

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS  
106 Hancock Road  
Peterborough, New Hampshire**

**CONTOOCOOK VALLEY SCHOOL BOARD**

**POLICY COMMITTEE MEETING**

**Tuesday, January 23, 2024**

**6:00 PM**

**Location: SAU Board Room**

**Agenda**

**Committee Members:** Katherine Heck, Michael Hoyt, Thomas Kirlin, Janine Lesser, Erin Pils-Martin

- 1. Call to order**
- 2. Approval of the December 12, 2023 Minutes**
- 3. Policy Review**
  - DA: Fiscal Management Plan
  - DAF: Administration of Federal Grant Funds
  - DB: Annual Budget
  - DBC: Budget Preparation
  - DBJ: Transfer of Appropriations
  - DC: Post-Issuance Tax Compliance and Procedures for Tax-Exempt Obligations
  - DEA: Revenues from Local Tax Sources
  - DFA: Investment
  - DFEA: Free Admissions
  - DFGA: Crowdfunding
  - DG: Depository of Funds
  - DGA: Authorized Signatures
  - DH: Bonded Employees
  - DI: Fiscal Accounting and Reporting
  - DIA: Fund Balance
  - DIB: Trust Funds
  - DID: Fixed Assets
  - DIE: Audits
  - DJ: Purchasing
  - DJC: Petty Cash Accounts
  - DJD: Local Purchasing
  - DJE: Bidding Requirements
  - DK: Payment Procedures
  - DKA: Payroll Procedures
  - DM: Cash in School Buildings
  - DN: School Properties Disposal Procedure

**4. Fall Updates**

**5. Non-Public Session RSA 91-A:3 II (If Required)**

**6. Policy Status Update:**

- IKL: Academic Integrity and Honesty
- IMBA: Distance Education
- JJIB: Athletics
- JLCJA: Sports Related Emergencies
- JKAA- Restraint/Seclusion
- ACN Nursing mothers accommodation
- IHBAM- District Special Education Policy and Procedures Manual
- IHBAB/IHAB-Development Delay as Qualifying Disability
- JLCA- Physical Examinations Of Students
- JLDDB- Suicide Prevention
- JHCB/ JLCB- Immunizations
- EG/KDA/KDCA Public Information Program
- BEDG: Minutes
- FA: Facilities, Development Goals/Priority Objectives....Update and add "C"
- FAA: Annual Facility Plan....Update to read "Facility Usage Plan"
- DJE: Bidding Requirements.....change language about sealed envelopes
- IHBAB/IHAB: Developmental Delay as Qualifying Disability
- IKL: Academic Integrity and Honesty

**Scheduled for Next School Board Agenda:**

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS**  
**106 Hancock Road**  
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**CONTOOCOOK VALLEY SCHOOL BOARD**

**POLICY COMMITTEE MEETING**

**Tuesday, December 12, 2023**

**6:00 PM**

**Location: SAU Board Room**

**Minutes**

**Committee Members:** Katherine Heck, Michael Hoyt, Thomas Kirlin, Janine Lesser, Erin Pils-Martin

**Present:** Thomas Kirlin, Janine Lesser, Erin Pils-Martin, Dick Dunning, Dr. Kimberly Saunders, Brian Cisneros, Ben Moenter, Katherine Heck

**1. Call to order**

**Janine Lesser called the meeting to order at 6:02 p.m.**

**2. Approval of the October 24, 2023 Minutes**

**Tom Kirlin moved to approve the minutes of October 24, 2023. Erin Pils-Martin seconded. Unanimous.**

**3. Policy Review**

**• BEDG: Minutes**

Kimberly Saunders referenced the ConVal policy and NHSBA recommendation as well as a sealed meeting minutes procedure change.

Janine Lesser said that the NHSBA version was revised in 2023. It appears that the change reflects reviewing previously sealed minutes. Janine said that she found the NHSBA version repetitive and confusing.

