



Grants Management Manual

Dr. Melinda Browne, Head of School

mbrowne@mainevirtualacademy.org

(207) 613-8900

School Website: www.mainevirtualacademy.org

Board Adopted: 9/16/2025

TABLE OF CONTENTS

Contents

Introduction	3
Financial Management System	3
Financial Management Standards.....	3
Overview of the Financial Management/Accounting System.....	5
Budgeting.....	5
Spending Grant Funds.....	6
Federal Cash Management Policy/Procedures.....	14
Timely Obligation of Funds.....	16
Program Income.....	18
Procurement System.....	19
Responsibility for Purchasing.....	19
Purchase Methods.....	19
Purchase Cards.....	23
Full and Open Competition.....	23
Federal Procurement System Standards.....	25
Conflict of Interest Requirements.....	27
Contract Administration.....	28
Property Management Systems	28
Property Classifications.....	28
Inventory Procedure.....	29
Inventory Records.....	29
Physical Inventory.....	30
Maintenance.....	30
Lost or Stolen Items.....	30
Use of Equipment.....	30
Disposal of Equipment.....	31
Written Compensation Policies	31
Time and Effort.....	31
Human Resources Policies.....	33

Record Keeping	34
Record Retention.....	34
Collection and Transmission of Records.....	34
Access to Records.....	34
Privacy.....	35
Emergency Policies and Procedures	35
Subrecipient Monitoring	35
Frequently Asked Questions	35
Legal Authorities and Helpful Resources - Appendix	35
Organizational Chart	37
MEVA Student Laptop Management and Tracking Procedures	38
MEVA Staff – IT Computer Management – Process & Procedures	39

Introduction

This manual sets forth the policies and procedures used by Maine Virtual Academy (MEVA) to administer federal funds. The manual contains the internal controls and grant management standards used by the school to ensure that all federal funds are lawfully expended. It describes in detail MEVA's financial management system, including cash management procedures, procurement policies; inventory management protocols; procedures for determining the allowability of expenditures; time and effort reporting; record retention; and sub-recipient monitoring responsibilities. New employees of MEVA, as well as incumbent employees, are expected to review this manual to gain familiarity and understanding of MEVA's rules and practices.

Financial Management System

Maine Virtual Academy 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.

Financial Management Standards

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

Identification

Maine Virtual Academy must identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification must include, as applicable, the Assistance Listings (formerly referred to as the CFDA) title and number, federal award identification number and year, name of the federal agency, and, if applicable, name of the pass-through entity.

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).

(<https://www.ed.gov/grants-and-programs/manage-your-grant/education-department-general-administrative-regulations-edgar-and-other-applicable-grant-regulations>)

Accounting Records

Maine Virtual Academy must maintain records which adequately identify the source and application of funds provided for federally-assisted activities. These records must contain information pertaining to grant or subgrant awards, authorizations, financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

Internal Controls

Effective control and accountability must be maintained for all funds, real and personal property, and other assets. Maine Virtual Academy must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

“Internal controls” are tools to help program and financial managers achieve results and safeguard the integrity of their program. 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.

Budget Control

Actual expenditures or outlays must be compared with budgeted amounts for each federal award.

Cash Management

Maine Virtual Academy must maintain written procedures to implement the cash management requirements found in EDGAR.

* MEVA develops an annual Comprehensive Needs Plan to identify upcoming goals and needs of the school. MEVA follows grant guidelines in obtaining the public and stakeholder’s feedback, collaborating on decisions in how funds are going to be used in the following year.

MEVA Resources: <https://www.mainevirtualacademy.org/essaesserlau-elresources>

All funding allocations are then decided in annual budgetary workshops and approved by the MEVA governing board annually.

Please review MEVA’s “MDOE Required Board Policy Manual” for financial related policies. (Table of Contents: Financial policies are identified with an asterisk *DFF, DJ-R, DJH, DJ, DKC, DN, Additional Policies & Procedures & Forms)

Ref - Check Signatory Procedure below;

Check Signatory Procedure

Accounting and payroll programs are only accessible to administration and are password protected.

Assets are inventoried, cash withdrawals require Head of School signature. Any check over \$10,000

requires both an email approval by the Treasurer attached to the invoice, and CEO (Head of School) signature on the check, unless it is a check for routine payments, including Stride, Inc., health benefits, insurance premiums, rent, and pension contributions to MainePERS. In these cases, the CEO (Head of School) signature is sufficient. All electronic fund transfers in excess of \$10,000 for payment of invoices require email approval by the Treasurer, unless payments are for routine payments listed above.

Allowable Costs

Maine Virtual Academy must maintain written procedures for determining allowability of costs in accordance with EDGAR.

* MEVA develops an annual Comprehensive Needs Plan to identify upcoming goals and needs of the school. MEVA follows grant guidelines in obtaining the public and stakeholder's feedback, collaborating on decisions in how funds are going to be used in the following year.

