

***ELGIN ISD***



**2016-2017**

EDGAR Review

Leadership Meeting 10/18/16

## Consent to Read and Abide by Manual

*This presentation, in no way, takes the place of reading the EDGAR Federal and State Grants Manual in its entirety. All participants involved in any way in Federal and State grants must read and follow the guidelines in the manual.*

# Budget Control for Federal and State Programs

Program Administrator must:

- Ensure timeliness of obligations/expenditures
- Ensure expenditures are allowable, used as intended and guard against high carryover
- Follow Budget Amendment procedures (page 18 of EDGAR manual)

# Budget Control for Federal and State Programs

- Federal/State grant financial performance monitored at least *quarterly*
- Monthly Federal/State program staff report reviewed by Campuses for accuracy
- **No** Federal or State program staff reassigned without the appropriate Program Administrator's approval

# Budget Control for Federal and State Programs

- State Foundation Program Allotments are monitored quarterly by Program Administrator and Business Office (see Appendix H – State Program Allotments)

# Budget Control for Federal and State Programs

- Program Administrator will evaluate budget for effectiveness in attaining established goals:
  - How were funds spent?
  - What was the outcome?
  - Did outcome achieve planning objective?
- See Appendix G - EISD's Grant Management Procedures
- See Appendix I for Federal IDEA-B Grant Manual

# Spending Grant Funds

Program and/or campus administrator will determine allowability of cost:

- ***Before*** submitting grant application
- ***Before*** obligating/spending funds
- ***After*** the cost item is purchased for use as intended (including labeling of equipment with appropriate tag)

# Spending Grant Funds

Basic considerations of cost allowability under Federal awards:

- Necessary and reasonable
- Be allocable to the Federal program
- Conform to any limitations or exclusions

# Federal Allowability Rules for Travel Costs (p. 28)

- Documentation needed to justify:
  - (1) participation of the employee is necessary to the Federal award; and
  - (2) the costs are reasonable and consistent with the District's established travel procedures
  
- The District's travel procedures must be followed for all Federal and State travel.

# Travel Procedure Highlights

- Prior approval for travel from Principal/Department Head for all travel including pre-registration fees, shall be obtained before any expenses are incurred or POs, etc., can be made.
- Out-of-State travel requires Superintendent's or Designee's prior approval.
- Overnight hotel stays for a 1-day event, within a 120-mile radius of EISD Administration Building, require prior approval of Superintendent/Designee.

# Travel Procedure Highlights

- Travel expenditures will be reimbursed:
  - **AFTER** trip has occurred;
  - With original itemized receipts turned in;
  - With approved Travel Reimbursement Request Form.
- Travel Reimbursement Request Forms should be turned in within **30** days from date of travel.
- All August travel documents must be submitted by September 15<sup>th</sup>.

# Travel Procedure Highlights

- Transportation: Four-Per-Car Rule
  - When 4 employees from same agency travel on same dates with the same itinerary, they **must** coordinate travel.
  - When 4 or fewer employees travel on the same itinerary, only one **may** be reimbursed for mileage.
  - When more than 4 employees travel on the same itinerary, only 1 of every 4 **may** be reimbursed for mileage.

# Travel Procedure Highlights

- Out-of-District Travel
  - Attach map (Yahoo!, Google, Mapquest) to the Travel Reimbursement Request Form
- Refer to the Intra-District mileage chart for mileage between in-District duty points (if applicable).

# Travel Procedure Highlights

- Meals for **overnight** stays:
  - Reimbursed up to a maximum of **\$36/day**
  - Original **itemized** receipts are required.
- Expenses must be incurred in order to be reimbursed.

Time of Departure	Day of Departure % of Per Diem/Day	Day of Return % of Per Diem/Day
12:01 am-12:00 Noon	100%	50%
12:01 pm-6:00 pm	75%	75%
6:01 pm-12:00 Midnight	50%	100%

# Travel Procedure Highlights

- Purchase Order must be issued for lodging.
- District credit card will be issued for hotel reservations & hotel-related parking.
- Itemized original lodging receipts are required & must be turned in to Accounts Payable, with PO number noted on receipt, within 5 business days after trip.
- All in-State lodging reimbursement rates exclude State taxes. A tax exemption form must be given to the vendor.

