SEQUATCHIE COUNTY SCHOOLS

Policies and Procedures

Administration of Federal Education Programs

Aligned with the Requirements of the

New Uniform Grants Guidance

Revised 10/2024

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I. Introduction

This manual sets forth the policies and procedures used by Sequatchie County 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 allow ability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities.

New employees of the District, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of the District's rules and practices. If you have any questions regarding the administration of federal education grants, including questions related to specific federal grant programs, please do not hesitate to contact the applicable program office at the Tennessee Department of Education (TDOE).

II. Financial Management System

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

A. Financial Management Standards

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

Identification

The Sequatchie County Board of Education receives and expends federal Grants annually based on availability and award through state and federal agencies. The listing may change from year to year. The Sequatchie County Board of Education currently receives funding from the following federal grants:

- Title I
- Title II-A
- 21st CCLC
- IDEA
- IDEA Pre K

- CTE

  The following information is to be filed in the Federal bookkeeper’s office:

- Identification # of award
- CFDA Title and Number
- Federal Award I.D. #
- Fiscal Year of Award
- Federal Agency
- Pass-Through (If S/A)

Policy 2.100 - Fiscal Management Goals

Policy 2.200 – Annual Operating Budget

Policy 2.701 – Financial Reports and Records

Adm. Procedure 2.701.1 – Identification of Awards

Proposed Procedures

Sequatchie County Board of Education Procedures:

Identification of Awards

Descriptor Code: Adm. Procedure 2.701.2, Federal Register 200.302(b)(1)

The Sequatchie County Board of Education receives and expends federal Grants annually based on availability and award through state and federal agencies. The listings may change from year to year.

The Director of Schools and Award Directors will identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification records will include, as applicable, the following:

- The name of the federal program
- Identification # of Award
    - CFDA Title and Number
    - Federal Award Identification #
    - Fiscal Year of Award
    - Federal Agency
    - Pass-Through Entity (If S/A)

A. Financial Reporting

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

The Sequatchie County Board of Education adheres to rules and regulations set forth in

EDGAR, 200.327 & 200.328, and will have OMB approved data elements available for

collection by federal awarding agencies no less than annually, and no more than quarterly. Performance reports will be prepared and submitted at intervals required by federal agency or pass through, and will be due 90 days after reporting period; Quarterly performance reports due 30 days after reporting period.

Policy 2.200-Annual Operating Budget
Policy 2.201-Line Item Transfer
Policy 2.700-Accounting System
Policy 2.701-Financial Reports and Records

Proposed Procedures

Sequatchie County Board of Education

Procedures: Financial Reports and Records

Descriptor Code: Adm. Procedure 2.701.1, EDGAR 200.302(b)(2)

Sequatchie County Board of Education will maintain accurate, current, and complete disclosure of financial results of each award in accordance with 200.327 and 200.328.

200.327 –The Director of Schools and Grant Award Program Directors will collect and submit only Operational Management Budgets (OMB) approved data elements, no less than annually.

200.328 –The Sequatchie County Board of Education will submit performance reports at intervals required by federal agency or pass through.

- Annual performance reports will be due 90 days after reporting period;
- Quarterly performance reports due 30 days after reporting period.

The following Performance Metrics will be reported:

- Comparison of actual accomplishments to objectives.
- Explanation of reasons goals were not met if appropriate.
- Additional pertinent information such as analyses reports, high unit costs, etc.
- Significant developments such as problems, delays, adverse conditions that would impair ability to meet objective of the award.
- Favorable developments such as finishing sooner or at cost.

Reports of said results and data shall be completed and available for review by the Director of Schools and School Board at intervals stipulated in the award guidelines.

Policy 2.200 – Annual Operating Budget
Policy 2.201 – Line Item Transfer Authority
Adm. Procedure – 2.201.2- Amendment Request
Policy 2.700 – Accounting System
Policy 2.701 – Financial Reports and Records

Adm. Procedure 2.701.1- Financial Reports and Records
Federal Register 200.302(b)(2) -Financial Management

B. Accounting Records

Proposed Procedures

Sequatchie County Board of Education Procedures:

Accounting Records

Descriptor Code: Adm. Procedure 2.700.1,

Accounting records that identify adequately the source and application of funds for federally funded activities are to be kept in the federal bookkeepers' files. Records of non-federally funded activities shall be stored in files of the general purpose funds bookkeeper. These records shall contain information pertaining to general purpose accounts, federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income, and interest, and be supported by source documentation.

Procedures to be followed:

- All accounting records/source documents are to be kept according to GAAP guidelines and are to be in compliance with GASB54.
- Assets, liabilities, expenditures, revenue, and reserve accounts are to be posted monthly in the general ledger.
- Project directors and bookkeepers will jointly compare expenditures with budget amounts for each grant award.
- Accounting records are to be reconciled monthly with the Trustee's report and any necessary correcting journal entries are to be made.
- Account codes used should conform to and align with the County Uniform Chart of Accounts.
- The following accounting steps shall be taken to protect against waste, fraud, and abuse of funds and property:
- A requisition form is to be completed containing the name of person completing the requisition, vendor, address, description of item purchased, amount, account code, signatures of the supervisor and Director of Schools, and signing date.
- Requisition form shall be sent to project director then to bookkeeper
- Bookkeeper creates a purchase order
- Form is returned to the appropriate project director and/or program bookkeeper ready for ordering.
- School board members receive records of quarterly expenditures and cash receipts from all departments.

Policy 2.200 – Annual Operating Budget
Policy 2.201 – Line Item Transfer Authority
Policy 2.402 – Investment Earnings
Policy 2.700 – Accounting System
Policy 2.701 – Financial Reports and Records
Adm. Procedure 2.700.1 – Accounting Records
Federal Register 200.302(b)(3)

Internal Controls

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

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

Proposed Procedures

Sequatchie County Board of Education

Procedures: Internal Control

Descriptor: Adm. Procedure 2.700.1

The Sequatchie County Board of Education will maintain effective internal control and accountability for all federal and general purpose funds, property, and other assets through collaborative communication among all staff members to maximize positive outcomes. All assets will be adequately safeguarded and used solely for authorized purposes.

The Director of Schools and School Board will assure that the following are properly maintained:

- Effectiveness and efficiency of operations for all funds, property, and other assets to produce positive student achievement through more effective use of federal and state resources.
- Reliability of reporting for internal and external use by carefully following state and federal laws and by careful monitoring of Sequatchie County's financial management systems.
- Compliance with applicable federal, state, and board laws and regulations, reviewed at least annually.

The Director of Schools and the School Board will assure compliance with:

- The U. S. Comptroller General's Standard for Internal Control Integrated Framework
- Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- All Federal statutes, regulations, and terms and conditions of Federal awards
- By maintaining adequate safeguard of property through inventory which is entered into a software database provided by a contracted company American Appraisal. The LEA maintains an on-line equipment log/database that contains the following data elements for equipment: description, serial number (bar code or local number), source of property, titleholder, acquisition date, cost, percentage of federal participation in cost, location, use, condition, and disposition data when property is retired. Bar codes or sticker tags are placed on equipment to denote the acting grant. A physical inventory of equipment is conducted at least biannually to meet federal guidelines.
- Assuring money is spent in accordance with grant programs due to statutes and regulations learned from auditors, monitors, training sessions, EDGAR, regional consultants, and the Tennessee Department of Education. All project directors take reasonable measures to safeguard federal, state, and local rules and regulations to maintain the integrity of the program.
- Evaluation and monitoring of compliance with statutes, regulations and terms and conditions of Federal awards
- Taking prompt action when instances of noncompliance are identified including audit findings
- Taking reasonable measures to safeguard protected personally identifiable information designated or deemed sensitive.

An official authorized to legally bind the non-federal entity will certify on annual and final fiscal reports or vouchers requesting payment. The following statement will be attached to all certified reports and/or vouchers:

"By signing this report, I certify to the best of my knowledge and belief that this report is true, complete and accurate, and the expenditures, disbursements and cash receipts are for the purpose and objectives set forth in the terms and conditions of the federal award. I am aware that any false, fictitious, or fraudulent information or the omission of any material fact, may subject me to criminal, civil, or administrative penalties for fraud, false statement, false claim, or otherwise."

ftrca

Policy 2.200- Annual Operating Budget

Policy 2.700 - Accounting System

Adm. Procedure 2.700.1- Accounting System

Policy 2.701 – Financial Reports & Records

Policy 2.702 - Inventories

Policy 2.703 - Audits

Federal Register 200.302(b)(4), 200.61, 200.62, 200.303, 200.415

Budget Control

Proposed Procedures

Sequatchie County Board of Education Procedures:

Annual Operating Budget Control

Descriptor Code: Adm. Procedure 2.200.2 Annual Operating Budget Control

The Sequatchie County Board of Education follows the following procedures during budget planning, development, and control:

- Budget planning shall include an analysis of previous staffing, curriculum and facilities, and projections requiring additional staffing, curriculum modifications, and additional facilities.
- The appropriate supervisors and Director of Schools develop the budget based on State and Federal Guidelines.
- Director of Schools, Federal Project Supervisor, Special Education Supervisor, School Nutrition Supervisor, CTE Supervisor, Coordinated Health, Family Resource, Pre-K Supervisor, Safe School Act, General Purpose and other staff that handles grant funding participate in the budget process. Title I, Title II, 21st CCLC, IDEA-B, CTE, School Coordinated Health, Family Resource, Pre-K, Safe School Act, General Purpose are all programs involving funding.
- The General Purpose Budget is approved by the Sequatchie County Board of Education and the Sequatchie County Commission.
- The Federal Project Budget is submitted to Director of Schools and the Sequatchie County Board of Education for approval. The Sequatchie County Board of Education has granted permission to the Director of Schools or appropriate supervisor to submit the Federal Project Budget to the State Department of Education.
- The Director of Schools shall file with the State Department of Education a copy of the budget within ten (10) days after its adoption.
- Line item transfers within major categories shall be made upon the recommendation of the Director of Schools and approved by the Sequatchie County Board of Education.
- Transfers between major budget categories in general purpose budget shall be made with the approval of the Sequatchie County Commission.

Proposed Procedure

Sequatchie County Board of Education Procedures:

Amendment Request/Revision

Descriptor Code: Adm. Procedure 2.201.2 – Amendment Request/Revision

When the appropriate supervisor determines that a budget amendment is needed, the following procedure must be used:

- Identify the amendment
- Identify the Project Year
- Identify the appropriate project to be amended (General Purpose, Title I, IDEA-B)
- Justification for decrease and increase codes must be included.
- Indicate requested changes in the appropriate column, if required.
- Director of Schools and appropriate Supervisor will certify amendments for all programs in ePlan.
- Give notification to local school board
- Forward amendment if required to the SDE or Local County Commission
- After approval the amendment is entered into the accounting system

Federal Grants Budget

Actual expenditures or outlays must be compared with budgeted amounts for each federal award. Project directors and bookkeepers jointly compare expenditures with budget amounts for each grant award. The following steps shall be taken to protect against waste, fraud, and abuse of funds and property:

- A requisition form containing the name of person completing the requisition, vendor, address, description of item purchased, amount, account code, signatures of the supervisor and Director of Schools, and signing date.
- Requisition form shall be sent to bookkeeper
- Bookkeeper creates a purchase order and submits to Director of Schools and Chief Financial Officer for signature of approval.
- Form is returned to the bookkeeper ready for ordering.
- Copies of all forms are to be filed with bookkeepers. Federal Grant Budgeting
  All budget items must be integral to the grant programming. Positions, materials, and resources must be supplemental, specific, and dedicated to the federal programs/initiatives being implemented for achievement of Annual Measurement Objectives (AMOs) and Gap Closure targets. Budgeting steps to follow:

- Develop a preliminary budget based on current needs assessment and achievement data.
- Identify all non-salary items specific and necessary for program implementation.
- Use identified poverty (free/reduced lunch count) CERT averages for all K-12 county schools to create the spiral of schools to be served.
- Determine approved set-asides to be used for Parent Involvement, Homeless Students programs, and other approved set-asides.

- Annual approval of the preliminary Federal Budgets and Consolidated Application usually occurs each year in May or June at a school board meeting and submitted to the TDOE for approval. A final budget is to be developed and approved by the Tennessee Department of Education by October 1 of the current school year via ePlan.
  School board members receive records of quarterly expenditures from all departments at a monthly meeting, discussions are held if needed.

