

## EDGAR Collection – Finance Policies Summary

**Policy 1130/3113/4113 - Conflict of Interest (Revised)**

**Policy 6110 - Federal Funds (Revised)**

**Policy 6111 - Internal Controls (New)**

**Policy 6112 - Cash Management of Grants (New)**

**Policy 6114 - Cost Principles - Spending Federal Funds (New)**

**Policy 6116 - Time & Effort Reporting (New)**

**Policy 6325 - Procurement - Federal Grants/Funds (New)**

**Policy 6550 - Travel Payment & Reimbursement (Revised)**

**Policy 7300 - Disposition of Real Property (Revised)**

**Policy 7310 - Disposition of Surplus Property (Revised)**

In December 2014, the U.S. Department of Education (ED) released the newly updated Education Department General Administrative Regulations (EDGAR). This major rewrite of the regulations was issued after nearly 40 years of very little change in the compliance measures that federally funded programs must meet. The regulations cover the application process, financial management, procurement, inventory management, time and effort accountability, cost allowability, record retention, and program oversight.

These new regulations will require some revision to current policies and the addition of several new policies. The greatest focus, however, will be on compliant written procedures relative to many of the financial and program management functions. These procedures will necessarily be district-specific, providing a clear picture of how these functions are carried out in the District.

NEOLA has conducted a thorough review of policy and administrative guidelines templates and will be providing appropriate revisions and additions in this special release and in future updates to assist districts in meeting compliance standards put forth by EDGAR. Policy documents in this special release - The EDGAR Collection (WV) - have been reviewed by Brustein & Manasevit, PLLC Attorneys at Law for consistency with Federal law.

Significant work, however, will be necessary for each district to draft the required procedures for a variety of functions. NEOLA will, upon request, process and post districts' procedures/manuals as electronic links to provide for convenient flow from policy to administrative guidelines to district procedure.

The revisions to current policies and the new policies included in this Special Release reflect the current state of federal regulations (EDGAR) and should be adopted to maintain accurate policies.

43-5073

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - CONFLICT OF INTEREST

Code po1130 - Reviewed by Finance kd

Status

Adopted August 1, 2007

Last Revised April 21, 2009

### 1130 - CONFLICT OF INTEREST

A. The proper performance of school business is dependent upon the maintenance of unquestionably high standards of honesty, integrity, impartiality, and professional conduct by Board of Education ~~employees members~~, and the District's employees, officers and agents. Further, such characteristics are essential to the Board's commitment to earn and keep the public's confidence in the ~~County District~~. For these reasons, the Board adopts the following guidelines to assure that conflicts of interest do not occur. These guidelines apply to all District employees, officers and agents, including members of the Board. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all administrative employees, officers and agents.

1. No administrative employee, officer or agent shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system.
2. Administrative employees, officers and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, private practice client, or parents of such students or clients in the course of their employment or professional relationship with the Board.

Included, by way of illustration rather than limitation, are the following:

- a. the provision of any private lessons or services for a fee;
  - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's or agent's employment or professional relationship with the District through his/her access to School District records;
  - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals; and
  - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer or agent or any business or professional practitioner with whom any employee, officer or agent has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations.
3. No administrative employee, member of his/her immediate family, or business with which s/he is associated shall have or develop, directly or indirectly, a pecuniary interest in the proceeds, profits, or benefits of any contract with the ~~County District~~, or in providing goods or services to the ~~County District~~ for compensation, if s/he has voice, influence, or control over the decision by the ~~County District~~ to contract or acquire the goods or services. An administrative employee who has an interest in the profits or benefits of a contract is prohibited from making, participating in making, or in any way attempting to use his/her employment to influence a ~~school county District~~ decision affecting his/her financial interest.
  4. No administrative employee having any official action to perform in connection with bids, contracts, purchases, claims or other pecuniary transactions shall solicit, accept, or agree to accept any gift or gratuity from any person known by the employee to be interested in any such bid, contract, claim, purchase or transaction.
  5. Every administrative employee is prohibited from using his/her position of employment for his/her own private gain or that of another person.
  6. No administrative employee may solicit any gift unless the solicitation is for a charitable purpose with no resulting direct pecuniary benefit conferred upon the employee or his/her immediate family. Even then, an administrator is prohibited from soliciting a charitable gift from any ~~school county District~~ official or employee whose position is

subordinate to the soliciting administrative employee.

7. No administrative employee may knowingly and improperly disclose any confidential information acquired in the course of his/her duties nor use such information to further his/her personal interests or the interests of another person.
8. No administrative employee may solicit private business from a subordinate employee whom s/he has the authority to direct, supervise or control, except when the solicitation is a) a general solicitation directed to the public at large through the mailing or other means of distribution of a letter, pamphlet, handbill, circular or other written or printed media; or b) limited to the posting of a notice in a communal work area; or c) for the sale of property of a kind that the person is not regularly engaged in selling; or d) made at the location of a private business owned or operated by the administrative employee to which the subordinate employee has come on his/her own initiative.

By way of illustration rather than limitation, this policy forbids:

- a. the provision to the ~~County's District's~~ students of any private lessons or services for a fee; provided, however, that tutorial services may be furnished to a student off of school premises by appropriate teaching personnel at a fee negotiated between the student, the student's parent or guardian, and the administrative employee, with prior approval of the Superintendent;
  - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the administrative employee's employment or through his/her access to ~~County-District~~ records;
  - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals;
  - d. the requirement of students or clients to purchase any private goods or services provided by an administrative employee or any business or professional practitioner with whom any employee has a financial relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations.
9. An administrative employee may use frequent flyer bonus points earned while traveling on official ~~County-District~~ business only if his/her participation in the frequent flyer program results in no additional cost to the ~~County District~~.
  10. Administrative employees shall not make use of materials, equipment, or facilities of the ~~County-District~~ in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
  11. A full-time administrative employee is prohibited from personally participating in a decision, approval, disapproval, recommendation, rendering advice, investigation, inspection or other substantial exercise of administrative discretion involving a vendor with whom s/he is seeking employment or has an agreement concerning future employment.
  12. A full-time administrative employee who exercises authority or control over a public contract between a vendor and the ~~County District~~, or whose subordinate exercises such authority or control, is prohibited from seeking employment by the vendor or to purchase, sell, or lease real or personal property to or from the vendor. Nor shall s/he have an agreement with the vendor concerning future employment.

By way of illustration, an administrative employee or subordinate is considered to exercise authority or control over a public contract by any of the following acts: drafting bid specifications or requests for proposals; recommending selection of the vendor; conducting inspections or investigations; approving the method or manner of payment to the vendor; providing legal or technical guidance on the formation, implementation, or execution of the contract; or taking other nonministerial action that may affect the financial interests of the vendor.

A person adversely affected by the restriction on purchasing personal property may make such a purchase only if the West Virginia Ethics Commission expressly approves, or if acting in good faith reliance upon a West Virginia Ethics Commission guideline, advisory opinion, or official policy.

