

## **MEMORANDUM**

**To:** Board of Trustees

Twin Falls School District 411

**From:** Eva Craner, Director of Public Relations

**Re:** Policy Updates

**Date:** December 10, 2018

### **First Reading:**

#### **ISBA Updates:**

7400 Procurement Management System

7400P1 Procurement Under a Federal Award

7400P2 Procurement Methods Under a Federal Award

7400P3 Requirements and Restrictions for Procurement Under a Federal Award

7400P4 Federal Contract Administration

### **Second Reading:**

#### **ISBA Updates:**

2710 High School Graduation Requirements

7218 Federal Grant Financial Management System

7235 Fiscal Accountability and IDEA Part B Funds

7235F1 Federal Funds Semi-Annual Certification

7235F2 Personnel Activity Report

7235F3 Multiple Cost Objective Time and Effort Certification

7235 P Written Compensation Procedure

7237 Retention of Records Relating to Federal Grants

7320 Allowable Uses of Grant Funds

7320P1 Determining Necessity and Reasonableness of Expenses

7320P2 Selected Items of Cost

7400F Time and Effort Documentation – REMOVE

7430 Travel Allowances and Expenses

7450 Federal Cash Management Policy

7450P1 Timely Obligation of Funds

7450P2 Program Income

9100 Acquisition, Use, and Disposal of School Property

**FINANCIAL MANAGEMENT**

**7400**

Procurement Management System Purchasing

Authorization and Control

It is the policy of this District to conduct its purchasing program in a manner to ensure optimum use of District funds. The Board, or its designee, reserves the right to determine what is in the best interest of the District.

The Superintendent is authorized to direct expenditures and purchases within the limits of the detailed annual budget for the school year and pursuant to State purchasing and federal procurement requirements. Board approval for purchase of capital outlay items is required when the aggregate total of a requisition exceeds \$\_\_\_\_\_, except the Superintendent shall have the authority to make capital outlay purchases without advance approval when it is necessary to protect the interests of the District or the health and safety of the staff or students. The Superintendent shall establish requisition and purchase order procedures as a means of controlling and maintaining proper accounting of the expenditure of funds that align with State purchasing and federal procurement requirements. Staff members shall not obligate the District without express authority. Staff members who obligate the District without proper authorization may be held personally responsible for payment of such obligations.

Bids and Contracts

For micro-purchases up to \$3,000, purchases may be awarded without soliciting competitive bids if the District considers the price to be reasonable. The District shall maintain evidence of this reasonableness in the records of all micro-purchases. If small purchases are between \$3,000 and \$50,000 in cost, the District shall use price or rate quotations obtained from an adequate number of qualified sources and maintain quotations in purchasing records.

With the exception of the purchase of curricular materials, and in accordance with the requirements of Idaho Code, whenever the cost of any construction, repair, or improvement; or the acquisition, purchase, or repair of any equipment; or other personal property necessary for the effective operation of the District exceeds \$50,000 but does not exceed \$100,000, bids shall be called for by issuing written request to at least three vendors ~~public notice~~ as specified in statute as well as following federal procurement requirements. Specifications shall be prepared and be made available to all vendors interested in submitting a bid. The contract shall be awarded to the lowest responsible bidder, except that the Board may reject any bid, reject all bids, or publish notice to rebid the project. If, after calling for bids a second time, no satisfactory bid is received, the Board may proceed under its own direction, subject to the approval of the State Board of Education.

For expenditures exceeding \$100,000, bids shall be called for by issuing public notice as specified in statute as well as following federal procurement requirements. Specifications shall be published in the official newspaper of the District at least two weeks before the opening date, with the second notice to be published in the succeeding week at least seven days before the date that bids are scheduled to be opened. Copies of specifications, bid forms, bidder's instructions, contract documents and general and special instructions shall be made available upon request by any interested bidder.

When purchasing good and services pursuant to Idaho Code, and determining the most qualified bidder for award of the contract, the District, at its sole discretion, may consider not only the amount of the bids, but may also consider additional factors including, but not limited to, the relative experience, ability, references, and integrity of the bidders to do faithful and conscientious work and promptly fulfill the contract according to contract requirements.

Except where a Request for Proposals is advertised, in the event the District awards a contract to a bidder other than the lowest responsive bidder, the Board shall declare its reason or reasons on the record and shall communicate such reason or reasons in writing to all who have submitted a competing bid. The disappointed bidders shall have the right to submit a timely written objection, at which time the District shall stop all work on the project, and shall review its decision and determine whether to affirm its prior award, modify the award, or choose to re-bid, setting forth its reason or reasons therefor. After completion of the review process, the political subdivision may proceed as it deems to be in the public interest.

The Superintendent shall establish bidding and contract awarding procedures that align with State purchasing and federal procurement requirements.

#### Sealed Bids (Formal Advertising)

For purchases over \$150,000, bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all of the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the following conditions apply:

1. A complete, adequate, and realistic specification or purchase description is available;
2. Two 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.

If sealed bids are used, the following requirements apply:

1. Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids.
2. The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

3. All bids will be opened at the time and place prescribed in the invitation for bids.
4. A firm fixed price contract award must be made in writing to the lowest responsive and responsible bidder.

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

### Cooperative Purchasing

~~The District may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the District provided that the purchasing cooperative follows State purchasing and federal procurement requirements.~~

### Personnel Conflicts of Interest

No employee will make any purchase or incur any obligations for or on behalf of the District from any private business, contractor, or vendor in which or with which the employee has a direct or indirect financial or ownership interest.

Purchases or contracted services from any private business or venture in which any employee of this District has a direct or indirect financial or ownership interest will be made on a competitive bid basis strictly in accordance with the following procedures:

1. The interested employee, the business, the contractor, or the vendor will fully disclose, in writing, the employee's exact relationship to the business, the contractor, or the vendor;
2. The affected business, the contractor, or the vendor may submit a bid in compliance with the specifications outlined by the District;
3. The interested employee will not be involved in any part of the bidding process, including but not limited to, preparing specifications, advertising, analyzing, or accepting bids; and
4. This policy will apply to any organization, fund, agency, or other activity maintained or operated by the District.

No employee will solicit gifts, gratuities, favors, prizes, awards, merchandise, or commissions as a result of ordering any items or as a result of placing any purchase order with a business, contractor, or vendor on behalf of the District nor accept anything of monetary value from a business, contractor, or vendor except for unsolicited gifts of \$50 or less in value.

