendent to review. The Superintendent will consider the hiring committee's recommendation before placing a potential employee on the Personnel Assignment Order (PAO). An employee will not start working for the District prior to the Governing Board's approval of the PAO.

Employment changes and terminations follow the same approval process.

The Assistant Superintendent/CBO reviews all requests for new positions and assignment modifications prior to Board approval. The Assistant Superintendent/CBO maintains position control for budget purposes in the ESCAPE financial system. The Human Resources Manager electronically makes employee assignments to available positions in ESCAPE.

## **Record Retention**

The District maintains financial reports for grant activity and support for the expenditure of grant funds. Financial records, supporting documents, statistical records and all other District records pertinent to a federal award must be retained for a period of three years from the date of submission of the final expenditure report. Consequently, the District must retain all federal grant records for a minimum of three years after submission of a final expenditure report, unless otherwise notified in writing by the awarding agency, cognizant agency for audit, oversight agency for audit or cognizant agency for indirect costs to extend the retention period. However, if any litigation, claim or audit is started before the expiration of the record retention period, the records will be retained until all litigation, claims or audit findings are complete.

AR 3580 in Board Policy, in compliance with Title V of the California Code of Regulations, provides further guidance on record retention. The official budget, financial reports, audits, attendance reports, other major annual reports, Board minutes, the call and results of any elections, records pertaining to reorganization, personnel records, student records pertaining to enrollment, scholarship and accidents and property records relating to land, buildings and equipment are all classified as permanent records and may not be destroyed.

Most records may be maintained in either paper or electronic form. Electronic storage will provide an easier means to share documents upon request.

## **Access to Records**

The District provides the awarding agency, the Inspector General, the Comptroller General of the United States, pass-through entities or any of their authorized representatives the right to access any documents, papers or other records of the District which are pertinent to the federal award in order to make audits, examinations, excerpts and transcripts. This right is facilitated by timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

The Family Education Rights and Privacy Act (FERPA) is a federal law that protects the privacy of student education records. The District will protect personal information of both students and employees as required by law.

## **Subrecipient Monitoring**

In the event that the District awards subgrants to other entities, it remains responsible for monitoring those grant subrecipients to ensure compliance with federal, state and local laws. Monitoring is the regular and systematic examination of all aspects associated with the administration and implementation of a program. Any findings noted during monitoring must be corrected.

## **Audit Resolution**

The District participates in a cooperative audit resolution process that includes the use of audit follow-up techniques that promote prompt corrective action by improving communication, fostering collaboration, promoting trust and developing an understanding with the federal awarding agency. This approach is based on:

- A strong commitment to program integrity.
- Strengthening partnerships and working cooperatively with the federal awarding agency and the District's independent auditors.
- A focus on current conditions and corrective action going forward.
- Federal awarding agencies offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred.
- Knowledge that continued failure to correct conditions identified by audits which are likely to cause improper payments, fraud, waste or abuse is unacceptable and will result in sanctions.

In accordance with Board Policy 3460, the District's Governing Board reviews the annual audit at an open meeting along with any audit exceptions identified in the audit, the recommendations or findings of any management letter issued by the auditor and any description of correction or plans to correct any exceptions.

California Education Code 41344 provides that a local education agency that receives an apportionment significant audit exception, or owes a penalty arising from an audit exception, may appeal such exceptions with the Education Audit Appeals Panel (EAAP). The EAAP serves as the neutral arbiter in the informal and formal administrative appeals process. The appeal panel consists of the Superintendent of Public Instruction, the Director of the Department of Finance and a designee of the Fiscal Crisis and Management Assistant Team.

## **Nondiscrimination in District Programs and Activities** **(Board Policy 0410)**

The Governing Board is committed to providing equal opportunity for all individuals in District programs, activities and practices shall be free from unlawful discrimination, including discrimination against an individual or group based on race, color, ancestry, nationality, national origin, ethnic group identification, age, religion, marital, pregnancy, or parental status, physical or mental disability, sex, sexual orientation, gender, gender identity or expression, or genetic information, a perception of one or more of such characteristics, or association with a person or group with one or more of these actual or perceived characteristics.

District programs and activities shall also be free of any racially derogatory or discriminatory school or athletic team names, mascots or nicknames.

## **Complaint Procedures**

The District has established procedures for the employees, parents and community members to submit complaints. Policies and procedures addressing complaints are categorized as follows:

- Complaints against District Employees (Board Policy 1312.1) – The Superintendent or designee shall determine whether a complaint should be considered a complaint against the District and/or an individual employee, and whether it should be resolved by the District’s process for complaints concerning personnel and/or other District procedures.
- Complaints against Board Members (Board Policy 1312.1) – Complaints should be filed in writing directly with the Governing Board.
- Complaints Concerning Instructional Materials (Board Policy 1312.2) – The District uses a comprehensive process to adopt instructional materials that is based on selection criteria established by law and board policy and includes opportunities for the involvement of parents/guardians and community members. Complaints concerning the content or use of instructional materials shall be properly and fairly considered using established complaint procedures.
- Uniform Complaint Procedures (Board Policy 1312.3) – The District is responsible to ensure compliance with applicable federal and state regulations governing its programs. To resolve complaints which may require a more formal process, the Governing Board adopts the uniform system of complaint processes specified in Title V of the California Code of Regulations § 4600-4670. These procedures are used to investigate and resolve the following complaints:
  - Any complaint alleging violation of applicable federal or state law or regulations governing adult education programs, after school education and safety programs, migrant education, career technical education and training programs, child care and development programs, child nutrition programs, special education programs, consolidated categorical aid programs and any other district-implemented program which is listed in Education Code 64000(a).
  - Any complaint alleging the occurrence of unlawful discrimination against any student employee or other person participating in district programs and activities.
  - Any complaint alleging noncompliance with the requirement to provide reasonable accommodation to a lactating student on campus.



- Any complaint alleging District noncompliance with the prohibition against requiring students to pay fees, deposits or other charges for participation in education activities.
- Any complaint alleging noncompliance with legal requirements related to the implementation of the local control and accountability plan.
- Any complaint, by or on behalf of any student who is a foster youth, alleging noncompliance with any legal requirement applicable regarding placement decisions, the responsibilities of the District’s educational liaison, the award of credit for coursework completed in another school or district, school transfer, or the grant of exemption from graduation requirements.
- Any complaint, by or on behalf of a homeless or former juvenile court school student alleging noncompliance with any requirement applicable regarding the award of credit for coursework completed in another school or district or the grant of an exemption from graduation requirements.
- Any complaint alleging noncompliance that prohibit the assignment of a student to a course without educational content for more than one week in any semester or to a course the student has previously satisfactorily completed.
- Any complaint alleging noncompliance with the physical education instructional minutes requirements.
- Any complaint alleging retaliation against a complainant or other participant in the complaint process.
- Williams Uniform Complaint Procedures (Board Policy AR 1312.4) – This policy is used to resolve the following complaints:
  - Complaints regarding the insufficiency of textbooks and instructional materials.
  - Complaints regarding teacher vacancy or misassignment.
  - Complaints regarding the condition of school facilities.

The District desires that complaints be resolved expeditiously without disrupting the education process.