- B. Exceptions to Part A of policy shall be approved by the Superintendent before entering into any private relationship.
- C. ~~Employees may not~~ Employees, officers and agents cannot participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he has a real or apparent conflict of interest. Such conflict of interest would arise when the employee, officer or agent, any member of his/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

~~No employee may~~ Employees, officers and agents cannot solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with or bidding on projects involving Federal grant funds. ( X ) ~~except that an employee~~ However, pursuant to Federal rules, the District has set standards for when an employee, officer or agent may accept the gift of an unsolicited item of nominal value. For purposes of this section, 'nominal value' means that the gift has a monetary value of \$25.00 or less. [END OF OPTION]

**[DRAFTING NOTE: Section 200.318 allows for non-Federal entities (Districts) to set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.]**



- D. To the extent that the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the School District is unable, or appears to be unable, to be impartial.
- E. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to the School District. Upon discovery of any potential conflict of interest, the School District will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

- F. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.

**[DRAFTING NOTE: The School District has discretion over the appropriate disciplinary actions. For example, the School District may suspend or terminate the individual's employment, transfer the individual, end the District's professional relationship with that individual, or temporarily re-assign the individual. All disciplinary actions must be in accordance with applicable Federal, State, and local law, as well as any collectively bargained agreements.]**

Violation of this policy shall result in discipline, which may include termination from employment.

WV Code 6B-2-5

WV Code 61-5A-6

WV Code 61-10-15

~~2 C.F.R. 200.318~~

2 C.F.R. 200.112, 200.113, 200.318

West Virginia State Board of Education policy 1224.1

West Virginia State Board of Education policy 8200

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Legal	WV Code 6B-2-5
	WV Code 61-5A-6
	WV Code 61-10-15
	2 C.F.R. 200.112, 200.113, 200.318
	West Virginia State Board of Education policy 1224.1
	West Virginia State Board of Education policy 8200

43-5074

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - CONFLICT OF INTEREST

Code po3113 - Reviewed by Finance KD

Status

Adopted January 4, 2010

### 3113 - CONFLICT OF INTEREST

A. The proper performance of school business is dependent upon the maintenance of unquestionably high standards of honesty, integrity, impartiality, and professional conduct by Board of ~~Education's employees~~ Education members, and the District's employees, officers and agents. Further, such characteristics are essential to the Board's commitment to earn and keep the public's confidence in the ~~County~~ District. For these reasons, the Board adopts the following guidelines to assure that conflicts of interest do not occur. These guidelines apply to all District employees, officers and agents, including members of the Board. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all professional employees, officers and agents.

1. No professional employee, officer or agent shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system.
2. Professional employees, officers and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any professional relationship they may have with any student, private practice client, or parents of such students or clients in the course of their employment or professional relationship with the Board.

Included, by way of illustration rather than limitation, are the following:

- a. the provision of any private lessons or services for a fee;
  - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's or agent's employment or professional relationship with the District through his/her access to School District records;
  - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals; and
  - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer or agent or any business or professional practitioner with whom any employee, officer or agent has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations.
3. No professional employee, member of his/her immediate family, or business with which s/he is associated shall have or develop, directly or indirectly, a pecuniary interest in the proceeds, profits, or benefits of any contract with the ~~County, District~~, or in providing goods or services to the ~~County District~~ for compensation, if s/he has voice, influence, or control over the decision by the ~~County District~~ to contract or acquire the goods or services. A professional employee who has an interest in the profits or benefits of a contract is prohibited from making, participating in making, or in any way attempting to use his/her employment to influence a ~~county school District~~ decision affecting his/her financial interest.
  4. No professional employee having any official action to perform in connection with bids, contracts, purchases, claims or other pecuniary transactions shall solicit, accept, or agree to accept any gift or gratuity from any person known by the employee to be interested in any such bid, contract, claim, purchase or transaction.
  5. Every professional employee is prohibited from using his/her position of employment for his/her own private gain or that of another person.
  6. No professional employee may solicit any gift unless the solicitation is for a charitable purpose with no resulting direct pecuniary benefit conferred upon the employee or his/her immediate family. Even then, a professional employee is prohibited from soliciting a charitable gift from any ~~county school District~~ official or employee whose position is subordinate to the soliciting professional employee.

7. No professional employee may knowingly and improperly disclose any confidential information acquired in the course of his/her duties nor use such information to further his/her personal interests or the interests of another person.
8. No professional employee may solicit private business from a subordinate employee whom s/he has the authority to direct, supervise or control, except when the solicitation is a) a general solicitation directed to the public at large through the mailing or other means of distribution of a letter, pamphlet, handbill, circular or other written or printed media; or b) limited to the posting of a notice in a communal work area; or c) for the sale of property of a kind that the person is not regularly engaged in selling; or d) made at the location of a private business owned or operated by the professional employee to which the subordinate employee has come on his/her own initiative.

By way of illustration rather than limitation, this policy forbids the following:

- a. the provision to the ~~County's District's~~ students of any private lessons or services for a fee, provided, however, that tutorial services may be furnished to a student off school premises by appropriate teaching personnel at a fee negotiated between the student, the student's parent or guardian, and the professional, with prior approval of the Superintendent.
  - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the professional employee's employment or through his/her access to ~~County-District~~ records
  - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals
  - d. the requirement of students or clients to purchase any private goods or services provided by a professional employee or any business or professional practitioner with whom any employee has a financial relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations
9. A professional employee may use frequent flyer bonus points earned while traveling on official ~~County-District~~ business only if his/her participation in the frequent flyer program results in no additional cost to the ~~County~~ District.
  10. Professional employees shall not make use of materials, equipment, or facilities of the ~~County-District~~ in private practice. Examples would be the use of facilities before, during, or after regular business hours for service to private practice clients, or the checking out of items from an instructional materials center for private practice.
  11. A full-time professional employee is prohibited from personally participating in a decision, approval, disapproval, recommendation, rendering advice, investigation, inspection or other substantial exercise of administrative discretion involving a vendor with whom s/he is seeking employment or has an agreement concerning future employment.
  12. A full-time professional employee who exercises authority or control over a public contract between a vendor and the ~~County-District~~, or whose subordinate exercises such authority or control, is prohibited from seeking employment by the vendor or to purchase, sell, or lease real or personal property to or from the vendor. Nor shall s/he have an agreement with the vendor concerning future employment.

By way of illustration, a professional employee or subordinate is considered to exercise authority or control over a public contract by any of the following acts: drafting bid specifications or requests for proposals; recommending selection of the vendor; conducting inspections or investigations; approving the method or manner of payment to the vendor; providing legal or technical guidance on the formation, implementation, or execution of the contract; or taking other nonministerial action that may affect the financial interests of the vendor.

A person adversely affected by the restriction on purchasing personal property may make such a purchase only if the West Virginia Ethics Commission expressly approves, or if acting in good faith reliance upon a West Virginia Ethics Commission guideline, advisory opinion, or official policy.