Either the statute needs to be followed or our own procedure needs development.

Sealed minutes have to be reviewed every ten years from the time that they were sealed.

Janine Lesser asked who would perform the review.

Kimberly Saunders said that the Superintendent has reviewed and recommends to seal or not.

Janine Lesser further asked if we are supposed to be doing this for minutes older than ten years; the review can be delegated. The problem is that time is needed to review.

Kimberly Saunders said that it could be placed on every agenda.

Tom Kirlin asked if a time period needs to be added.

Kimberly Saunders said that we need to follow the statute or develop a procedure.

The present policy needs a statement about dealing with sealed minutes.

Kimberly agreed to look at policy BEDG and the NHSBA and blend them to make a more productive meaningful policy.

Katherine Heck recommended beginning with the most recent and going backward.

**• EBBD: Indoor Air Quality**

Three versions were referenced; two ConVal policies and the NHSBA version.

The second ConVal policy is the recommendation of the facilities director.

This policy is ready to move for a first read.

- FA: Facilities, Development Goals/Priority Objectives

In September 2023, a change in RSA required long term Capital Improvement plans. This is a significant change.

“C” on page 18 would be added. It could be delegated to facilities. It could stay with Budget & Property.

Kimberly Saunders said that the Superintendent or designee should prepare and submit it to the Budget & Property Committee.

Kimberly agreed to update the policy and add “C”.

This policy would return to the Policy Committee afterward.

- FAA: Annual Facility Plan

Unlike the Capital Plan that spans six years, this is an annual plan that requires unused facilities to be reported to the Department of Education (DOE). Substantial changes have been made to charter school rights.

The Superintendent has to submit this report; it is not a board responsibility.

This is a recommended policy.

How does the requirement look in comparison should a school leave the district? Does it coordinate with the charter school?

No, it is a different procedure.

Discussion took place about the conflict of the potential for a school to withdraw and the building remain an asset of the district.

Is additional language desired for this policy?

Including the definition of “unused” in the policy was suggested and confirmed.

Has the board adopted an annual facilities plan? The board addresses a capital plan as our facilities plan.

New statutory obligations regarding the facilities plan will be added.

The Facility Plan is how we are using our facilities; it is a report. Documentation to state that there are no unused facilities and a vote annually is needed.

Updated Facility Usage Plan will be the title of the policy.

- IKFC: Alternate Diploma

A certificate of attendance would be replaced by this. This does not prevent a student from earning a diploma or eligibility for services once they receive a diploma. A certificate of attendance does not count toward graduation rates.

This allows a student to determine when they want to receive this award.

This policy is ready for a first read.

- DJE: Bidding Requirements

This policy requires significant updates. Current board policy has a \$15K threshold and require bids opened at a school board meeting.

Katherine Heck said that the \$15K threshold is unrealistic for an organization the size of ConVal. Aligning bidding requirements to federal requirements was in conversation previously.

Katherine Heck said that we have a procedure that would be forward facing for the public so that they can be assured that we are getting the best value for their dollar.

A policy in place that can be followed with fidelity is the goal.

\$250K is the suggested threshold.

Brian Cisneros suggested a change in language to verbiage about providing bids in sealed envelopes to reflect technological advances in bid submissions.

Once language is added; this would be ready for a first read.

But first, it will return to the Policy Committee.

- DJB: Purchasing Procedures and DJB-R

The procedure should go with the policy and align. The recommendation was that DJB did not need to change but the -R must go with it. It was worked on in conjunction with DJA.

Brian Cisneros asked about the expenditure amounts; he suggested \$2,500 and above go to the Business Administrator. Modifications to the -R will be made. The purchasing dollar thresholds were discussed.

#### **4. Fall Updates**

IHBAM - Ben Moenter reported that we have a SPED policy and procedure manual. In 2021, the DOE asked for the manual. This policy would say that we have a procedural manual and other items outlined.