### Procurement Under a Federal Award

~~In addition to the conflicts of interest outlined above, no employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest~~



2 C.F.R. § 180.300 What Must I do Before I Enter into a Covered Transaction with Another Person at the Next Lower Tier?

2 C.F.R. § 200.317 Procurement by States

2 C.F.R. § 200.318 General Procurement Standards

2 C.F.R. § 200.319 General Procurement Standards

2 C.F.R. § 200.320 Methods of Procurement to be Followed

2 C.F.R. § 200.323(b) Contract Cost and Price

2 C.F.R. Part 200, Appendix II(1) Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

Other Reference: Policies and Procedures Used Template, Idaho State Department of Education, <http://www.sde.idaho.gov/sped/funding/>

Policy History:

Adopted on:

Revised on:

Reviewed on:

**FINANCIAL MANAGEMENT**

**7400P1**

Procurement Under a Federal Award

In addition to its other policies and procedures regarding procurement, the District shall adhere to the following requirements when making procurements under a federal award. The District shall:

1. Ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be produced, and set forth those minimum essential characteristics and standards to which the material, product, or service must conform. The District will identify all requirements which bidders must fulfill and all other factors to be used in evaluating bids or proposals.
2. Prohibit the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in cases where applicable federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract
3. Provide a written method for conducting technical evaluations of the proposals received and for selecting recipients, including factors considered for the evaluation; who performs the evaluation, the number of evaluations performed, the timeframe for conducting any evaluations, and the selection of a vendor and whether another position reviews the evaluation.
4. Maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.
5. Avoid acquiring unnecessary or duplicative items;
6. Consider consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.
7. Maintain a list of prequalified persons, firms, or products which are used in acquiring goods and services, and include enough qualified sources to ensure maximum open and free competition.
8. Award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. Consideration

will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

9. Maintain records sufficient to detail the history of procurement. These records will include:
  - A. Rationale for the method of procurement;
  - B. Selection of contract type;
  - C. Contractor selection or rejection; and
  - D. The basis for the contract price.
  
10. The use of a time and materials type contract is prohibited unless the District determines that no other contract is suitable. Time and materials type contract means a contract whose cost to a District is the sum of:
  - A. The actual cost of materials; and
  - B. The direct labor hours charged at 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. When this type of the contract is used, it will include a ceiling price that the contractor exceeds at his or her own risk. The District will assert a high degree of oversight over such contracts in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
  
- ~~11. Be responsible for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes, and claims.~~
  
12. The District will adhere to any additional procurement rules as applicable to specific federal programs, such as federal child nutrition programs.

#### Time and Effort Documentation

~~Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. Such work shall be documented on Form 7400F.~~

#### Procedure History:

Promulgated on:

Revised on:

Reviewed on:



Procurement Methods Under a Federal Award

This procedure shall apply to purchases with federal funds.

Competitive Proposals

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

1. Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;
2. Proposals must be solicited from an adequate number of qualified sources; and
3. Contracts must 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. This 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.

Contract/Price Analysis

The District performs a cost or price analysis in connection with every procurement action in excess of \$50,000, 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 Superintendent must come to an independent estimate prior to receiving bids or proposals. 2 C.F.R. § 200.323(a).

When performing a cost analysis, the District Superintendent negotiates profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's

investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

#### Noncompetitive Proposals (Sole Sourcing)

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

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; or
4. After solicitation of a number of sources, competition is determined inadequate.

A cost or price analysis will be performed for noncompetitive proposals when the price exceeds \$50,000.

#### Full and Open Competition

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

1. Placing unreasonable requirements on firms in order for them to qualify to do business;
2. Requiring unnecessary experience and excessive bonding;
3. Noncompetitive pricing practices between firms or between affiliated companies;
4. Noncompetitive contracts to consultants who are on retainer contracts;
5. Organizational conflicts of interest;
6. Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement; and
7. Any arbitrary action in the procurement process.

#### Procedure History:

Promulgated on:

Revised on:

Reviewed on:

Requirements and Restrictions for Procurement Under a Federal Award

The following shall be required in the case of procurement under a federal grant to ensure adequate competition.

Geographical Preferences Prohibited

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

Prequalified Lists

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

Solicitation Language

The District shall ensure that all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description 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 must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible.

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

Procedure History:

Promulgated on:

Revised on:

Reviewed on:

Federal Contract Administration

The District shall maintain the following oversight requirements to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

The Superintendent shall be responsible for ensuring that contracts for services are adequately fulfilled and completed prior to submission of requests for payment to the Board of Trustees.

Procurement Under a Federal Award

In addition to the conflicts of interest outlined above, no employee, officer, or agent of the District may participate in the selection, award, or administration of a contract supported by a federal award if he or she has a real or apparent conflict of interest. Such conflicts of interest include instances where any of the following has a financial or other interest in or a tangible personal benefit from a firm considered for a contract:

1. The employee, officer, or agent;
2. Any member of his or her immediate family, including spouses, children, and parents;
3. His or her partner. For the purposes of this policy, “partner” shall mean an adult of the same sex or different sex with whom the employee, officer, or agent shares a non-marital intimate relationship and a common residence and with whom they mutually affirm that they share responsibility for each other’s common welfare; or
4. An organization which employs or is about to employ any of the parties listed above.

The following activities are prohibited:

1. The purchase during the school day of any food or service from a District contractor or vendor for individual use;
2. The removal of any food, supplies, equipment, or school property without proper authorization;
3. Individual sales by District personnel of any school property, including used items; and
4. Evaluate bids or proposals that use statutorily or administratively imposed state, local, or tribal geographical preferences, except those cases where federal statutes expressly mandate or encourage geographic preference. In instances where the District is seeking

architectural and engineering services, geographical location may be a selection criterion depending on the nature and size of the project

### Cooperative Purchasing

The District may cooperatively enter into contracts with one or more districts to purchase materials necessary or desirable for the conduct of the business of the District provided that the purchasing cooperative follows State purchasing and federal procurement requirements.

### Purchasing Cards

Any use of purchasing cards shall comply with Policy 7440.

### Mandatory Disclosure

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

### Use of Intergovernmental Agreements

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

### Use of Federal Excess and Surplus Property

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

### Debarment and Suspension

The District may not subcontract with or award subgrants to any person or company that is debarred or suspended. For all contracts over \$25,000, the District shall verify that the vendor with whom the District intends to do business with is not excluded or disqualified. The Business Manager shall be responsible for verification by checking the excluded parties list on Sam.gov.

### Settlement of Issues Arising Out of Procurements

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

## Protest Procedures to Resolve Dispute

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

## Violations

Any District officer, employee, or agent who violates this policy may be subject to disciplinary action, including but not limited to a fine, suspension, or termination. Violations of law will be referred to the local, State, or federal authority having proper jurisdiction.