- B. Exceptions to Part A of this policy shall be approved by the Superintendent **before** entering into any private relationship.
- C. ~~Employees, officers and agents may not~~ cannot participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

~~No employee may~~ Employees, officers and agents cannot solicit or accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts involved with Federal grant funds. ( X ), ~~except that an employee~~ However, pursuant to Federal rules, the District has set standards for when an employee, officer or agent may accept the gift of an unsolicited item of nominal value. For purposes of this section, 'nominal value' means that the gift has a monetary value of \$25.00 or less. [END OF OPTIONAL LANGUAGE]

[DRAFTING NOTE: Section 200.318 allows for non-Federal entities (Districts) to set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.]

- D. **To the extent that the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent,**



**affiliate or subsidiary organization if the School District is unable, or appears to be unable, to be impartial.**

**E. Employees, officers and agents must disclose any potential conflict of interest which may lead to a violation of this policy to the School District. Upon discovery of any potential conflict of interest, the School District will disclose, in writing, the potential conflict of interest to the appropriate Federal awarding agency or, if applicable, the pass-through entity.**

**The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.**

**F. Employees, officers and agents found to be in violation of this conflict of interest policy will be subject to disciplinary action up to and including termination, as permitted by applicable Board policy.**

[DRAFTING NOTE: The School District has discretion over the appropriate disciplinary actions. For example, the School District may suspend or terminate the individual's employment, transfer the individual, end the District's professional relationship with that individual, or temporarily re-assign the individual. All disciplinary actions must be in accordance with applicable Federal, State, and local law, as well as any collectively bargained agreements.]

Violation of this policy shall result in discipline, which may include termination from employment.

- WV Code 6B-2-5
- WV Code 61-5A-6
- WV Code 61-10-15
- 2 C.F.R. 200.112
- 2 C.F.R. 200.113
- 2 C.F.R. 200.318
- West Virginia State Board of Education policy 1224.1
- West Virginia State Board of Education policy 8200

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| Legal | WV Code 6B-2-5                                       |
|       | WV Code 61-5A-6                                      |
|       | WV Code 61-10-15                                     |
|       | 2 C.F.R. 200.112                                     |
|       | 2 C.F.R. 200.113                                     |
|       | 2 C.F.R. 200.318                                     |
|       | West Virginia State Board of Education policy 1224.1 |
|       | West Virginia State Board of Education policy 8200   |

43-5075

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - CONFLICT OF INTEREST

Code po4113 Reviewed by Finance KD

Status

Adopted April 21, 2009

#### 4113 - CONFLICT OF INTEREST

A. The proper performance of school business is dependent upon the maintenance of unquestionably high standards of honesty, integrity, impartiality, and professional conduct by Board of Education's ~~employees~~ members, and the District's employees, officers and agents. Further, such characteristics are essential to the Board's commitment to earn and keep the public's confidence in the ~~County~~ District. For these reasons, the Board adopts the following guidelines to assure that conflicts of interest do not occur. These guidelines apply to all District employees, officers and agents, including members of the Board. These guidelines are not intended to be all inclusive, nor to substitute for good judgment on the part of all service employees, officers and agents.

1. No service employee, officer or agent shall engage in or have a financial or other interest, directly or indirectly, in any activity that conflicts or raises a reasonable question of conflict with his/her duties and responsibilities in the school system.
2. Service employees, officers and agents shall not engage in business, private practice of their profession, the rendering of services, or the sale of goods of any type where advantage is taken of any relationship they may have with any student, client, or parents of such students or clients in the course of their employment or professional relationship with the Board.

Included, by way of illustration rather than limitation, are the following:

- a. the provision of any private lessons or services for a fee;
  - b. the use, sale, or improper divulging of any privileged information about a student or client gained in the course of the employee's, officer's or agent's employment or professional relationship with the District through his/her access to School District records;
  - c. the referral of any student or client for lessons or services to any private business or professional practitioner if there is any expectation of reciprocal referrals, sharing of fees, or other remuneration for such referrals; and
  - d. the requirement of students or clients to purchase any private goods or services provided by an employee, officer or agent or any business or professional practitioner with whom any employee, officer or agent has a financial or other relationship, as a condition of receiving any grades, credits, promotions, approvals, or recommendations.
3. No service employee, member of his/her immediate family, or business with which s/he is associated shall have or develop, directly or indirectly, a pecuniary interest in the proceeds, profits, or benefits of any contract with the ~~County~~ District, or in providing goods or services to the ~~County~~ District for compensation, if s/he has voice, influence, or control over the decision by the ~~County~~ District to contract or acquire the goods or services. A service employee who has an interest in the profits or benefits of a contract is prohibited from making, participating in making, or in any way attempting to use his/her employment to influence a ~~County~~ District decision affecting his/her financial interest.
  4. No service employee having any official action to perform in connection with bids, contracts, purchases, claims or other pecuniary transactions shall solicit, accept, or agree to accept any gift or gratuity from any person known by the employee to be interested in any such bid, contract, claim, purchase or transaction.
  5. Every service employee is prohibited from using his/her position of employment for his/her own private gain or that of another person.
  6. No service employee may solicit any gift unless the solicitation is for a charitable purpose with no resulting direct pecuniary benefit conferred upon the employee or his/her immediate family. Even then, a service employee is prohibited from soliciting a charitable gift from any ~~county~~ District school official or employee whose position is subordinate to the soliciting service employee.



7. No service employee may knowingly and improperly disclose any confidential information acquired in the course of his/her duties nor use such information to further his/her personal interests or the interests of another person.
8. No service employee may solicit private business from a subordinate employee whom s/he has the authority to direct, supervise or control, except when the solicitation is a) a general solicitation directed to the public at large through the mailing or other means of distribution of a letter, pamphlet, handbill, circular or other written or printed media; or b) limited to the posting of a notice in a communal work area; or c) for the sale of property of a kind that the person is not regularly engaged in selling; or d) made at the location of a private business owned or operated by the service employee to which the subordinate public official or public employee has come on his/her own initiative.

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- C. ~~Employees may not~~ Employees, officers and agents cannot participate in the selection, award, or administration of a contract supported by a Federal grant/award if s/he 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/her immediate family, his/her partner, or an organization which employs or is about to employ any of the parties described in this section, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract.

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**[DRAFTING NOTE: Section 200.318 allows for non-Federal entities (Districts) to set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value.]**

- D. To the extent that the District has a parent, affiliate or subsidiary organization that is not a State, local government or Indian tribe, the School District may not conduct a procurement action involving the parent, affiliate or subsidiary organization if the

School District is unable, or appears to be unable, to be impartial.

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The District will also disclose, in a timely manner, all violations of Federal criminal law involving fraud, bribery or gratuity that affect a Federal award to the appropriate Federal awarding agency or, if applicable, the pass-through entity.