Please review MEVA's "MDOE Required Board Policy Manual" for financial related policies. *(Table of Contents: Financial policies are identified with an asterisk *DFF, DJ-R, DJH, DJ, DKC, DN, Additional Policies & Procedures & Forms)*

Overview of the Financial Management/Accounting System

Maine Virtual Academy's Business Manager and Accounts Payable Manager use QuickBooks to manage the school's finances. All expenditure and invoice processing must be approved by the Head of School, including related services programming. The accounts payable manager is responsible for processing invoices, while the business manager ensures that spending aligns with the board approved budget. The business manager also applies the appropriate state expense codes in accordance with the relevant grant requirements.

<https://www.maine.gov/doe/funding/accounting/handbook>

Budgeting

The Planning Phase: Meetings and Discussions

Before and after Receiving the Grant Notice and/or Awards, including budget review and approvals:

* MEVA develops an annual Comprehensive Needs Plan to identify upcoming goals and needs of the school. MEVA follows grant guidelines in obtaining the public and stakeholder's feedback, collaborating on decisions in how funds are going to be used in the following year.

Budget workshops are conducted throughout the school year with participation from board members, the Head of School (HOS), Business Manager, and Accounts Payable Manager. Final budgets are approved by the school's governing board post the workshop sessions.

The Head of School (HOS) collaborates closely with the Business and Accounts Payable Managers on budget allocations. While the HOS is responsible for completing grant applications, the Business and Accounts Payable Managers manage the fiscal aspects of the grants.

Amending the Budget

Discussions and decisions surrounding amending school budgets are conducted in both budget workshops and in board meetings when applicable.

Budget Control

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

Accounting Records

MEVA is required to undergo quarterly financial audits. The Business Manager is responsible for uploading the necessary financial information to the state. The Business Office is managed by the individual who handles both accounts payable and human resources and works closely and collaboratively with the Business Manager and Head of School.

Spending Grant Funds

MEVA develops an annual Comprehensive Needs Plan to identify upcoming goals and needs of the school. MEVA follows grant guidelines in obtaining the public and stakeholder's feedback, collaborating on decisions in how funds are going to be used in the following year.

When requested, the Business Manager provides supporting documentation to the state. The Head of School then works with the Business Office to ensure all expenditures are aligned, properly accounted for, and that any questions or expense code clarifications are addressed.

While developing and reviewing the grant budget, the MEVA business office keeps in mind the difference between direct costs and indirect costs.

Direct and Indirect Costs

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 benefitted, without effort disproportionate to the results achieved. 2 C.F.R. § 200.1 (*Indirect costs*). 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:

- Administrative or clerical services are integral to a 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 costs are not also recovered as indirect costs. 2 C.F.R. § 200.413(c).

Indirect Cost Rate:

MEVA does not incur any indirect costs. If indirect costs were to occur, they would not be charged back to the grants.

Applying the Indirect Cost Rate:

Once Maine Virtual Academy 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 Maine Virtual Academy 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 Allowability 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.

When determining how Maine Virtual Academy will allocate grant funds during budget workshops, the Board Chair, Treasurer, Head of School (LEA/HOS), and Business Manager will review each proposed cost to ensure it is an allowable use of federal grant funds before obligating or expending funds on the good or service. All costs supported by federal education funds must meet the standards outlined in EDGAR, 2 CFR Part 3474 and 2 CFR Part 200, which are provided in the bulleted list below. The LEA/HOS, Business Managers and others involved in the budget workshop, must consider these factors when making an allowability determination. In the event of objections from the governing board, the LEA/HOS and Business Managers would need to find other alternative options.

- **Be Necessary and Reasonable for the performance of the federal award.** MEVA 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 ordinary and necessary for the operation of Maine Virtual Academy or the proper and efficient performance 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 federal 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 MEVA, its employees, its students, the public at large, and the federal government.
- Whether MEVA 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 MEVA can demonstrate that the cost addresses an

existing need, and can prove it. For example, MEVA 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 MEVA.**
 - **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.
- **Incurred during the approved budget period.**

Part 200’s cost guidelines must be considered when federal grant funds are expended. As provided above, federal rules require state- and MEVA-level requirements and policies regarding expenditures to be followed as well. For example, state and/or MEVA policies relating to travel or equipment may be narrower than the federal rules, and the stricter State and/or MEVA policies must be followed. Further, certain types of incentives are allowable under federal law, but are not allowable under State law, see <https://www.maine.gov/doe/learning/esea> for more info.

Selected Items of Cost

Part 200 examines the allowability of 56 specific cost items (commonly referred to as Selected Items of Cost) at 2 C.F.R. §§ 200.420-200.476. 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.

