

ADMINISTRATION OF FEDERAL GRANT FUNDS

The Shaker Regional School Board (SRSB) accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available on behalf of the Shaker Regional School District (SRSD). The SRSB intends to administer federal grant awards efficiently, effectively and in compliance with all requirements imposed by law, the awarding agency and the New Hampshire Department of Education (NHDOE) or other applicable pass-through entity.

This policy establishes the minimum standards regarding internal controls and grant management to be used by the SRSD in the administration of any funds received by the SRSD through Federal grant programs as required by applicable NH and Federal laws or regulations, including, without limitation, the Uniform Grant Guidance (UGG).

Notwithstanding any other policy of the District, all funds awarded directly or indirectly through any Federal grant or subsidy programs shall be administered in accordance with this Policy, and any administrative procedures adopted implementing this Policy.

The SRSB directs the Superintendent or his/her designee to develop, monitor, and enforce effective administrative procedures and other internal controls over federal awards as necessary in order to provide reasonable assurances that the SRSD is managing the awards in compliance with all requirements for federal grants and awards. Systems and controls must meet all requirements of federal and/or law and regulation and shall be based on best practices.

The Superintendent is directed to assure that all individuals responsible for the administration of a federal grant or award shall be provided sufficient training to carry out their duties in accordance with all applicable requirements for the federal grant or award and this policy.

To the extent not covered by this Policy, the administrative procedures and internal controls must provide for:

1. identification of all federal funds received and expended and their program source;
2. accurate, current, and complete disclosure of financial data in accordance with federal requirements;
3. records sufficient to track the receipt and use of funds;
4. effective control and accountability over assets to assure they are used only for authorized purposes and
5. comparison of expenditures against budget.

1 ALLOWABILITY

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

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9 A. **Cost Principles:** Except whether otherwise authorized by statute, costs
10 shall meet the following general criteria in order to be allowable under
11 Federal awards:

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13 1. Be “necessary” and “reasonable” for proper and efficient
14 performance and administration of the Federal award and be
15 allocable thereto under these principles.

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17 a. To determine whether a cost is “reasonable”, consideration shall be given
18 to:

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20 i. whether a cost is a type generally recognized as ordinary and
21 necessary for the operation of the SRSD or the proper and
22 efficient performance of the Federal award;

23
24 ii. the restraints or requirements imposed by such factors as
25 sound business practices, arm’s length bargaining, Federal,
26 State, local, tribal and other laws and regulations;

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28 iii. market prices for comparable goods or services for the
29 geographic area;

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31 iv. whether the individuals concerned acted with prudence in the
32 circumstances considering their responsibilities; and

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34 v. whether the cost represents any significant deviation from the
35 established practices or SRSB policy which may increase the
36 expense. While Federal regulations do not provide specific
37 descriptions of what satisfied the “necessary” element
38 beyond its inclusion in the reasonableness analysis above,
39 whether a cost is necessary is determined based on the
40 needs of the program. Specifically, the expenditure must be
41 necessary to achieve an important program objective. A key
42 aspect in determining whether a cost is necessary is whether
43 the SRSD can demonstrate that the cost addresses an
44 existing need and can prove it.

45
46 b. When determining whether a cost is “necessary”, consideration may be
47 given to whether:

48
49 i. the cost is needed for the proper and efficient

1 retained, along with any documentation identifying the need and purpose
2 for such expenditure if not otherwise clear.

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4 **B. Selected Items of Cost:** The SRSD shall follow the rules for selected items of
5 cost at 2 C.F.R. Part 200, Subpart E when charging these specific expenditures
6 to a Federal grant. When applicable, SRSD staff shall check costs against the
7 selected items of cost requirements to ensure the cost is allowable. In addition,
8 State, SRSD and program-specific rules, including the terms and conditions of
9 the award, may deem a cost as unallowable and SRSD personnel shall follow
10 those rules as well.

11
12 **C. Cost Compliance:** The Superintendent shall require that grant program funds
13 are expended and are accounted for consistent with the requirements of the
14 specific program and as identified in the grant application. Compliance monitoring
15 includes accounting for direct or indirect costs and reporting them as permitted or
16 required by each grant.

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18 **D. Determining Whether A Cost is Direct or Indirect**

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20 1. "Direct costs" are those costs that can be identified specifically with a
21 particular final cost objective, such as a Federal award, or other internally
22 or externally funded activity, or that can be directly assigned to such
23 activities relatively easily with a high degree of accuracy.