# Travel Procedure Highlights

- When prevailing hotel rates exceed the maximum allowable reimbursement rates, CFO or Designee approval is required.
- A receipt or itemized Statement is required for parking reimbursement.
- As a general rule, tolls will not be reimbursed.
- Unallowable Expenses (Page 32).

# Travel Procedure Highlights

- Student meals allowed up to \$10/meal, maximum of \$30/day.
- Out-of-District travel for students should be processed at least two weeks in advance.
- Tips & gratuities are not allowable expenses (except for mandatory service charges).
- All field trips require prior approval.

# Period of Availability of Federal Funds

- All obligations must occur within the beginning and ending dates of the grant period
- Period of availability is dictated by statute and is indicated in the GAN/NOGA. Further, certain grants have specific requirements for carryover funds

# Purchasing Deadlines

- April 1<sup>st</sup>: Purchasing deadline for supplies & equipment unless the specific State/Federal grant specifies a different date
- Summer needs for staff development & summer school should be anticipated & ordered by April 1<sup>st</sup>
- Submit all August purchasing documents by September 15<sup>th</sup>
- At times, the purchasing deadlines for State/Federal grants may differ from deadlines stated above due to grant ending dates

# Required Documentation for Disbursement of Funds

- 3<sup>rd</sup> party documentation is required to support disbursement of funds. Including, but not limited to:
  - Purchase orders
  - Invoices
  - Original receipts
  - Packing slips

# Required Documentation for Disbursement of Funds

- In addition, records for Federal funds will include, but are not necessarily limited to:
  - Rationale for the method of procurement
  - Selection of contract type
  - Contractor selection or rejection
  - Basis for the contract price

# Vendors

- Purchases should be made from vendors on the District's approved vendor list or from a participating purchasing cooperative
- Purchases from unapproved vendors will be used in extenuating circumstances only, with prior approval from the Purchasing Director

# Purchasing Thresholds

Local & State Purchases	Federal Purchases
<p><u>Up to \$4,999.99:</u> Encouraged to secure a minimum of 3 quotes</p>	<p>EISD does not utilize the micro-purchase threshold for Federal purchases</p>
<p><u>\$5,000.00-\$49,999.99:</u> Must secure a minimum of 3 quotes</p>	<p><u>Between \$3,500-\$50,000:</u> Referred to as "Small Purchases"; Must secure a minimum of 3 quotes</p>
<p><u>\$50,000.00 or above:</u> Business Office will work directly with campus/department to determine bid process</p>	<p><u>\$50,000.00 or above:</u> Business Office will work directly with campus/department to determine bid process</p>

# Noncompetitive Proposals/ Sole Source

- What is “Sole Source”?
  - Item is available only from a single source;
  - Public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the LEA; or
  - After solicitation of a number of sources, competition is determined inadequate

# Noncompetitive Proposals/ Sole Source

- In selecting Sole Source proposals:
  - Program Administrator will provide, and the Purchasing Director will maintain, adequate documentation that shows:
    - how the decision to use this method of procurement was reached,
    - the uniqueness of the services or goods sought,
    - the scarcity of providers, and
    - the specific expertise & experience of the vendor selected

# Noncompetitive Proposals/ Sole Source

- An online search for providers or a letter from the vendor stating they are the only source available is **not** sufficient
- Upon investigation by the Purchasing Director, a notarized confirmation of sole source compliance will be required
- A claim of sole source may qualify for noncompetitive proposal if the material is copyrighted or an upgrade to an item previously purchased from the provider

# Contract Cost/Price Analysis

- A cost or price analysis must be performed in connection with every procurement action of a single item in excess of \$150,000
  - *Cost analysis:* Evaluating the separate cost elements that make up the total price
  - *Price analysis:* Evaluating the total price, without looking at the individual cost elements
- Purchasing Director must come to an independent estimate **prior to** receiving bids or proposals
- A review of the cost/price analysis will be completed by the Program Manager & Purchasing Director