MEVA personnel responsible for spending federal grant funds and for determining allowability must be familiar with the Part 200 selected items of cost section. Maine Virtual Academy must follow these rules when charging these specific expenditures to a federal grant. When applicable, MEVA staff must check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, MEVA and program-specific rules may deem a cost as unallowable and MEVA 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 Allowability Rule
--------------	-------------------------------

Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430
Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455
Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457

Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Telecommunications and video surveillance costs	2 CFR § 200.471
Termination costs	2 CFR § 200.472
Training and education costs	2 CFR § 200.473
Transportation costs	2 CFR § 200.474
Travel costs	2 CFR § 200.475
Trustees	2 CFR § 200.476

Likewise, it is possible for the State and/or MEVA 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 MEVA 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.

Link to MEVA's board policy manual which houses the financial policies:

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

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

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 §200.475(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 MEVA 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 MEVA's established policy. 2 C.F.R §200.475(b).

Additionally, MEVA must have written travel policies in order for travel costs to be allowable.

*Link to MEVA's board policy manual which houses the financial policies, see policy *DKC and *Additional Policies for travel reimbursement rules:*

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Additional resources:

- ESEA Federal Grants Management - State of Maine website
<https://www.maine.gov/doe/learning/esea/grant>
- Federal Transportation/Reimbursement Rates: <https://www.gsa.gov/travel/plan-a-trip>

Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described above, MEVA's Business Office & LEA/HOS can refer to this section for a useful framework when performing an allowability 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, MEVA 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, MEVA's Business Office & LEA/HOS 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, MEVA's Business Office & LEA/HOS should review data when making purchases to ensure that federal funds to meet these areas of concern.

Federal Cash Management Policy/Procedures

MEVA will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by MEVA, in accordance with the Cash Management Improvement Act at 31 CFR Part 205. Generally, MEVA receives payment from the Maine Department of Education on a reimbursement basis. 2 CFR § 200.305. However, if MEVA receives an advance in federal grant funds, MEVA will remit interest earned on the advanced payment annually to the U.S. Department of Health and Human Services (HHS) Payment Management System (PMS) in accordance with 2 C.F.R. § 200.305(b)(9). MEVA may retain interest amounts up to \$500 per year for administrative expenses. 2 CFR § 200.305(b)(9).

According to guidance from the U.S. Department of Education (ED), when calculating the interest earned on ED grant funds, regardless of the date of obligation, interest is calculated from the date that the federal funds are drawn down from the G5 system until the date on which those funds are disbursed by the LEA

Interest would not accrue if the LEA uses nonfederal funds to pay the vendor and/or employees prior to the funds being drawn down from the G5 system, commonly known as a reimbursement.

Maine Virtual Academy returns funds, principal, and excess cash to the original federal agency payment system after reviewing its instructions. If the payment originated from PMS, MEVA includes the PAN and the PMS document number. If the payment originated from another

federal agency payment system, MEVA includes the agency information indicating whom to credit the funding and the relevant account number. For either instance, MEVA includes a reason for the return (e.g., excess cash, funds not spent, interest, part interest part other, etc.) 2 C.F.R. § 200.305(b)(10).

Payment Methods

Reimbursements: MEVA will initially charge federal grant expenditures to nonfederal funds.

Maine Virtual Academy’s Business Managers will request reimbursement for actual expenditures incurred under the federal grants [**monthly**]. Reimbursement requests will be submitted on Grants4ME Invoice pages to the Maine Department of Education Grants4ME platform. All reimbursements are based on actual disbursements, not on obligations.

The Maine Department of Education will process reimbursement requests within their stated timelines within Grants4ME.

Consistent with state and federal requirements, MEVA will maintain source documentation supporting the federal expenditures (invoices, time sheets, payroll stubs, etc.) and will make such documentation available for the Maine Department of Education review upon request.

Reimbursements of actual expenditures do not require interest calculations.

Timely Obligation of Funds

When Obligations are Made

Financial obligations, when referencing a recipient’s or subrecipient’s use of funds under a federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment. 34 C.F.R. § 200.1 (*Financial obligations*)

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 MEVA makes a binding written commitment to acquire the property
Personal services by an employee of MEVA	When the services are performed
Personal services by a contractor who is not an employee of MEVA	On the date which MEVA makes a binding written commitment to obtain the services

Public utility services	When MEVA receives the services
Travel	When the travel is taken
Rental of property	When MEVA uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E-Cost Principles.	On the first day of the project period.

34 C.F.R. §75.707; 34 C.F.R. §76.707.

Period of Availability of Federal Funds

All financial obligations must occur on or between the beginning and ending dates of the grant project. 34 C.F.R. §76.707. This time interval between the start of a federal award and the planned end date is known as the period of performance. 2 C.F.R. § 200.1 (*Period of performance*). The period of performance consists of either one, or many, funded portions or budget periods during which MEVA is authorized to spend award funds. For a cost to be allowable, it must be incurred in the appropriate budget period. 2 C.F.R. § 200.403(h). The period of performance and budget period are indicated in the federal award. 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 MEVA 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, 2021 would remain available for obligation through September 30, 2023.