24
25 These costs may include: salaries and fringe benefits of employees working
26 directly on a grant-funded project; purchased services contracted for
27 performance under the grant; travel of employees working directly on a grant-
28 funded project; materials, supplies, and equipment purchased for use on a
29 specific grant; and infrastructure costs directly attributable to the program
30 (such as long distance telephone calls specific to the program, etc.).

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

38
39 These costs may include: general data processing, human resources,
40 utility costs, maintenance, accounting, etc.

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

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2 The salaries of administrative and clerical staff should normally be treated as indirect
3 costs. Direct charging of these costs may be appropriate only if **all** the following
4 conditions are met:

- 5
- 6 a. Administrative or clerical services are integral to a project or activity.
 - 7
 - 8 b. Individuals involved can be specifically identified with the project or activity.
 - 9
 - 10 c. Such costs are explicitly included in the budget or have the prior written
 - 11 approval of the Federal awarding agency.
 - 12
 - 13 d. The costs are not also recovered as indirect costs.
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15 Where a Federal program has a specific cap on the percentage of
16 administrative costs that may be charged to a grant, that cap shall include
17 all direct administrative charges as well as any recovered indirect
18 charges.

19
20 Effort should be given to identify costs as direct costs whenever practical,
21 but allocation of indirect costs may be used where not prohibited and
22 where indirect cost allocation is approved ahead of time by NHDOE or the
23 pass-through entity (Federal funds subject to 2 C.F.R Part 200 pertaining
24 to determining indirect cost allocation).

25
26 **E. Timely Obligation of Funds:** Obligations are orders placed for property and
27 services, contracts and subawards made, and similar transactions during a given
28 period that require payment by the non-Federal entity during the same or a
29 future period.

30
31 The following are examples of when funds are determined to be “obligated”
32 under applicable regulation of the U.S. Department of Education:

33
34 When the obligation is for:

- 35 1. Acquisition of property – on the date which the SRSD makes a
- 36 binding written commitment to acquire the property.
- 37
- 38 2. Personal services by an employee of the SRSD – when
- 39 the services are performed.
- 40
- 41 3. Personal services by a contractor who is not an employee of the
- 42 SRSD – on the date which the SRSD makes a binding written
- 43 commitment to obtain the services.
- 44
- 45 4. Public utility services – when the SRSD received the services.
- 46
- 47

- 1 5. Travel – when the travel is taken.
- 2
- 3 6. Rental of property – when the SRSD uses the property.
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- 5 7. A pre-agreement cost that was properly approved by the SRSB
- 6 under the cost principles in 2 C.F.R. Part 200, Subpart E – Cost
- 7 Principles – on the first day of the project period.
- 8

9 **F. Period of Performance:** All obligations must occur on or between the beginning
10 and ending dates of the grant project. This period of time is known as the period
11 of performance. The period of performance is dictated by statute and will be
12 indicated in the Grant Award Notification (“GAN”). As a general rule, State-
13 administered Federal funds are available for obligation within the year that
14 Congress appropriates the funds for. However, given the unique nature of
15 educational institutions, for many Federal education grants, the period of
16 performance is twenty- seven (27) months. This maximum period includes a
17 fifteen (15) month period of initial availability, plus a twelve (12) month period of
18 carry over. For direct grants, the period of performance is generally identified in
19 the GAN.

20

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

27

28 For both State-administered and direct grants, regardless of the period of
29 availability, the SRSD shall liquidate all obligations incurred under the award not
30 later than forty-five (45) days after the end of the funding period unless an
31 extension is authorized. Any funds not obligated within the period of
32 performance or liquidated within the appropriate timeframe are said to lapse and
33 shall be returned to the awarding agency. Consistently, the SRSD shall closely
34 monitor grant spending throughout the grant cycle.

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37 **CASH MANAGEMENT AND FUND CONTROL**

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39 Payment methods must be established in writing that minimize the time elapsed
40 between the drawdown of federal funds and the disbursement of those funds.
41 Standards for funds control and accountability must be met as required by the
42 Uniform Guidance for advance payments and in accordance with the
43 requirements of NHDOE or other applicable pass-through-entity.

44

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

1
2 The SRSD's payment methods shall minimize the time elapsing between the
3 transfer of funds from the United States Treasury or the NHDOE (pass-through
4 entity) and disbursement by the SRSD, regardless of whether the payment is
5 made by electronic fund transfer, or issuance or redemption of checks,
6 warrants, or payment by other means.

7
8 The SRSD shall use forms and procedures required by the NHDOE, grantor
9 agency or other pass-through entity to request payment. The SRSD shall
10 request grant fund payments in accordance with the provisions of the grant.
11 Additionally, the SRSD's financial management systems shall meet the
12 standards for fund control and accountability as established by the awarding
13 agency.