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Violation of this policy shall result in discipline, which may include termination from employment.

- WV Code 6B-2-5
- WV. Code 61-5A-6
- WV Code 61-10-15
- 2 C.F.R. 200.112
- 2 C.F.R. 200.113
- 2 C.F.R. 200.318
- West Virginia State Board of Education policy 1224.1
- West Virginia State Board of Education policy 8200

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- Legal
- WV Code 6B-2-5
- WV. Code 61-5A-6
- WV Code 61-10-15
- 2 C.F.R. 200.112
- 2 C.F.R. 200.113
- 2 C.F.R. 200.318
- West Virginia State Board of Education policy 1224.1
- West Virginia State Board of Education policy 8200

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - FEDERAL FUNDS

Code po6110 Reviewed by Finance KD

Status

Adopted August 1, 2007

#### 6110 - FEDERAL FUNDS

It is the objective of the Board of Education to provide equal educational opportunities for all students within the ~~County District~~. Therefore, it is the intent of the Board to study Federal legislation to enhance the educational opportunities, the educational environment, and the physical and mental growth for each student.

The Superintendent shall review new Federal education legislation and prepare proposals for programs s/he deems would be of aid to the students of this ~~County District~~. The Superintendent shall approve each such proposal prior to its submission, and the Board shall approve all grants resulting from such proposals.

The Board regards available Federal funds of aid to local school districts and communities as a public trust. It forbids the use of Federal monies for partisan political activities and for any use that would not be in accord or accordance with Federal regulations and guidelines on discrimination. All Federal funds received by the ~~County District~~ will be used in accordance with the applicable Federal law. The Superintendent shall ensure that each draw of Federal monies is as close as administratively feasible to the related program expenditures.

No Federal fund, received by the Board shall be used to:

- A. develop or distribute materials, or operate programs or courses of instruction directed at youths, that are designed to promote or encourage sexual activity, whether homosexual or heterosexual;
- B. distribute or aid in the distribution by any organization of legally obscene materials to minors on school grounds;
- C. provide sex education or HIV-prevention in schools unless that instruction is age appropriate and includes the health benefits of abstinence; or
- D. operate a program of contraceptive distribution in schools.

#### Grant Proposal Development

- A. All grant proposals must support at least one (1) District goal or priority.
- B. For projects where grant funds will not cover the entire cost of project implementation, additional fund sources must be identified, documented, and approved during the internal review process.

#### Grant Proposal Internal Review

- A. Each grant proposal shall be reviewed and approved by the Superintendent prior to submission to the funding source.
- B. (x) The Superintendent shall present the following proposals to the Board for approval:
  1. (x) Government-funded proposals, regardless of the amount;
  2. (-) Proposals with budgets exceeding \$ \_\_\_\_\_ .00; or
  3. (-) Multi school or District wide proposals.

#### Grant Administration

- A. The administration of grants will adhere to all applicable Federal, State, local and grantor rules and regulations, including the terms and conditions of the Federal awards, as well as District policies and administrative guidelines.
- B. The Superintendent is responsible for the efficient and effective administration of grant awards through the application of sound management practices.



- C. The Superintendent is responsible for administering grant funds in a manner consistent with underlying agreements, program statutes, regulations and objectives, and the terms and conditions of the grant award.
- D. The District, in recognition of its unique combination of staff, facilities, and experience, shall employ internal controls, including organizational and management strategies necessary to assure proper and efficient administration of grant awards.
- E. All Federal funds received by the District will be used in accordance with the applicable Federal law and regulations and the terms and conditions of the Federal award. The Superintendent shall require that each draw of Federal monies be aligned with the District's payment process (whether reimbursement, cash advance or a combination). If funds are permitted to be drawn in advance, all draws will be as close as administratively feasible to the related program expenditures and that, when restricted, such monies are used to supplement programs and funding and not to supplant or replace existing programming or current funding.
- F. (x) The Superintendent is authorized to sign related documents for grant administration, including documents required for submittal of grant proposals.
- G. (~~—~~) ~~Written amendments requiring the Superintendent's signature shall be presented to the Board for approval.~~
- H. (x) Employee positions established through the use of grant funding shall terminate if and when the related grant funding ceases.
- I. (x) Program reports including but not limited to audits, site visits and final reports shall be submitted to the Superintendent for review and distribution to the Board and other appropriate parties.

### Financial Management

The financial management of grant funds shall be in compliance with all applicable Federal, State, local and grantor rules, regulations and assurances as well as District policies and administrative guidelines.

The District shall provide for the following:

- A. Identification, in District accounts, of all grant awards received and expended and the programs under which they were received. For Federal programs and awards, identification shall include the Catalog of Federal Domestic Assistance (CFDA) title and number, Federal award identification number and year, name of the Federal agency and name of the pass-through entity, as applicable.
- B. Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements of the grant.
- C. Records that identify adequately the source and application of funds provided for Federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.
- D. Effective control over, and accountability for, all funds, property, and other assets. The district must adequately safeguard all assets and assure that they are used solely for authorized purposes.

Further the District must:

1. establish and maintain effective internal control over the Federal award that provides reasonable assurance that the District is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
  2. comply with Federal statutes, regulations, and the terms and conditions of the Federal award;
  3. evaluate and monitor the District's compliance with statutes, regulations, and the terms and conditions of the Federal award;
  4. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
  5. take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive consistent with applicable Federal, State, local, and tribal laws regarding privacy and obligations of confidentiality.
- E. Comparison of expenditures with budget amounts for each Federal award.
  - F. Recordkeeping and written procedures to the extent required by Federal, State, local and grantor rules and regulations pertaining to the grant award and accountability, including, but not limited to, the following areas:
    1. cash management;
    2. allowability;

3. conflict of interest;
4. procurement;
5. equipment management;
6. conducting technical evaluations of proposals and selecting recipients;
7. compensation and fringe benefits; and
8. travel.

### **Program Income**

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.

It 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. 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.

Unless it has received prior approval to use a different method or the terms and conditions of the grant authorize a different method, the District uses the deduction method of accounting for program income. 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.