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

For both state-administered and direct grants, regardless of the period of availability, MEVA must liquidate all financial 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. 200.344(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. 200.344(d). Consequently, MEVA 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, MEVA may have multiple years of grant funds available under the same program at the same time.

If carry over grants occur, allocations are determined within budgeting workshops and are tracked within MEVA’s QuickBooks system.

Direct Grants: Grantees receiving direct grants are not covered by the 12 month Tydings period. However, under 2 C.F.R. 200.308, direct grantees enjoy unique authority to expand the period of availability of federal funds. Maine Virtual Academy 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, MEVA 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 must not be exercised merely for the purpose of using unobligated balances.

MEVA develops an annual Comprehensive Needs Plan to identify upcoming goals and needs of the school. MEVA follows grant guidelines in obtaining the public and stakeholder’s feedback, collaborating on decisions in how funds are going to be used in the following year.

Decisions are made within MEVA’s budgetary workshops including any extensions and are then approved by the school’s governing board. Notices are written by the Business Manager and/or LEA/HOS. The written notice must include the reasons for the extension as well as the revised period of performance.

Maine Virtual Academy 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(e)(2).

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. § 200.1 (*Program income*).

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. § 200.1 (*Program income*). 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 MEVA 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 MEVA 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, MEVA always refers to the GAN prior to determining the appropriate use of program income.

All accounting and tracking is managed within QuickBooks which is managed by the Business Managers and overseen by the LEA/HOS.

Procurement System

Maine Virtual Academy maintains the following purchasing procedures.

Responsibility for Purchasing

The Business Office is responsible for processing contracts and/or purchase orders. Prior to processing, all purchases are subject to LEA/HOS approval.

Purchase Methods

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

Link to MEVA's board policy manual which houses the financial policies, see policies;
<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Purchases up to \$10,000 (Micro-Purchases)

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed \$10,000. The micro-purchase method is used in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold.

To the maximum extent practicable, MEVA distributes micro-purchases equitably among qualified suppliers.

Micro-purchases may be awarded without soliciting competitive price or rate quotations if MEVA considers the price to be reasonable based on research, experience, purchase history, or other information and filed documents. Purchase cards can be used for micro-purchases if procedures are documented and approved by the non-federal entity. MEVA maintains evidence of this reasonableness in the records of all micro-purchases.

Link to MEVA's board policy manual which houses the financial policies, see policies;
<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Under 2 C.F.R. § 200.320(a)(1)(iv), MEVA may increase its micro-purchase threshold up to \$50,000 through yearly self-certification. Self-certification from MEVA includes justification and identification of the increased threshold and supporting documentation of any of the following:

1. Maine Virtual Academy is a low-risk auditee for the most recent audit in accordance with 2 C.F.R. § 200.520
2. Maine Virtual Academy receives an annual internal institutional risk assessment that identifies, mitigates, and manages financial risks; or
3. The increased threshold is consistent with state law.

Link to MEVA's board policy manual which houses the financial policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

Under 2 C.F.R. § 200.320(a)(1)(v), MEVA may increase its micro-purchase threshold above \$50,000 with approval from the cognizant agency for indirect costs after submitting documentation that demonstrates that MEVA is a low-risk auditee or that it receives an annual internal institutional risk assessment.

Purchases between \$10,000 and \$250,000 (Small Purchase Procedures)

The acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed \$250,000. If small purchase procedures are used, price or rate quotations are obtained from an adequate number of qualified sources as determined appropriate by the non-federal entity.

Link to MEVA's board policy manual which houses the financial policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

Purchases Over \$250,000

Sealed Bids (Formal Advertising): For purchases over \$250,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

If sealed bids are used, the following requirements apply:

- Bids must be solicited from an adequate number of qualified sources, providing them sufficient response time prior to the date set for opening the bids, for state, local, and tribal governments, the invitation for bids must be publicly advertised;
- The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
- All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
- A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of. Any or all bids may be rejected if there is a sound documented reason.

Competitive Proposals: A procurement method in which either a fixed price or cost-reimbursement type contract is awarded. Proposals are generally used when conditions are not appropriate for the use of sealed bids. They awarded in accordance with the following requirements:

- 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.

MEVA may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby offeror's qualifications are evaluated and the most qualified offeror 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 that are a potential source to perform the proposed effort.

Link to MEVA's board policy manual which houses the financial policies, see policies;
<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Contract/Price Analysis:

MEVA performs a cost or price analysis in connection with every procurement action in excess of \$250,000, including contract modifications. 2 C.F.R. § 200.324(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, MEVA Business Office 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 MEVA Business Office 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. § 200.324(b).