  General Purpose Budget

  Actual expenditures or outlays must be compared with budgeted amounts for each general purpose account. Project directors and bookkeepers jointly compare expenditures with budget amounts for each grant award. The following steps shall be taken to protect against waste, fraud, and abuse of funds and property:
    - A requisition form containing the name of person completing the requisition, vendor, address, description of item purchased, amount, account code, signatures of the supervisor and Director of Schools, and signing date.
    - The appropriate project supervisor/director and the Director of Schools review and approve all purchase orders and proposed expenditure items
    - Requisition form shall be sent to bookkeeper
    - Bookkeeper creates a purchase order and submits to Director of Schools and CFO for signature of approval.
    - Form is returned to the person placing the order(s)
    - Copies of all forms are to be filed with bookkeepers.

  General Purpose/Federal Grant Budgeting

  All budget items must be integral to the grant programming. Federal positions, materials, and resources must be supplemental, specific, and dedicated to the grant specifications/initiatives being implemented for achievement of Annual Measurement Objectives (AMOs) and Gap Closure targets. Budgeting steps to follow:

- Meetings are held that include: planning how the budget is put together; assigning account numbers and applicable codes for expense items; and reviewing grant objectives, reporting requirements, responsibilities and special conditions.
- The prior year's award amount and expenditure reports are reviewed with adjustments made.
- Develop a preliminary budget based on current needs assessment and achievement data.
- Identify all non-salary items specific and necessary for program implementation.
- A final expenditure report is completed in ePlan by June 30.
- A final budget is to be developed and approved by the Tennessee Department of Education in the fall for the school year and entered into ePlan.

  School board members receive records of quarterly expenditures and revenue from all departments at a monthly meeting, discussions are held if needed.

Policy 2.200 – Annual Operating Budget
Adm. Procedure 2.200.2 - Annual Operating Budget Control
Policy 2.201 – Line Item Transfer Authority
Policy 2.201.1 – Budget Amendment Procedures
Adm. Procedures 2.201.2 – Amendment Request/Revision
Policy 2.300 – State and Federal Aid Eligibility Determination
Policy 2.701 – Financial Reports & Records
Policy 2.702 – Inventories
Policy 2.703 - Audits
Policy 2.800 – Expenditure of Funds
Federal Register 200.302(5), 200.415 – Required Certification

Cash Management

Federal

Procedures

Sequatchie County Board of Education Procedures:

Cash Management

Descriptor Code: Adm. Procedure 2.800.1 – Cash Management (Expenditure of Funds)

Sequatchie County adheres to regulations stated in Federal Register, 200.305(b)(7)-(8). The following are maintained:

- Advanced payments are maintained in insured accounts.
- No separate depository accounts are to be used.
- No accounts are interest bearing at the present time. New regulations will be maintained for accounts to become interest bearing unless:
    - Aggregate federal awards are under $120,000,
    - Account not expected to earn in excess of $500 per year,
    - Bank requires minimum balance so high, that such account not feasible, and
    - A foreign government or banking system prohibits or precludes interest bearing accounts.

Federal Register 200.305(b)(9) states a new federal regulations allowing the following:

- Interest amounts up to $500 may be retained by non-federal entities for administrative purposes:
    - Currently $100 for State and local government bodies
    - Currently $250 for IHEs and Non-profits
- Interest earned must be remitted annually to HHS Payment Management System.

The federal bookkeeper performs the following steps monthly for cash management of funds:

- Reviews expenditures for month,
- Draws down from ePlan the calculated amount for reimbursement of expenditures as needed,
- Informs the project director via a printout of the fund requests. When funds are received, they are receipted into the proper sub-fund with account codes and line items.
- Receipts and expenditures are reconciled at the end of each month with the printout received from the trustee.
- School board members are given records of quarterly expenditures from all departments at a monthly board meeting.
- Any money collected by central office shall be documented and must be deposited to the county trustee within three days of receipt.
- Funds drawn from the grant fund must be spent within three days of receipt. (EDGAR Rule)

General Purpose

The General Purpose bookkeeper performs the following steps monthly for cash management of funds:

- Reviews expenditures for month,
- Draws down from ePlan the calculated amount for reimbursement of expenditures as needed,
- Informs the project director via a printout of the funds expended. When funds are received, they are receipted into the proper revenue code.
- Receipts and expenditures are reconciled at the end of each month with the printout received from the trustee.
- School board members are given records of quarterly expenditures from all departments at a monthly board meeting.
- Any money collected by central office shall be documented and must be deposited to the county trustee within three days of receipt.

Policy 2.500 – Deposit of Funds

Policy 2.800 – Expenditure of Funds

Adm. Procedure 2.800.1 – Cash Management (Expenditure of Funds)

Policy 2.810 – Payment Procedures

Federal Register 200.302(b)

Federal Register 200.305

C. Allowable Costs

The district must maintain written procedures for determining allow ability of costs in accordance with EDGAR. In determining allowable costs, direct and/or indirect, the district must consider and apply guidelines stipulated in Federal Register 200.402 through 200.417.

A cost is allocable to a particular federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. Allowable costs must conform to the limitations or exclusions set forth in applicable cost principles of the grant agreement and assurances as to the types or amounts of cost.

Costs must meet the following criteria to be considered allowable under Federal awards:

1. Be necessary and reasonable for the performance of the Federal award and be allocable under cost principles.
2. Conform to any limitations or exclusions set forth in these principles or in the Federal award as to types or amount of cost items.
3. Be consistent with policies and procedures that apply uniformly to both Federal and non-Federal finances regardless of funding source.
4. Be accorded consistent treatment, indirect costs cannot be assigned to Federal award project as a direct cost.
5. Be determined in accordance with Generally Accepted Accounting Principles.
6. Not be included as a cost or used to meet cost sharing or matching requirements of any other federal program.

Costs are specific for the grant and are distributed in reasonable exact proportion as described in the approved budget. The appropriate project supervisor must adequately safeguard all assets and assure that the assets are used solely for authorized purposes as described in the grant project.

If an item is decided to not be an allowable cost item by the project supervisor/director and/or the director of schools, the stakeholders are notified of the non-allowable cost by the project supervisor/director.

To safeguard against waste, fraud, and abuse of funds and property, the project director shall determine reasonableness of a particular cost depending on all circumstances and facts concerning grant specifications. Expenditures must align to budget and are tracked to insure expenses are appropriate.

Policy 2.805 - Purchasing

Adm. Procedure 2.805.1 –Allowable Costs

Federal Register 200.402-200.417 – Determining Allocable, Direct, & Indirect Costs

Overview of the Financial Management/Accounting System

Procedures: Financial Management/Accounting System

The Sequatchie County Board of Education enters all accounting records, federal and general purpose, into a software program entitled *Local Government Corporation (LGC)*. The accounting system does not interface with the procurement and inventory systems.

- Budgets are entered into the LGC program usually in the fall of the year after the general purpose budget has been approved by the local board and the federal budget has been approved by the Tennessee Department of Education and reviewed by the local school board.
- School board members receive records of quarterly expenditures from all departments at a monthly meeting, discussions are held if needed.
- Accounting data is entered into the LGC software program by the federal and general purpose bookkeepers.
- Project directors work collaboratively with bookkeepers to manage budgets and reconcile monthly funding records with trustee reports.
- Funds are identified within the financial management system by account codes and line items.
- The General Purpose Funds bookkeeper submits quarterly financial reports at school board meetings in the form of Local Government Data software generated reports.
- The federal bookkeeper shares accounting and funding information with project directors who develop and submit financial reports quarterly at school board meetings. These reports include cumulative expenditures, project budgets, and a balance remaining column.

Policy 2.700 – Accounting System
Policy 2.701 – Financial Reports and Records
Adm. Procedures 2.701.1 – Financial Management/Accounting System

D. Budgeting

Procedures: Budget Planning

The annual budget is the financial plan for the operation of the school system. The annual operating budget will be based on a fiscal year which shall be from July 1 to June 30. It provides the framework for both expenditures and revenues for the fiscal year, and translates into financial terms the educational programs and priorities of the district.

The Planning Phase*: Meetings and Discussions*

A needs assessment consisting of program reviews and parent, student, and teacher surveys are conducted in each district school at the end of each school year to determine district needs and current program results. Meetings are held to review and prioritize survey results. State and other testing data of student progress and achievement are analyzed and disaggregated to determine focus areas of proficiency

and need. Current programs funded through federal and state grants are reviewed to

determine the availability of grants and to consider the feasibility of continuing previous programs. The district leadership team and grant writers search and apply for any grant opportunities that will meet system and schools' needs. The budget items of previous federal grant awards are reviewed to assist with current budget development. Grant objectives, reporting requirements, responsibilities, and special conditions are considered in discussions. A prioritized list of needs is compiled by school leadership teams and district office staff, with input from teachers, using all data sources to begin planning for the upcoming year's budget. Grant applications, the reviewed and revised school improvement plan, and estimated budget are presented to the school board.

Before Receiving the Grant Award Letter*:*

All district office personnel, school leadership teams, grant program facilitators, and teachers involved with grant award programs meet for discussions and previews of potential grant awards. IDEA program directors and teachers review all IEPs to assist with determining money allocations. An analysis and discussion of any carryover funds is conducted. Needed resources and equipment are determined from needs assessments and teacher wish lists, and inventories of unused and stored equipment are considered for program use. A timeframe is designed for steps and procedures for grant implementation, and all personnel and internal offices involved in the budgetary process program implementation are identified.

Policy 2.200 – Annual Operating Budget
Adm. Procedures 2.200.1 – Annual Operating Budget Identification of Awards
Adm. Procedures 2.200.2 - Annual Operating Budget Control
Adm. Procedures 2.200.3 – Budget Planning

Proposed Procedures for Budget Review and Approval

Reviewing and Approving the Budget

The supervisor/director of each program reviews the items in the budget to ensure allow ability. If the supervisor determines that a cost is not allowable, then no funds are spent. Applicable Office of Management and Budget (OMB) cost principles, program regulations, and the terms of grant and sub-grant agreements are followed in determining the reasonableness, allow ability, and allocability of costs. Annual preliminary approval of the Federal Budgets and Consolidated Application usually occurs each year in May or June at a school board meeting. Final budget approval occurs by TNDOE in the fall of the school year. A budget calendar is developed each fiscal year to guide the coordination of budgetary activities, collecting budget data, reviewing budget problems, and making budget decisions. School board members receive records of quarterly expenditures from all departments at a monthly meeting, discussions are held if needed. If costs are determined to be unallowable, line-item transfers within major categories can be made upon the recommendation of the director of schools and approval by the school board. Revision of major budget categories can be made when necessary with approval of the TNDOE.

Once the supervisor determines that all budgeted items are allowable, the budget is sent to the Director of Schools for final review and approval. Generally, the budget receives final approval by October 1 if final approval has been granted by the TDOE. A final budget is sent electronically to the Tennessee Department of Education via ePlan no later than ten days after its adoption. Once it is state approved, it is entered manually by the federal programs bookkeeper into the Local Government Corporation (LGC) software program.

Policy 2.200 – Annual Operating Budget
Policy 2.201- Line Item Transfer Authority
Adm. Procedures 2.201.1 - Budget Amendment Procedures
Adm. Procedures 2.200.2 – Budget Control
Federal Register 200.302(b)(7), 200.403-405, 200.413-200.414

Proposed Procedures

Sequatchie County Board of Education

Procedures: - Allowable Cost

Descriptor Code: Adm. Procedure 2.805.1

The Sequatchie County Board of Education will use the following written procedures as a guide along with cost principles outlined in the Federal Register in determining allow ability of costs throughout the grant development and budgeting processes. These procedures will be used as a training guide for employees.

Determining Budget Items:

The supervisors of federal programs meet with teachers, school psychologists and other school leaders to discuss budget entries and amounts allocated per school. Budget entries are selected from needs identified from various student data sources and results of stakeholder needs assessments and are reconciled with the list of allowable cost items. Consideration of the following items will be given during administration of federal grants:

Program Income

- Non-Federal entities are encouraged to earn income to defray program costs where appropriate.
- Costs of generating program income may only be deducted if:
- Authorized by federal regulations or the Federal award;
- Costs are incidental and not charged to the Federal award.

- Property from the sale of real property or equipment is not program income. Post award property rules will be applied.