## Procedure History:

Promulgated on:

Revised on:

Reviewed on:

**STEM Diploma**

The Board may award a STEM Diploma to every student enrolled in the School District who meets the requirements of graduation established by the School District and also completes the following:

1. Eight credits in mathematics;
2. Eight credits in science; and
3. Five credits in the students' choice of any or all subjects of science, technology, engineering, or mathematics.

Students who have completed eight or more credits in mathematics that include Algebra II or a higher-level mathematics class before the student's senior year are not required to take a mathematics class in the student's senior year.

The official transcript will indicate the specific courses taken and level of achievement.



**Cross Reference:** 2700 High School Graduation Requirements  
2700P High School Graduation Requirements

**Legal Reference:** I.C. § 33-523 STEM Diploma  
I.D.A.P.A. 08.02.01.250.02 Required Attendance  
I.D.A.P.A. 08.02.01.350 Early Graduation  
I.D.A.P.A. 08.02.03.105 High School Graduation Requirements  
I.D.A.P.A. 08.02.03.1802 STEM Diploma Math Exemption

Policy History

**ADOPTED:**

**REVISED:**

The District maintains a proper financial management system in order to receive both direct and state-administered grants and to expend funds associated with a grant award. Certain fiscal controls and procedures must be in place to ensure that all financial management system requirements are met.

### Idaho Financial Reporting Management System (IFARMS)

IFARMS provides the basis for complete financial and cost accounting, for the development of program budgets, and for the preparation of periodic financial reports. The uniformity of the system enables the District to fulfill state requirements and provides the flexibility to obtain program and account detail to meet management needs.

### Financial Management Standards

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

- 1. Identification:** The District shall identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include the information described below under “Overview of the Financial Management/Accounting System.”
- 2. Financial Reporting:** Accurate, current, and complete disclosure of the financial results of each federal award or program will be made in accordance with the financial reporting requirements set forth in the Education Department General Administrative Regulations (EDGAR).
- 3. Accounting Records:** The District shall maintain records that adequately identify the source and application of funds provided for federally-assisted activities. These records will contain information pertaining to grant or subgrant awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest, and be supported by source documentation.
- 4. Internal Controls:** Effective control and accountability shall be maintained for all funds, real and personal property, and other assets. The District shall adequately safeguard all such property and shall assure that it is used solely for authorized purposes.

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

- A. Effectiveness and efficiency of operations;
- B. Adequate safeguarding of property;



- C. Assurance property and money is spent in accordance with grant program and to further the selected objectives; and
  - D. Compliance with applicable laws and regulations.
5. **Budget Control:** Actual expenditures or outlays shall be compared with budgeted amounts for each federal award.
  6. **Cash Management:** The District shall maintain written procedures to implement the cash management requirements found in EDGAR. See Policy 7450.
  7. **Allowable Costs:** The District shall maintain written procedures for determining allowability of costs in accordance with EDGAR. See Policy 7320 and Procedure 7320P.

### Overview of the Financial Management/Accounting System

The District accounting system is established to present, with full disclosure, the financial position and results of the financial operations of the District in conformity with generally accepted accounting principles. The accounting system currently used is Ivisons. The system is in compliance with IFARMS, as required by Idaho statute. IFARMS shall be used as the basis for developing program budgets and the preparation of periodic financial reports. The Director of Fiscal Affairs shall be responsible for managing budgets and accounts payable. As required by 34 CFR 200.302, the District shall maintain on file award letters that include Catalog of Federal Domestic Assistance (CFDA) titles and numbers, federal award identification numbers and years, names of the federal awarding agencies, and the name of the State Department of Education (the pass-through entity), for each federal award. The funds are given unique identification numbers in the IFARMS system.

The Director of Fiscal Affairs shall be responsible for preparing financial reports, as required for local, state, and federal agencies, for review and approval by the Board of Trustees. The financial reports shall reflect the financial activity and status of the District. These reports shall include monthly and cumulative expenditures, program budgets, and balances remaining.

### Budgeting

**The Planning Phase: Meetings and Discussions: Before Receiving the Grant Award Notice (GAN):** Superintendent or designee shall be responsible for initial federal grant budget development. Initial budget development shall be based upon estimates of federal program award amounts as provided by the State Department of Education, as well as input from program and administrative staff with respect to individual program staff needs, number and assignments of paraprofessionals relative to program allocations, and need for instructional supplies and equipment. The primary considerations of initial budget development shall be the educational needs of students and the availability of existing District resources for meeting these needs.

Budgets shall be prepared and presented in a format that clearly identifies revenue sources and amounts and budgeted expenditures, in accordance with IFARMS accounting codes, and shall be open for public inspection.

The Superintendent or designee shall present the proposed budget to the Board for final approval of the budget and the policies reflected therein, such as proposed changes or additions to instructional programs and proposed salary schedules. Consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved budget shall be included in the minutes of the Board as documentation of its acceptance and approval.

**After Receiving the GAN:** If the Superintendent or designee determines that final program allocations necessitate revisions to program budgets, he or she, assisted by the Director of Fiscal Affairs with input from federal programs staff, shall discuss, review, and propose budget revisions. If proposed revisions require amendment proposals, the Superintendent or designee will follow protocols of the amendment process.

**Amending the Budget:** The Superintendent or designee shall review and approve any necessary budget amendments and shall submit those amendments to the Board at least seven days in advance of the meeting at which the amendment will be considered. The Board shall have final approval of the amended budget and consideration of the proposed budget shall take place in an open meeting with opportunity for public comment. The approved amended budget shall be included in the minutes of the Board of Trustees as documentation of its acceptance and approval.

**Budget Control:** The Director of Fiscal Affairs shall be responsible for monthly financial reports that monitor budget performance by comparing actual to budgeted revenues and expenditures. Monthly financial reports indicate budgeted amounts, monthly expenditures, year-to-date-expenditures and percentage of budget spent. The Superintendent or designee shall review these reports for the preceding month prior to presentation to the Board.

#### Accounting Records

The Director of Fiscal Affairs shall be responsible for the maintenance of accounting records. Electronic accounting records are maintained in Ivisions and paper records are maintained on file in the District office. All accounting records shall be reviewed by the District Superintendent or designee and, where appropriate and required, the Board. The District chart of accounts and financial reports shall be established and maintained in accordance with Generally Accepted Accounting Principles (GAAP) and IFARMS, as required by Idaho Code. Accounting records shall be available for public inspection at any time.

#### Spending Grant Funds

In determining what items will be included in individual program budgets, the Director of Fiscal Affairs and Superintendent or designee will follow the federal cost principles and individual program statutes and regulations, as the basis for determining whether individual expenditures are allowable.