# Full & Open Competition

- All purchases of a single item or multiples of same item (e.g. laptops) must be conducted in a manner providing full & open competition
- Cannot specify a “brand name” but can include a “brand name or equivalent” statement
- Federal grants prohibit geographical preferences

# Federal Procurement System Standards (p. 65)

- Avoiding Acquisition of Unnecessary or Duplicative Items
- Use of Intergovernmental Agreements
- Use of Federal Excess and Surplus Property
- Debarment and Suspension
- Maintenance of Procurement Records
- Time and Materials Contracts
- Settlements of Issues Arising Out of Procurements
- Protest Procedures to Resolve Dispute

## Conflict of Interest (p.66)

- No District employee may participate in the selection, award, or administration of a Federal, State, or other award if they have a real or apparent conflict of interest. The employee must disclose such conflict in writing to the District, and the District must disclose in writing to the awarding agency.

# Fraud and Financial Impropriety

- No acceptance of lavish or excessive gifts
- Nominal unsolicited gifts may be accepted <\$100
- Any suspicion of fraud must be reported immediately to any supervisor, CFO, Superintendent or designee, Board President or local law enforcement
- Signed written statement must be completed

# Additional Conflict of Interest Requirements (pp. 68-69)

- Purchasing Code of Ethics
- Organizational Conflicts
- Disciplinary Actions
- Mandatory Disclosure

# Contract Administration

- For services, contract originator is directly responsible for ensuring contracting party performs the services covered by the contract.
- Contract packets will be submitted to Purchasing Director for review.
- All contracts & service agreements, etc., must be signed by the Superintendent or designee.
- An employee who signs a contract or agreement without proper authorization will be personally liable for terms of contract & may be grounds for possible termination.

## Contract Administration (p. 71)

**No** Federally funded contracts are entered into with Elgin ISD employees.

# Contract Administration

- Prior to disbursement of funds to contractor, consultant, etc., the contract originator must provide documentation to Accounts Payable Specialist to support the goods or services rendered. Documentation includes, but not limited to:
  - Description of goods or services rendered
  - Dates, rates, total hours
  - Number of students served or names of students served

# Property Management: Inventory Procedures (p. 74)

- The following items will be tagged & entered into the inventory software:
  - Technology equipment & software => \$500 and technology items subject to inventory control that cost less than \$500
  - All other non-consumable items => \$500 and all other items subject to inventory control that cost less than \$500

# Property Management: Inventory Records (p. 75)

- For equipment & computing devices purchased with Federal funds, the following information must be maintained in the fixed asset inventory software:
  - Description of property
  - Serial number/ID number
  - Source of funding for property
  - Acquisition date & cost of property
  - Percentage of Federal participation in project costs
  - Location of property
  - Any ultimate disposition data including date of disposal & sale price of property

# Property Management: Inventory Records

- Equipment & computing devices purchased with Federal or State funds will be tagged with a pink tag
- Any item with a pink tag should never be moved or disposed of without written approval of the Program Administrator on the Fixed Asset Inventory Control form

# Property Management: Inventory Records

- Annually inventory property & reconcile results with property records
  - Fixed (Capital) Assets
  - Supplies & Computing Devices
  - A list of inventory items purchased with Federal and State grant funds will be generated by the Business Office. The Program Administrator will review the list to ensure the items are being used for the intended purpose of the grant program. Discrepancies should be noted and signed form should be returned to CFO.
  - Throughout the year, Federal and State grant purchased inventory items should never be disposed of without CFO approval on the Fixed Asset Inventory Control form

## Record Keeping (p. 88)

- Records must be maintained to fully show:
  - Amount of funds under the grant or subgrant
  - How the subgrantee uses those funds
  - Total cost of each project
  - Share of the total cost of each project provided from other sources
  - Other records to facilitate an effective audit
  - Other records to show compliance with Federal program requirements

# Record Keeping

- No records are destroyed without the approval of the Chief Finance Officer
- Special Education Department adheres to Federal & State laws, State regulations & local policies pertaining to confidentiality of student records