- Program Income must be deducted from total allowable costs (except for IHEs and Research Non-profits)
- May add to federal award with prior approval.

Factors Affecting Allow ability of Costs to be considered:

- Necessary, Reasonable and Allocable.
- Consideration must be given to market prices for comparable goods or services in the geographical area and
- No significant deviation from established prices.
    - Costs of goods or services must be chargeable or assignable in accordance with relative benefits received and must be necessary to the overall operation of the entity.
    - Can only charge in proportion to the value received by the program. (200.405 Fed. Reg.)
- Conform with federal law & grant terms
- Consistent with state and local policies
- Consistently treated
- In accordance with GAAP
- Not included as match
- Net of Applicable Credits (See 200.406)

Budget entries are selected from needs identified from various student data sources and results of stakeholder needs assessments and are reconciled with the list of allowable cost items. Direct and indirect cost principles are considered by the grant director, federal bookkeeper, and other grant team members during budget development. Any needed adjustments to the budget are made.

Policy 2.805 - Purchasing
Adm. Procedure 2.805.1 –Allowable Costs
Federal Register 200.402-200.417, 200.302(b)(7), 200.307, 200.403, 200.403(g), 200.404, 200.405, 200.406– Determining Allocable, Direct, & Indirect Costs

After Receiving the grant award letter

Grant award letters are posted on ePlan by the Tennessee Department of Education. The award letters contain the project title and the award amount. Once the Award letters of Federal Grants have been received, a comparison of expenditures between the preliminary budget and the actual budget amounts of the Federal Awards is performed. The directors of federal programs meet with teachers, school psychologists and other school leaders to discuss budget entries and amounts allocated per school. Any needed adjustments are made. Adjustments may occur if the award is different than initially budgeted or if the grant award letter is increased or decreased after it is issued. Once adjustments have been completed, amendment procedures are followed for a subsequent approval.

Policy 2.805 - Purchasing

Adm. Procedure 2.805.1 – Allowable Costs

Policy 2.201 – Line Item Transfer Authority

Adm. Procedures 2.201.1 – Budget Amendment Procedures

Amending the Budget

Sequatchie County Procedures for Budget Amendments

When the appropriate supervisor determines that a budget amendment is needed, the following procedure must be used:

- Identify the amendment
- Identify the Project Year
- Identify the appropriate project to be amended (General Purpose, Title I, IDEA-B, etc.)
- Justification for decrease and increase codes must be included.
- Indicate requested changes in the appropriate column, if required.
- Include Director of Schools and appropriate Supervisor signatures for amendments for all programs
- Get approval from local school board
- Submit amendment on ePlan to the SDE or Local County Commission
- After approval, the amendment is entered into the accounting system

All program Budget Amendments require the following:

- Program approval by supervisor/program director and entered into ePlan
- Budget narrative outlining the changes
- Budget narrative outlining the changes
- LEA authorizes fiscal approval by changing status on ePlan
- State approves revision on ePlan
- Director approves revision on ePlan

Transfer Between Funds:

The district does not generally transfer funds between federal programs, but if necessary in extreme cases, the director of schools and the board of education will authorize the transfer. Moneys allocated to these funds may only be used for expenditures as specified in state and federal law.

Transfer Within Funds:

If there is a need to overspend in a line item of a federal and/or general purpose budget, a budget revision on ePlan is entered and submitted to the Tennessee Department of Education for approval. Upon approval, a budget amendment is made on the accounting software program. If there is a need to transfer funds in general purpose

funding from one budgeting category to another, county commission approval is required.

School Budget Accounts
Principals and their designees are responsible for funds budgeted to their school.

Program Budget Accounts
Each program manager and their designee are responsible for funds budgeted to the program.

Policy 2.201 – Line Item Transfer Authority

Adm. Procedures 2.201.1 – Budget Amendment Procedures

Adm. Procedures 2.201.2 – Amendment Request/Revision

Budget Control

The District monitors its financial performance by comparing and analyzing actual results with budgeted results.

- Expenditure reports are generated monthly or more often if needed.
- The federal projects and general purpose bookkeepers provide the project supervisors at least monthly an Expenditures and Encumbrances report to compare and analyze actual program results data with budgeted items.
- A review of all budget items is made to see if expenditures are warranted and appropriate, and to see if there are items that might need adjustments.
- The Supervisor signs each report and returns to bookkeeper to file.
- If needed, a budget revision is completed to bring the budget in line with actual expenditures and is submitted to the Tennessee Department of Education for approval.

Policy 2.200 – Annual Operating Budget
Policy 2.201 – Line Item Transfer
Adm. Procedure 2.201.1 – Budget Amendment Procedures
Policy 2.300 – State and Federal Aid Eligibility Determination
Policy 2.500 – Deposit of Funds

Procedures for Assisting LEAs who don't make Maintenance of Effort

1. Calculate the per pupil expenditures. Use the ADM count on the state's report card for the two years considered in the comparison. Divide the number of students into the required spending amount on the Finance spreadsheet. See if the previous year's per pupil spending is at least 90% of the second previous year's per pupil spending.
2. If the system did not make Maintenance of Effort either way, contact the assigned fiscal consultant for the system and send him/her the

spreadsheet from Finance indicating the system didn't make Maintenance of Effort. The fiscal consultant will recheck the figures and:

a. Determine that the Finance figures are accurate and the system's current year allocation will need to be reduced by the same percentage they "missed" Maintenance of Effort

OR

b. The fiscal consultant determines there is an inaccuracy in the calculations and the system did meet their obligations to Maintenance of Effort.

3. IF the system made Maintenance of Effort, the issue is closed and applicable spreadsheets are revised to correct the inaccuracy.

4. IF the system did not make Maintenance of Effort by either the aggregate or per pupil process, Federal Programs will notify Finance, the NCLB consultant and the Director of Schools in the affected system. If all calculations are correct and the system doesn't have other state and local funds to augment the aggregate sum to "meet" the required percentage, the Office of Federal Programs will reduce each applicable title's allocation by the required percentage and post the new numbers to FACTS. The recaptured money will be reallocated according to the TN Mandated Operating Procedures.

5. Both Fiscal and state consultants will work with the affected system so they will be aware of what they need to spend to make Maintenance of Effort the following year.

Policy 2.200 – Annual Operating Budget

Adm. Procedure 2.200.5

Accounting Records

Accounting records are filed in the offices of the federal and general purpose bookkeepers and are subject to review by the federal and other program director(s) and the Director of Schools. These records adequately identify the source and application of funds for federally and general purpose-funded activities. The following types of account records are kept in the county uniform chart of accounts:

- Assets - All entries on a balance sheet that shows the entire property or resources as accounts, and notes receivable, cash, real estate, etc.
- Revenue - Sources of income
- Liabilities - Accounts payable, surplus, losses
- Expenditures - Amounts used, or spent
- Reserve – Cash on hand

Journal entries are made in the Local Government Corporation (LGC) county software program. Cash receipts are one form of recurring journal entries recorded in the system. The following factors affecting allow ability of costs must be addressed and adequately documented:

- Amount of funds under grant
- How the funds are used

- Total cost of the project
- Share of costs provided by other sources
- Records that show compliance and performance
- Other records to facilitate an effect audit

Policy 2.500 – Deposit of Funds
Policy 2.700 – Accounting System
Adm. Procedure 2.700.1- Accounting Records
Policy 2.701 – Financial Reports and Records
Federal Register – 200.302(b)(3)
EDGAR - 76.730

E. Spending Grant Funds

Determining Budget Items

The supervisors of federal programs meet with teachers, school psychologists and other school leaders to discuss budget entries and amounts allocated per school. Budget entries are selected from needs identified from various student data sources and results of stakeholder needs assessments and are reconciled with the list of allowable cost items. Direct and indirect cost principles are considered by the grant director, federal bookkeeper, and other grant team members during budget development. Any needed adjustments to the budget are made. Adjustments may occur if the award is different than initially budgeted or if the grant award letter is increased or decreased after it is issued. Once adjustments have been completed, amendment procedures are followed for a subsequent approval.

While developing and reviewing the grant budget, the *grant/program director* should keep in mind the difference between direct costs and indirect costs.

Payments made for costs determined to be unallowable by either the Federal awarding agency, or pass-through, are to be refunded (including interest) to the Federal Government in accordance with instructions from the Federal agency that determined the costs are unallowable. (200.410)

Policy 2.800 – Expenditure of Funds

Policy 2.805 - Purchasing

Adm. Procedure 2.805.1 – Allowable Cost

Direct and Indirect Costs Defined

Determining Whether a Cost is Direct or Indirect*:* Direct costs are those costs that can be identified specifically with a particular final cost objective, such as a federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. 2 C.F.R. § 200.413(a). Indirect

costs are those that have been incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. 2 C.F.R. § 200.56. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. 2 C.F.R. § 200.413(a).

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

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

Indirect Cost Rate: TDOE approves indirect cost rates for one year. Indirect Cost Rate is determined on the allocation amount and on what indirect cost funds are used. *Sequatchie County* does have an indirect cost rate, calculated by the state fiscal consultant and adjusted annually. The state of Tennessee sets the rate by using the indirect cost determination approved formula. All equipment and contracts over $25,000 are deducted. Under 34 C.F.R. § 75.561 and 34 C.F.R. § 76.561, a state educational agency may approve an indirect cost rate for longer than one year. The state agency only calculates the rate for one year. The Director of Schools signs an indirect cost form on April 1, as documentation between TDOE and the Director of Schools as the approved indirect cost rate.

Adm. Procedure 2.805.1 – Allowable Cost

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

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

Determining Allow ability of Costs

Expenditures must be aligned with approved budgeted items. Any changes or variations from the state-approved budget and grant application need prior approval from the state. In order to avoid subsequent disallowance of funds, the non-Federal entity may seek prior written approval of cognizant agency (for direct cost rate) or Federal awarding agency in advance of the incurrence of special or unusual costs. When determining how the District will spend its grant funds, [the Director of Federal Grants and other grant involved staff members] will review the proposed cost to determine whether it is an allowable use of federal grant funds *before* obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 C.F.R. § 200.403, which are provided in the bulleted list below. [The Federal Grants Director must consider these factors when making an allow ability determination.]

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

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

- Whether the cost is a type generally recognized as necessary for the operation of the federal award.
- The restraints or requirements imposed by factors, such as: sound business practices, arm's-length bargaining, federal, state and other laws and regulations; and terms and conditions of the award.
- Market prices for comparable goods or services for the geographic area.
- Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the District, its employees, its students, the public at large, and the federal government.
- Whether the district significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost. 2 C.F.R. § 200.404

While 2 C.F.R. § 200.404 does not provide specific descriptions of what satisfies the "necessary" element beyond its inclusion in the reasonableness analysis above, necessary is determined based on the needs of the program. Specifically, the expenditure must be necessary to achieve an important program objective. A key aspect in determining whether a cost is necessary is whether the district can demonstrate that the cost addresses an existing need, and can prove it. For example, the district may deem a language skills software program necessary for a limited English proficiency program.

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

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

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

- **Consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.**

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

- **Adequately documented.** All expenditures must be properly documented.

- **Be determined in accordance with general accepted accounting principles (GAAP), unless provided otherwise in Part 200.**

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

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

Travel Rate

Sequatchie County school personnel and school board members who incur expenses in carrying out their authorized duties will be reimbursed upon submission of supporting receipts when needed and an approved Claim for Travel Expense form signed by the Director of schools or the appropriate Federal Supervisor. The rate of reimbursement follow the Tennessee Department of Finance and Administration Comprehension Travel Regulations guidelines and State mileage chart.

Policy – 2.804 Expenses and Reimbursement
Adm. Procedure 2.804.1 – Travel Regulations

Part 200's cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state- and District-level requirements and policies regarding expenditures to be followed as well. For example, state and/or District policies relating to travel or equipment may be narrower than the federal rules, and the stricter State and/or District policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under State law.

Selected Items of Cost

Part 200 examines the allow ability of 55 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.475. These cost items are listed in the chart below along with the citation where it is discussed whether the item is allowable. Please do not assume that an item is allowable because it is specifically listed in the regulation as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including: the express language of the regulation states the item is unallowable; the terms and conditions of the grant deem the item unallowable; or State/local restrictions dictate that the item is unallowable. The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allow ability must be familiar with the Part 200 selected items of cost section. The

District must follow these rules when charging these specific expenditures to a federal grant. When applicable, District staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules may deem a cost as unallowable and District personnel must follow those non-federal rules as well.