While developing and reviewing the grant budget, the District will keep in mind the difference between direct costs and indirect costs.

## **Direct and Indirect Costs:**

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

Indirect costs are those that have been incurred for a common or joint purpose benefiting more than one 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.

Identification with the federal award rather than the nature of the goods and services involved is the determining factor in distinguishing direct from indirect costs of Federal awards. Typical costs charged directly to a Federal award are the compensation of employees who work on that award, their related fringe benefit costs, the costs of materials, and other items of expense incurred for the Federal award.

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

- A. Administrative or clerical services are integral to a project or activity;
- B. Individuals involved can be specifically identified with the project or activity;
- C. Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- D. The costs are not also recovered as indirect costs.

- 2. Indirect Cost Rate:** It is at the discretion of the Twin Falls School District #411 to use the indirect cost rate. It is the normal policy of the District not to take indirect costs on federal awards. If the District elects to take indirect costs, it shall follow the procedures for calculating the indirect cost rate prescribed by the State Department of Education and apply the policies and procedures outlined in the federal regulations as described below.
- 3. Applying the Indirect Cost Rate:** Once the District has an approved indirect cost rate, the percentage is multiplied against the actual direct costs (excluding distorting items such as equipment, contracts in excess of \$25,000, pass-through funds, etc.) incurred under a particular grant to produce the dollar amount of indirect costs allowable to that award.

Once the District applies the approved rate, the funds that may be claimed for indirect costs have no federal accountability and may be used as if they were non-federal funds. For direct grants, reimbursement of indirect costs is subject to the availability of funds and statutory or administrative restrictions.

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



**Cross Reference:** 7230 Financial Reporting and Audits

<b>Legal Reference:</b>	2 C.F.R. § 200.56	Indirect (Facilities & Administrative (F&A)) Costs
	2 C.F.R. § 200.413	Direct Costs
	34 C.F.R. § 75.564	Reimbursement of Indirect Costs
	34 C.F.R. § 76.569	Using the Restricted Indirect Cost Rate

Policy History:

**ADOPTED:**

**REVISED:**

The District must ensure fiscal accountability at each phase in the use of Individuals with Disabilities Education Act (IDEA) Part B funds. The purpose of this policy is to ensure that the District complies with the State Department of Education requirements described in the Idaho State Department of Education IDEA Funding Manual.

#### Use of IDEA Part B Funds

The District shall use IDEA funds only to pay excess costs of providing special education and related services to children with disabilities. A cost is determined to be an excess cost of providing special education only if it meets each of the following criteria:

1. The cost would not exist in the absence of special education needs;
2. The cost is not also generated by students without disabilities; and
3. If the cost is specific to a particular child, it is documented if that child is on an Individual Education Plan (IEP).

The Board directs the Superintendent to establish procedures and internal controls to ensure that IDEA Part B funds are used only for allowable, excess costs of providing special education and that these costs are accounted for in the proper function/program codes described in 34 CFR 300.202-205. These procedures and controls shall also ensure the accuracy of the District's Excess Cost Calculation, as required by 34 C.F.R. 300.16 and Appendix A to 34 C.F.R.300.

The Director of Support Services and the Director of Fiscal Affairs approve all IDEA Part B expenditures (PO, invoices) following the process described in the written procedures for determining allowability of cost (cost principles).

#### Time and Effort Reporting

Charges to federal awards for salaries and wages must be based on records that accurately reflect the work performed. In order to determine if personnel costs are allowable under IDEA Part B, the District shall maintain auditable "time and effort" documentation that shows how each employee paid with IDEA Part B funds spent his or her compensated time. Such work shall be documented on the time and effort forms. The form shall be kept for employees paid in full or in part with federal funds or whose salary is used to meet a matching requirement in a federal program. Such documents are written reports of how the time was spent.

The Board directs the Superintendent to establish a system for time and effort reporting that complies with the requirements of OMB Circular A-87 and OMB Circular A-133 and with the 4235P Written Compensation Procedure.

#### Maintenance of Effort

In order to ensure that the requirement of Maintenance of Effort is met, the Board directs the Superintendent to establish a means of tracking and reporting local expenditures separate from

the expenditure of State funds. This is to be done for the purpose of verifying that local funds are used for special education expenditures.

### Parentally-Placed Private School Children

The District must ensure that it is providing the appropriate portion of IDEA Part B funds to children receiving special education at private schools within the boundaries of the District. To accomplish this, the Board directs the Superintendent to establish procedures to accurately track and report expenditures for services provided to parentally-placed private school children.

The Director of Support Services and the Director of Fiscal Affairs keep accurate records of all expenditures charged to the parentally-placed private school children budget. The documentation should be traceable to the financial report and available for inspection if requested.

### Property Procurement and Tracking

The Board directs the Superintendent to establish written procedures to ensure that the District's mechanism for procurements using IDEA Part B funds conforms to the standards outlined in 34 C.F.R. 80.36 and with Policy 7400 Procurement Management System and any related procedures. The Board also directs the Superintendent to establish a system to maintain adequate inventory management of property purchased with IDEA Part B funds.

Property records in the inventory management system should include, at a minimum:

1. Property description;
2. Identification number;
3. Source of funding;
4. Acquisition date and cost;
5. The location, use, and condition of the property; and
6. Any ultimate disposition data including the date of disposal and sale price of the property.

In addition to the above information, the inventory management system should ensure that all source documents in support of the above information are maintained throughout the life and disposition of the equipment. These records should be updated frequently so that every piece of equipment purchased with federal funds can be accounted for at any given time.

### Retention of Records

~~The Board directs the Superintendent to ensure that fiscal records are retained for a minimum of three years from the obligation of funds. These records shall be available for inspection if required.~~



**Cross Reference:** 7400 Procurement Management System

**Legal Reference:** 2 C.F.R. §§200.430 Time and Effort  
34 C.F.R. §§80.36 Procurement  
34 C.F.R. §§80.42 Retention and Access Requirements for Records  
34 C.F.R. §§300.132-133 Provision of Services for Parentally-Placed  
Private School Children with Disabilities  
34 C.F.R. §§300.16 Excess Costs  
34 C.F.R. §§300.202-205 Use of Amounts  
34 C.F.R. §§300, Appendix A Excess Costs Calculation  
Fiscal Accountability Checklist: For Sub-Recipients of IDEA Part B  
Funds  
OMB Circular A-87  
OMB Circular A-133

**Other Reference:** Policies and Procedures Used Template, Idaho State Department of  
Education, <http://www.sde.idaho.gov/sped/funding/>