Do we need a policy in this area or not having maintained a procedural manual?

IHBAB - this policy helps provide standards around developmental delay as an eligibility area. This provides an avenue to provide support and intervention.

This policy will be brought back to the January Policy Committee meeting.

JKAA - this policy is in good shape; waiting for DHHS and DOE about a very specific form.

#### **5. Non-Public Session RSA 91-A:3 II (If Required)**

None.

#### **6. Policy Status Update:**

- IKL: Academic Integrity and Honesty - updates were made and will be ready for this committee in January.
- IMBA: Distance Education - discussion about the process related to policies that would have gone to the Education Committee is needed.
- JJIB: Athletics - in queue for administrative review.
- JLCJA: Sports Related Emergencies
- JKAA- Restraint/Seclusion
- ACN Nursing mother's accommodation - in the administration queue.
- IHBAM- District Special Education Policy and Procedures Manual
- IHBAB/IHAB-Development Delay as Qualifying Disability
- JLCA- Physical Examinations of Students - are presently under review
- JLDDB- Suicide Prevention - are presently under review
- JHCB/ JLCB- Immunizations - are presently under review
- EG/KDA/KDCA Public Information Program - with Communications Committee

#### **Scheduled for Next School Board Agenda:**

Is a subcommittee for Education related policy needed?

Dick Dunning said that you have two hours allocated to meet with the Policy Committee. He suggested that the two hours for the Policy Committee be allocated toward policies and Education policies. Confirmed.

**Janine Lesser motioned to adjourn at 7:11 p.m. Katherine Heck seconded. Unanimous.**

Respectfully submitted,

Brenda Marschok



# DA – Fiscal Management Plan

The Board recognizes the importance of excellent fiscal management in managing public resources to achieve the goals of the educational plan of the district. The board will be vigilant in fulfilling its responsibilities to see that these funds are used wisely to achieve the purpose for which they are allocated.

The District fiscal management plan seeks to achieve the following goals:

1. Engage in thorough advance planning to develop budgets and guide expenditures to achieve the greatest educational returns and the greatest contributions to the educational program. Ensure educational programs are reviewed on an ongoing basis.
2. Establish levels of funding which will provide high quality education for the students of the district.
3. Use the best available techniques and processes for budget development and management.
4. Provide timely and appropriate information to the Board and all staff with fiscal management responsibilities.
5. Establish and implement efficient procedures for accounting, audit, risk management, investing, purchasing delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

*Category: R*

1st Read: September 18, 2012

2nd Read: November 13, 2012

Adopted: November 13, 2012

< CM - School District Annual Report

DAF - Administration of Federal Grant Funds (<https://schoolboard.convalsd.net/district-policies/daf-administration-of-federal-grant-funds/>)

**Policy DA: Fiscal Management Plan**

Status: ADOPTED

Original Adopted Date: 04/01/1999 | Last Revised Date: 11/01/1999 | Last Reviewed Date: 03/01/2004

Category: Recommended

**ADOPTION/REVISION NOTES -**

Text between the highlighted lines "~~~", and highlights in this sample should be removed prior to adoption.

- a. General – As with all sample policies, NHSBA recommends that each district carefully review this sample prior to adoption/revision to assure suitability with the district's own specific circumstances, internal coding system, current policies, and organizational structures.
- b. Highlighted language or blank, underscored spaces indicate areas which Boards should review, change or complete to reflect local personnel titles, internal/ external policy references, duty assignments etc.
- c. (\*\*) indicates a reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- d. Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Reviewed: March, 2004

Revised: November, 1999

New policy April, 1999

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3. Use the best available techniques and processes for budget development and management.
4. Provide timely and appropriate information to the Board and all staff with fiscal management responsibilities.
5. Establish and implement efficient procedures for accounting, audit, risk management, investing, purchasing delivery, payroll, payment of vendors and contractors, and all other areas of fiscal management.