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

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

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

Rental costs of real property and equipment	2 C.F.R. § 200.465
Scholarships and student aid costs	2 C.F.R. § 200.466
Selling and marketing costs	2 C.F.R. § 200.467
Specialized service facilities	2 C.F.R. § 200.468
Student activity costs	2 C.F.R. § 200.469
Taxes (including Value Added Tax)	2 C.F.R. § 200.470
Termination costs	2 C.F.R. § 200.471
Training and education costs	2 C.F.R. § 200.472
Transportation costs	2 C.F.R. § 200.473
Travel costs	2 C.F.R. § 200.474
Trustees	2 C.F.R. § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, employees must consult federal, State and District requirements when spending federal funds. For example, often the State's travel rules are more restrictive than federal rules, which means the State's policies must be followed.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute (e.g., Title I of the Elementary and Secondary Education Act (ESEA), or the Carl D. Perkins Career and Technical Education Act (Perkins)), along with accompanying program regulations, non-regulatory guidance and grant award notifications.

The state and/or District rules related to some specific cost items are discussed below. District employees must be aware of these State and District rules and ensure they are complying with these requirements.

Procedure

Adm. Procedure 2.805.2 –Determining Selected Items of Cost

Sequatchie County Grant Facilitator/Supervisor, teachers and federal

bookkeeper(s) meet to:

- Select items of cost needed to fulfill specifications of grant.
- Determine if items of cost are allowable according to state and/or federal rules and regulations. If deemed necessary and in order to avoid subsequent disallowance, the district may seek prior written approval of cognizant agency or Federal awarding agency in advance of the incurrence of special or unusual costs.
- Any payments made for costs determined to be unallowable by either the Federal awarding agency or pass-through, will be refunded, including interest, to the Federal government in accordance with instructions from the Federal agency that determined the costs to be unallowable.
- Select vendors of best possible price and quality
- Check to verify that the selected vendor is not included on the "Do Not Purchase List."
- Complete a Requisition and Purchase Order form.
- Once the request is approved by the Director of Schools and the department supervisor, the Federal bookkeeper completes the purchase order process and orders the product(s).
- When the product is received, it is checked off the order list and labeled to the appropriate department where it is entered into the inventory list.
- The product is delivered to the appropriate office or school.

District personnel should be familiar with the following special and/or new (as of 2015) rules that affect selected items of cost:

- Although alcoholic beverages are included in the 200 Selected Items of Cost list, alcohol is not allowable. (200.423 Federal Register)
- Conferences – New rule: Costs related to identifying, but not providing, locally available dependent-care resources are generally allowable. (200.432 Federal Register)
- Entertainment Costs – New rule: Costs are unallowable except where costs might otherwise be considered programmatic and are authorized to have prior written approval of the Federal awarding agency. (200.438 Federal Register)
- Travel Costs – Changed/New rule: Travel charges must be consistent with entity's written travel reimbursement policies. (200.474 Federal Register)
- Travel Costs – Changed/New: Allows costs for "above and beyond regular dependent care." (200.474 Federal Register)
- Travel Costs – Changed/New: Travel costs must be reasonable and consistent with written policy / or follow (GSA 48 CFR 31.205-46(a).

Adm. Procedure 2.805.2 – Determining Selected Items of Cost

Frequent Types of Costs

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

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

Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, must be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, documentation must be maintained that justifies that (1) participation of the individual is necessary to the federal award; and (2) the costs are reasonable and consistent with the District's established policy. 2 C.F.R § 200.474(b).

Sequatchie County School District requires prior written approval travel requests and purchase order requests.

Adm. Procedure 2.804.1 – Travel Request Form

Employee Travel Procedures

Submission of the "*Travel Request Form*" must be completed with the activity requiring travel by the teacher/employee and must be pre-approved by the appropriate supervisor and the Director of Schools.

Teacher/Employee and appropriate supervisor must sign the "Claim for Travel Expenses" form for reimbursement using the State of Tennessee guidelines. The Director of Schools or Program Supervisor must sign the Claim for Travel Expenses form for final approval for reimbursement.

Reimbursement check is issued to claimant.

See Appendix for the Travel Request Form

Policy 2.804 – Expenses and Reimbursements
Admin Procedures 2.804.1 – Travel Request Form (Travel Regulations)

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, federal grant directors, bookkeepers, and appropriate staff can refer to this section for a useful framework when performing an allow ability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

- Is the proposed cost allowable under the relevant program?

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

As a practical matter, *Federal Grant Directors and bookkeepers* should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated. This means that, for instance, funds allocated under Title III of the Elementary and Secondary Education Act (ESEA) governing language instruction programs for limited English proficient (LEP) students must only be spent on LEP students and cannot be used to benefit non-LEP students. Further, under most major elementary and secondary education programs, recipients

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, *Federal grant Directors and other engaged staff members*, such as principals, assistant principals, guidance counselors, and teachers, should review data when making purchases to ensure that federal funds do meet these areas of concern.

F. Federal Cash Management Policy/Procedures

Guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, in any situation where the State draws from the G5 system in advance of the District using non-federal funds to pay vendors and/or employees, the only events and dates that are relevant are: 1) the date on which the federal grant funds are drawn down by the State; and 2) the date on which those funds are disbursed by the District. Any interest earned on those funds while on-deposit in the District's bank account after drawdown and before disbursal must be included in the interest earned calculation.

Policy 2.402 – Investment Earnings (Revised 11-16-2010)

Payment Methods

***Reimbursements*:** All reimbursements are based on actual disbursements, not on obligations. The District may initially charge federal grant expenditures to nonfederal funds.

The Sequatchie County District *Federal Bookkeeper(s*) will request reimbursement for actual expenditures incurred under the federal grants *at least monthly*. Reimbursement

requests will be submitted via ePlan. All reimbursements are based on actual disbursements, not on obligations.

Reimbursement requests must be approved prior to submission in ePlan. All requests are tied to specific set-asides and/or approved budget line items. The Federal bookkeeper notifies each federal program director that a reimbursement request is ready for approval. The program director approves it and submits it into ePlan.

Policy 2.800 – Expenditure of Funds

Policy 2.802 – Payroll

Policy 2.803 – Salary Deductions

Policy 2.804 – Expenses and Reimbursements

Policy 2.805 – Purchasing

Policy 2.806 – Bids and Quotations

Policy 2.807 – Requisitions

Policy 2.808 – Purchase Orders and Contracts

Policy 2.810 – Payment Procedures

Consistent with state and federal requirements, the District will maintain source documentation supporting the federal expenditures, *requisitions, invoices, time sheets, payroll stubs, etc.*, and will make such documentation available for the TDOE review upon request.

Reimbursements of actual expenditures do not require interest calculations.

***Advances*:** To the extent the District receives advance payments of federal grant funds, the District will strive to expend the federal funds on allowable expenditures within 72 hours of receipt. The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will calculate interest earned on cash balances after 72 hours of receipt of advance payments.

The *Sequatchie County District* does not earn interest on any grants due to the grant funds being expended on a reimbursement basis**.** The actual money remains in an account in Nashville until needed.

Interest will be calculated quarterly, *if applicable, by following state and federal guidelines*. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual/average interest rate. The District may retain up to $500 of interest earned per year. Within 30 days of the end of the quarter, the District will remit interest earned on U.S. Department of Education grants in excess of

$500 to Department of Health and Human Services Payment Management System, Rockville, MD 20852.

NA. *Sequatchie County* draws no interest at the present time. If future interest is drawn, interest will be expended as required by particular federal program regulations.

Policy – 2.402 Investment Earnings

G. Timely Obligation of Funds

When Obligations are Made

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

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

If the obligation is for:	**The obligation is made:**
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 services	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 C.F.R. part 200, Subpart E- Cost Principles.	On the first day of the project period.

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

Period of Availability of Federal Funds

All obligations must occur on or between the beginning and ending dates of the grant project. 34 C.F.R. § 76.707. This period of time is known as the period of availability. The period of availability is dictated by statute and will be indicated in the grant award letter. Further, certain grants have specific requirements for carryover funds that must be adhered to.

State-Administered Grants: As a general rule, state-administered federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year the grant was appropriated for, the period of obligation for any grant that is covered by the "Tydings Amendment" is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. 34 C.F.R. § 76.709. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

Direct Grants: In general, the period of availability for funds authorized under direct grants is identified in the grant award letter.

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

Carryover

State-Administered Grants: As described above, the Tydings Amendment extends the period of availability for applicable state-administered program funds. Essentially, it permits recipients to "carryover" any funds left over at the end of the initial 15 month period into the next year. These leftover funds are typically referred to as carryover funds and continue to be available for obligation for an additional 12 months. 34 C.F.R. § 76.709. Accordingly, the District may have multiple years of grant funds available under the same program at the same time.

The district Final Expenditure Report (FER) is reconciled and submitted to TDOE via ePlan. Any carryover funds are automatically transferred to the current grant

application to be budgeted prior to expending. For programs with carryover limitations (i.e. ESEA Title I, Title III) a carryover waiver request letter will be submitted to TDOE when the carryover exceeds the cap. (Title I - 15% limit, Title II A – No carryover limit, CTE – Must zero out, IDEA – Maintenance of Effort).

Proposed Procedure: Carryover

In the event of Federal Carryover Funds, a carryover waiver request letter is submitted by the Federal Projects Director if carryover funds exceed the cap of 15%. Carryover funds for all grants are re-budgeted to reflect current budget needs and budget line item amounts are entered into e plan with justification explanations submitted to the district fiscal representative and Director of Schools for approval. Then the adjusted budget with carryover funds is submitted to the state in ePlan for their approval.

The district may initiate a one-time extension of the period of performance by up to 12 months unless one or more of the conditions exist:

- The terms and conditions of the Federal award prohibit the extension.
- The extension requires additional federal funds.
- The extension involves any change in the approved objectives or scope of the project.
- Carry forward unobligated balances to subsequent periods of performance. (Federal Register Vol. 78 §200.308)

Policy 2.200 – Annual Operating Budget

Policy 2.201 – Line Item Transfer Authority

Policy 2.800 – Expenditure of Funds

Adm. Procedure 2.800.2 – Carryover Funds

Policy 2.810 – Payment Procedures

Direct Grants: Grantees receiving direct federal grants are not covered by the 12 month Tydings period, i.e. ESEA-Title VI, SRSA. However, under 2 C.F.R. § 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. The District is authorized to extend a direct grant automatically for one 12-month period. Prior approval is not required in these circumstances; however, in order to obtain this extension, the District must provide written notice to the federal awarding agency at least 10 calendar days before the end of the period of performance specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

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

- The terms and conditions of the Federal award prohibit the extension;

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

If an extension of a direct federal grant is required, the *project director* provides a written letter of notice to the *Director of Schools* at least 20 calendar days prior to the end of the specified grant period. The *Director of Schools* makes the final decision regarding the extension. The written notice is required to include the reasons for the requested extension with a time frame for anticipated conclusion of the project. The extension request must be submitted to the awarding federal agency 10 calendar days prior to the end of the specified grant period.

Adm. Procedure 2.800.2- Carryover Funds

H. Program Income

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

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with federal award funds. Interest earned on advances of federal funds is not program income. Except as otherwise provided in federal statutes, regulations, or the terms and conditions of the federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. 2 C.F.R. § 200.80. Additionally, taxes, special assessments, levies, fines, and other such revenues raised by a recipient are not program income unless the revenues are specifically identified in the federal award or federal awarding agency regulations as program income. Finally, proceeds from the sale of real property, equipment, or supplies are not program income. 2 C.F.R. § 200.307.

Use of Program Income

The default method for the use of program income for the District is the deduction method. 2 C.F.R. § 200.307(e). Under the deduction method, program income is deducted from total allowable costs to determine the net allowable costs. Program income will only be used for current costs unless the District is otherwise directed by the federal awarding agency or pass-through entity. 2 C.F.R. § 200.307(e)(1). The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must

then be used for the purposes and under the conditions of the Federal award. 2 C.F.R. § 200.307(e)(2).

While the deduction method is the default method, the District always refers to the grant award letter prior to determining the appropriate use of program income.