Noncompetitive Proposals (Sole Sourcing)

There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

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

Link to MEVA's board policy manual which houses the financial policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$250,000.

Purchase Cards

MEVA uses credit card, The Head of School (Superintendent) is provided with a credit card for the purpose of paying invoices, as needed. The Head of School opens all credit card statements and reviews all associated backup documentation. The Head of School initials/dates credit card

statements and backup documentation, which is retained in MEVA's financial records, and subject to annual financial audit.

Full and Open Competition

All procurement transactions for the acquisition of property or services required under a Federal award must be conducted in a manner providing full and open competition consistent with 2 C.F.R §§ 200.319 and 200.320. 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

MEVA 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.

Domestic Preference for Procurement

MEVA, to the greatest extent practicable, provides a preference for the purchase, or acquisition, of goods and products produced in the United States. MEVA includes this preference in all contracts and purchase orders for work or products using federal funds.

Prohibition on Certain Telecommunications Companies

Maine Virtual Academy will not procure, enter into a contract to procure, or extend or renew a contract to procure covered telecommunications and video surveillance equipment or services described in Public Law 115-232, section 889. Covered telecommunications and video surveillance equipment or services are those produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company, or any subsidiary or affiliate of such entities. 2 C.F.R. § 200.216.

Never Contract with the Enemy

Maine Virtual Academy complies with the regulations implementing Never Contract with the Enemy in 2 CFR part 183 prohibiting contracts, grants and cooperative agreements that exceed \$50,000, are performed outside the U.S. and its territories, and are in support of a contingency operation in which members of the Armed Forces are actively engaged in hostilities. 2 C.F.R. §200.215.

Prequalified Lists

Maine Virtual Academy 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, MEVA must not preclude potential bidders from qualifying during the solicitation period.

Solicitation Language

Maine Virtual Academy 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(d)(1)-(2).

Federal Procurement System Standards

Avoiding Acquisition of Unnecessary or Duplicative Items

Maine Virtual Academy 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.

Use of Intergovernmental Agreements

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

Use of Federal Excess and Surplus Property

Maine Virtual Academy considers 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.

Debarment and Suspension

Maine Virtual Academy awards 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.

Maine Virtual Academy may not subcontract with or award subgrants to any person or company who is debarred or suspended. MEVA Business Office 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/>.

Maintenance of Procurement Records

Maine Virtual Academy 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.

Link to MEVA's board policy manual which houses the financial policies, see policies;
<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Time and Materials Contracts

Maine Virtual Academy may use a time-and-materials type contract only (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 MEVA 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, MEVA must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Settlements of Issues Arising Out of Procurements

Maine Virtual Academy 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 MEVA of any contractual responsibilities under its contracts. Violations of law will be referred to the local, state, or federal authority having proper jurisdiction.

Protest Procedures to Resolve Dispute

Maine Virtual Academy maintains protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

Link to MEVA's board policy manual which houses the financial policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Conflict of Interest Requirements

Standards of Conduct

In accordance with 2 C.F.R. §200.318(c)(1), MEVA 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 MEVA 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.

Link to MEVA's board policy manual which houses the financial and conflict of interest policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Organizational Conflicts

Link to MEVA's board policy manual which houses the financial policies, see policies;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Disciplinary Actions

Link to MEVA's board policy manual which houses the financial policies & procedures including disciplinary actions;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlf9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

Mandatory Disclosure

Upon discovery of any potential conflict, MEVA will disclose in writing the potential conflict to the federal awarding agency in accordance with applicable federal awarding agency policy. MEVA also discloses in writing to the federal awarding agency or pass-through all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the award. [MEVA should include a specific time frame. Although the UGG does not specify a minimum time frame for disclosure, it is considered a best practice to disclose potential conflicts or violations of law within 72 hours or less.]

Contract Administration

MEVA maintains the following oversights to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

MEVA's Business Office & LEA/HOS handles oversight with contractors in accordance to the terms.

Property Management Systems

Property Classifications

(See MEVA's Technology Management Procedures in the appendix of this manual)

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 MEVA for financial statement purposes, or \$10,000. 2 C.F.R. §200.1 (*Equipment*).

Supplies means all tangible personal property other than Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by MEVA for financial statement purposes or \$10,000, regardless of the length of its useful life. 2 C.F.R. §200.1 (*Supplies*).

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. §200.1 (*Computing devices*).

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 a lease accounted for as a financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; 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. §200.1 (*Capital assets*).

Inventory Procedure

Link to MEVA's board policy manual which houses the financial policies & procedures, see policies. Additionally, Inventory processes are added to the appendix;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

Inventory Records

For each equipment and computing device purchased with federal funds, the following information is maintained within the school's tracking system (internal spreadsheets).

