

# **San Bernardino County Superintendent of Schools Procedure 3230**

## **Federal Grant Funds**

### **Allowable Costs**

Prior to obligating or spending federal grant funds, the Superintendent or designee shall determine whether a proposed purchase is an allowable expenditure of federal funds in accordance with 2 CFR 200 (Uniform Guidance) and the terms and conditions of the federal grant award.

The Superintendent or designee shall review and approve all transactions involving federal grant funds and shall ensure the proper coding of expenditures consistent with the California School Accounting Manual.

### **Period of Performance**

All obligations of federal funds shall occur on or between the beginning and ending dates of the grant program and shall be paid no later than 90 days after the end of the funding period, unless specifically authorized by the grant award to be carried beyond the initial term of the grant.

### **Procurement**

The Superintendent or designee shall comply with Uniform Guidance, state laws and organizational policy when procuring goods and services necessary to carry out a federal grant program.

As appropriate to encourage greater economy and efficiency, the Superintendent or designee shall avoid acquisition of unnecessary or duplicative items, consider consolidating or breaking out procurements, analyze lease versus purchase alternatives, consider entering into an interagency agreement for procurement of common or shared goods and services, or use federal excess or surplus property.

The procurement of goods or services with federal funds shall be conducted in a manner that provides full and open competition in accordance with state laws, organizational policy and the following requirements:

1. Any purchase of supplies or services that does not exceed the "micro-purchase" threshold may be awarded without soliciting competitive quotes, provided that the organization considers the price to be reasonable and maintains written evidence of this reasonableness in the record of all micro-purchases.
2. For any purchase that exceeds the micro-purchase threshold but is less than the bid limit required by Public Contract Code 20111, the Superintendent or designee shall utilize "small-purchase" procedures that include obtaining price or rate quotes from an adequate number of qualified sources.
3. Contracts for goods or services over the bid limits required by Public Contract Code shall be awarded pursuant to California law, unless exempt from bidding under the law.

4. If a purchase is exempt from bidding and the organization's solicitation is by a request for proposals, the award may be made by either a fixed-price or cost-reimbursement type contract awarded to the entity whose proposal is most advantageous to the program, with price and other factors considered.
5. Procurement by noncompetitive proposals (sole sourcing) may be used only when the item is available from a single source, the need or emergency will not permit a delay resulting from competitive solicitation, the awarding agency expressly authorizes sole sourcing in response to the organization's request, and/or competition is determined inadequate after solicitation of a number of sources.
6. Time and materials contracts may be used 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. A time and materials contract is a contract whose cost is the sum of the actual cost of materials and direct labor hours charged at fixed hourly rates that reflect wages, general administrative expenses, and profit.

For any purchase of \$25,000 or more, the Superintendent or designee shall verify that any vendor which is used to procure goods or services is not excluded or disqualified by the federal government.

All solicitations shall incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description shall avoid detailed product specifications to the extent possible but may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or not economical to make a clear and accurate description of the technical requirements, a brand name or equivalent description may be used to define the performance or other salient requirements of procurement, clearly stating the specific features of the named brand which must be met by offers. In addition, every solicitation shall identify all requirements which the offer must fulfill and any other factors to be used in evaluating bids or proposals.

The Superintendent or designee shall maintain sufficient records to document the procurement, including, but not limited to, the rationale for the method of procurement, selection of the contract type, contractor selection or rejection, and the basis for the contract price.

The Superintendent or designee shall ensure that all contracts for purchases using federal grant funds contain the applicable contract provisions described in the Uniform Guidance.

### **Capital Expenditures**

The Superintendent or designee shall obtain prior written approval from the awarding agency before using federal funds for capital expenditures, including the acquisition of land, facilities, equipment, and intellectual property or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

## **Conflict of Interest**

No San Bernardino County Board of Education member, organization employee, or organization representative shall participate in the selection, award, or administration of a contract supported by federal funds if they have a real or apparent conflict of interest, such as when they or a member of their immediate family, their partner, or an organization which employs or is about to employ any of them has a financial interest in or a tangible personal benefit from a firm considered for a contract. Such persons are prohibited from soliciting or accepting gratuities, favors, or anything of monetary value from contractors or subcontractors unless the gift is an unsolicited item of nominal value.

Employees engaged in the selection, award, and administration of contracts shall also comply with all laws, regulations and organizational policies concerning conflicts of interest and the reporting of conflicts.

## **Cash Management**

The Superintendent or designee shall ensure the organization's compliance with Uniform Guidance pertaining to payments and cash management, including compliance with applicable methods and procedures that minimize the time elapsing between the transfer of funds to the organization and the organization's disbursement of funds.

When authorized by law, the organization may receive advance payments of federal grant funds, limited to the minimum amounts needed and timed in accordance with the actual immediate cash requirements of the organization for carrying out the purpose of the program. Except under specified conditions, the organization shall maintain the advance payments in an interest-bearing account. The organization shall remit interest earned on the advanced payment to the awarding agency on an annual basis but may retain interest amounts as specified for administrative expenses.

When required by the awarding agency, the organization shall instead submit a request for reimbursement of actual expenses incurred. The organization may also request reimbursement as an alternative to receiving advance payments.

The Superintendent or designee shall maintain source documentation supporting the expenditure of federal funds, such as invoices, time sheets, payroll stubs, or other appropriate documentation.

## **Personnel**

All organization employees who are paid in full or in part with federal funds, including employees whose salary is paid with state or local funds used to meet a required match or in-kind contribution to a federal program, shall document the amount of time they spend on federal grant activities.

## **Records**

Except as otherwise provided in the Uniform Guidance, or where state law or organizational policy requires a longer retention period, financial records, supporting documents, statistical records, and all other records related to a federal award shall be retained for a period of three years from the date

of submission of the final expenditure report or, for a federal award that is renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report.

**Audits**

Whenever the organization expends \$750,000 or more in federal grant funds during a fiscal year, it shall arrange for either a single audit or a program-specific audit in accordance with the Uniform Guidance.

The Superintendent or designee shall ensure that the audit meets the specified requirements.

Specified records pertaining to the audit of federal funds expended by the organization shall be transmitted to the clearinghouse designated by the federal Office of Management and Budget and shall be made available for public inspection. Such records shall be transmitted within 30 days after receipt of the auditor's report or within nine months after the end of the audit period, whichever is sooner, unless a longer period is agreed to in advance by the federal agency or specified in a program-specific audit guide.

In the event that the audit identifies any deficiency, the Superintendent or designee shall promptly act to either correct the identified deficiency, produce recommended improvements, or demonstrate that the audit finding is invalid or does not warrant action.

*Approved: March 7, 2017*  
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Date Approved	
Ted Alejandre County Superintendent of Schools San Bernardino County, California	
By	