Program Income is non-applicable to the Sequatchie County Board of Education at the current time. Sequatchie County School district does not participate with program income for Federal Programs. Although, if need arises, the guidelines in 200.307 of the Federal Register will be followed:

a. General

Non-Federal entities are encouraged to earn income to defray program costs where appropriate.

b. Cost of generating program income

If authorized by Federal regulations or the Federal award, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the Federal award

c. Governmental revenues

Taxes, special assessments, levies, fines, and other such revenues raised by a non-Federal entity are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income.

d. Property

Proceeds from the sale of real property or equipment are not program income.

e. Use of program income

If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, then program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. With prior approval of the

Federal awarding agency, program income may be added to the Federal award by the Federal agency and the non-Federal
entity. The program income must be used for the purposes and under the conditions of the Federal award.

f. Income after the period of performance

There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of

performance as part of the grant closeout process as stated in Federal Register 200.343.

Policy 2.400 – Revenue

Adm. Procedure 2.400.2 – Program Income

III. **Procurement System**

The District maintains the following purchasing procedures.

A. **Responsibility for Purchasing**

Program directors are responsible for approving contracts/purchase orders, and the program bookkeeper processes purchase orders after which appropriate procedures are followed. The Director of Schools authorizes Program directors to initiate purchases. School principals and/or teachers can make requests for purchases but first must have approval from the program director. Approval of need for item requested must be made by a supervisor or principal, and final approval is made by the Director of Schools. The project director generates a list of persons authorized to make purchases as purchase orders are requested and approved. The list may include supervisors/directors, and principal if related to school funds. The federal bookkeeper completes the ordering process.

Policy 2.805 – Purchasing

Adm. Procedure 2.805.4 – Procurement System

Policy 2.806 – Bids and Quotations

Policy 2.809 – Vendor Relations

Policy 2.810 – Payment Procedures

Policy 2.900 – Student Activity Funds Management

B. Purchase Methods

The type of purchase procedures required depends on the cost of the item(s) being purchased.

Note: If state or local procurement policy is more restrictive than the federal purchase methods below, districts must always follow the most restrictive policy.

Purchases up to $25,000

T.C.A. Annotated (T.C.A.) allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. T.C.A. § 49-2-203 (a)(3)(B) states, "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than ten thousand dollars ($25,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive bids."

Requisitions and purchase orders are the procurement documents used for all purchased items less than $25,000 including consulting and similar services. Both purchase order and requisition forms are used and paper copies of documents are kept by each program director as well as by each program department bookkeeper. Electronic copies are kept by the department bookkeeper who is the only one with access to electronic files. The electronic files and records are password protected. Paper copies of all documentation are kept in the bookkeeper and project director files. All documents are numbered and a document log is maintained by the bookkeeper.

The following information is kept on purchase orders and requisitions:

1. Name of person requesting Purchase
2. Name and address of vendor
3. How order is mailed or placed
4. Quantity, description of services to be performed, price and shipping costs of items
5. Account Code, Type of account, & Project Name to be completed by supervisor/project director
6. Signature of principal, supervisor, & director of schools
7. Location of where services will be performed or goods delivered
8. The appropriate dates of service.

A school principal, the district Program Director, or secretary of Program Director may request the purchase order/requisition form to be filled out by the program director or program secretary, and then approved by the Director of Schools. A price analysis or independent estimate of cost is made when possible, especially with large cost items. Once the bidding process, if required, has been completed, a contract is written by the Federal Program Director, Federal secretary, or school principal at the service site. The Director of Schools and School Board approves the contract.

Purchases of $25,000 or less should be based upon competitive pricing and/or at least three competitive bids if required. Purchase orders and requisitions are not requested until the process is complete. Records and all documentation are kept in files of the Program Director as well as in files of the program bookkeeper.

<u>Policy 2.805 – Purchasing</u>

Adm. Procedure 2.805.2 – Procurement System

Policy 2.806 – Bids and Quotations

Adm. Procedure 2.806.1 – Competitive Bids/Proposals/Quotations

Policy 2.807 – Requisitions

Policy 2.808 – Purchase Orders & Contracts

Purchases over $25,000

T.C.A. Annotated allows a district to choose to follow the prescribed purchasing procedures of the district's local governing body, or to develop its own policies and procedures. Regarding purchases estimated to exceed twenty five thousand dollars ($25,000),
T.C.A. § 49-2-203 (a)(3)(A) states "All expenditures for such purposes may follow the prescribed procedures of the LEA's respective local governing body, so long as that body, through its charter, private act or ordinance has established a procurement procedure that provides for advertisement and competitive bidding, except that, if a newspaper advertisement is required, it may be waived in case of emergency. If the LEA chooses not to follow the local governing body's purchasing procedures, all expenditures for such purposes estimated to exceed twenty five thousand dollars ($25,000) or more shall be made on competitive bids, which shall be solicited by advertisement in a newspaper of general circulation in the county, except that the newspaper advertisement may be waived in the event of an emergency. School districts that have a purchasing division may use a comprehensive vendor list for the purpose of soliciting competitive bids; provided, further, that the purchasing division shall periodically advertise in a newspaper of general circulation in the county for vendors and shall update the list of vendors following the advertisement."

Regarding purchases less than twenty five thousand dollars ($25,000) T.C.A. § 49-2-203 (a)(3)(B) states "If the LEA chooses not to follow the local governing body's purchasing procedures, all purchases of less than twenty five thousand dollars ($25,000) may be made in the open market without newspaper notice, but shall, whenever possible, be based upon at least three (3) competitive pricings.

- **Procurement Documents**

  Requisitions and purchase orders are the procurement documents used in this method of solicitation of consulting and similar services. Both purchase order and requisition forms are used and paper copies of documents are kept by each program director as well as by each program department bookkeeper. Electronic copies are kept by the department bookkeeper who is the only one with access to electronic files. The electronic files and records are password protected. Paper copies of all documentation are kept in the bookkeeper and project director files. All documents are numbered/pre-numbered, and a document log is maintained by the bookkeeper.

The following information is kept on purchase orders and requisitions:

1. Name of person requesting Purchase
2. Name and address of vendor
3. How order is mailed or placed
4. Quantity, description of services to be performed, price and shipping costs of items
5. Account Code, Type of account, & Project Name to be completed by supervisor/project director
6. Signature of principal, supervisor, & director of schools
7. Location of where services will be performed or goods delivered
8. The appropriate dates of service.

- **Responsibilities**

  A school principal, the district Program Director, or secretary of Program Director may request the purchase order/requisition form to be filled out by the program director or program representative, and then approved by the Director of Schools. A price analysis or independent estimate of cost is made when possible, especially with large cost items. Once the bidding process has been completed, a contract is written by the Federal Program Supervisor, Federal secretary, or school principal of the service site. The Director of Schools and School Board approves the contract.

- **Required Number and Types of Quotations**

  Procurements of purchases over $25,000 should be based on at least three competitive bids when possible. The Director of Schools receives written bids in sealed envelopes. Bidders must be licensed and bonded. Purchase orders and requisitions are not requested until the bidding process is complete. Records and all documentation are kept in files of the Program Director as well as in files of the program bookkeeper.

Policy 2.805 – Purchasing

Adm. Procedure 2.805.4 – Procurement System

Policy 2.806 – Bids and Quotations

Adm. Procedure 2.806.1 – Competitive Bids/Proposals/Quotations

Policy 2.807 – Requisitions

Policy 2.808 – Purchase Orders & Contracts

Adm. Procedure 3.500.3 – School Nutrition Procurement Plan

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

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

For competitive proposals, EDGAR requires recipients to have a written method for conducting technical evaluations of the proposals received and for selecting recipients.

Administrative Procedures for Competitive Bids/Proposals

Adm. Procedure 2.806.1 – Competitive Bids/Proposals/Quotations

Sequatchie County Board of Education uses a sealed bidding procurement process, and the following competitive bidding and/or proposal steps are taken:

1. The Director of Schools and designated staff determines an estimated cost of needed items that are expected to exceed $3,000 (or $2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act).
2. The School Board authorizes the Director of Schools to begin the competitive bidding/proposal process.
3. Invitation for bids is advertised in the local newspaper(s) and solicited from an adequate number of known suppliers, providing at least ten days or other sufficient response time as needed prior to the date set for opening the bids;
4. The invitation for bids includes any specifications and pertinent attachments, and defines items or services in order for the bidder to properly respond;
5. All bids will be publicly opened at the time and place prescribed in the invitation of bids. The Director of Schools or authorized designee and at least two witnesses are required to be present, and all bidders are welcomed.
6. All bids are written on a bid sheet for comparison. A discussion and review of all bids is completed by the Director of Schools and Board. The lowest bid is generally accepted if all specifications are met. The Sequatchie County School Board reserves the right to reject any and all bids if there is a sound documented reason. A recommendation is made to the Board for approval.
7. Upon approval, the School Board and all involved parties enter into a firm and fixed price agreement in the form of a written contract.

   The only exception of the above is when there is a state approved contract from which purchases are allowed.

The Sequatchie County School Procurement Plan provides for open and free competition, comparability, and provides for documentation of all procurement. If the amount of purchases is more than $25,000, formal bid procedures will be used as required by 7 CFR Part 3016.36 and the Tennessee Internal School Uniform Accounting Policy Manual, Section 5 (5-15). Purchases not exceeding $25,000 may be awarded without soliciting competitive quotations if price is reasonable. Fresh produce is exempt from the $25,000 threshold.

Adm. Procedure 2.806.1 – Competitive Bids/Proposals/Quotations

Adm. Procedure 3.500.3 – School Nutrition Program Procurement Plan

- **Procurement Documents**

  Requisitions and purchase orders are the procurement documents used for all purchases, including consulting and similar services. Both purchase order and requisition forms are used and paper copies of documents are kept by each program director as well as by each program department bookkeeper. Electronic copies are kept by the department bookkeeper who is the only one with access to electronic files. The electronic files and records are password protected. Paper copies of all documentation are kept in the bookkeeper and project director files. All documents are numbered/pre-numbered, and a document log is maintained by the bookkeeper.

  The following information is kept on purchase orders and requisitions: 1. Name of person requesting Purchase; 2. Name and address of vendor; 3. How order is mailed or placed; 4. Quantity, description of services to be performed, price and shipping costs of items; 5. Account Code, Type of account, & Project Name to be completed by supervisor/project director; 6. Signature of principal, supervisor, & director of schools; 7. Location of where services will be performed or goods delivered; 8. The appropriate dates of service.

- **Responsibilities**

  A school principal, the district Program Director, or secretary of Program Director may request the purchase order/requisition form to be filled out by the program director or program secretary, and then approved by the Director of Schools. A price analysis or independent estimate of cost is made when possible, especially with large cost items. Once the bidding process has been completed, a contract is written by the Federal Program Director, Federal secretary, or school principal of the service site. The Director of Schools approves the contract as well as the School Board.

- **Required Number and Types of Quotations**

Procurements requiring competitive proposals should be based on at least three competitive bids when possible. The Director of Schools receives written bids in sealed envelopes. Bidders must be licensed and bonded. Purchase orders and requisitions are not requested until the bidding process is complete. Records and all documentation are kept in files of the Program Director as well as in files of the program bookkeeper.

Policy 2.800 – Expenditure of Funds
Policy 2.805 - Purchasing
Policy 2.806 – Bids and Quotations
Adm. Procedure 2.806.1– Competitive Bids/Proposals/Quotations
Policy 2.807 – Requisitions
Policy 2.808 – Purchase Orders & Contracts
Policy 2.809 – Vendor Relations

Architectural/Engineering Professional Services: 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 though A/E firms are a potential source to perform the proposed effort.

Policy 3.212 – Facilities Planning: Involvement of Architects

Contract/Price Analysis*:* A cost or price analysis is performed in connection with every procurement action in excess of $150,000, including contract modifications. 2 C.F.R. § 200.323(a). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, Districts must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

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

Sequatchie County's Program Directors and additional federal staff as required are responsible for performing a cost analysis process as need arises with procurements

exceeding $150,000. Current item amounts are compared to past similar project amounts. The district attempts to collect information about prior results and performance of the contractor(s) before bids are made. Unless authorized by the Director of Schools, all collected information is reviewed by the Director of Schools and the Board of Education before bids are collected.