- Serial number or other identification number;
- Source of funding for the property;
- Who holds title;
- Acquisition date and cost of the property;
- Percentage of federal participation in the project costs for the federal award under which the property was acquired;
- Location, use and condition of the property; and
- Any ultimate disposition data including the date of disposal and sale price of the property

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.

Link to MEVA's board policy manual which houses the financial policies & procedures, see policies. Additionally, Inventory processes are added to the appendix;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

Maintenance

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

Link to MEVA's board policy manual which houses the financial policies & procedures, see policies. Additionally, Inventory processes are added to the appendix;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASY2025-2026.pdf>

Lost or Stolen Items

MEVA maintains a control system that ensures adequate safeguards are in place to prevent loss, damage, or theft of the property.

Link to MEVA's board policy manual which houses the financial policies & procedures, see policies. Additionally, Inventory processes are added to the appendix;

<https://resources.finalsite.net/images/v1756486267/mevak12com/wqgshvlfc9uhxxwrdsir/Draft82925MDOERequiredPoliciesMEVASI2025-2026.pdf>

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 MEVA 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.

Disposal of Equipment

MEVA typically does not purchase equipment with federal funds.

However, 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, MEVA's Business Office will 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 \$10,000 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 \$10,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

Written Compensation Policies

Time and Effort

Time and Effort certification documents are collected by the HR Manager from applicable faculty in accordance with Maine Department of Education guidelines. Time and Effort documents are retained for at least three years and are subject to annual financial audit.

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. This includes an employee whose salary is paid with state or local funds but is used to meet a required “match” in a federal program. These documents, known as time and effort records, are maintained in order to charge the costs of personnel compensation to federal grants.

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. 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 MEVA on an integrated basis;
- Comply with the established accounting policies and practices of MEVA and
- Support the distribution of the employee’s salary or wages among specific activities or costs objectives.

Human Resources Policies

Employee Handbook – HR Policies, also refer to the board manual for additional policies and procedures.

https://drive.google.com/file/d/1mGldI3cdj5kMDiBhkN35c5Nm_zKK-vmJ/view?usp=drive_link

Record Keeping

Record Retention

MEVA 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. MEVA 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, MEVA 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 retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. 2 C.F.R. § 200.334.

MEVA complies with record keeping rules outlined here;

<https://www.maine.gov/sos/archives/records-management/state-government-agency-policies-and-guidance/state-general-schedules-for-records>

Access to Records

MEVA 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 MEVA 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 MEVA's personnel for the purpose of interview and discussion related to such documents.

Privacy

MEVA protects privacy in accordance to FERPA rules. All staff members at MEVA are required to complete an annual FERPA training. Written request is required to obtain information. Please see school policies in relation to FERPA within the Board Manual.

Emergency Policies and Procedures

- MEVA Crisis Management Plan/Emergency Response Guide:
https://drive.google.com/file/d/1YMNbvjFw_a2jR6L_6J7vEvce59DbTEJj/view?usp=drive_link

Subrecipient Monitoring

In the event that MEVA 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.

Frequently Asked Questions

NA

Legal Authorities and Helpful Resources - Appendix

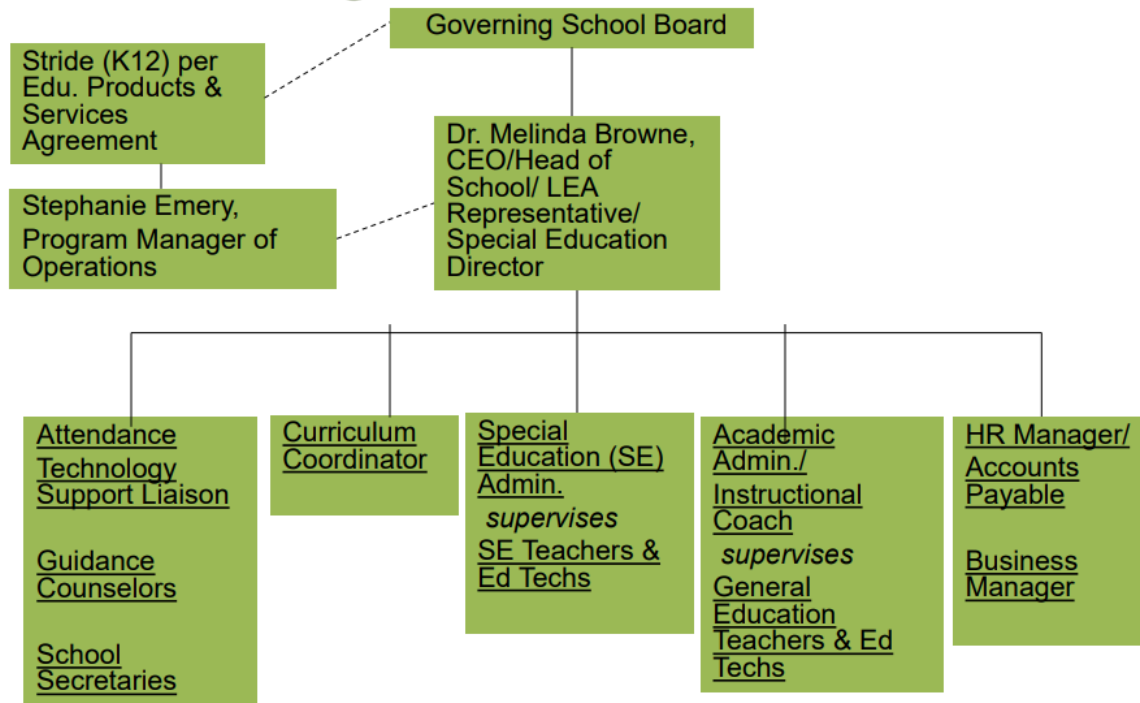
The following documents contain relevant grants management requirements. Staff should be familiar with these materials and consult them when making decisions related to the federal grant.