**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

District revision history:

# DAF – Administration of Federal Grant Funds

This Policy includes “sub-policies” relating to specific provisions of the Uniform Administrative Requirements for Federal Awards issued by the U.S. Office of Budget and Management. Those requirements, which are commonly known as Uniform Grant Guidance (“UGG”), are found in Title 2 of the Code of Federal Regulations (“CFR”) part 200. The sub-policies include:

**DAF-1 ALLOWABILITY**

**DAF-2 CASH MANAGEMENT AND FUND CONTROL**

**DAF-3 PROCUREMENT**

**DAF-4 PROCUREMENT – ADDITIONAL PROVISIONS PERTINENT TO FOOD SERVICE PROGRAM**

**DAF-5 CONFLICT OF INTEREST AND MANDATORY DISCLOSURES**

**DAF-6 INVENTORY MANAGEMENT – EQUIPMENT AND SUPPLIES PURCHASED WITH FEDERAL FUNDS** ([https://core-docs.s3.amazonaws.com/documents/asset/uploaded\\_file/1484369/DAF-6.pdf](https://core-docs.s3.amazonaws.com/documents/asset/uploaded_file/1484369/DAF-6.pdf))

**DAF-7 TRAVEL REIMBURSEMENT – FEDERAL FUNDS**

**DAF-8 ACCOUNTABILITY AND CERTIFICATIONS**

**DAF-9 TIME AND EFFORT REPORTING / OVERSIGHT**

**DAF-10 GRANT BUDGET RECONCILIATION**

**DAF-11 SUBRECIPIENT MONITORING AND MANAGEMENT**

**NOTICE:** 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 Board accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available. The Board 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 District in the administration of any funds received by the District through Federal grant programs as required by applicable NH and Federal laws or regulations, including, without limitation, the UGG.

The Board directs the Superintendent or 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 District 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 state 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.

**DAF-1 ALLOWABILITY**

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

1. **Cost Principles:** Except whether otherwise authorized by statute, costs shall meet the following general criteria in order to be allowable under Federal awards:
  1. Be “necessary” and “reasonable” for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.
    1. To determine whether a cost is “reasonable”, consideration shall be given to:
3. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;

4. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;

- market prices for comparable goods or services for the geographic area;

1. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and

2. whether the cost represents any significant deviation from the established practices or Board policy which may increase the expense.

While Federal regulations do not provide specific descriptions of what satisfied the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is 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.

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

3. the cost is needed for the proper and efficient performance of the grant program;

4. the cost is identified in the approved budget or application;

- there is an educational benefit associated with the cost;

1. the cost aligns with identified needs based on results and findings from a needs assessment; and/or

2. the cost addresses program goals and objectives and is based on program data.

1. 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.

3. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.

4. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.

5. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.

6. Be determined in accordance with generally accepted accounting principles.

7. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to/or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a cash refund, as appropriate.

7. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.

8. Be adequately documented:

9. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;

10. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.

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

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

13. **Determining Whether A Cost is Direct or Indirect**

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

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

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

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

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

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

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

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

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

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

The following are examples of when funds are determined to be "obligated" under applicable regulation of the U.S. Department of Education:

When the obligation is for:

1. Acquisition of property – on the date which the District makes a binding written commitment to acquire the property.
2. Personal services by an employee of the District – when the services are performed.
3. 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.
4. Public utility services – when the District received the services.
5. Travel – when the travel is taken.
6. Rental of property – when the District uses the property.
7. 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.
8. **Period of Performance:** All obligations must occur on or between the beginning and ending dates of the grant project. This period of time is known as the period of performance. The period of performance is dictated by statute and will be indicated in the Grant Award Notification ("GAN"). As a general rule, State-administered Federal funds are available for obligation within the year that Congress appropriates the funds for. However, given the unique nature of educational institutions, for many Federal education grants, the period of performance is twenty-seven (27) months. This maximum period includes a fifteen (15) month period of initial availability, plus a twelve (12) month period of carry over. For direct grants, the period of performance is generally identified in the GAN.

