

1 **3004.1**

2 **Fiscal Management for Purchasing and Procurement Using Federal**
3 **Funds**

4
5 **I. Applicability of Policy**
6

7 This policy applies only to non-construction related purchases undertaken
8 with federal funds which are subject to the federal Uniform Grant Guidance
9 (UGG) and other applicable federal law, including but not limited to the
10 Education Department and General Administration Regulations (EDGAR) and
11 the United States Department of Agriculture (USDA) regulations governing
12 school food service programs. In the event this policy conflicts or is
13 otherwise inconsistent with mandatory provisions of the UGG, EDGAR or
14 other applicable federal law, the mandatory provisions of the laws shall
15 control.

16
17 All other non-construction purchases will be governed by the Board’s general
18 purchasing policy, which can be found earlier in this subsection. In the
19 event of a conflict between state and federal law, the more stringent
20 requirement shall apply.

21
22 This procurement policy shall govern all purchasing activities that relate to
23 any aspect of the National School Lunch and Breakfast Programs. The
24 district’s goal is to fully implement all required procurement rules,
25 regulations and policies set forth in 2 CFR 200, 7 CFR parts 210, 3016 and
26 3019, and by the Nebraska Department of Education.

27
28 **II. Procurement System**
29

30 The District maintains the following purchasing procedures.

31
32 **A. Responsibility for Purchasing**
33

34 The authority to make purchases shall be governed by the District’s
35 purchasing policy, which can be found elsewhere in this section. Except as
36 otherwise provided in the District’s purchasing policy, the acquisition of
37 services, equipment, and supplies shall be centralized in the administration
38 office under the supervision of the superintendent of schools, who shall be
39 responsible for developing and administering the purchasing program of the
40 school district. Purchases or commitments of district funds that are not
41 authorized by this policy will be the responsibility of the person making the
42 commitment.

44 **B. Methods of Purchasing**

45
46 The type of purchase procedures required depends on the cost of the item(s)
47 being purchased.

48
49 **1. Purchases up to \$10,000(Micro-Purchases)**

50
51 Micro-purchase means a purchase of supplies or services using simplified
52 acquisition procedures, the annual aggregate amount of which does not
53 exceed \$10,000. Micro-purchases may be made or awarded without
54 soliciting competitive quotations, to the extent district staff determine that
55 the cost of the purchase is reasonable. For purposes of this policy
56 "reasonable" means the purchase is comparable to market prices for the
57 geographic area.

58
59 To the extent practicable, the District distributes micro-purchases equitably
60 among qualified suppliers. The District will follow its standard policy on
61 purchasing, which can be found earlier in this subsection.

62
63 **2. Purchases between \$10,000 and \$250,000 (Small**
64 **Purchase Procedures)**

65
66 Small purchases are purchases that, in the aggregate amount, is more than
67 \$10,000 and less than \$250,000 annually. For small purchases, price or
68 rate quotes shall be obtained in advance from a reasonable number of
69 qualified sources as detailed in the district's standard policies on purchasing
70 and on bid letting and contracts, which can be found earlier in this
71 subsection.

72
73 **3. Purchases Over \$250,000**

74
75 a) Sealed Bids (Formal Advertising)

76
77 For purchases over \$250,000, the district will generally follow the bidding
78 process outlined in the board's policy on Bidding for Construction,
79 Remodeling, Repair or Site Improvement.

80
81 b) Contract/Price Analysis

82
83 The District performs a cost or price analysis in connection with every
84 procurement action in excess of \$250,000, including contract modifications.
85 The district will make an independent estimate of costs prior to receiving
86 bids or proposals.