14
15 The Superintendent or designee is authorized to submit requests for advance
16 payments and reimbursements at least monthly when electronic fund transfers
17 are not used, and as often as deemed appropriate when electronic transfers
18 are used, in accordance with the provisions of the Electronic Fund Transfer Act
19 (15 U.S.C. 1693-1693r).

20
21 **PROCUREMENT**
22

23 All purchases for property and services made using federal funds must be
24 conducted in accordance with all applicable Federal, State and local laws and
25 regulations, the Uniform Guidance, and the SRSD's written policies and
26 procedures.

27
28 Procurement of all supplies, materials equipment, and services paid for from
29 Federal funds or SRSD matching funds shall be made in accordance with all
30 applicable Federal, State, and local statutes and/or regulations, the terms and
31 conditions of the Federal grant, SRSD policies, and procedures.

32
33 The Superintendent shall maintain a procurement and contract administration
34 system in accordance with the USDOE requirements (2 CFR 200.317-.326) for
35 the administration and management of Federal grants and Federally-funded
36 programs. The SRSD shall maintain a contract administration system that
37 requires contractors to perform in accordance with the terms, conditions, and
38 specifications of their contracts or purchase orders. Except as otherwise noted,
39 procurement transactions shall also conform to the provisions of the SRSD's
40 documented general purchase Policy DJ – Purchasing.

41
42 The SRSD avoids situations that unnecessarily restrict competition and avoids
43 acquisition of unnecessary or duplicative items. Individuals or organizations that
44 develop or draft specifications, requirements, statements of work, and/or
45 invitations for bids, requests for proposals, or invitations to negotiate, are
46 excluded from competing for such purchases. Additionally, consideration shall be
47 given to consolidating or breaking out procurements to obtain a more

1 economical purchase. And, where appropriate, an analysis shall be made to
2 lease versus purchase alternatives, and any other appropriate analysis to
3 determine the most economical approach. These considerations are given as
4 part of the process to determine the allowability of each purchase made with
5 Federal funds.

6
7 Contracts are awarded only to responsible contractors possessing the ability to
8 perform successfully under the terms and conditions of a proposed
9 procurement. Consideration is given to such matters as contractor integrity,
10 compliance with public policy, record of past performance, and financial and
11 technical resources. No contract is awarded to a contractor who is suspended or
12 debarred from eligibility for participation in federal assistance programs or
13 activities.

14
15 Purchasing records are sufficiently maintained to detail the history of all
16 procurements and must include at least the rationale for the method of
17 procurement, selection of contract type, and contractor selection or rejection; the
18 basis for the contract price; and verification that the contractor is not suspended
19 or debarred.

20
21 To foster greater economy and efficiency, the SRSD may enter into State and
22 local intergovernmental agreements where appropriate for procurement or use
23 of common or shared goods and services.

24
25 **A. Competition:** All procurement transactions shall be conducted in a manner
26 that encourages full and open competition and that is in accordance with
27 good administrative practice and sound business judgement. In order to
28 promote objective contractor performance and eliminate unfair competitive
29 advantage, the SRSD shall exclude any contractor that has developed or
30 drafted specifications, requirements, statements of work, or invitations for
31 bids or requests for proposals from competition for such procurements.

32
33 Some of the situations considered to be restrictive of competition include, but are
34 not limited to, the following:

- 35 1. unreasonable requirements on firms in order for them to qualify to do business;
- 36 2. unnecessary experience and excessive bonding requirements;
- 37 3. noncompetitive contracts to consultants that are on retainer contracts;
- 38 4. organizational conflicts of interest;
- 39 5. specification of only a "brand name" product instead of allowing for an "or
40 equal" product to be offered and describing the performance or other
41 relevant requirements of the procurement; and/or
- 42 6. any arbitrary action in the procurement process.

43
44 Further, the SRSD does not use statutorily or administratively imposed
45 State, local, or tribal geographical preferences in the evaluation of bids or

1 proposals, unless (1) an applicable Federal statute expressly mandates or
2 encourages a geographic preference; (2) the SRSD is contracting for
3 architectural and engineering services, in which case geographic location
4 may be a selection criterion provided its application leaves an appropriate
5 number of qualified firms, given the nature and size of the project, to
6 compete for the contract.

7
8 To the extent that the SRSD uses a pre-qualified list of persons, firms or products
9 to acquire goods and services, the pre-qualified list must include enough
10 qualified sources as to ensure maximum open and free competition. The SRSD
11 allows vendors to apply for consideration to be placed on the list as requested.