Pre-award costs are those incurred prior to the effective date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the *initial* Federal awarding agency or of the NHD OE or other pass-through entity.

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

## **DAF-2 CASH MANAGEMENT AND FUND CONTROL**

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

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

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

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

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

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

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

### **DAF-3    PROCUREMENT**

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

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

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-327) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall also conform to the provisions of the District's documented general purchase Policy DJ.

The District avoids situations that unnecessarily restrict competition and avoids acquisition of unnecessary or duplicative items. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, are excluded from competing for such purchases. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made to lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

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

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

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

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

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

1. unreasonable requirements on firms in order for them to qualify to do business;
2. unnecessary experience and excessive bonding requirements;
3. noncompetitive contracts to consultants that are on retainer contracts;

4. organizational conflicts of interest;
5. specification of only a "brand name" product instead of allowing for an "or equal" product to be offered and describing the performance or other relevant requirements of the procurement; and/or
6. any arbitrary action in the procurement process.

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; (2) the District is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

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

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

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

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

1. **Procurement Methods:** The District shall utilize the following methods of procurement:
  1. Micro-purchases

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

2. Small Purchases (Simplified Acquisition)

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property which is acquired above the *aggregate dollar* micro-purchase threshold and not exceeding the competitive bid threshold of \$250,000. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

3. Sealed Bids

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

1. In order for sealed bidding to be feasible, the following conditions shall be present:
  2. a complete, adequate, and realistic specification or purchase description is available;
  3. two (2) or more responsible bidders are willing and able to compete effectively for the business; and
- the procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
1. When sealed bids are used, the following requirements apply:
  2. Bids shall be solicited in accordance with the provisions of State law and DJE . Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
  3. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to properly respond.
- All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.
1. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
  2. The Board reserves the right to reject any and all bids for sound documented reason.
  3. Bid protests shall be handled pursuant to the process set forth in DAF-3.I.

4. Competitive Proposals

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

If this method is used, the following requirements apply:

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

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

#### 5. Noncompetitive Proposals

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

1. the item is available only for 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; and/or
4. after solicitation of a number of sources, competition is determined to be inadequate.

1. **Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms:** The District 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:
  2. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  3. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  4. 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;
  5. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
  6. 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
  7. Requiring the prime contractor ([https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def\\_id=74f8c247fb5c2e5672df209600833d51&term\\_occur=1&term\\_src=Title:2:Subtitle:A:Chapter:II:Part:20](https://www.law.cornell.edu/definitions/index.php?width=840&height=800&iframe=true&def_id=74f8c247fb5c2e5672df209600833d51&term_occur=1&term_src=Title:2:Subtitle:A:Chapter:II:Part:20)) if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.
8. **Contract/Price Analysis:** The District 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 200.324). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

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

When performing a cost analysis, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

1. **Time and Materials Contracts:** The District 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 District is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls, and otherwise performs in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

1. **Suspension and Debarment:** The District will award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of the proposed procurement. All purchasing decisions shall be made in the best interests of the District and shall seek to obtain the maximum value for each dollar expended. When making a purchasing decision, the District

shall consider such factors as (1) contractor integrity; (2) compliance with public policy; (3) record of past performance; and (4) financial and technical resources.

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

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

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

Documentation that debarment/suspension was queried must be retained for each covered transaction as part of the documentation required under DAF-3, paragraph J. This documentation should include the date(s) queried and copy(ies) of the SAM result report/screenshot, or a copy of the or certification from the vendor. It should be attached to the payment backup and retained for future audit review.