Compliance Supplement for Single Audits of State and Local Governments

20 U.S.C. 7906

West Virginia State Board of Education policy 1224.1

West Virginia State Board of Education policy 8200

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	20 U.S.C. 7906
	West Virginia State Board of Education policy 1224.1
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Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title New Policy - Vol. 9, No. 1 - August 2016 - INTERNAL CONTROLS

Code po6111 - New Policy KD

Status

Adopted August 1, 2007

#### 6111 - INTERNAL CONTROLS

The Superintendent shall establish and maintain effective internal controls over Federal awards that provide reasonable assurance that the District is managing all awards in compliance with applicable statutes, regulations and the terms and conditions of the awards. The District will have a process that provides reasonable assurance regarding the achievement of the following objectives:

- A. effectiveness and efficiency of operations
- B. reliability of reporting for internal and external use
- C. compliance with applicable laws and regulations

The internal controls must provide reasonable assurance that transactions are properly recorded and accounted for in order to permit the preparation of reliable financial statements and Federal reports; maintain accountability over assets; and demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. The internal controls must also provide reasonable assurance that these transactions are executed in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal award, as well as any other Federal statutes and regulations that are identified in the Compliance Supplement. Finally, the District's internal controls must provide reasonable assurance that all Federal funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

The District shall:

- A. comply with Federal statutes, regulations, and the terms and conditions of the Federal awards;
- B. evaluate and monitor its compliance with statutes, regulations, and the terms and conditions of the award;
- C. take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; and
- D. take reasonable measures to safeguard protected "personally identifiable information" (PII) and other information the awarding agency or pass-through entity designated as sensitive or the District considers sensitive consistent with applicable Federal, State, local, and tribal laws and District policies regarding privacy and obligations of confidentiality

PII is defined at 2 C.F.R. 200.79 as "information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual."

However, the definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified.

2 C.F.R. 200.61-61, 200.79, 200.303

- A. "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States;
- B. "Internal Control Integrated Framework" (commonly referred to as the Green Book) issued by the Committee of Sponsoring Organizations of the Treadway Commission;
- C. "Compliance Supplement" issued by the U.S. Office of Management and Budget; and
- D. Internal control guidance issued by the U.S. Department of Education.

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Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title New Policy - Vol. 9, No. 1 - August 2016 - CASH MANAGEMENT OF GRANTS

Code po6112 - New Policy Reviewed by Finance KD

Status

### 6112 - CASH MANAGEMENT OF GRANTS

In order to provide reasonable assurance that all assets, including Federal, State, and local funds, are safeguarded against waste, loss, unauthorized use, or misappropriation, the Superintendent shall implement internal controls in the area of cash management.

The District's payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury or the West Virginia Department of Education (WVDE) (pass-through entity) and disbursement by the District, regardless of whether the payment is made by electronic fund transfer, or issuance or redemption of checks, warrants, or payment by other means.

The District shall use forms and procedures required by the grantor agency or pass through entity to request payment. The District shall request grant fund payments in accordance with the provisions of the grant. Additionally, the District's financial management systems shall meet the standards for fund control and accountability as established by the awarding agency.

The Superintendent is authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as deemed appropriate when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1693-1693r).

When the District uses a cash advance payment method, the following standards shall apply:

- A. The timing and amount of the advance payment requested will be as close as is administratively feasible to the actual disbursement for direct program or project costs and the proportionate share of any allowable indirect costs.
- B. The District shall make timely payment to contractors in accordance with contract provisions.
- C. To the extent available, the District shall disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.
- D. The District shall account for the receipt, obligation and expenditure of funds.
- E. Advance payments will be deposited and maintained in insured accounts whenever possible.
- F. Advance payments will be maintained in interest bearing accounts unless the following apply:
  1. The District receives less than \$120,000 in Federal awards per year.
  2. The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.
  3. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
  4. A foreign government or banking system prohibits or precludes interest bearing accounts.
- G. Pursuant to Federal law and regulations, the District may retain interest earned in an amount up to \$500 per year for administrative costs. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System ('PMS') through an electronic medium using either Automated Clearing House ('ACH') network or a Fedwire Funds Service payment. Remittances shall include pertinent information of the payee and nature of payment in the memo area (often referred to as 'addenda records' by Financial Institutions) as that will assist in the timely posting of interest earned on Federal funds. Pertinent details include the Payee Account Number ('PAN') if the payment originated from PMS, or Agency information if the payment originated from Automated Standard Application for Payment ('ASAP'), National Science Foundation ('NSF') or another Federal agency payment system.

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2 C.F.R. 200.305

West Virginia State Board of Education policy 1224.1

West Virginia State Board of Education policy 8200



Book	Policy Manual
Section	Volume 9, No. 1 - August 2016
Title	New Policy - Vol. 9, No. 1 - August 2016 - COST PRINCIPLES - SPENDING FEDERAL FUNDS
Code	po6114 - New Policy Reviewed by Finance KD
Status	
Adopted	January 4, 2021
Last Revised	September 19, 2022

#### 6114 - COST PRINCIPLES - SPENDING FEDERAL FUNDS

The Superintendent is responsible for the efficient and effective administration of grant funds through the application of sound management practices. Such funds shall be administered in a manner consistent with all applicable Federal, State and local laws, the associated agreements/assurances, program objectives and the specific terms and conditions of the grant award.

#### Cost Principles

Except where otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:

- A. Be necessary and reasonable for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.

To determine whether a cost is reasonable, consideration shall be given to:

1. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
2. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
3. market prices for comparable goods or services for the geographic area;
4. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities;
5. whether the cost does not represent any significant deviation from the established practices or Board policy which may increase the expense.

While Federal regulations do 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.

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

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

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.

- B. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
- C. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
- D. Be afforded 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.

- E. Be determined in accordance with generally accepted accounting principles;
- F. Be representative of actual cost, net of all applicable credits or offsets;

The term "applicable credits" refers to those receipts or reductions 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.

- G. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.
- H. Be adequately documented:
  1. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
  2. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

### **Selected Items of Cost**

The District shall follow the rules for selected items of cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.

### **Cost Compliance**

The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

### **Determining Whether a Cost is Direct or Indirect:**

- A. 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.

These costs may include: salaries and fringe benefits of employees working directly on a grant-funded project; purchased services contracted for performance under the grant; travel of employees working directly on a grant-funded project; materials, supplies, and equipment purchased for use on a specific grant; and infrastructure costs directly attributable to the program (such as long distance telephone calls specific to the program, etc.).

- B. Indirect costs are those that have been incurred for a common or joint purpose benefitting more than one (1) cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Costs incurred for the same purpose in like circumstances shall be treated consistently as either direct or indirect costs.

These costs may include: general data processing, human resources, utility costs, maintenance, accounting, etc.

Federal education programs with supplement not supplant provisions must use a restricted indirect cost rate. In a restricted rate, indirect costs are limited to general management costs. General management costs do not include divisional administration that is limited to one (1) component of the District, the governing body of the District, compensation of the Superintendent, compensation of the chief executive officer of any component of the District, and operation of the immediate offices of these officers.

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:

1. Administrative or clerical services are integral to a project or activity.
2. Individuals involved can be specifically identified with the project or activity.
3. Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency.
4. The costs are not also recovered as indirect costs.

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

Effort should be given to identify costs as direct costs whenever practical, but allocation of indirect costs may be used where not prohibited and where indirect cost allocation is approved ahead of time by the Ohio Department of Education ('ODE') or the pass-through entity (Federal funds subject to 2 C.F.R. Part 200 pertaining to determining indirect cost allocation).

### **Timely Obligation of Funds**

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.