12
13 **B. Solicitation Language:** The SRSD shall require that all solicitations incorporate
14 a clear and accurate description of the technical requirements for the material,
15 product, or service to be procured. Such description shall not, in competitive
16 procurements, contain features which unduly restrict competition. The description
17 may include a statement of the qualitative nature of the material, product or
18 service to be procured and, when necessary, shall set forth those minimum
19 essential characteristics and standards to which it shall conform if it is to satisfy
20 its intended use. Detailed product specifications should be avoided if at all
21 possible.

22
23 When it is impractical or uneconomical to make a clear and accurate description
24 of the technical requirements, a “brand name or equivalent” description may be
25 used as a means to define the performance or other salient requirements of
26 procurement. The specific features of the named brand which shall be met by
27 offers shall be clearly stated; and identify all requirements which the offerors shall
28 fulfill and all other factors to be used in evaluating bids or proposals.

29
30 The SRSB will not approve any expenditure for an unauthorized purchase or
31 contract.

32
33 **C. Procurement Methods:** The SRSD shall utilize the following methods of
34 procurement:

35
36 1. Micro-purchases

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38 Procurement by micro-purchase is the acquisition of supplies or services, the
39 aggregate dollar amount of which does not exceed \$10,000. To the extent
40 practicable, the SRSD shall distribute micro-purchase equitably among qualified
41 suppliers. Micro-purchases may be made without soliciting competitive
42 quotations if the Superintendent considers the price to be reasonable. The
43 SRSD maintains evidence of this reasonableness in the records of all purchases
44 made by this method.

45
46 2. Small Purchases (Simplified Acquisition)

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2 Small purchase procedures provide for relatively simple and informal
3 procurement methods for securing services, supplies, and other property that
4 does not exceed the competitive bid threshold of \$250,000. Small purchase
5 procedures require that price or rate quotations shall be obtained from an
6 adequate number of qualified sources.

7
8 3. Sealed Bids
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10 Sealed, competitive bids shall be obtained when the purchase of, and contract
11 for, single items of supplies, materials, or equipment which amounts to
12 \$250,000 and when the SRSB determines to build, repair, enlarge, improve, or
13 demolish a school building/facility the cost of which will exceed \$250,000.

14
15 a. In order for sealed bidding to be feasible, the following conditions shall be
16 present:

- 17
18 i. a complete, adequate, and realistic specification or purchase
19 description is available;
20
21 ii. two (2) or more responsible bidders are willing and able to
22 compete effectively for the business; and
23
24 iii. the procurement lends itself to a firm fixed price contract and the
25 selection of the successful bidder can be made principally on the
26 basis of price.

27
28 b. When sealed bids are used, the following requirements apply:

- 29
30 i. Bids shall be solicited in accordance with the provisions of State
31 law and Policy DJE – Bidding Requirements. Bids shall be
32 solicited from an adequate number of qualified suppliers,
33 providing sufficient response time prior to the date set for the
34 opening of bids. The invitation to bid shall be publicly advertised.
35
36 ii. The invitation for bids will include product/contract specifications
37 and pertinent attachments and shall define the items and/or
38 services required in order for the bidder to properly respond.
39
40 iii. All bids will be opened at the time and place prescribed in the
41 invitation for bids; bids will be opened publicly.
42
43 iv. A firm fixed price contract award will be made in writing to the
44 lowest responsive and responsible bidder. Where specified in
45 bidding documents, factors such as discounts, transportation cost,
46 and life cycle costs shall be considered in determining which bid is
47 lowest. Payment discounts may only be used to determine the low
48 bid when prior experience indicates that such discounts are usually

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- b. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- c. the Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the SRSD; and/or
- d. after solicitation of a number of sources, competition is determined to be inadequate.

D. Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms: The SRSD must take necessary affirmative steps to assure that minority businesses, women’s business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

E. Contract/Price Analysis: The SRSD shall perform a cost or price analysis in connection with every procurement action in excess of \$250,000 (i.e., the Simplified Acquisition/Small Purchase limit), including contract modifications. (See 2 CFR 200.323(a)). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the SRSD shall come to an independent estimate prior to receiving bids or proposals.

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When performing a cost analysis, the SRSD 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.

F. Time and Materials Contracts: The SRSD shall use a time and materials type contract only (1) after a determination that no other contract is suitable; and (2) if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and materials type contract means a contract whose cost to the SRSD 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 efficiently. Therefore, the SRSD sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the SRSD shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls, and otherwise performs in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

G. Suspension and Disbarment: The SRSD 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 SRSD and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the SRSD 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 SRSD is subject to and shall abide by the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR Part 180.