**1. Additional Requirements for Procurement Contracts Using Federal Funds:**

2. **Clause for Remedies Arising from Breach:** For any contract using Federal funds under which the contract amount exceeds the upper limit for Simplified Acquisition/Small Purchases (see DAF-3.C.2), the contract must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and must provide for sanctions and penalties. (See 2 CFR 200, Appendix II(A)).
3. **Termination clause:** For any contract using Federal funds under which the contract amount exceeds \$10,000, it must address the District's authority to terminate the contract for cause and for convenience, including the manner by which termination will be affected and the basis for settlement. (See 2 CFR 200, Appendix II (B)).
4. **Anti-pollution clause:** For any contract using Federal funds under which the contract amount exceeds \$150,000, the contract must include clauses addressing the Clean Air Act and the Federal Water Pollution Control Act. (See 2 CFR 200, Appendix II (G)).
5. **Anti-lobbying clause:** For any contract using Federal funds under which the contract exceeds \$100,000, the contract must include an anti-lobbying clause, and require bidders to submit Anti-Lobbying Certification as required under 2 CFR 200, Appendix II (I).
6. **Negotiation of profit:** For each contract using Federal funds and for which there is no price competition, and for each Federal fund contract in which a cost analysis is performed, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration must be 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 the contractor's past performance, and industry profit rates in the surrounding geographical area for similar work. (See 2 CFR 200.324(b)).
7. **"Domestic Preference" Requirement:** The District must provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, to the greatest extent practicable. This requirement applies whether the District is purchasing the products directly or when the products are purchased by third parties on the District's behalf (e.g. subcontractor, food service management companies, etc.). It also generally applies to all purchases, even those below the micro-purchase threshold, unless otherwise stipulated by the Federal awarding agency. See also additional "Buy American" provisions in DAF-4.C regarding food service procurement.
8. **Huawei Ban:** The District may not use Federal funds to procure, obtain, or enter into or renew a contract to procure or obtain equipment, services, or systems which substantially use telecommunications equipment or services produced by Huawei Technologies Company or ZTE Corporation, or any of their subsidiaries.
9. **Bid Protest:** The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency. A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request for Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

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

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

1. **Maintenance of Procurement Records:** The District shall maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and records regarding debarment/suspension queries or actions. Such records shall be retained consistent with District Policy EHB and District Administrative Procedures EHB-R.

#### DAF-4 PROCUREMENT – ADDITIONAL PROVISIONS PERTINENT TO FOOD SERVICE PROGRAM

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

1. **Mandatory Contract Clauses:** The following provisions shall be included in all cost reimbursable contracts for food services purchases, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts:
2. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
3. The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or
4. The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;
5. The contractor's determination of its allowable costs must be made in compliance with the applicable departmental and program regulations and Office of Management and Budget cost circulars;
6. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the state agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually;
7. The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and
8. The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the state agency, or the department.
9. **Contracts with Food Service Management Companies:** Procedures for selecting and contracting with a food service management company shall comply with guidance provided by the NHDOE, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts.
10. **"Buy American" Requirement:** NOTE – See DAF-3.H.6 regarding "domestic preference" requirements for procurements other than for food service.

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

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

1. **Exceptions:** The two main exceptions to the Buy American requirements are:
2. The product is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality; or
3. Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.
4. **Steps to Comply with Buy American Requirements:** In order to help assure that the District remains in compliance with the Buy American requirement, the Superintendent, shall
5. Include a Buy American clause in all procurement documents (product specifications, bid solicitations, requests for proposals, purchase orders, etc.);
6. Monitor contractor performance;
7. Require suppliers to certify the origin of the product;
8. Examine product packaging for identification of the country of origin; and
9. Require suppliers to provide specific information about the percentage of U.S. content in food products

#### DAF-5 CONFLICT OF INTEREST AND MANDATORY DISCLOSURES

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

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

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

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

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

#### **DAF-6 INVENTORY MANAGEMENT – EQUIPMENT AND SUPPLIES PURCHASED WITH FEDERAL FUNDS**

Equipment and supplies acquired ("property" as used in this policy DAF-6) with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds. In furtherance thereof, the following minimum standards and controls shall apply to any equipment or pilferable items acquired in whole or in part under a Federal award until such property is disposed in accordance with applicable laws, regulations and Board policies:

1. **"Equipment" and "Pilferable Items" Defined:** For purposes of this policy, "equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of \$5,000, or the capitalization level established by the District for financial statement purposes. "Pilferable items" are those items, *regardless of cost*, which may be easily lost or stolen, such as cell phones, tablets, graphing calculators, software, projectors, cameras and other video equipment, computer equipment and televisions.
2. **Records:** The Superintendent shall maintain records that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
3. **Inventory:** No less than once every two years, the Superintendent shall cause a physical inventory of all equipment and pilferable items to be taken and the results reconciled with the property records. Except as otherwise provided in this policy DAF-6, inventories shall be conducted consistent with Board Policy DID.
4. **Control, Maintenance and Disposition:** The Superintendent shall develop administrative procedures relative to property procured in whole or in part with Federal funds to:
  5. prevent loss, damage, or theft of the property; any loss, damage, or theft must be investigated;
  6. to maintain the property and keep it in good condition; and
  7. to ensure the highest possible return through proper sales procedures, in those instances where the District is authorized to sell the property.

#### **DAF-7 TRAVEL REIMBURSEMENT – FEDERAL FUNDS**

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

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

School officials and district employees shall comply with applicable Board policies and administrative regulations established for reimbursement of travel and other expenses.

The validity of payments for travel costs for all district employees and school officials shall be determined by the Superintendent.

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

Mileage reimbursements shall be at the rate approved by the Board or Board policy for other district travel reimbursements. Actual costs for meals, lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by Board policy, or, in the absence of such policy, the federal General Services Administration for federal employees for locale where incurred.

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

In addition, for any costs that are charged directly to the federal award, the Superintendent shall maintain sufficient records to justify that:

1. Participation of the individual is necessary to the federal award.
2. The costs are reasonable and consistent with Board policy.

#### **DAF-8 ACCOUNTABILITY AND CERTIFICATIONS**

All fiscal transactions must be approved by the Superintendent who can attest that the expenditure is allowable and approved under the federal program. The Superintendent submits all required certifications.

#### **DAF-9 TIME-EFFORT REPORTING / OVERSIGHT**

The Superintendent will establish sufficient oversight of the operations of federally supported activities to assure compliance with applicable federal requirements and to ensure that program objectives established by the awarding agency are being achieved. The District will submit all reports as required by federal or state authorities.

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

200. **Compensation:** Compensation for employment services includes all remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not necessarily limited to wages and salaries. Compensation for personal services may also include fringe benefits, which are addressed in 2 CFR 200.431 Compensation – fringe benefits. Costs of compensation are allowable to the extent that they satisfy the specific requirements of these regulations, and that the total compensation for individual employees:
1. is reasonable for the services rendered, conforms to the District's established written policy, and is consistently applied to both Federal and non-Federal activities; and
  2. follows an appointment made in accordance with the District's written policies and meets the requirements of Federal statute, where applicable.
201. **Time and Effort Reports:** Time and effort reports shall:
202. be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
203. be incorporated into the official records of the District;
204. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
205. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
206. comply with the District's established accounting policies and practices;
207. support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one (1) Federal award, a Federal award and non-Federal award, an indirect cost activity and a direct cost activity, two (2) or more indirect activities which are allocated using different allocation bases, or an unallowable activity and a direct or indirect cost activity.

The District will also follow any time and effort requirements imposed by NHD OE or other pass-through entity as appropriate to the extent that they are more restrictive than the Federal requirements. The Superintendent 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.