88 **4. Noncompetitive Proposals (Sole Sourcing)**

89
90 a) Procurement by noncompetitive proposals is
91 procurement through solicitation of a proposal from
92 only one source and may be used only when one or
93 more of the following circumstances apply:

94
95 1) The item is available only from a single source;

96
97 2) The public exigency or emergency for the
98 requirement will not permit a delay resulting from
99 competitive solicitation;

100
101 3) The federal awarding agency or pass-through
102 entity expressly authorizes noncompetitive
103 proposals in response to a written request from
104 the District; or

105
106 4) After solicitation of a number of sources,
107 competition is determined inadequate.

108
109 b) Noncompetitive proposals may only be solicited with the
110 approval of the superintendent or the board. Sufficient
111 and appropriate documentation that justifies the sole
112 sourcing decision must be maintained by the
113 superintendent or designee.

114
115 c) A cost or price analysis will be performed for
116 noncompetitive proposals when the price exceeds
117 \$250,000.

118
119 **C. Use of Purchase (Debit & Credit) Cards**

120
121 District use of purchase cards is subject to the policy on purchase cards
122 which can be found elsewhere in this subsection.

123
124 **D. Federal Procurement System Standards**

125
126 The district's procurement transactions will be conducted in a manner
127 providing full and open competition consistent with 2 C.F.R §200.319.

128
129 The District will maintain and follow general procurement standards
130 consistent with 2 C.F.R. §200.318.

132 **E. Debarment and Suspension**

133
134 The District awards contracts only to responsible contractors possessing the
135 ability to perform successfully under the terms and conditions of a proposed
136 procurement. Consideration will be given to such matters as contractor
137 integrity, compliance with public policy, record of past performance, and
138 financial and technical resources.

139
140 The District may not subcontract with or award sub-grants to any person or
141 company who is debarred or suspended. For all contracts over \$25,000 the
142 District verifies that the vendor with whom the District intends to do
143 business with is not excluded or disqualified. 2 C.F.R. Part 200, Appendix
144 II(1) and 2 C.F.R. §§ 180.220 and 180.300.

145
146 The District will verify debarment or suspension by revising the excluded
147 parties list on SAM.gov, collecting a certification through the bidding
148 process, and/or by including a debarment and suspension provision in the
149 bid and contract documents. The Superintendent or his/her designee shall be
150 responsible for such verification.

151
152 **F. Settlements of Issues Arising Out of Procurements**

153
154 The District alone is responsible, in accordance with good administrative
155 practice and sound business judgment, for the settlement of all contractual
156 and administrative issues arising out of procurements. These issues include,
157 but are not limited to, source evaluation, protests, disputes, and claims.
158 These standards do not relieve the District of any contractual responsibilities
159 under its contracts. Violations of law will be referred to the local, state, or
160 federal authority having proper jurisdiction.

161
162 **III. Conflict of Interest and Code of Conduct**

163
164 **A. Board and staff member conflicts of interest are governed by**
165 **the district's conflict of interest policies.**

166
167 **B. Purchases covered by this policy are subject to the following**
168 **additional provisions.**

- 169
170 **1.** Employees, officers, and agents engaged in the selection,
171 award, and/or administration of district contracts which are
172 prohibited from engaging in such actions if a real or apparent
173 conflict of interest is present.
174

- 175 **2.** Such a conflict of interest would arise when the employee,
176 officer, or agent, any member of his or her immediate family,
177 his or her partner, or an organization which employs or is
178 about to employ any of the parties indicated herein, has a
179 financial or other interest in or a tangible personal benefit
180 from a firm considered for a contract.
181
- 182 **3.** The board may determine at its discretion that a financial
183 interest is not substantial enough to give rise to a conflict of
184 interest.
185

186 **C. Favors and Gifts**
187

188 The officers, employees, and agents of the District may neither solicit nor
189 accept gratuities, favors, or anything of monetary value from contractors or
190 parties to subcontracts, with the limited exception of unsolicited items of
191 nominal value.
192

193 **D. Enforcement**
194

195 Disciplinary Actions will be applied for violations of such standards by
196 officers, employees, or agents of the District at the board’s discretion.
197