The following table illustrates when funds are determined to be obligated under the U.S. Department of Education regulations:

If the obligation is for:

- A. Acquisition of property - on the date which the District makes a binding written commitment to acquire the property.
- B. Personal services by an employee of the District - when the services are performed.
- C. 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.
- D. Public utility services - when the District receives the services.
- E. Travel - when the travel is taken.
- F. Rental of property - when the District uses the property.
- G. 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.

### **Period of Performance**

All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the Grant Award Notification ('GAN'). 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 performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period for carryover. For direct grants, the period of performance is generally identified in the GAN.

In the case of a State-administered grant, obligations under a grant may not be made until the grant funding period begins or all necessary materials are submitted to the granting agency, whichever is later. In the case of a direct grant, obligations may begin when the grant is approved, unless an agreement exists with ODE or the pass-through entity to reimburse for pre-approval expenses.

For both State-administered and direct grants, regardless of the period of availability, the District shall liquidate all obligations incurred under the award not later than ninety (90) days after the end of the funding period unless an extension is authorized. Any funds not obligated within the period of performance or liquidated within the appropriate timeframe are said to lapse and shall be returned to the awarding agency. Consequently, the District shall closely monitor grant spending throughout the grant cycle.

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Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title New Policy - Vol. 9, No. 1 - August 2016

Code po6116 - New Policy Reviewed by Finance KD

Status

#### 6116 - TIME AND EFFORT REPORTING

As a recipient of Federal funds, the District shall comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Section 200.430 of the Code of Federal Regulations requires certification of effort to document salary expenses charged directly or indirectly against Federally-sponsored projects. This process is intended to verify that compensation for employment services, including salaries and wages, is allocable and properly expended, and that any variances from the budget are reconciled.

Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 C.F.R. 200.431 Compensation-fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:

- A. Is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and non-Federal activities; and
- B. Follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.

#### Time and Effort Reports

Unless specifically authorized by the West Virginia Department of Education (WVDE) (pass-through entity) all salaries and wages charged to Federally sponsored projects must be based on records (time and effort reports) that accurately reflect the work performed by the employee. A time and effort report is required regardless of whether such time is paid by a Federally sponsored agreement, a private foundation, or is an unpaid contribution, i.e. cost share match. Committed cost sharing, either voluntary or mandatory, must be included in effort reports.

The reports:

- A. are supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- B. are incorporated into the official records of the District;
- C. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- D. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- E. comply with the District's established accounting policies and practices;
- F. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award; a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two (2) or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by the pass-through entity to the extent that they are more restrictive than the Federal requirements. The Finance Office is responsible for the distribution, collection, and retention of all employee effort reports. Individually reported data will be made available only to authorized auditors.

#### Reconciliations

Budget estimates are not used as support for charges to Federal awards. However, the District may use budget estimates for interim accounting purposes. The system used by the District to establish budget estimates produces reasonable approximations of the activity actually performed. Any significant changes in the corresponding work activity are identified by the District and entered into the District's records in a timely manner.



The District's internal controls include a process to review after-the-fact interim charges made to a Federal award based on budget estimates and ensure that all necessary adjustments are made so that the final amount charged to the Federal award is accurate, allowable, and properly allocated.

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Legal                    undefined  
                              2 C.F.R. 200.430  
                              2 C.F.R. 200.431  
                              West Virginia State Board of Education 1224.1  
                              West Virginia State Board of Education 8200

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title New Policy - Vol. 9, No. 1 - August 2016 - PROCUREMENT - FEDERAL GRANTS/FUNDS

Code po6325 - New Policy Reviewed by Finance KD

Status

Adopted January 4, 2021

### 6325 - PROCUREMENT - FEDERAL GRANTS/FUNDS

Procurement of all supplies, materials, equipment, and services paid for from Federal funds or District matching funds shall be made in accordance with all applicable Federal, State, and local statutes and/or regulations, the terms and conditions of the Federal grant, Board of Education policies, and administrative procedures.

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall conform to the provisions of the District's documented general purchasing Policy 6320 and AG 6320A.

All District employees, officers, and agents who have purchasing authority shall abide by the standards of conduct covering conflicts of interest and governing the actions of its employees, officers, and agents engaged in the selection, award, and administration of contracts as established in Policy 1130, Policy 3113 and Policy 4113 - Conflict of Interest.

The District will avoid acquisition of unnecessary or duplicative items. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made of lease versus purchase alternatives, and any 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.

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

#### Competition

All procurement transactions shall be conducted in a manner that encourages full and open competition and that is in accordance with good administrative practice and sound business judgment. In order to promote objective contractor performance and eliminate unfair competitive advantage, the District shall exclude any contractor that has developed or drafted specifications, requirements, statements of work, or invitations for bids or requests for proposals from competition for such procurements.

Some of the situations considered to be restrictive of competition include, but are not limited to, the following:

- A. unreasonable requirements on firms in order for them to qualify to do business
- B. unnecessary experience and excessive bonding requirements
- C. noncompetitive contracts to consultants that are on retainer contracts
- D. organizational conflicts of interest
- E. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement
- F. any arbitrary action in the procurement process

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless 1) an applicable Federal statute expressly mandates or encourages a geographic preference; or 2) the District is contracting for architectural and engineering services, in which case 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.

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and services, the pre-qualified list includes enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list \_\_\_\_\_ **[Insert frequency. see Drafting Note].**

**[Drafting Note: The District shall allow vendors not on the pre-qualified list to apply for placement on the list periodically. The District may determine how frequently the pre-qualified list becomes open for new vendors or whether it is open continuously.]**

### Solicitation Language

The District shall require that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, shall set forth those minimum essential characteristics and standards to which it shall 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 shall be met by offers shall be clearly stated; and identify all requirements which the offerors shall fulfill and all other factors to be used in evaluating bids or proposals.

The Board will not approve any expenditure for an unauthorized purchase or contract.

### Procurement Methods

The District shall utilize the following methods of procurement:

#### A. Micro-purchases

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$ \_\_\_\_\_ **[not to exceed \$3,500]**. To the extent practicable, the District shall distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the Superintendent considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all purchases made by this method.

#### B. Small Purchases

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property that does not exceed the competitive bid threshold of \$ \_\_\_\_\_. Small purchase procedures require that price or rate quotations shall be obtained from  \_\_\_\_\_  an adequate number of qualified sources.

#### C. Sealed Bids

Sealed, competitive bids shall be obtained when the purchase of, and contract for, single items of supplies, materials, or equipment which amounts to \$25,000 and when the Board determines to build, repair, enlarge, improve, or demolish a school building/facility the cost of which will exceed \$25,000.

In order for sealed bidding to be feasible, the following conditions shall be present:

1. a complete, adequate, and realistic specification or purchase description is available;
2. two (2) or more responsible bidders are willing and able to compete effectively for the business; and
3. 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.

When sealed bids are used, the following requirements apply:

1. Bids shall be solicited in accordance with the provisions of State law and Policy 6320. Bids shall be solicited from  \_\_\_\_\_  an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
2. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
3. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.
4. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
5. The Board reserves the right to reject any or all bids for sound documented reason.