Policy History

**ADOPTED:**

**REVISED:**

Employee: \_\_\_\_\_ Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective (Program Activity)	Grant Program	Fund Code – Function Code	Distribution of Time (Percentage of Hours)

Employee's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Reviewed by supervisor: \_\_\_\_\_ Date: \_\_\_\_\_





Multiple Cost Objective Time and Effort Certification

Employee: \_\_\_\_\_ Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective (Program Activity)	Grant Program	Fund Code – Function Code	Distribution of Time (Percentage of Hours)

Employee’s Signature: \_\_\_\_\_ Date: \_\_\_\_\_

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Reviewed by supervisor: \_\_\_\_\_ Date: \_\_\_\_\_

**Time and Effort Standards**

All employees who are paid in full or in part with federal funds must keep specific documents to demonstrate the amount of time they spent on grant activities. This includes an employee whose salary is paid with State or local funds but is used to meet a required “match” in a federal program. These documents, known as time and effort records, are maintained in order to charge the costs of personnel compensation to federal grants.

The District’s records will accurately reflect the work performed. These records must:

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

**Time and Effort Procedures**

Federal programs staff work in multiple programs and are paid from multiple federal awards. The initial budget for program personnel is determined according the relative percentage of the total of allocations of programs in which the staff member works. Each pay period, the staff member’s salary and benefits are calculated and paid according to those initial budget percentages.

At the end of each quarter, the staff member will submit a certification of actual hours worked in each federal program during that quarter. The certification will be signed by the employee and by the building administrator.

The Human Resources Department will reconcile the certification of actual work performed to budgeted amounts and will make corresponding journal entries that reflect actual hours worked in and allowable activities of each federal program.

If an employee works exclusively in a single federal program, that employee will, at least semi-annually complete Form 7235F1 Federal Funds Semi-Annual Certification Form. The form must be completed at least twice each year and signed by the employee and staff member with after-the-fact knowledge of the employee’s activities.

Federal programs staffs who work in multiple programs and are paid from multiple federal awards with no fixed schedule shall complete a Form 7235F2 Personnel Activity Report.

Positive Time Reporting

(For Districts that have implemented a financial management system that allows positive time reporting) The District may generate a time and effort report directly from the financial management system.



Procedure History

**ADOPTED:**

ISBA

**REVISED:**

The Board directs the Superintendent or designee to ensure that fiscal records related to federal grants are retained for a minimum of six years from the obligation of funds. These records shall be available for inspection if required.

### Procedures

The District shall maintain records that fully show:

1. The amount of funds under the grant or subgrant;
2. How the subgrantee uses those funds;
3. The total cost of each project;
4. The share of the total cost of each project provided from other sources;
5. Other records to facilitate an effective audit; and
6. Other records to show compliance with federal program requirements.

The District shall also maintain records of significant project experiences and results. These records and accounts shall be retained and made available for programmatic or financial audits.

In accordance with State Department of Education record retention policy 4.16.02 Administration of Federal Grant Program, the District shall maintain all fiscal and programmatic records relating to federal grants for a minimum of five years and one additional audit.

The District will destroy paper records by shredding only. In the event of the disposal of computers or electronic equipment that may contain confidential student or personnel records, the District will ensure that hard drives are appropriately “wiped” clean of information prior to disposal.

The District shall retain records based on the schedule provided in Policy 8605.

### Collection and Transmission of Records

The District shall maintain electronic records in the iVisions system, and paper records shall be maintained in the District office under the supervision of the Business Manager or designee. The Clerk will have authorized access as directed. Electronic and/or paper records shall be provided to awarding agencies to meet reporting requirements and to auditors and monitors, as appropriate and required. Records that are kept electronically may be transmitted electronically as allowed by 2 CFR 200.335.

### Access to Records

The District shall provide the awarding agency, Inspectors General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, the right of access to any documents, papers, or other records of the District which are pertinent to the Federal award, in order to make audits, examinations, excerpts, and transcripts. The right also

includes timely and reasonable access to the District's personnel for the purpose of interview and discussion related to such documents.

Privacy

Access to records including but not limited to Ivisions system, personnel files, the Student Management System, confidential student files, Special Education IEP files shall be password protected in the case of electronically maintained records and kept in locked filing cabinets in the case of paper records. These records are maintained under the supervision of the Superintendent or designee with exclusive access to paper files and passwords for electronic systems. The District clerk may also have access to these records. Employees shall be trained in the requirements of the Family Educational Rights and Privacy Act (FERPA). If a request for confidential information is received from a source not having clear authority under FERPA or other statute, the District shall consult appropriate legal counsel prior to providing records.



**Legal Reference:** 34 C.F.R. § 76.730-.731  
34 C.F.R. § 75.730-.731  
34 C.F.R. § 75.732  
2 CFR 200.335

**Other Reference:** Policies and Procedures Used Template, Idaho State Department of Education, <http://www.sde.idaho.gov/sped/funding/>

Policy History

**Adopted:**

**Revised:**

Expenditures will be aligned with approved budgeted items. Any significant changes or variations (10 percent or more) from the state-approved budget and grant application need prior approval from the State. When determining how the District will spend its grant funds, the Superintendent or designee [~~Federal Programs Office~~] will review the proposed cost to determine whether it is an allowable use of federal grant funds before obligating and spending those funds on the proposed good or service. All costs supported by federal education funds must meet the standards outlined in Education Department General Administrative Regulations, referenced below, which are provided in the bulleted list below. The District Superintendent or designee must consider these factors when making an allowability determination. All costs must:

1. Be necessary and reasonable for the performance of the federal award as outlined in 7320P1.
2. Be allocable to the federal award. A cost is allocable to the federal award if the goods or services involved are chargeable or assignable to the federal award in accordance with the relative benefit received. This means that the federal grant program derived a benefit in proportion to the funds charged to the program. For example, if 50% of a teacher's salary is paid with grant funds, then that teacher must spend at least 50% of his or her time on the grant program.
3. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.
4. Conform to any limitations or exclusions set forth as cost principles in 2 CFR Part 200 or in the terms and conditions of the federal award.
5. Be treated consistently. 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.
6. Be adequately documented. All expenditures must be properly documented.
7. Be determined in accordance with General Accepted Accounting Principles (GAAP), unless provided otherwise in Part 200.
8. Not be included as a match or cost-share, unless the specific federal program authorizes federal costs to be treated as such. Some federal program statutes require the non-federal entity to contribute a certain amount of non-federal resources to be eligible for the federal program.
9. Be the net of all applicable credits. The term "applicable credits" refers to those receipts or reduction of expenditures that operate to offset or reduce expense items allocable to the federal award. Typical examples of such transactions are: purchase discounts, rebates or allowances, recoveries or indemnities on losses, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or

received by the State relate to the federal award, they shall be credited to the federal award, either as a cost reduction or a cash refund, as appropriate.