Suspension is an action taken by the SRSD 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 ensure. A person so excluded is suspended. (See 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

1 Acquisition Regulation (48 CFR chapter 1). A person so excluded is debarred.
2 (See 2 CFR Part 180 Subpart H).

3
4 The SRSD shall not subcontract with or award sub-grants to any person or
5 company who is debarred or suspended. For contracts over \$25,000 the SRSD
6 shall confirm that the vendor is not debarred or suspended by either checking the
7 Federal government's System for Award Management ("SAM"), which maintains
8 a list of such debarred or suspended vendors at www.sam.gov (which replaced
9 the former Excluded Parties List System or EPLS); or collecting a certification
10 from the vendor. (See 2 CFR Part 180 Sub part C).

11
12 Documentation that debarment/suspension was queried must be retained for
13 each covered transaction as part of the documentation required in accordance
14 with Maintenance of Procurement Records, paragraph J. This documentation
15 should include the date(s) queried and copy(ies) of the SAM result report/screen
16 shot, or a copy of the or certification from the vendor. It should be attached to
17 the payment backup and retained for future audit review.

18
19 **H. Additional Requirements for Procurement Contracts Using Federal Funds:**
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- 21 1. For any contract using Federal funds under which the contract amount
22 exceeds the upper limit for Simplified Acquisition/Small Purchases (see
23 Procurement Methods; 2- Small Purchases [Simplified Acquisition]), the
24 contract must address administrative, contractual, or legal remedies in
25 instances where contractors violate or breach contract terms, and must
26 provide for sanctions and penalties. (See 2 CFR 200, Appendix II(A)).
27
- 28 2. For any contract using Federal funds under which the contract amount
29 exceeds \$10,000, it must address the SRSD's authority to terminate
30 the contract for cause and for convenience, including the manner by
31 which termination will be effected and the basis for settlement. (See 2
32 CFR 200, Appendix II(B)). For any contract using Federal funds under
33 which the contract amount exceeds \$150,000, the contract must
34 include clauses addressing the Clean Air Act and the Federal Water
35 Pollution Control Act. (See 2 CFR 200, Appendix II(G)).
36
- 37 3. For any contract using Federal funds under which the contract
38 exceeds \$100,000, the contract must include an anti-lobbying clause,
39 and require bidders to submit Anti-Lobbying Certification as required
40 under 2 CFR 200, Appendix II (J).
41
- 42 4. For each contract using Federal funds and for which there is no price
43 competition, and for each Federal fund contract in which a cost
44 analysis is performed, the SRSD shall negotiate profit as a separate
45 element of the price. To establish a fair and reasonable profit,
46 consideration must be given to the complexity of the work to be
47 performed, the risk borne by the contractor, the contractor's
48 investment, the amount of subcontracting, the quality of the

1 contractor's past performance, and industry profit rates in the
2 surrounding geographical area for similar work. (See 2 CFR
3 200.323(b)).
4

- 5 **I. Bid Protest:** The SRSD maintains the following protest procedures to
6 handle and resolve disputes relating to procurements and, in all
7 instances, discloses information regarding the protest to the awarding
8 agency.
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10 A bidder who wishes to file a bid protest shall file such notice and follow
11 procedures prescribed by the Request For Proposals (RFPs) or the
12 individual bid specifications package, for resolution. Bid protests shall be
13 filed in writing with the Superintendent within seventy-two (72) hours of the
14 opening of the bids in protest.

15
16 Within five (5) days of receipt of a protest, the Superintendent shall
17 review the protest as submitted and render a decision regarding the
18 merits of the protest and any impact on the acceptance and rejection of
19 bids submitted. Notice of the filing of a bid protest shall be communicated
20 to the SRSB and shall be so noted in any subsequent recommendation
21 for the acceptance of bids and awarding of contracts.