#### D. Competitive Proposals

Procurement by competitive proposal, normally conducted with more than one source submitting an offer, is generally used when conditions are not appropriate for the use of sealed bids or in the case of a recognized exception to the sealed bid



method. **[Drafting Note: Like sealed bids, Federal law does not require a competitive proposal unless the procurement is for over \$150,000. The State/District may set a lower threshold for sealed bids and competitive proposals. Ohio law requires sealed bids for a purchase of \$25,000 or more (see Policy 6320).]**

If this method is used, the following requirements apply:

1. Requests for proposals shall be publicized and identify all evaluation factors and their relative importance. Any response to the publicized requests for proposals shall be considered to the maximum extent practical.
2. Proposals shall be solicited from an ( ) \_\_\_\_\_ ( ) adequate number of sources.
3. The District shall use its written method for conducting technical evaluations of the proposals received and for selecting recipients.
4. Contracts shall be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

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

E. ( ) Noncompetitive Proposals

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

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 District
4. after solicitation of a number of sources, competition is determined to be inadequate

### **Contract/Price Analysis**

The District shall perform a cost or price analysis in connection with every procurement action in excess of \$150,000, including contract modifications. 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, the District shall come to an independent estimate prior to receiving bids or proposals.

When performing a cost analysis, the District shall negotiate 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.

### **Time and Materials Contracts**

The District uses 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 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, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

### **Suspension and Debarment**

The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District shall consider such factors as 1) contractor integrity; 2) compliance with public policy; 3) record of past performance; and 4) financial and technical resources.

The Superintendent shall have the authority to suspend or debar a person/corporation, for cause, from consideration or award of further contracts. The District is subject to and shall abide by the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180.

Suspension is an action taken by the District that immediately prohibits a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR Chapter 1) for a temporary period, pending completion of an agency investigation and any judicial or administrative proceedings that may ensue. A person so excluded is suspended. (2 CFR Part 180 Subpart G)

Debarment is an action taken by the Superintendent to exclude a person from participating in covered transactions and transactions covered under the Federal Acquisition Regulation (48 CFR Chapter 1). A person so excluded is debarred. (2 CFR Part 180 Subpart H)

The District shall not subcontract with or award subgrants to any person or company who is debarred or suspended. For contracts over \$25,000, the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management, which maintains a list of such debarred or suspended vendors at [www.sam.gov](http://www.sam.gov); collecting a certification from the vendor; or adding a clause or condition to the covered transaction with that vendor. (2 CFR Part 180 Subpart C)

### **Bid Protest**

The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

Within five (5) days of receipt of a protest, the Superintendent shall review the protest as submitted and render a decision regarding the merits of the protest and any impact on the acceptance and rejection of bids submitted. Notice of the filing of a bid protest shall be communicated to the Board and shall be so noted in any subsequent recommendation for the acceptance of bids and awarding of contracts.

Failure to file a notice of intent to protest, or failure to file a formal written protest within the time prescribed, shall constitute a waiver of proceedings.

### **Maintenance of Procurement Records**

The District maintains 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, and the basis for the contract price (including a cost or price analysis).

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Legal                      2 C.F.R. 200.317 - .326  
                                   West Virginia State Board of Education policy 1224.1  
                                   West Virginia State Board of Education policy 8200

43-5082

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - TRAVEL PAYMENT AND REIMBURSEMENT

Code po6550 - Reviewed by Finance KD

Status

Adopted May 20, 2013

Last Revised July 7, 2014

**6550 - TRAVEL PAYMENT AND REIMBURSEMENT**

Travel expenses incurred for official business travel on behalf of the ~~County-District~~ shall be limited to those expenses necessarily incurred by the employee in the performance of a public purpose authorized, in advance, in accordance with administrative guidelines.

Any travel expenses submitted to the ~~County-District~~ level for reimbursement requires the signature of the principal or direct Supervisor if employee is not located at a school, to verify the reimbursement was not already made at the school level. Any travel by the principal must be approved at the ~~County-District~~ level even if the travel expenses will be paid by the school. The reimbursement form should be notarized by a public notary before submitting for reimbursement.

Payment and reimbursement rates for per diem, meals, lodging, and mileage shall be established by the ~~County-District~~ and approved by the Board ~~(-) annually as needed when changes arise~~. The ~~County-District~~ shall establish mileage rates in accordance with the ~~(x)~~ Federal standard mileage rate. ~~(-) West Virginia Department of Administration rate~~.

Employees are expected to exercise the same care incurring travel expenses that a prudent person would exercise if traveling on personal business and expending personal funds. Unauthorized costs and additional expenses incurred for personal preference or convenience will not be reimbursed.

Unauthorized expenses include but are not limited to alcohol, movies, fines for traffic violations, and the entertainment/meals/lodging of spouses or guests.

~~x ] Commercial airfare costs in excess of the basic least expensive unrestricted accommodations class offered by commercial airlines are unallowable except when such accommodations would 1) require circuitous routing; 2) require travel during unreasonable hours; 3) excessively prolong travel; 4) result in additional costs that would offset the transportation savings; or 5) offer accommodations not reasonably adequate for the traveler's medical needs. Instances of commercial airfare cost in excess of the basic least expensive unrestricted accommodations class must be justified and documented on a case-by-case basis.~~

~~[ - ] Temporary dependent care costs (as dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences are allowable provided that 1) the costs are a direct result of the individual's travel for the Federal award; 2) the costs are consistent with the District's documented administrative guidelines for all entity travel; and 3) are only temporary during the travel period. Travel costs for dependents are unallowable, except for travel of a duration of six (6) months or more with prior approval of the Federal awarding agency.~~

**[DRAFTING NOTE: This draft policy includes the Federal rules for commercial airfare and temporary dependent care costs. Based on State or local laws and policies, school districts may decide that all temporary dependent care costs or commercial airfare costs in excess of the basic least expensive unrestricted accommodations class are unallowable under any circumstance.]**

An employee may use and/or accrue bonus points acquired through participation in frequent traveler programs, hotel "bonus points," credit card "rewards," or any other reward under similar affinity programs while traveling on official School business, only if his/her participation would result in no additional cost to the ~~County District~~.

~~This policy does not address every issue, exception, or contingency that may arise in the course of travel.~~  
Travel payment and reimbursement provided from Federal funds must be authorized in advance and must be reasonable and consistent with the District's travel policy and administrative guidelines. For travel paid for with Federal funds, the travel authorization must include documentation that demonstrates that 1) the participation in the event by the individual traveling is necessary to the Federal award; and 2) the costs are reasonable and consistent with the District's travel policy.

All travel shall comply with the travel procedures and rates established in the administrative guidelines. All costs incurred with Federal funds must meet the cost allowability standards within Board Policy 6110.