Part 200's cost guidelines must be considered when federal grant funds are expended. In addition, as required by federal rules, the District will follow, as appropriate, all state and District-level requirements and policies regarding expenditures.

#### Helpful Questions for Determining Whether a Cost is Allowable

In addition to the cost principles and standards described in Procedures 7320P1 and P2, the Superintendent, Business Manager, and appropriate federal programs personnel can refer to this section for a useful framework when performing an allowability analysis. In order to determine whether federal funds may be used to purchase a specific cost, it is helpful to ask the following questions:

1. Is the proposed cost allowable under the relevant program?
2. Is the proposed cost consistent with an approved program plan and budget?
3. Is the proposed cost consistent with program specific fiscal rules? For example, the District may be required to use federal funds only to supplement the amount of funds available from nonfederal (and possibly other federal) sources.
4. Is the proposed cost consistent with Education Department General Administrative Regulations (EDGAR)?
5. Is the proposed cost consistent with specific conditions imposed on the grant (if applicable)?

As a practical matter, the Superintendent, or appropriate federal programs personnel should also consider whether the proposed cost is consistent with the underlying needs of the program. For example, program funds must benefit the appropriate population of students for which they are allocated.

Also, funds should be targeted to address areas of weakness, as necessary. To make this determination, the Superintendent, or appropriate federal programs personnel should review data when making purchases to ensure that federal funds to meet these areas of concern.



**Legal Reference:** 2 CFR § Part 200 (Subpart E) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards  
2 C.F.R. §200.404 Reasonable Costs  
2 C.F.R. §200.405 Allocable Costs  
2 C.F.R. §200.406 Applicable Credits  
2 C.F.R. §§ 200.420-200.475 Considerations for Selected Items of Cost  
2 CFR § Part 3474 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

#### Policy History



**Adopted:**  
ISBA  
**Revised:**

Federal grant funds may only be spent on costs which are necessary and reasonable for the performance of the federal award. District staff must consider these elements when determining the reasonableness of a cost. A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision to incur the cost was made. For example, reasonable means that sound business practices were followed, and purchases were comparable to market prices. When determining reasonableness of a cost, consideration must be given to:

1. Whether the 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 factors, such as: sound business practices; arm's-length bargaining; federal, state, and other laws and regulations; and terms and conditions of the federal award;
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 to the District, its employees, its students, the public at large, and the federal government;
5. Whether the District significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

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

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

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



Procedure History

**ADOPTED:**

ISBA

**REVISED:**

2 CFR Part 200 examines the allowability of 55 specific cost items (commonly referred to as Selected Items of Cost). These cost items are listed in the chart below along with the rule where the allowability of the item is discussed. Please do not assume that an item is allowable because it is specifically listed in the regulation, as it may be unallowable despite its inclusion in the selected items of cost section. The expenditure may be unallowable for a number of reasons, including:

1. The express language of the regulation states the item is unallowable;
2. The terms and conditions of the grant deem the item unallowable; or
3. State/local restrictions dictate that the item is unallowable.

The item may also be unallowable because it does not meet one of the cost principles, such as being reasonable because it is considered too expensive. If an item is unallowable for any of these reasons, federal funds cannot be used to purchase it.

District personnel responsible for spending federal grant funds and for determining allowability shall be familiar with the Part 200 selected items of cost section. The Superintendent or designee shall follow these rules when charging these specific expenditures to a federal grant. When applicable, the Superintendent or designee shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules may deem a cost unallowable, and District personnel shall follow those non-federal rules as well.

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

<b>Item of Cost</b>	<b>Citation of Allowability Rule</b>
Advertising and public relations costs	2 CFR § 200.421
Advisory councils	2 CFR § 200.422
Alcoholic beverages	2 CFR § 200.423
Alumni/ae activities	2 CFR § 200.424
Audit services	2 CFR § 200.425
Bad debts	2 CFR § 200.426
Bonding costs	2 CFR § 200.427
Collection of improper payments	2 CFR § 200.428
Commencement and convocation costs	2 CFR § 200.429
Compensation – personal services	2 CFR § 200.430

Compensation – fringe benefits	2 CFR § 200.431
Conferences	2 CFR § 200.432
Contingency provisions	2 CFR § 200.433
Contributions and donations	2 CFR § 200.434
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	2 CFR § 200.435
Depreciation	2 CFR § 200.436
Employee health and welfare costs	2 CFR § 200.437
Entertainment costs	2 CFR § 200.438
Equipment and other capital expenditures	2 CFR § 200.439
Exchange rates	2 CFR § 200.440
Fines, penalties, damages, and other settlements	2 CFR § 200.441
Fund raising and investment management costs	2 CFR § 200.442
Gains and losses on disposition of depreciable assets	2 CFR § 200.443
General costs of government	2 CFR § 200.444
Goods and services for personal use	2 CFR § 200.445
Idle facilities and idle capacity	2 CFR § 200.446
Insurance and indemnification	2 CFR § 200.447
Intellectual property	2 CFR § 200.448
Interest	2 CFR § 200.449
Lobbying	2 CFR § 200.450
Losses on other awards or contracts	2 CFR § 200.451
Maintenance and repair costs	2 CFR § 200.452
Materials and supplies costs, including costs of computing devices	2 CFR § 200.453
Memberships, subscriptions, and professional activity costs	2 CFR § 200.454
Organization costs	2 CFR § 200.455

Participant support costs	2 CFR § 200.456
Plant and security costs	2 CFR § 200.457
Pre-award costs	2 CFR § 200.458
Professional services costs	2 CFR § 200.459
Proposal costs	2 CFR § 200.460
Publication and printing costs	2 CFR § 200.461
Rearrangement and reconversion costs	2 CFR § 200.462
Recruiting costs	2 CFR § 200.463
Relocation costs of employees	2 CFR § 200.464
Rental costs of real property and equipment	2 CFR § 200.465
Scholarships and student aid costs	2 CFR § 200.466
Selling and marketing costs	2 CFR § 200.467
Specialized service facilities	2 CFR § 200.468
Student activity costs	2 CFR § 200.469
Taxes (including Value Added Tax)	2 CFR § 200.470
Termination costs	2 CFR § 200.471
Training and education costs	2 CFR § 200.472
Transportation costs	2 CFR § 200.473
Travel costs	2 CFR § 200.474
Trustees	2 CFR § 200.475

Likewise, it is possible for the State and/or District to put additional requirements on a specific item of cost. Under such circumstances, the stricter requirements must be met for a cost to be allowable. Accordingly, District staff shall consult federal, State, and District requirements when spending federal funds.