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23 Failure to file a notice of intent to protest, or failure to file a formal written
24 protest within the time prescribed, shall constitute a waiver of
25 proceedings.
26

- 27
28 **J. Maintenance of Procurement Records:** The SRSD shall maintain
29 records sufficient to detail the history of all procurements. These records
30 will include, but are not necessarily limited to, the following: rationale for
31 the method of procurement, selection of contract type, contractor
32 selection or rejection, the basis for the contract price (including a cost or
33 price analysis), and records regarding disbarment/suspension queries or
34 actions. Such records shall be retained consistent with SRSD Policy
35 EHB- Data/Records Retention and SRSD Administrative Procedures R &
36 P – EHB – Local Records Retention Schedule.
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39 **PROCUREMENT – ADDITIONAL PROVISIONS PERTINENT TO FOOD**
40 **SERVICE PROGRAM**
41

42 The following provisions shall be included in all cost reimbursable contracts for
43 food services purchases, including contracts with cost reimbursable provisions,
44 and in solicitation documents prepared to obtain offers for such contracts: (7 CFR
45 Sec. 210.21, 215.14a, 220.16)

- 46
47 **A. Mandatory Contract Clauses:** The following provisions shall be

1 included in all cost reimbursable contracts for food services
2 purchases, including contracts with cost reimbursable provisions, and
3 in solicitation documents prepared to obtain offers for such contracts:
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- 5 1. Allowable costs will be paid from the nonprofit school food service account to
6 the contractor net of all discounts, rebates and other applicable credits
7 accruing to or received by the contractor or any assignee under the contract,
8 to the extent those credits are allocable to the allowable portion of the costs
9 billed to the school food authority;
10
- 11 2. The contractor must separately identify for each cost submitted for payment to
12 the school food authority the amount of that cost that is allowable (can be paid
13 from the nonprofit school food service account) and the amount that is
14 unallowable (cannot be paid from the nonprofit school food service account);
15 or
16
- 17 3. The contractor must exclude all unallowable costs from its billing documents
18 and certify that only allowable costs are submitted for payment and records
19 have been established that maintain the visibility of unallowable costs,
20 including directly associated costs in a manner suitable for contract cost
21 determination and verification;
22
- 23 4. The contractor's determination of its allowable costs must be made in
24 compliance with the applicable departmental and program regulations and
25 Office of Management and Budget cost circulars;
26
- 27 5. The contractor must identify the amount of each discount, rebate and other
28 applicable credit on bills and invoices presented to the school food authority
29 for payment and individually identify the amount as a discount, rebate, or in
30 the case of other applicable credits, the nature of the credit. If approved by
31 the state agency, the school food authority may permit the contractor to
32 report this information on a less frequent basis than monthly, but no less
33 frequently than annually;
34
- 35 6. The contractor must identify the method by which it will report discounts,
36 rebates and other applicable credits allocable to the contract that are not
37 reported prior to conclusion of the contract; and
38
- 39 7. The contractor must maintain documentation of costs and discounts,
40 rebates and other applicable credits, and must furnish such
41 documentation upon request to the school food authority, the state
42 agency, or the department.
43

44 **B. Contracts with Food Service Management Companies:** *Procedures for*
45 *selecting and contracting with a food service management company*
46 *shall comply with guidance provided by the NHDOE, including standard*
47 *forms, procedures and timelines for solicitation, selection and approval*
48 *of proposal and contracts.*
49

1 **C. “Buy American” Requirement:**
2

3 Under the “Buy American” provision of the National School Lunch Act (the
4 “NSLA”), school food authorities (SFAs) are required to purchase, to the
5 maximum extent practicable, *domestic commodity or product*. As an SFA, the
6 SRSD is required to comply with the “Buy American” procurement standards set
7 forth in 7 CFR Part 210.21(d) when purchasing commercial food products served
8 in the school meals programs. This requirement applies whether the SRSD is
9 purchasing the products directly or when the products are purchased by third
10 parties on the SRSD’s behalf (e.g., food service management companies, group
11 purchasing cooperatives, shared purchasing, etc.).
12

13 Under the NSLA, “*domestic commodity or product*” is defined as an agricultural
14 commodity or product that is produced or processed in the United States using
15 “*substantial*” agricultural commodities that are produced in the United States. For
16 purposes of the act, “*substantial*” means that over 51 percent of the final
17 processed product consists of agricultural commodities that were grown
18 domestically. Products from Guam, American Samoa, Virgin Islands, Puerto
19 Rico, and the Northern Mariana Islands are allowable under this provision as
20 territories of the United States.
21

22 1. Exceptions: The two main exceptions to the Buy American
23 requirements are:

- 24 a) The product is not produced or manufactured in the U.S. in
25 sufficient and reasonably available quantities of a satisfactory
26 quality; or
27 b) Competitive bids reveal the costs of a U.S. product are
28 significantly higher than the non-domestic product.