Policy 2.805 – Purchasing

Policy 2.806 – Bids & Quotations

Policy 2.806.1 – Competitive Bids/Proposals/Quotations

Adm. Procedure 3.211.1 – Cost/Price Analysis

Noncompetitive Proposals (Sole Sourcing)

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

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

Educational Consultants and Similar Services: In order to procure educational consultants in accordance with T.C.A. § 12-4-106(a)(1), the procurement must be paid with state or local funds:

Contracts by counties, cities, metropolitan governments towns, utility districts and other municipal and public corporations of the state, for legal services, fiscal agent, financial advisor or advisory services, educational consultant services and similar services by professional persons or groups of high ethical standards, shall not be based upon competitive bids, but shall be awarded on the basis of recognized competence and integrity. The prohibition against competitive bidding in this section shall not prohibit any entity enumerated from interviewing eligible persons or groups to determine the capabilities of such persons or groups.

The Sequatchie County Director of Schools approves a recommendation from the program director to use a noncompetitive proposal method for contracted services if deemed the most appropriate method for seeking required services. This method is used when: (1) The item is available only from a single source; (2)

The public exigency or emergency for the requirement will not permit

a delay resulting from competitive solicitation; (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or (4) After solicitation of a number of sources, competition is determined inadequate. The district asks for and files a sole source letter for documentation if available.

Policy 2.806 – Bids/Proposals/Quotations

Adm. Procedure 2.806.2 – Noncompetitive Proposals (Sole Sourcing)

- **Procurement Documents**

  A contract is the procurement document used in the non-competitive method of solicitation of consulting and similar services. Both purchase order and requisition forms are used and paper copies of documents are kept by each program director as well as by each program department bookkeeper. Electronic copies are kept by the department bookkeeper who is the only one with access to electronic files. The electronic files and records are password protected. Paper copies of all documentation are kept in the bookkeeper and project director files. All documents are numbered and a document log is maintained by the bookkeeper.

  The following information is kept on purchase orders and requisitions:

  1. Name of person requesting Purchase 2. Name and address of vendor 3. How order is mailed or placed, 4. Quantity, description of services to be performed, price and shipping costs of items, 5. Account Code, Type of account, & Project Name to be completed by supervisor/project director 6. Signature of principal, supervisor, & director of schools. 7. Location of where services will be performed or goods delivered. 8. The appropriate dates of service.

- **Responsibilities**

  Requisition forms are completed by Federal projects director in need of services. The Director of Schools approves the requisition. Contracts, if required, are written by the program director and approved by the Director of Schools. Documentation is kept in the bookkeeper and project director files.

- **Required Number and Types of Quotations**

  This selection process is not based on competitive bids, but shall be awarded on the basis of recognized competence and integrity. If more than one competent source is available, the program director provides each of them a description of needed services, and accepts their bids in writing or orally. These bids are accepted electronically, in person, email, or by post. A review of bids is completed and a selection is made by the

program director and Director of Schools. Copies of the requisition and/or contract are filed by the Federal Programs Director and the Federal bookkeeper.

Cost Price Analysis and Sole Source

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds $150,000.

Adm. Procedure 3.211.1 – Cost/Price Analysis

C. Purchase Cards

All purchase cards are kept in the Sequatchie County District Office with federal and general purpose bookkeepers or Programs Supervisor. Purchases can only be made for the price/amount shown on the approved requisition/purchase order form. The person needing to make a purchase receives the card from the bookkeeper, makes the purchase, and returns the card to the bookkeeper along with the purchase receipt. Purchases must agree with what was approved and listed on the requisition/purchase order form. The bookkeeper reviews all receipts and monthly credit card statements, and notifies the Federal Programs Director of any suspicious purchases. The Program Director informs the Director of Schools, who then makes contact with the person making the non-compliant monetary charge. The person is asked for an explanation of the charge in question and is given ample time to refund the amount charged if deemed necessary.

Policy 2.805 - Purchasing (Purchase Card Use)

D. Full and Open Competition

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

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;

- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
- Any arbitrary action in the procurement process.

EDGAR further requires the following to ensure adequate competition.

Geographical Preferences Prohibited

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

Prequalified Lists

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

Solicitation Language

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

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

E. Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

The District must avoid the acquisition of unnecessary or duplicative items. Additionally, consideration is given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis must be made of leases versus purchase alternatives, and another other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with federal funds.

Procedures for Avoiding Acquisition of Unnecessary or Duplicative Purchase Items

- Project Directors collaborate with stakeholders to discuss the requested purchase of current items.
- Inventories of previously purchased existing items are reviewed to eliminate the possibility of duplication prior to any additional purchases of items.
- Project Directors will compare cost of leases and purchases to determine the most cost effective method of obtaining the purchase items.

Policy 2.702 – Inventory
Adm. Procedures – 2.702.1 – Equipment and Inventory Guidelines and Procedures
Policy 2.800 – Expenditure of Funds
Policy 2.805 - Purchasing
Policy 2.806 – Bids and Quotations
Adm. Procedure 2.806.1– Competitive Bids/Proposals
Policy 2.807 – Requisitions
Policy 2.808 – Purchase Orders & Contracts
Policy 2.809 – Vendor Relations
Policy 3.301 – Leasing & Renting

Use of Intergovernmental Agreements

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

The Sequatchie County School Board, at its option, will join in emergency and cooperative purchasing with other school systems to take advantage of lower prices for bulk purchasing and to reduce the cost involved in bidding whenever such buying appears to be to the benefit of the system. Items of purchase are usually technological and maintenance equipment and supplies. In these cases, requests for proposals are not issued due to the fact that state law allows LEAs to purchase, utilizing either state contracts, national government educational contracts, or from duly bid contracts from any other LEA in the state. For instance, Sequatchie County School District contracts.

In emergency situations the Director of Schools may authorize a purchase in order to avert hazards which threaten the health or safety of students and employees, to protect property from damage, or to avoid major disruptions of educational activities.

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Policy 2.805 – Purchasing

Use of Federal Excess and Surplus Property

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

Sequatchie County Board of Education periodically purchases property of need from the Tennessee General Services Department depending on availability of needed items.

Policy 2.805 - Surplus Property

Debarment and Suspension

The District shall 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 subgrants to any person or company who is debarred or suspended and is required to check for excluded parties at the System for Award Management website before any procurement transaction. This list is located at: http://www.sam.gov/.

Sequatchie County Board of Education does not contract or subcontract with any person(s) or company that has been debarred or suspended for unethical or poor workmanship. When seeking contractual services, the district views Tennessee's Management website at http://www.sam.gov/.

Policy 2.808 – Purchase Orders and Contracts

Maintenance of Procurement Records

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

Procedures for Cost/Price Analysis

The Sequatchie County Board of Education performs a cost or price analysis with every procurement action including contracts. The degree and type of cost analysis will depend on the individual procurement situation with the LEA conducting an estimate of

the procurement prior to receiving bids or proposals. A fair and reasonable profit will be considered when a cost analysis is conducted. The type of work to be performed, the amount invested by the contractor, quality of any previous work performed during past performances, and current rates in the surrounding geographical area for comparable work are reviewed and considered. Documents are filed in the office of the appropriate supervisor/project director. Project Directors will check *System for Award Management* website located at http://www.sam.gov for verification that any potential vendor or contractor has not been suspended or debarred.

Policy 2.807 – Requisitions

Policy 2.808 – Purchase Orders and Contracts

Adm. Procedure 3.211.1 – Cost/Price Analysis

Time and Materials Contracts

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

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the 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.

Procedures for Time and Materials Contracts

- Bids are requested and received with all individuals aware of a set ceiling price.
- All bids and quotes include, but are not limited to, the scope of services. The following must be included in the contract:
- The beginning and ending date of services
- The cost of services
- The payment procedure
- A description of how the contract or agreement may be terminated.

The vendor, the appropriate supervisor, and the director of schools must sign the contract or agreement.

The finance department and the appropriate supervisor must keep a current copy of the contract along with any other applicable documents and records.

Policy 2.806 – Bids and Quotations
Adm. Procedure 2.806.2 – Time and Material Contracts
Policy 2.807 – Requisitions
Policy 2.808 – Purchase Orders and Contracts

Settlements of Issues Arising Out of Procurements

The District alone is 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. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Sequatchie County Board of Education monitors all contractual and administrative issues related to procurement. A grievance form is to be completed either by a vendor, contractor, or the board itself, if controversial issues arise during project construction or fulfillment of a contract. Completed forms are submitted to the Director of Schools. Protest procedures are then followed as set forth by the Board of Education.

Vendor Grievance Form

Procedure: Complete the form below and submit the completed form by mail or in person to:

Sequatchie County Board of Education (SCBOE)
SCHS FY16
Title I, A SW

Timelines to be observed:
*Grievances related to contract award decision submit the completed form within 30 days after notification of the contract decision.
*General grievances submit the completed form within 14 days of the date when the aggrieved person knew of the facts addressing the grievance.

□ Grievance during the contracting process prior to contract award
□ Grievance related to a contract award decision
□ General grievance

Company Name: _____

Company Street Address: _____

Company City_____State_____ Zip Code_____

Company Authorized Representative Name:_____

Title_____

Street Address_____

City_____ State_____Zip Code_____

Phone number:_____ Email Address_____

Products or services as listed on the contract bid

_____

_____

Explain your grievance:

_____

_____

_____

_____

_____

Policy 3.215 –Board Inspection and Acceptance of New Facilities
Adm. Procedure 3.215.1 – Protest Procedures for Dispute Resolution Re Procurements
Policy 2.805 –Purchasing
Adm. Procedure 2.805.2 – Procurement System
Policy 2.808 - Purchase Order and Contracts
Policy 2.809 –Vendor Relations

Protest Procedures to Resolve Disputes

The District shall maintain protest procedures to handle and resolve disputes relating to procurements and, in all instances, disclose information regarding the protest to the awarding agency.

All received protests/grievances are to be forwarded to the Director of Schools and are to be submitted and reviewed by the district appointed grievance reviewers as an impartial entity.

All grievances/protests must be received within 30 days involving contract award decisions and within 14 days of the date when the aggrieved person or company had knowledge of the event, giving reason for the described grievance. Grievances/protests must be expressed in writing and submitted to:

Sequatchie County Board of Education
Director of Schools
P.O. Box 488
Dunlap, TN 37327

- The grievance should include point of contact and mailing address to which responses are to be sent, specific issues communicated in the explanation of the grievance, and any reference or bid number for products or services.
- The vendor may request a meeting with the grievance reviewers to present issues of their grievance.
- Central office and advisory staff acting as the grievance review board, will review the protest and formulate an appropriate response in a timely manner, and will provide a written report of the review and final decision to be submitted to the complainant/vendor/contractor within 10 business days.

See Appendix for Protest/Grievance Form

Policy 3.215 –Board Inspection and Acceptance of New Facilities
Adm. Procedure 3.215.1 – Protest Procedures for Dispute Resolution Re Procurements

F. Conflict of Interest Requirements

Standards of Conduct

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

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

The officers, employees, and agents of the District may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts, unless the gift is an unsolicited item of nominal value.

Sequatchie County Board of Education's policy does not allow any staff member to accept unsolicited gifts valued above $25.00. E-Rate guidelines set a maximum amount for each gift, and all gifts, to LEAs from potential vendors. No more than $25 gifts are allowed. No person officially connected with or employed by the school system will be an agent for, or have any financial compensation or reward of any kind from any vendor for the sales of supplies, materials, equipment, or service.

Any suspected conflict of interest will be reported to the Director of Schools and/or School Board for review of the potential conflict. Any school board member, school or

district staff member involved in the conflict must excuse himself/herself from any activity involving the contract until hearings have been held before the Grievance Committee and until board resolutions and recommendations have been filed.

Policy 1.106 – Code of Ethics
Adm. Procedure 1.106.1 – Effective Boardsmanship Standards
Policy 1.107 - Board Member Conflict of Interest
Policy 1.108 - Nepotism
Policy 2.401 – Gifts and Bequests
Policy 5.501 – Complaints and Grievances
Adm. Procedure – 5.501.1 – Title VI of Civil Rights Act of 1964 Complaints Procedure
Policy 5.601 – Conflict of Interest

Organizational Conflicts

Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization. 2 C.F.R § 200.318(c)(2).

No person officially connected with or employed by the school system will be an agent for, or have any financial compensation or reward of any kind from any vendor for the sale of supplies, materials, or equipment, or services. All student activity funds shall be under the jurisdiction of the Board and under the specific control of the school principal. Contracts with fund raising agencies must comply with Board policy and procedures approved in writing by the Director of Schools.