198 **IV. Property Management Systems**
199

200 **A. Property Classifications**
201

- 202 **1.** Equipment means tangible personal property (including
203 information technology systems) having a useful life of more
204 than one year and a per-unit acquisition cost which equals or
205 exceeds the lesser of the capitalization level established by
206 the District for financial statement purposes, or \$5,000.
207
- 208 **2.** Supplies means all tangible personal property other than
209 those described in §200.33 Equipment. A computing device
210 is a supply if the acquisition cost is less than the lesser of the
211 capitalization level established by the District for financial
212 statement purposes or \$5,000, regardless of the length of its
213 useful life. 2 C.F.R. §200.94.
214
- 215 **3.** Computing Devices means machines used to acquire, store,
216 analyze, process, and publish data and other information
217 electronically, including accessories (or “peripherals”) for

218 printing, transmitting and receiving, or storing electronic
219 information. 2 C.F.R. §200.20.

220
221 **4.** Capital Assets means tangible or intangible assets used in
222 operations having a useful life of more than one year which
223 are capitalized in accordance with GAAP. Capital assets
224 include:

225
226 a) Land, buildings (facilities), equipment, and intellectual
227 property (including software) whether acquired by
228 purchase, construction, manufacture, lease-purchase,
229 exchange, or through capital leases; and

230
231 b) Additions, improvements, modifications, replacements,
232 rearrangements, reinstallations, renovations or
233 alterations to capital assets that materially increase
234 their value or useful life (not ordinary repairs and
235 maintenance). 2 C.F.R. §200.12.

236
237 **B. Inventory Procedure**

238
239 Newly purchased property shall be received and inspected by the staff
240 member who ordered it to ensure that that it matches the purchase order,
241 invoice, or contract and that it is in acceptable condition.

242
243 Equipment, Computing Devices, and Capital Assets must be tagged with an
244 identification number, manufacturer, model, name of individual who tagged
245 the item, and date tagged).

246
247 **C. Inventory Records**

248
249 For equipment, computing devices, and capital assets purchased with federal
250 funds, the following information is maintained in the property management
251 system:

- 252 **1.** Serial number;
253 **2.** District identification number;
254 **3.** Manufacturer;
255 **4.** Model;
256 **5.** Date tagged and individual who tagged it;
257 **6.** Source of funding for the property;
258 **7.** Who holds title;
259 **8.** Acquisition date and cost of the property;
260 **9.** Percentage of federal participation in the project costs for the
261 federal award under which the property was acquired;

- 262 **10.** Location, use and condition of the property; and
- 263 **11.** Any ultimate disposition data including the date of disposal
- 264 and sale price of the property.

265
266 The inventory list shall be adjusted by the superintendent of schools or
267 his/her designee for property that is sold, lost, stolen, cannot be repaired, or
268 that cannot be located.

269
270 **D. Physical Inventory**

- 271
- 272 **1.** A physical inventory of the property must be taken and the
- 273 results reconciled with the property records at least once
- 274 every two years.
- 275
- 276 **2.** The Superintendent or his/her designee will ensure that the
- 277 physical inventory is performed. The physical inventory will
- 278 generally occur during the months of June or July, but may be
- 279 conducted during other time periods with the approval of the
- 280 superintendent.

281
282 **E. Maintenance**

283
284 In accordance with 2 C.F.R. 313(d)(4), the District maintains adequate
285 maintenance procedures to ensure that property is kept in good condition.

286
287 **F. Lost or Stolen Items**

288
289 The District maintains a control system that ensures adequate safeguards
290 are in place to prevent loss, damage, or theft of the property.

291
292 **G. Use of Equipment**

293
294 Equipment must be used in the program or project for which it was acquired
295 as long as needed, whether or not the project or program continues to be
296 supported by the federal award, and the District will not encumber the
297 property for any non-federal program use without prior approval of the
298 federal awarding agency and the pass-through entity.