29 2. Steps to Comply with Buy American Requirements: In order to
30 help assure that the SRSD remains in compliance with the
31 Buy American requirement, the Business Administrator shall

- 32 a) Include a Buy American clause in all procurement documents
33 (product specifications, bid solicitations, requests for proposals,
34 purchase orders, etc.);
35 b) Monitor contractor performance;
36 c) Require suppliers to certify the origin of the product;
37 d) Examine product packaging for identification of the country of origin;
38 and
39 e) Require suppliers to provide specific information about the
40 percentage of U.S. content in food products from time-to-time.
41
42

43 **CONFLICT OF INTEREST AND MANDATORY DISCLOSURES**
44

1 The SRSD complies with the requirements of State law and the Uniform
2 Guidance for conflicts of interest and mandatory disclosures for all
3 procurements with federal funds.

4
5 Each employee, SRSB member, or agent of the school system who is
6 engaged in the selection, award or administration of a contract supported by a
7 federal grant or award and who has a potential conflict of interest must
8 disclose that conflict in writing to the Superintendent, who, in turn, shall
9 disclose in writing any such potential conflict of interest to NHDOE or other
10 applicable pass-through-entity.

11
12 A conflict of interest would arise when the covered individual, any member of
13 his/her immediate family, his/her partner, or an organization, which employs
14 or is about to employ any of those parties has a financial or other interest in or
15 received a tangible personal benefit from a firm considered for a contract. A
16 covered individual who is required to disclose a conflict shall not participate in
17 the selection, award, or administration of a contract supported by a federal
18 grant or award.

19
20 Covered individuals will not solicit or accept any gratuities, favors, or items
21 from a contractor or a party to a subcontractor for a federal grant or award.
22 Violations of this rule are subject to disciplinary action.

23
24 The Superintendent shall timely disclose in writing to NHDOE or other
25 applicable pass-through- entity, all violations of federal criminal law involving
26 fraud, bribery, or gratuities potentially effecting any federal award. The
27 Superintendent shall fully address any such violations promptly and notify the
28 SRSB with such information as is appropriate under the circumstances (e.g.,
29 taking into account applicable disciplinary processes).

30 **INVENTORY MANAGEMENT - EQUIPMENT AND SUPPLIES PURCHASED**
31 **WITH FEDERAL FUNDS**
32

33 Equipment and supplies acquired (“property” as used in this policy under
34 Inventory Management) with federal funds will be used, managed, and
35 disposed of in accordance with applicable state and federal requirements.

36 Property records and inventory systems shall be sufficiently maintained to
37 account for and track equipment that has been acquired with federal funds.
38 In furtherance thereof, the following minimum standards and controls shall
39 apply to any equipment or pilferable items acquired in whole or in part under a
40 Federal award until such property is disposed in accordance with applicable
41 laws, regulations and SRSB policies:

- 42
43 A. **“Equipment” and “Pilferable Items” Defined:** For purposes of this
44 policy, “equipment” means tangible personal property (including
45 information technology systems) having a useful life of more than one
46 year and a per-unit acquisition cost which equals or exceeds the lesser of

1 \$5,000, or the capitalization level established by the SRSD for financial
2 statement purposes. "Pilferable items" are those items, *regardless of*
3 *cost*, which may be easily lost or stolen, such as cell phones, tablets,
4 graphing calculators, software, projectors, cameras and other video
5 equipment, computer equipment and televisions.

6
7 **B. Records:** The Superintendent or designee shall maintain records that
8 include a description of the property; a serial number or other
9 identification number; the source of the funding for the property (including
10 the federal award identification number (FAIN)); who holds title; the
11 acquisition date; the cost of the property; the percentage of the federal
12 participation in the project costs for the federal award under which the
13 property was acquired; the location, use, and condition of the property;
14 and any ultimate disposition data, including the date of disposition and
15 sale price of the property.

16
17 **C. Inventory:** No less than once every two years, the Superintendent or
18 designee shall cause a physical inventory of all equipment and pilferable
19 items must be taken and the results reconciled with the property records
20 at least once every two years. Except as otherwise provided in this policy
21 under Administration of Federal Grant Funds, inventories shall be
22 conducted consistent with SRSB Policy DID – Capital Assets Policy.

23
24 **D. Control, Maintenance and Disposition:** The Superintendent shall
25 develop administrative procedures relative to property procured in
26 whole or in part with Federal funds to:

- 27
28 1. prevent loss, damage, or theft of the property; Any loss,
29 damage, or theft must be investigated;
- 30 2. to maintain the property and keep it in good condition; and
- 31 3. to ensure the highest possible return through proper sales
32 procedures, in those instances where the SRSD is authorized to
33 sell the property.

34
35 **TRAVEL REIMBURSEMENT – FEDERAL FUNDS**

36
37 The SRSB shall reimburse administrative, professional and support
38 employees, and school officials, for travel costs incurred in the course of
39 performing services related to official business as a federal grant recipient.