Policy 5.601 – Staff Conflict of Interest
Policy 2.809 – Vendor Relations
Policy 2.900 – Student Activity Funds Management

Disciplinary Actions

Violation of Standards of Conduct

Employees who authorize or contract for any obligation in violation of School Board policies and procedures, shall assume personal responsibility for the payment of the obligation, shall be subject to dismissal from employment, and shall be subject to applicable civil criminal proceedings. Any obligation, authorization for expenditure, or expenditure made in violation of the law and this policy shall be illegal and void.

Policy 2.800 – Expenditure of Funds

Policy 5.200 – Separation Practices for Tenured Teachers

Policy 5.201 – Separation Practices for Non-Tenured Teachers

Policy 5.202 – Separation Practices for Non-Certified Employees

Mandatory Disclosure

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

Policy 5.501- Complaints and Grievances
Adm. Procedure 5.501.1 – Title VI of Civil Rights Act of 1964 Complaints Procedure
Policy 5.601 – Staff Conflict of Interest

G. Contract Administration

The District shall maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders 2 C.F.R. § 200.318.

Contracts and purchase orders are signed by project directors. The Technology Department Director and his designees oversee receipt of purchased property and follow board policies and procedures in regard to the property inventory, maintenance, and record keeping of receiving reports and other property documents. The Maintenance Department is responsible for receiving purchases for building maintenance, and sometimes assists the Technology Department in receiving property upon the discretion of the Director of Technology.

The Technology Department staff manages inventory procedures. New inventory is delivered to, and received by the designated school or site of use except for items with a cost over $100. All technology equipment is received at district office. These items, not part of the building, must be delivered to the district office to be bar-coded and labeled, and to be added to the district inventory records. The technology department staff performs these tasks.

For items purchased with Federal funds, the **name of the LEA, the Fund, and project year** of the purchase is required unless the purchases are made as part of school-wide projects under Title I. Equipment items bought as a part of a *Title I school- wide program* are required to have the following: the **name of the LEA, the name of the school, the project year of the purchase, and School wide.**

Example:

Sequatchie County Board of Education (SCBOE)
SCHS FY16
Title I, A SW

For consistency, all bar-code labels have the above format, with the word School-wide replaced with the fund (federal or otherwise) used to purchase the item.

All items purchased as equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as part of the regular monitoring and auditing process.

Newly delivered items are added to the appropriate school or district inventory list by the designated person in each school, and at the district office by the appropriate program director. Received items are compared to shipping documents and purchase order forms. If orders are satisfactory, shipping documents are filed with the appropriate program director or bookkeeper. Upon receipt of invoices, the program director and school inventory manager initials the invoice as signs of approval. Copies of initialed invoices are then filed by the program director and/or school principal/bookkeeper. Approved invoices are then given to appropriate bookkeepers for payment. Bookkeepers maintain records of payment.

Policy 2.702 – Inventories

Adm. Procedures 2.702.1 for Equipment and Inventory Guidelines

Policy 2.808 – Purchase Orders and Contracts

IV. Property Management System

Property Classifications

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

The state of Tennessee definition of equipment applies as follows: equipment is all items (machinery, implements, tools, furniture, livestock, vehicles and other apparatus) purchased with an object code of 16 with a unit cost of $5,000.00 or more and a minimum useful life expectancy of three years. Freight charges and installation cost should be included as cost of equipment. Sensitive minor equipment is defined as items purchased with an object code of 099 with a cost between $100.00 and $5,000.00. It includes sensitive items such as computers, external computer peripherals, weapons, etc. as determined by the State Personal Property Section.

Guidelines: Sequatchie County will budget in the equipment line item, sufficient funds for planned purchases of any items to be considered to be equipment in the

LEA. Sequatchie County will maintain all supporting documentation: inventory records, purchase orders, receipts and vendor contracts.

Prior written approval by the ESEA field consultant is required only for purchases of those items of equipment that have a unit cost of $5,000.00 or more. All purchases must be made in compliance with policies and statues governing Sequatchie County.

Equipment acquired by a recipient with federal funds shall abide by conditions of this section:

- The recipient shall not use equipment acquired with federal funds to provide services to non-federal outside organizations for a fee that is less then private companies charge for equivalent services, unless specifically authorized by Federal statue, for as long as the Federal Government retains an interest in the equipment
- The recipient shall use the equipment in the project or program for which is was acquired as long as needed, whether or not the project or program continues to be supported by federal funds and shall not encumber the property without approval of the federal awarding agency.
- When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:
    - Activities sponsored by the Federal awarding agency which funded the original project
    - Activities sponsored by other Federal awarding agencies.
- During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the federal awarding agency that financed the equipment.
- When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the federal awarding agency.

Sequatchie County School System administration is responsible for assuring that only allowable equipment is purchased. The district may purchase equipment with ESEA funds if:

1. It is reasonable and necessary to operate its federal program effectively
2. Existing equipment will not be sufficient
3. The costs are reasonable

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the District for financial

statement purposes or $5,000, regardless of the length of its useful life. 2 C.F.R. § 200.94.

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

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

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

Policy 2.702 – Inventories

Adm. Procedures 2.702.1 for Equipment and Inventory Guidelines

OMB Circular 200.313 – Equipment

OMB Circular 200.439 – Equipment and other capital expenditures

OMB Circular 200.314 - Supplies

Inventory Procedure

As pursuant to Board Policy, Sequatchie County Board of Education established an accurate inventory procedure for all schools, real and personal (e.g. material and equipment) property, and this system is implemented at each school facility. Administrative personnel shall ensure that a physical count of all such property is taken every two years, and this inventory shall be the property entered on the appropriate records for accounting purposes.

Tennessee Internal School Uniform Accounting Policy Manual: Section 4-13

The Director of Schools and appropriate supervisors must develop and maintain controls to endure that all property is purchased in accordance with the district's procurement procedures and that adequate controls are maintained to

safeguard all equipment purchased with federal funds. Therefore an inventory shall be maintained for all tangible property with a useful life of one year, regardless of the acquisition cost. The district is required to track and maintain a current written inventory of items such as computers, projectors and items that exceed the amount of $100.00. Sequatchie County is not required to track consumable items.

All items purchased as equipment, including sensitive equipment, as well as materials and supplies, must be accounted for in such a manner as to avoid fraud, waste or abuse. These purchases will be reviewed as part of the regular monitoring process.

The Technology Department staff manages inventory procedures. New inventory is delivered to, and received by the designated school or site of use except for items with a cost over $100. All technology equipment is received at district office. These items, not part of the building, must be delivered to the district office to be bar-coded and labeled, and to be added to the district inventory records. The technology department staff performs these tasks.

For items purchased with Federal funds, the name of the LEA, the Fund, and project year of the purchase is required unless the purchased are made as part of school-wide projects under Title I. Equipment items bought as a part of a *Title I school-wide program* are required to have the following: the name of the LEA, the name of the school, the project year of the purchase, and School wide.

Example:

Sequatchie County Board of Education (SCBOE)
SCHS FY16
Title I, A SW

For consistency, all bar-code labels have the above format, with the word School-wide replaced with the fund (federal or otherwise) used to purchase the item.

All items purchased as equipment, as well as materials and supplies must be accounted for in such a manner as to avoid fraud, waste, or abuse. These purchases will be reviewed as part of the regular monitoring and auditing process.

Newly delivered items are added to the appropriate school or district inventory list by the designated person in each school, and at the district office by the appropriate program director. Received items are compared to shipping documents and purchase order forms. If orders

are satisfactory, shipping documents are filed with the appropriate program director or bookkeeper. Upon receipt of invoices, the program director and school inventory manager initials the invoice as signs of approval. Copies of initialed invoices are then filed by the program director. Approved invoices are then given to appropriate bookkeepers for payment. Bookkeepers maintain records of payment.

Once new sensitive items such as computers, laptops, smart phones, smart boards, and/or smart tables have been officially received, tagged, and inventoried appropriately into the electronic Inventory system used by Sequatchie County. The item is then taken to the appropriate place by the program director, technology staff, or maintenance personnel. Each school has an inventory designee who handles location changes within the school. The Technology Department staff delivers, installs and configures necessary computer programs and drivers, and assures that the new items are working and functioning properly. These staff members perform periodic maintenance checks on all technological equipment, and respond to requests from school personnel.

Policy 2.702 - Inventories

Adm. Procedures 2.702.1 – Equipment and Inventory Guidelines

Inventory Records

The LEA has property records in a database which include all equipment purchased with federal funds and contains the following elements for each inventory item: 2 CFR §200.302(b)(4); 2 CFR §200.313(d)(1)

- description of the item,
- serial number and other identifying numbers (barcode or other local identifying number),
- funding source of the property (grant),
- Federal award identification number (FAIN),
- titleholder (LEA),
- acquisition date,
- cost,
- percentage of Federal participation in the cost,
- physical location of property,
- use (teacher, student or administrative),
- condition, and
- disposition data (date, method of disposition, sales price-if applicable) when property is retired from service.

Policy 2.702 - Inventories

Admin Procedures 2.702.1 – Equipment and Inventory Guidelines

Physical Inventory

A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

A physical inventory of Title I equipment shall be taken and the results reconciled with the equipment records at least once every two year in accordance with *EDGAR 80.32 (d) (1-2)***.** Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. Documentation shall be maintained of the date and the person conducting the physical inventory. Property records are then compared to inventory results.

Policy 2.702 – Inventories

Adm. Procedure 2.702.1 – Equipment and Inventory Guidelines

Property/Equipment Maintenance

In accordance with 2 C.F.R.313(d)(4), the District maintains adequate maintenance procedures to ensure that property is kept in good condition.

Department Supervisors and School Administrators perform routine maintenance based on equipment specifications in order to keep property in good condition. Inventoried equipment/property must not be removed from assigned site unless allowed by principal, and must be returned in a timely manner. If equipment is allowed to be removed from premises, the administrator must file check-out and return documentation. The district Technology and Maintenance Departments are contacted if equipment is broken or in need of repair.

Policy 2.702 – Inventories

Adm. Procedure – Equipment and Inventory Guidelines

Lost or Stolen Items

The District maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property. Equipment that is stolen is reported to local jurisdiction of law enforcement.

Inventoried equipment/property must not be removed from assigned site unless allowed by principal, and must be returned in a timely manner. If equipment is allowed to be removed from premises, the administrator must maintain check-

out and return documentation. The district Technology and Maintenance Departments are contacted if equipment is broken or in need of repair. Computing devices are bar-coded and tagged according to federal and state guidelines. Placement and inventory documents are maintained by district office and schools. If inventoried equipment is lost, damaged, or suspected to have been stolen, the Project Director, Technology Department Director, and Director of Schools are notified, who in turn, notify the local police department and insurance company. A police report of stolen equipment is obtained and filed in the district office.

Adm. Procedure 2.702.1- Equipment and Inventory Guidelines

Use of Equipment

Equipment must be used in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by the federal award, and the District will not encumber the property without prior approval of the federal awarding agency and the pass-through entity. When no longer needed for the original program or project, the equipment may be used in other activities supported by the federal awarding agency, in the following order of priority: (1) activities under a federal award from the federal awarding agency which funded the original program or project; then (2) activities under federal awards from other federal awarding agencies.

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

When equipment is no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority:

- Activities sponsored by the Federal awarding agency which funded the original project
- Activities sponsored by other Federal awarding agencies.

Available equipment inventory is maintained by the Technology Department staff with the assistance of a contracted company, American Appraisal. An annual physical inventory check is completed by American Appraisal for each school. Reports are sent to the Technology Department to reconcile inventory.

Federal program directors conduct a physical inventory check annually of all federally funded equipment and supplies. Each school is given a list of federally purchased items. A designated person completes a physical inventory check and returns the report to the Federal Programs Director who gives the report to technology to reconcile.

Policy 3.300 – Equipment and Supplies Management

Adm. Procedures 2.702.1 – Equipment and Inventory Guidelines

Disposal of Equipment

When it is determined that original or replacement equipment acquired under a federal award is no longer needed for the original project or program or for other activities currently or previously supported by a federal awarding agency, the shall contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

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

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

The Director of Schools and appropriate Supervisor(s) are charged with the responsibility of determination of disposal.