299
300 **H. Disposal of Equipment**

301
302 When it is determined that original or replacement equipment acquired
303 under a federal award is no longer needed for the original project or
304 program or for other activities currently or previously supported by a federal
305 awarding agency, the Superintendent or his/her designee will contact the

306 awarding agency (or pass-through for a state-administered grant) for
307 disposition instructions.

308
309 If the item has a current FMV of \$5,000 or less, it may be retained, sold, or
310 otherwise disposed of with no further obligation to the federal awarding
311 agency.

312
313 **V. Other Contract Matters.**

314
315 **A. Required Terms**

316
317 The non-Federal entity's contracts must contain the applicable provisions
318 required by section 200.326 and described in Appendix II to Part 200—
319 Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

320
321 **B. Contracting with Certain Vendors**

322
323 Pursuant to the standards contained in 2 C.F.R. § 200.321, the District will
324 take all necessary affirmative steps to assure that minority businesses,
325 women's business enterprises, and labor surplus area firms are used when
326 possible consistent with state law.

327
328 To the maximum extent practicable, the school food program shall purchase
329 domestic commodities or products produced in US or processed in US
330 substantially using agricultural commodities produced in US.

331
332 **C. Record Keeping**

333
334 **1. Record Retention**

335
336 a) The District maintains all records that fully show (1) the
337 amount of funds under the grant or subgrant; (2) how
338 the subgrantee uses those funds; (3) the total cost of
339 each project; (4) the share of the total cost of each
340 project provided from other sources; (5) other records
341 to facilitate an effective audit; and (6) other records to
342 show compliance with federal program requirements.
343 34 C.F.R. §§ 76.730-.731 and §§ 75.730-.731. The
344 District also maintains records of significant project
345 experiences and results. 34 C.F.R. § 75.732. These
346 records and accounts must be retained and made
347 available for programmatic or financial audit.

348

349 b) The U.S. Department of Education is authorized to
350 recover any federal funds misspent within 5 years
351 before the receipt of a program determination letter.
352 34 C.F.R. § 81.31(c). Schedule 10 (Local School
353 Districts) and Schedule 24 (Local Agencies General
354 Records) of the Nebraska Records Management Division
355 as approved by the Nebraska Secretary of State/State
356 Records Administrator requires the District to maintain
357 records regarding federal awards for a minimum of six
358 (6) years. Consequently, the District shall retain
359 records for a minimum of six (6) years from the date on
360 which the final Financial Status Report is submitted,
361 unless otherwise notified in writing to extend the
362 retention period by the awarding agency, cognizant
363 agency for audit, oversight agency for audit, or
364 cognizant agency for indirect costs. However, if any
365 litigation, claim, or audit is started before the expiration
366 of the record retention period, the records will be
367 retained until all litigation, claims, or audit findings
368 involving the records have been resolved and final
369 action taken. 2 C.F.R. § 200.333.

370
371 c) Records will be destroyed in compliance with Schedule
372 10, Schedule 24, and State law. This includes the
373 completion of a Records Disposition Report.
374

375 2. Maintenance of Procurement Records

376
377 a) The District must maintain records sufficient to detail
378 the history of all procurements. These records will
379 include, but are not necessarily limited to the following:
380 rationale for the method of procurement, selection of
381 contract type, contractor selection or rejection, the
382 basis for the contract price (including a cost or price
383 analysis), and verification that the contractor is not
384 suspended or debarred.

385
386 b) Retention of procurement records shall be in accordance
387 with applicable law and Board policy.
388

389 D. Privacy

390
391 The District has protections in place to ensure that the personal information
392 of both students and employees is protected. These include the use of

393 passwords that are changed on a regular basis; staff training on the
394 requirements of the Family Educational Rights and Privacy Act (FERPA) and
395 State confidentiality requirements; and training on identifying whether an
396 individual requesting access to records has the right to the documentation.

397

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399 Revised on: _____

400 Reviewed on: December 11, 2018

401