In order for a cost to be allowable, the expenditure must also be allowable under the applicable program statute and accompanying program regulations, non-regulatory guidance, and grant award notifications.



Procedure History

**ADOPTED:** [REDACTED]

**REVISED:** [REDACTED]

\_\_\_\_\_ **School District No.** \_\_\_\_\_

**FINANCIAL MANAGEMENT**

**7400F**

Time and Effort Documentation

Employee: \_\_\_\_\_

Position: \_\_\_\_\_

Reporting Period: \_\_\_\_\_

Cost Objective- (Program Activity)	Fund Code or Program Function- Code	Program	Distribution of Time- (Percentage of Hours)

I hereby certify this report is an accurate representation of the total activity expended during the period indicated.

Employee Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed by Supervisor: \_\_\_\_\_

Date: \_\_\_\_\_



Every District employee and Board Member will be reimbursed for travel expenses while traveling outside of the District and engaged in official District business. All travel expenses must be reported on the established District-approved travel expense and voucher forms and, for employees, approval must be granted prior to traveling by the employee's supervisor and the Superintendent or designee. The District will adhere to the State Travel Policy.

The District business office will be responsible for the development of procedures and forms to be used in connection with travel expense claims and reimbursements.

### Types of Travel

**In District Expenses:** District employees and Board Members shall be reimbursed for actual and necessary expenses incurred within the District while attending to District business. Actual mileage driven for pre-approved in-District travel shall be reimbursed. It is the responsibility of the Board or designee Director of Fiscal Affairs to review travel within the District by the Superintendent or by Board Members.

~~Meals incurred inside the District shall not be reimbursed, except for banquets attended to represent the District.~~

**Out of District Travel:** Travel outside of the District must should be pre-approved. Board Members shall obtain Board approval prior to incurring out of District expenses, and Employees shall should obtain prior approval from their supervisor and the Superintendent or designee.

Actual monies spent for food while on out of District trips requiring an overnight stay shall be reimbursed.

District employees and Board Members shall be reimbursed for actual and necessary expenditures incurred outside the District.

### Documentation of Expenses

Expenses not in compliance with this policy shall not be reimbursed or paid by the Board.

Prior to reimbursement of actual and necessary expenses, the District employee or Board Member must submit a detailed receipt indicating the date, purpose, and nature of the expense for each claim item and any appropriate travel expense or voucher form. Expenses requiring prior approval must also include a copy of the written prior approval. Employees shall submit their receipts, travel expense forms, and voucher forms to the Superintendent or designee. The Superintendent and Board Members shall submit such documentation to the Board or designee. Failure to provide a detailed receipt will make the expense non-reimbursable.

In exceptional circumstances, the Superintendent or designee may allow a claim without a proper receipt. Written documentation explaining the exceptional circumstances will be maintained as part of the District's record of the claim.

~~The Board directs the Superintendent to promulgate procedures specifying which expenses shall be reimbursable for travel of different distances and durations.~~

### Travel Costs Under Federal Award

**General:** Travel costs are the expenses for transportation, lodging, subsistence food, and related items incurred by employees who are in travel status on official business of a grant recipient under a federal award. Such costs may be charged on an actual cost basis, or on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not selected days of the trip and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally funded activities and in accordance with the recipient's written reimbursement policies.

**Lodging and subsistence:** Costs incurred by employees and officers for travel, including costs of lodging, other subsistence, and incidental expenses, shall be considered reasonable and otherwise allowable only to the extent such costs do not exceed charges normally allowed by the District in its regular operations as the result of its written travel policy. In addition, if these costs are charged directly to the federal award, the District will maintain documentation justifying the following:

1. Participation of the individual is necessary to the federal award; and
2. The costs are reasonable and consistent with this policy and any related procedures.

Temporary dependent care costs 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 this policy and any related procedures; and
3. Are temporary, lasting only during the travel period.

Travel costs for dependents are unallowable, except for travel of duration of six months or more with prior approval of the federal awarding agency.

**Commercial air travel:** 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.



**Legal Reference:**

I.C. § 33-701 Fiscal Year – Payment and Accounting of Funds  
2 C.F.R. § 474 Travel Costs

Policy History

**ADOPTED:**

ISBA

**REVISED:**

The District will comply with applicable methods and procedures for payment that minimize the time elapsing between the transfer of funds and disbursement by the District, in accordance with the Cash Management Improvement Act. Generally, the District receives payment from the State Department of Education on a reimbursement basis.

~~However, if the District receives an advance in federal grant funds, the District will remit interest earned on the advanced payment quarterly to the federal agency. The District may retain interest amounts up to \$500 per year for administrative expenses.~~

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

#### Payment Methods

- 1. Reimbursements:** The District will initially cover federal grant expenditures with nonfederal funds.

The District Grant Accountant or Business Manager will request reimbursement for actual expenditures incurred under the federal grants monthly. All reimbursements are based on actual disbursements, not on obligations. Reimbursement requests will be submitted on a District form to the State Department of Education.

The Superintendent or his or her designee shall promulgate a procedure specifying any further requirements.

Consistent with State and federal requirements, the District will maintain source documentation supporting the federal expenditures; such as invoices, time sheets, and payroll stubs; and will make such documentation available for the State Department of Education to review upon request.

Reimbursements of actual expenditures do not require interest calculations.

- 2. Advances:** To the extent the District receives advance payments of federal grant funds; the District will strive to expend the federal funds on allowable expenditures as expeditiously as possible. Specifically, the District shall attempt to expend all drawdowns of federal funds within 72 hours of receipt.

The District will hold federal advance payments in interest-bearing accounts, unless an allowable exception applies. The District will begin to calculate interest earned on cash balances once funds are deposited into the District's account.

Interest will be calculated quarterly. Total federal grant cash balances will be calculated on cash balances per grant and applying the District's actual interest rate. Within 30 days of the end of the quarter, the District will remit interest earned. The District may retain up to \$500 of interest earned per year.

The Superintendent or his or her designee shall promulgate a procedure specifying the process for remitting interest.



**Legal Reference:** 2 CFR § 200.305 Payment  
31 CFR § 205 Rules and Procedures for Efficient Federal-State Funds  
Transfers

Policy History

**ADOPTED:**

ISBA

**REVISED:**

Obligations are orders placed for property and services, contracts, and subawards made, and similar transactions during a given period that require payment by the District during the same or a future period.