- 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 CFR Part 200)
 - <http://www.ecfr.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 CFR Part 3474)
 - http://www.ecfr.gov/cgi-bin/text-idx?SID=ccccf77e01c9e6d4b3a377815f411704&tpl=/ecfrbrowse/Title02/2cfr3474_main_02.tpl
- Federal program statutes, regulations, and guidance
 - <http://www.ed.gov/>
 - <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>
- State regulations, rules, and policies
 - <https://www.maine.gov/doe/learning/esea/grant>
- MEVA regulations, rules, and policies
 - MEVA Resources: <https://www.mainevirtualacademy.org/essaesserlau-elresources>

- MEVA Crisis Management Plan/Emergency Response Guide:
https://drive.google.com/file/d/1YMNBvjFw_a2jR6L_6J7vEvce59DbTEJj/view?usp=drive_link
- MEVA Employee Handbook;
https://drive.google.com/file/d/1mGldI3cdj5kMDiBhkN35c5Nm_zKK-vmJ/view?usp=drive_link
- Board Required Policies & Procedures;
https://resources.finalsite.net/images/v1751990698/mevak12com/gm4ktqzrvxauk_oab3jow/Draft07125MDOERequiredPoliciesMEVASI2025-2026.pdf
- Board Meeting Archives;
<https://www.mainevirtualacademy.org/board-members-board-meetings>
 - MEVA Financial Policies
 - *DJ-R: Federal Procurement Manual – Administrative Procedure for Maine Schools
 - *DJH Purchasing and Contracting: Procurement Staff Code of Conduct
 - *DJ: Bidding/Purchasing Requirements
 - *DKC Expense Authorization and Reimbursement
 - *DN School Properties Disposition
 - Additional Policies and Procedures, Travel Administrative Procedures, Check Signatory Procedure.

Organizational Chart

Maine Virtual Academy Organizational Chart



MEVA Student Laptop Management and Tracking Procedures

MEVA student laptops are typically not purchased with federal funds.

Laptop Procurement

MEVA purchases student laptops directly from NSF. Each laptop includes a 4-year warranty. Upon arrival:

- Laptops are unboxed and tested to ensure they are functioning properly.
- An asset tag is affixed to each laptop for tracking purposes.

- The asset tag number is entered into the Laptop Tracker spreadsheet (maintained in Google Sheets).

Distribution to Students

Laptops are assigned to students with the intent that they will retain the same device throughout their time at MEVA.

If a student experiences technical issues:

- They should email tech@mainevirtualacademy.org, which is monitored daily by Mehry Mohammadi.
- Mehry can also be reached by phone at 207-509-0355 for live troubleshooting.
- If the issue cannot be resolved remotely, Mehry or Gina will ship a replacement laptop via USPS.

Laptop Returns and Repairs

When a replacement laptop is sent:

- A prepaid return shipping label is included in the box.
- Families are instructed to return the original laptop within 5 days.
- Returned laptops are assessed:
 - If repairable in-house, they are fixed and re-entered into circulation.
 - If not repairable, they are sent back to NSF for warranty service.

Shipping to NSF:

- Laptops are grouped and shipped 7 per box using NSF-provided shipping labels.
- The repair turnaround time is typically 3 to 6 months.
- All repair statuses and shipments are tracked in the Laptop Tracker spreadsheet.

Student Withdrawal or Exit

When a student leaves MEVA:

1. A return label is emailed and mailed via USPS.
2. If the laptop is not returned within 10 days, a warning letter is issued.
3. If there is still no response after 30 days, a collections letter is sent.

Laptop Retirement

Laptops are retired after four years if they are no longer functioning properly and NSF is unable to repair them under warranty.

Windows 10 Devices

Due to an isolated issue with Windows 10 laptops, students may continue to use these devices as long as they remain functional. However, once the laptop stops working due to Windows updates or compatibility issues, MEVA will:

1. Send a new laptop to the student, along with a prepaid return shipping label for the old device.
2. Upon return, the Windows 10 laptop will be sent to NSF to be decommissioned.