40
41 For purposes of this policy, "travel costs" shall mean the expenses for
42 transportation, lodging, subsistence, and related items incurred by employees
43 and school officials who are in travel status on official business as a federal
44 grant recipient.

1 School officials and SRSD employees shall comply with applicable SRSB
2 policies and administrative regulations established for reimbursement of travel
3 and other expenses.

4
5 The validity of payments for travel costs for all SRSD employees and school
6 officials shall be determined by the Business Administrator.

7
8 Travel costs shall be reimbursed on a mileage basis for travel using an
9 employee's personal vehicle and on an actual cost basis for meals, lodging
10 and other allowable expenses, consistent with those normally allowed in like
11 circumstances in the SRSD's non-federally funded activities, and in
12 accordance with the SRSD's travel reimbursement policies and administrative
13 regulations.

14
15 Mileage reimbursements shall be at the rate approved by the SRSB or SRSB
16 policy for other SRSD travel reimbursements. Actual costs for meals, lodging
17 and other allowable expenses shall be reimbursed only to the extent they are
18 reasonable and do not exceed the per diem limits established by SRSB policy
19 DKC – Expense Reimbursements, or, in the absence of such policy, the federal
20 General Services Administration for federal employees for locale where
21 incurred.

22
23 All travel costs must be presented with an itemized, verified statement prior to
24 reimbursement.

25
26 In addition, for any costs that are charged directly to the federal award, the
27 Business Administrator shall maintain sufficient records to justify that:

- 28
29 A. Participation of the individual is necessary to the federal award.
30
31 B. The costs are reasonable and consistent with SRSB policy.
32

33 34 **ACCOUNTABILITY AND CERTIFICATIONS** 35

36 All fiscal transactions must be approved by the Business Administrator
37 who can attest that the expenditure is allowable and approved under the
38 federal program. The Business Administrator submits all required
39 certifications.

40 41 42 **TIME-EFFORT REPORTING / OVERSIGHT** 43

44 The Superintendent will establish sufficient oversight of the operations of
45 federally supported activities to assure compliance with applicable federal

1 requirements and to ensure that program objectives established by the
2 awarding agency are being achieved. The SRSD will submit all reports as
3 required by federal or state authorities.

4
5 As a recipient of Federal funds, the SRSD shall comply with the Uniform
6 Administrative Requirements, Cost Principles, and Audit Requirements for
7 Federal Awards. Section 200.430 of the Code of Federal Regulations requires
8 certification of effort to document salary expenses charged directly or
9 indirectly against Federally-sponsored projects. This process is intended to
10 verify the compensation for employment services, including salaries and
11 wages, is allocable and properly expended, and that any variances from the
12 budget are reconciled.

13
14 **A. Compensation:** Compensation for employment services includes all
15 remuneration, paid currently or accrued, for services of employees
16 rendered during the period of performance under the Federal award,
17 including but not necessarily limited to wages and salaries. Compensation
18 for personal services may also include fringe benefits, which are
19 addressed in 2 CFR 200.431 Compensation – fringe benefits. Costs of
20 compensation are allowable to the extent that they satisfy the specific
21 requirements of these regulations, and that the total compensation for
22 individual employees:

- 23
24 1. is reasonable for the services rendered, conforms to the SRSD's
25 established written policy, and is consistently applied to both Federal
26 and non-Federal activities; and
- 27
28 2. follows an appointment made in accordance with the SRSD's written
29 policies and meets the requirements of Federal statute, where
30 applicable.

31
32 **B. Time and Effort Reports:** Time and effort reports shall:

- 33
34 1. be supported by a system of internal controls which provide
35 reasonable assurance that the charges are accurate, allowable,
36 and properly allocated;
- 37
38 2. be incorporated into the official records of the SRSD;
- 39
40 3. reasonably reflect the total activity for which the employee is
41 compensated by the SRSD, not exceeding 100% of the
42 compensated activities;
- 43
44 4. encompass both Federally assisted and other activities
45 compensated by the SRSD on an integrated basis;
- 46
47 5. comply with the SRSD's established accounting policies and practices;
- 48

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- 6. 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 SRSD will also follow any time and effort requirements imposed by NHDOE or other pass-through entity as appropriate to the extent that they are more restrictive than the Federal requirements. The Business Administrator is responsible for the collection and retention of employee time and effort reports. Individually reported data will be made available only to authorized auditors or as required by law.

GRANT BUDGET RECONCILIATION

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

The SRSD’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.