To the extent that the District's policy does not establish the allowability of a particular type of travel cost, the rates and amounts established under 5 U.S.C. 5701-11, ("Travel and Subsistence Expenses; Mileage Allowances"), or by the Administrator of General Services, or by the President (or his/her designee), must apply to travel under Federal awards.

This policy does not address every issue, exception, or contingency that may arise in the course of travel.

West Virginia State Board of Education Policy-policy 1224.1  
West Virginia State Board of Education policy 8200  
WV Code 6B-2-5(b)(2)  
2 C.F.R. 200.474

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                                 West Virginia State Board of Education policy 8200  
                                 WV Code 6B-2-5(b)(2)  
                                 2 C.F.R. 200.474



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Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - DISPOSITION OF REAL PROPERTY

Code po7300 - Reviewed by Finance KD

Status

Adopted August 1, 2007

**7300 - DISPOSITION OF REAL PROPERTY**

The Board of Education believes that the efficient administration of the school system requires the disposition of real property no longer necessary for the educational program or the operation of the County School System.

"Real Property" means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

"Personal Property" means tangible property other than real property. It may be tangible, having physical existence, or intangible and may include automotive vehicles, equipment, and materials.

Except as set forth below, any time a ~~county~~ board determines that any building or land is no longer needed for school purposes, the real property must be sold at public auction, unless it is sold to: (WV Code 18-5-7 and related case law)

- A. the State or political subdivisions, including ~~county~~ commissions or agencies thereof, for an adequate consideration;
- B. The United States of America, or any instrumentality, agency or political subdivision thereof, provided that the property is included in any federal flood control project;
- C. a private, nonprofit, tax-exempt organization having been granted tax-exempt status by IRS Code 501(c) 3 through (8) inclusive, (19) or (23) for nominal consideration, provided that the property is for charitable, economic development or other community use, and provided further that the title to the property reverts to the Board if the organization dissolves or ceases to use the property for the intended purpose within the first five (5) years of such conveyance.

In rural communities, if the original sale to the Board was not a voluntary arms length transaction at fair market value at the time of sale, the grantor of the land, his/her heirs or assigns, shall have the right to purchase the land and the mineral rights at the same price for which it was originally sold.

In the same method set forth above, the ~~County~~ Board may, in lieu of offering the property for sale, enter into a lease for oil or gas or other minerals underlying any lands or school sites owned in fee by it.

[ ] All property considered for disposition (sale) ~~( ) shall~~ (x ) may be subjected to a current report from an independent, licensed appraiser prior to the solicitation of offers.

The ~~County~~ Board ~~( ) shall~~ (x ) may make the sale of any property subject to that provision that all liability for hazards associated with the premises are to be assumed by the purchaser. In any sale of improved property in which the consideration is less than ten thousand dollars or any sale of unimproved land in which the consideration is less than one thousand dollars, all liability for hazards associated with the premises are to be assumed by the purchaser.

Where the Board has determined that any school property is no longer needed for school purposes, and that it will serve the best interests of the community, the Board may lease the premises. The property shall be leased to the highest bidder and any authorized lease shall be in writing. The lease shall contain a recitation of all known or reasonably suspected hazards associated with the property and an assumption of the lessee of all risks associated with the hazards, whether disclosed or not, as well as a provision that the lessee assumes liability for all liability for any actions arising from the property during the term of the lease.

WV Code 18-5-7  
 WV Department of Education Purchasing Policies and Procedures Manual  
 West Virginia State Board of Education policy 1224.1  
 West Virginia State Board of Education policy 8200

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43-5084

Book Policy Manual

Section Volume 9, No. 1 - August 2016

Title Revised Policy - Vol. 9, No. 1 - August 2016 - DISPOSITION OF SURPLUS PROPERTY

Code po7310 - Reviewed by Finance KD

Status

Adopted August 1, 2007

### 7310 - DISPOSITION OF SURPLUS PROPERTY

The Board of Education requires the Superintendent to review the property of the ~~County-District~~ periodically and to dispose of that material and equipment which is no longer usable in accordance with the terms of this policy.

#### A. Instructional Material

The ~~County-District~~ shall review instructional materials (i.e. textbooks, library books, manuals, support materials, etc.) periodically to determine the relevance of such materials to the present world and current instructional programs. The following criteria will be used to review instructional materials for redistribution and possible disposal:

1. concepts or content that do not support the current goals of the curriculum
2. information that may not be current
3. worn beyond salvage

#### B. Equipment

The ~~County-District~~ shall inspect the equipment used in the instructional program periodically, to determine the condition and usability of such equipment in the current educational program. Should the equipment be deemed no longer serviceable or usable, the following criteria will be used to determine possible disposal:

1. repair parts for the equipment no longer readily available
2. repair records indicate equipment has no usable life remaining
3. obsolete and/or no longer contributing to the educational program
4. some potential for sale at a school auction
5. creates a safety or environmental hazard

#### C. Disposition

1. Disposal of Real Property - See Policy 7300.
2. Disposal of Personal Property:

At any time the Board determines that any personal property, including equipment, portable building, or motor vehicle, (including school bus), school furniture, computers, or other personal property is no longer needed for school purposes, the Purchasing Director, in cooperation with the Chief School Business Official may declare the property surplus and dispose of the property in the most economical method for the benefit of the Board.

The property may be disposed of in several ways: discarded or junked if it is determined not to have any salvageable value, traded in towards the purchase of a replacement item, sold at public auction, by competitive bid to the highest bidder, by fixed price, or contributed to:

- a. the State or political subdivisions, including county commissions or agencies thereof;
- b. a private, nonprofit, tax-exempt organization having been granted tax-exempt status by IRS Code 501(c) (3) through (8) inclusive, (19) or (23) for nominal consideration, provided that the property is for charitable, economic development or other community use.

Board employees and members of their immediate family are not eligible to buy or receive surplus property belonging to the Board unless the surplus property is offered to the general public for sale.

The sale of the surplus property must be conducted by the purchasing director or designee at a central location.

The determination that property is no longer needed for school purposes and the sale of the property cannot be made at the school or cost center level.

3. Disposal of Equipment Purchased From a Federal Grant:

When 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 District shall request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made in accordance with disposition instructions of the Federal awarding agency.

Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

Except as provided in subsection 200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent (10%) of the proceeds, whichever is less, for its selling and handling expenses.

The District may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the District shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

- a. ~~When equipment purchased with Federal funds is no longer needed for the original project or program, the recipient must use the equipment in connection with its other federally sponsored activities, in the following order of priority:~~
  - 1. ~~activities sponsored by the awarding agency which funded the original project; and then~~
  - 2. ~~activities sponsored by other Federal awarding agencies.~~
- b. ~~When equipment purchased with Federal funds is no longer needed by the recipient, disposal procedures are contained in the United States Department of Education General Administrative Regulations (EDGAR) 74.34.~~

West Virginia State Board of Education policy 1224.1  
West Virginia State Board of Education Policy-policy 8200  
2 C.F.R. 200.312  
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