Decommissioning Process

All retired devices are:

- Sent back to NSF for responsible recycling and disposal.
- Tracked by MEVA until NSF provides a decommissioned device list for documentation.
- Removed from the Laptop Tracker spreadsheet once decommissioned.

MEVA Staff – IT Computer Management – Process & Procedures

MEVA staff laptops are typically not purchased with federal funds.

IT Support Ticket Submission:

Step 1: Compose Your Support Email

Send an email to **Stephanie Emry** at semery@mainevirtualacademy.org. In your message, make sure to include:

- **Your full name**
- **Contact phone number** where you can be reached
- **Detailed description** of the issue you're experiencing
(*Example: Device model, symptoms, any error messages, steps you've already tried*)

Step 2: Ticket Creation & Initial Diagnosis

- Once your email is received, a **support ticket** will be generated.
- The issue will be forwarded to the **Stride Help Desk Team**, who will begin diagnosis.

Step 3: Contact from IT Professional

- Expect a **call from a Stride IT specialist** to walk through the issue and offer initial support.

Step 4: Escalation (if necessary)

- If further diagnosis is required, the case will be escalated to the **Stride Field Services Team** for advanced troubleshooting and resolution.
-

MEVA Laptop Tracking Procedure

1. Laptop Receipt

- The laptop is delivered to the **MEVA office**.
- It is physically inspected and prepared for cataloging.

2. Cataloging in KAMS

- The laptop details are entered into the **KAMS system**, including:
 - **School ownership**
 - **Serial number**
 - **Model number**
 - **Manufacturer**
 - **Sales order number**

3. User Assignment

- Once system setup is complete, the device is assigned to a user based on:
 - **First name**
 - **Last name**

- **Email address**

4. Lifecycle & Maintenance

- The laptop remains assigned to the user until one of the following occurs:
 - The laptop reaches **end-of-life**
 - It is **replaced due to repairs or technical issues**
-

MEVA - IT Equipment Reclamation Procedure

Purpose

To outline the steps for reclaiming and processing IT assets when a user departs from MEVA.

Step-by-Step Process

1. User Departure Notification

- Departing user sends a formal notice of resignation or exit to MEVA school administration.

2. Shipping Label Distribution

- Depending on the staff's location, MEVA provides prepaid shipping labels and packaging instructions to the user.

2. Laptop Return

- User ships the laptop using MEVA-provided labels or the user brings all school equipment to the MEVA office in Augusta.
- Upon arrival, the laptop is placed in a designated IT holding area at the MEVA office.

2. Stride IT Notification

- MEVA staff sends an email to the assigned Stride IT contact confirming receipt of the returned laptop.

2. Asset Reassignment

- Stride IT updates inventory records and removes the laptop from the user's assignment profile.

2. Field Assessment

- Stride IT conducts an onsite visit to inspect the returned laptop:
 - If functional and field-ready: device is wiped, reimaged, and reassigned.
 - If outdated or damaged: The device is tagged for recycling or secure destruction.

Final Notes

- All data must be securely erased before repurposing or disposal.
- Inventory logs should be updated at each step for audit compliance.
- Recycling and destruction must follow environmental and data protection standards.

Description of onboarding new hires at MEVA, specifically focused on the laptop provisioning workflow carried out by Stride IT staff:

MEVA New Hire Laptop Provisioning Procedure

Step 1: Notification of New Hire

- Stride IT receives a ticket notifying them of a new staff member coming on board.
- Ticket includes the new staff member's:
 - Full name
 - Home address
 - Phone number

Step 2: Laptop Quotation (*Only when MEVA requests or is recommended to purchase new laptops or any related equipment/parts*)

- Stride IT requests a laptop quote from CDW, based on standard specifications or user requirements.

Step 3: Approval Workflow

- The laptop quote and PO is forwarded to:
 - HOS (Head of School)
 - Accounts Payable Manager
 - Operations
 - Finance
- These departments review and approve the quote.

Step 4: Purchase Order Submission

- Once approved, the PO is then sent to CDW for order processing.

Step 5: Laptop Delivery to MEVA Office

- CDW ships the laptop(s) directly to the MEVA office.

Step 6: On-Site Preparation

- A Stride IT staff member travels to the MEVA office.
- Tasks include:
 - Unboxing and hardware checks
 - Software installation and updates
 - Configuration of MEVA-specific settings

Step 7: Cataloging in KAMS Inventory

- Laptop is entered into the KAMS inventory system.
 - Serial number and device specs are logged.
 - Device is assigned to the new staff member.

Step 8: Shipment to End User

- Laptop is securely packaged and shipped out to the new hire at the provided home address.
- Optional: Tracking information is sent to the new hire via email or internal communication.