Funds received under a federal grant shall be considered to be obligated according to the standards provided in 34 C.F.R. § 75.707 or 34 C.F.R. § 76.707, as applicable. The following table illustrates when funds are determined to be obligated under federal regulations:

<b>If the obligation is for:</b>	<b>The obligation is made:</b>
Acquisition of property	On the date on which the District makes a binding written commitment to acquire the property
Personal services by an employee of the District	When the services are performed
Personal services by a contractor who is not an employee of the District	On the date which the District makes a binding written commitment to obtain the services
Public utility services	When the District receives the services
Travel	When the travel is taken
Rental of property	When the District uses the property
A pre-agreement cost that was properly approved by the Secretary under the cost principles in 2 CFR part 200, Subpart E- Cost Principles.	On the first day of the project period.

**Period of Performance of Federal Funds**

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 Adjustment Notice (GAN). Further, certain grants have specific requirements for carryover funds that must be adhered to.

**State-Administered Grants:** As a general rule, state-administered federal funds are available for obligation within the year for which Congress appropriates the funds. However, given the unique nature of educational institutions, for many federal education grants, the period of availability is 27 months. Federal education grant funds are typically awarded on July 1 of each year. While the District will always plan to spend all current grant funds within the year for which the grant was appropriated, the period of obligation for any grant that is covered by the

“Tydings Amendment” is 27 months, extending from July 1 of the fiscal year for which the funds were appropriated, through September 30 of the second following fiscal year. This maximum period includes a 15-month period of initial availability, plus a 12-month period for carryover. For example, funds awarded on July 1, 2015 would remain available for obligation through September 30, 2017.

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

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

### Carryover

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

Any carryover in individual federal programs is determined in an annual audit performed each year according to GAAP and State statutes. After carryover amounts are determined, they are reported and administered according to specific federal award requirements as outlined in the individual program applications.



### Procedure History

**ADOPTED:**

ISBA

**REVISED:**

Definition

Program income means gross income earned by a grant recipient that is directly generated by a supported activity or earned as a result of the federal award during the grant’s period of performance.

Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federal awards, the sale of commodities or items fabricated under a federal award, license fees and royalties on patents and copyrights, and principle 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.

Use of Program Income

The default method for the use of program income for the District is the deduction method. 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. The LEA may also request prior approval from the federal awarding agency to use the addition method. Under the addition method, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must then be used for the purposes and under the conditions of the Federal award.

While the deduction method is the default method, the District shall always refer to the GAN prior to determining the appropriate use of program income.

It is the policy of the District that no program income will be generated in federal programs. If program income is generated, the Director of Fiscal Affairs will account for it in accordance with the District’s normal accounting procedures, utilizing the special revenue accounting codes of IFARMS, and track as program income attributable to a specific federal program.



Procedure History

**ADOPTED:**

ISBA

**REVISED:**



Acquisition of Property

**Real Property:** Within one year prior to acquiring or disposing of real property, the District will cause such property to be appraised by an appraiser certified in the State of Idaho. The appraised value will be used to establish the fair market value of the property. The appraisal shall be exempt from disclosure to the public. If the Board is purchasing a site for educational purposes, such building site must be located within the boundaries of the city limits, unless, by resolution of the Board, it is determined that it would be in the best interest of the District to acquire a site outside city limits, but within the boundaries of the District.

**Personal Property:** The District may purchase personal property as deemed necessary for the effective operation of the District by any means deemed appropriate when the expenditure of funds will be less than \$50,000. When the purchase of personal property (with the exception of curricular materials) is reasonably expected to cost \$50,000 or more, the District shall comply with the statutory bidding requirements found in Chapter 28, Title 67 of the Idaho Code.

Conveyance of Property

**Less than \$500:** For property that has an estimated value of less than \$500, the property may be disposed of in the most cost-effective and expedient manner by an employee empowered by the District to do so. However, the employee shall notify the Board in writing of the item(s) to be disposed of and the manner in which they will be disposed prior to disposal of the property.

**Less than \$1,000:** For property that has an estimated value of less than \$1,000, the Board may dispose of such property by sealed bid or by public auction. However, prior to disposal of the same at least one published advertisement is required.

**\$1,000 or Greater:** For property with a value of \$1,000 or greater, such property will be appraised. The Board may dispose of such property by sealed bids or by public auction to the highest bidder. Notice of the time and method of sale shall be published twice in accordance with I.C. § 33-402(g). Proof of posting as required in I.C. 33-402(h) must be acquired before the sale. Such property may be sold for cash or upon such terms and conditions as the Board determines, however, the term of the contract may not to exceed ten years and must bear an annual interest rate of not less than seven percent interest. Title to property sold on contract shall remain in the District until full payment is received.

**Equipment Acquired Under a Federal Award:** When it is determined that original or replacement equipment, as defined in Policy 7270, 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, Director of Fiscal Affairs or designee will contact the awarding agency (or pass-through for a state-administered grant) for disposition instructions.

Generally, disposition of equipment is dependent on its fair market value (FMV) at the time of disposition. If the item has a current FMV of \$5,000 or less, it may be retained, sold, or

otherwise disposed of with no further obligation to the federal awarding agency. If the item has a current FMV of more than \$5,000, the federal awarding agency is entitled to the federal share of the current market value or sales proceeds.

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

The District will use whatever means available to ensure the highest possible return on any items sold.

According to 2 CFR §200.439 (2), Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the Federal awarding agency or pass-through entity. Therefore, the District should request prior approval from the State Department of Education for the purchase or the disposition of equipment with value of \$5,000 or more.

### Donated Property

If property is donated to the District, the Board may sell the property without advertising or bidding within one year of the time the initial appraisal was conducted. .

### Exchange of Property

The Board may exchange real or personal property for other property provided that:

1. Such property is appraised;
2. 1/2 plus one of the members of the full Board determine such conveyance or exchange is in the best interest of the District; and
3. A resolution is passed authorizing such exchange of real and/or personal property to any of the following:
  - A. U.S. government;
  - B. City;
  - C. County;
  - D. State of Idaho;
  - E. Hospital district;
  - F. School district;
  - G. Public charter school;
  - H. Idaho Housing and Finance Association;
  - I. Library district;
  - J. Community college district;
  - K. Junior college district; or
  - L. Recreation district.



**Cross Reference:** 2510P Selection of Library Materials

**Legal Reference:** I.C. § 33-402 Notice Requirements  
I.C. § 33-601 Real and Personal Property – Acquisition, Use or Disposal  
of Same  
I.C. § 67-2801, et seq. Purchasing by Political Subdivisions –  
Legislative Intent

Policy History

**ADOPTED:**

ISBA

**REVISED:**