Equipment may be disposed of with no obligation to the federal government, if ALL of the following criteria are met:

1. Equipment is no longer needed in the current program
2. Equipment is not needed in other programs currently or previously funded by a federal agency.
3. Equipment item has a current per-unit fair market value of less than $5,000.00

If the district disposes of equipment with a fair market value of less than $5,000.00, the proceeds must be used to support the program for which the equipment was purchased. No request for approval of equipment disposition is required.

If the district disposes of equipment with a fair market value (FMV) that is more than $5,000.00, the district must submit a cover letter with supporting

documentation as per the forms provided by the ESEA office to the field consultant for review and submission to the ESEA office. Upon approval, the district may proceed with the disposition process. If items are to be sold after approval of the disposition, the proceeds must be used to support the program for which the equipment was purchased. Documentation of such sale and use for the program must be maintained.

Policy 3.300 – Equipment and Supplies Management

Policy 3.301 – Leasing and Renting

Procedure in process of being accepted – Discarding/Accepting Surplus Property

H. Written Compensation Policies

A. Time and Effort

Time and Effort Standards

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. C.F.R. § 200.430(i)(1). In addition, employees who are paid from state and local funds, but whose salaries are used for cost sharing or matching must also keep time and effort documentation. 2 C.F.R. § 200.430(i)(4).

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In accordance with 2 C.F.R. § 200.430(i)(1), these records must:

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

Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to federal awards, but may be used for interim accounting purposes provided that the system for establishing the estimates produces reasonable approximations of the activity actually performed. 200.430(i)(1)(viii).

Time and Effort Procedures

In order to meet the above requirements, all employees who must complete time and effort forms must submit either a semi-annual certification or a personnel activity report (PAR) as required below. The type of form depends on the number of cost objectives that an employee works on.

A cost objective is a program, function, activity, award, organizational subdivision, contract, or work unit of which cost data are described and from which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. 2 C.F.R. § 200.28.

All employees who work on a single cost objective must complete a semi-annual certification. The semi-annual certification must be:

1. Completed at least every six (6) months;
2. Be signed by the employee or the supervisor with direct knowledge of the work being performed;
3. Reflect an after-the-fact distribution of the actual activity; and
4. Account for the total activity for which each employee is compensated.

All employees who work on multiple cost objectives must complete PARs that support the distribution of their salaries /wages that meet the following standards:

1. Reflect an after-the-fact distribution of the actual activity;
2. Account for the total activity for which each employee is compensated;
3. Are prepared at least monthly & coincide with one or more pay periods; and
4. Are signed by the employee.

If employee works 100% on a single cost objective, a semi-annual certification form is completed and signed by school principal and then, the program director, documentation is dated, accounts for the total activity for which the employee is compensated, and must coincide with one or more pay periods. If the employee works on multiple cost objectives including more than one federal award, a personnel activity report (PAR) is completed monthly, dated, accounts for the total activity, signed by the program director, and coincides with one or more pay periods.

The Federal Program Director in Sequatchie County utilizes Single Cost Objective Flexibility Consolidated Administration. This means the combination for administration for all ESEA programs. A semi-annual certification is kept as documentation for time and effort.

Documentation for single and/or multiple cost objectives must be signed by the federal grant program director. Paper copies are kept on file and are reviewed

semi-annually or more often as needed by the federal programs director. See examples in appendix.

Adm. Procedure 5.110.1

Reconciliation and Closeout Procedures

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

If using budget estimates for interim accounting purposes, EDGAR requires recipients to identify and enter into the records in a timely manner any significant changes in the corresponding work activity. Additionally, the recipient must have a system of internal controls to review after-the-fact interim charges made to a federal award based on budget estimates. All necessary adjustments must be made such that the final amount charged to the federal award is accurate, allowable, and properly allocated.

The federal projects bookkeeper compares all actual payroll expenditures to the budgeted amounts on a quarterly basis. This is accomplished by using the Local Government Data Processing Corporation software program. The federal bookkeeper discusses the expenditures with each project supervisor/director and completes a preliminary reimbursement request based on invoices and/or salary expenditures. A close comparison of the budget and expenditures is completed during the last quarter of the fiscal year. If any budgeted items appear to be in danger of exceeding budgeted amounts, the bookkeeper notifies the project supervisor, who then determines the amount of funding needed to add to the line to avoid being over-spent. The program directors review the reimbursement requests on ePlan and provide final approval if and when adjustments have been made.

The payroll clerk keeps a reconciliation workbook to match each payroll recipient to the amount shown on the computer payroll ledger. This comparison is completed monthly.

Policy 2.701 - Financial Reports and Records

Policy 2.800 - Expenditure of Funds

Employee Exits

Sequatchie County's procedures for employee exits are described in the policies below.

Policy 5.200 – Separation Practices for Tenured Teachers
Policy 5.201 – Separation Practices for Non-Tenured Teachers (New Policy Amendment in process at present time)
Policy 5.202 – Separation Practices for Non-Certified Employees

B. Human Resources Policies

The allow ability of various types of personnel compensation costs is dependent on whether they are spent in accordance with written policies and procedures. For example, the cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as annual leave, sick leave, or holidays, is allowable if, among other criteria, the costs are provided under established written leave policies.

The District shall have human resource policies which at least cover (1) how employees are hired (2 C.F.R. § 200.430(a)(2)); (2) the extent to which employees may provide professional services outside the District (2 C.F.R. § 200.430(c)); (3) the provision of fringe benefits, including leave and insurance, (2 C.F.R. § 200.431)); (4) the use of recruiting expenses to attract personnel (2 C.F.R. § 200.463(b)); and (5) reimbursement for relocations costs. 2 C.F.R. § 200.464.

Policy 2.802 – Payroll Procedures
Policy 2.803 – Salary Deductions

Personnel Policy Directory
Policy 5.102 – Classification and Qualifications
Policy 5.103 – Job Descriptions
Policy 5.104 – Equal Opportunity Employment
Policy 5.105 - Recruitment
Policy 5.106 – Application and Employment
Policies 5.300-5.309 – Employee Leaves
Policy 3.602 – Workers' Compensation

VI. Record Keeping

A. Record Retention

The District maintains all records that fully show (1) the amount of funds under the grant or subgrant; (2) how the subgrantee uses those funds; (3) the total cost of each project; (4) the share of the total cost of each project provided from other sources; (5) other records to facilitate an effective audit; and (6) other

records to show compliance with federal program requirements. 34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731. The District also maintains records of significant project experiences and results. 34 C.F.R. § 75.732. These records and accounts must be retained and made available for programmatic or financial audit.

The U.S. Department of Education is authorized to recover any federal funds misspent within 5 years before the receipt of a program determination letter. 34 C.F.R. § 81.31(c). Consequently, the District retain records for a minimum of five (5) years from the date on which the final Financial Status Report is submitted, unless otherwise notified in writing to extend the retention period by the awarding agency, cognizant agency for audit, oversight agency for audit, or cognizant agency for indirect costs. However, if any litigation, claim, or audit is started before the expiration of the record retention period, the records will be maintained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.333.

Procedures: Disposal of Paper Records and Documents

Descriptor Code: 2.403.2

The Sequatchie County Board of Education uses the following procedures for disposal of records and documents:

Electronic Records: The Sequatchie County Board of Education enters all accounting records, federal and general purpose, into a software program entitled *Local Government Corporation (LGC)*. The Director of Schools is responsible for maintaining and/or disposal of electronic records and documents according to state and federal laws and regulations. Electronic records and documents maintained at the district office are housed in a locked filing cabinet.

Paper Copies of Records and Documents: Paper copies of account records and documents are allowed to be destroyed after the retention period has expired as designated by local, state, or federal guidelines. The following events occur:

- Copies are shredded in house or by a shredding company that makes periodic visits to the district office and schools.
- District office and school personnel are notified prior to the shredding date so shredding plans can be made.
- The person(s) with materials to be shredded must complete and sign a disposal form containing the following information: general description of files and documents being shredded, date of disposal, signature of witness of shredding.
- Disposal forms are kept on file by principal and program directors at district office.

B. Collection and Transmission of Records

Records related to federal funds and payrolls are kept electronically through the local government software program. The *Edison* software program is used to keep records related to health insurance. Hard copies of bookkeeping documents are kept on site in locked filing cabinets. Records are available to awarding agencies and for auditing from filed hard copies, or electronically through ePlan and Edison software programs.

Policy 2.701 – Financial Reports and Records

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

C. Privacy

Employee records are maintained in accordance with board, state, and federal laws. Edison software is used for health, dental, vision, and long term care insurance records, and passwords to files are changed periodically. Bookkeepers use passwords for security of files, and hard copies of personnel data are stored in locked filing cabinets. Passwords are required to enter the local government software program. Password changes are made on requests by the school board and state if applicable. A person requesting to view district student and/or personnel records must complete an *Inspection/Duplication of Records Request* form. Certain personnel records, such as teacher effect records, are not available for viewing. All district personnel are knowledgeable concerning non-authorized records. Parents are made aware of confidentiality board policies through training sessions as well as through general discussions between school personnel and parents during all scheduled meetings. Teachers receive yearly training related to school laws, and are made aware of all new federal and state laws, as well as changes in current laws, connected to educational processes.

Policy 5.114 – Personnel Records

Policy 5.1141 – Teacher Effect Data

Policy 6.600 – Student Records

VII. Subrecipient Monitoring

In the event that the District awards subgrants to other entities, it is 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. Each program office that awards a subgrant must have its own monitoring policy. This policy must ensure that any monitoring findings are corrected.

Sub-recipient Monitoring Procedures

In the event that Sequatchie County awards sub-grants to other entities, the following procedures will be followed:

a. An evaluation of risks posed by applicants will be performed, and the following will be considered:

1. Financial Stability
2. Quality of Management System
3. History of Performance
4. Audit Reports
5. Applicant's ability to effectively implement program

b. As a pass-through entity, Sequatchie County Board will:

1. Ensure sub-awards are clearly identified with specific data
2. Evaluate sub-recipient's risk of noncompliance
3. Prior experience with same or similar sub-awards;
4. Results of previous audits;
5. Whether new personnel or new or substantially changed systems; and
6. Extent and results of Federal monitoring.

c. Consider imposing specific conditions

d. Monitor as necessary to ensure sub-award is used for authorized purposes, which must include:

1. Reviewing financial and programmatic reports;
2. Ensure timely and appropriate action to correct all deficiencies; and
3. Issue management decision for audit findings as required under Federal Register 200.521.

e. Depending on assessment of risk, the following monitoring tools may be useful to ensure proper accountability and compliance with program requirements and achievement of performance goals:

1. Training + technical assistance on program matters;

2. On-site reviews; and

3. Arranging for “agreed-upon-procedures” engagements (described in 200.425).

f. Verify sub-recipients have audits as required in Subpart F
g. Consider whether results require adjustments to the pass-through entity’s own records
h. Consider taking enforcement actions 200.338.

If noncompliance cannot be remedied with Specific Conditions, the entity may take one or more of the following actions:

- Temporarily withhold cash payment pending correction
- Disallow all or part of the cost
- Wholly or partly suspend or terminate the Federal award (see 200.339 Termination)
- Initiate suspension or debarment proceedings under 2 CFR Part 180
- Withhold further Federal awards for the project or program
- Take other remedies that may be legally available.

Auditors must report for major programs:

- Significant deficiencies and material weaknesses in internal controls
- Significant instances of abuse
- Material noncompliance
- Known questioned costs > $25,000 for non-major program

The federal awarding agency must use cooperative audit resolution to improve federal program outcomes. Cooperative Audit Resolution means the use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust and developing an understanding between the Federal agency and non-Federal entity 200.25.

Adm. Procedure 2.700.2

VIII. Frequently Asked Questions

VII. Legal Authorities and Helpful Resources

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

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

- Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 200)
  - http://www.eC.F.R..gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&node=pt2.1.200&rgn=div5
  -

- USDE's Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (2 C.F.R. Part 3474)
  - http://www.eC.F.R..gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/eC.F.R.browse/Title02/2C.F.R.3474_main_02.tpl

- Federal program statutes, regulations, and guidance
  - http://www.ed.gov/

- State regulations, rules, and policies
  - TN State Board of Education Rules and Regulations
    - http://www.tn.gov/sbe/rul_reg.shtml
  - TN State Board of Education Policies, Standards, and Guidelines
    - http://www.tn.gov/sbe/policies.shtml

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

- Organizational Chart
  - [Include the District organizational chart as an attachment to this policy document or insert a link to the District organizational chart.]