#### **DAF-10 GRANT BUDGET RECONCILIATION AND GRANT CLOSEOUT**

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

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

1. **Grant Closeout Requirements:** At the end of the period of performance or when the Federal awarding agency determines the District has completed all applicable administrative actions and all required work under the grant, the agency will close out the Federal award. If the award passed-through the State, the District will have 90 days from the end of the period of performance to submit to the State all financial, performance, and other reports as required by the terms and conditions of the award.

Failure to submit all required reports within the required timeframe will necessarily result in the Federal awarding agency reporting the District's material failure to comply with the terms of the grant to the Office of Management and Budget (OMB), and may pursue other enforcement actions.

The District must maintain all financial records and other documents pertinent to the grant for a period of three years from the date of submission of the final expenditure report, barring other circumstances detailed in 2 CFR 200.344.

#### **DAF-11 SUBRECIPIENT MONITORING AND MANAGEMENT**

When entering agreements involving the expenditure or disbursements of federal grant funds, the District shall determine whether the recipient of such federal funds is a "contractor" or "subrecipient", as those terms are defined in 2 CFR §200.23 and §200.93, respectively. See also guidance at 2 CFR §200.330 "Subrecipient and contractor determinations". Generally, "subrecipients" are instrumental in implementing the applicable work program whereas a "contractor" provides goods and services for the District's own use. Contractors will be subject to the District's procurement and purchasing policies (e.g., DAF-3 relative to federal grant funds, DJE relative to bidding requirements for non-federal money projects, etc.). Subrecipients are subject to this Policy.

Under the UGG, the District is considered a "pass-through entity" in relation to its subrecipients, and as such requires that subrecipients comply with applicable terms and conditions (flow-down provisions). All subrecipients of Federal or State funds received through the District are subject to the same Federal and State statutes, regulations, and award terms and conditions as the District.

#### **1. Sub-award Contents and Communication.**

In the execution of every sub-award, the District will communicate the following information to the subrecipient and include the same information in the sub-award agreement.

1. Every sub-award will be clearly identified and include the following Federal award identification:
  1. Subrecipient name
  2. Subrecipient's unique ID number (DUNS)
  3. Federal Award ID Number (FAIN)
  4. Federal award date
  5. Period of performance start and end date
  6. Amount of federal funds obligated
  7. Amount of federal funds obligated to the subrecipient
  8. Total amount of the Federal award
  9. Total approved cost sharing or match required where applicable
  10. Project description responsive to FFATA
  11. Name of Federal awarding agency, pass through entity and contact information
  12. CFDA number and name
  13. Identification of the award is R&D
  14. Indirect cost rate for the Federal award
2. Requirements imposed by the District including statutes, regulations, and the terms and conditions of the Federal award.
3. Any additional requirements the District deems necessary for financial or performance reporting of subrecipients as necessary.
4. An approved indirect cost rate negotiated between subrecipient and the Federal government or between the pass-through entity and subrecipient.
5. Requirements that the District and its auditors have access to the subrecipient records and financial statements..
6. Terms and conditions for closeout of the sub-award.
7. **Subrecipient Monitoring Procedures.**

The Superintendent is responsible for having all the District project managers monitor subrecipients. The District will monitor the activities of the subrecipient to ensure the sub-award is used for authorized purposes. The frequency of monitoring review will be specified in the sub-award and conducted concurrently with all invoice submission.

Subrecipient monitoring procedures include:

1. At the time of proposal, assess the potential of the subrecipient for programmatic, financial, and administrative suitability.
2. Evaluate each subrecipient's risk of noncompliance prior to executing a sub-award. In doing so, the District will assess the subrecipient's:
  1. Prior experience with the same or similar sub-awards.
  2. Results of previous audits and single audit (if applicable).
  3. New personnel or new or substantially changed systems.
  4. The extent and results of Federal awarding agency monitoring.
3. Confirm the statement of work and review any non-standard terms and conditions of the sub-award during the negotiation process.
4. Monitor financial and programmatic progress and ability of the subrecipient to meet objectives of the sub-award. To facilitate this review, subrecipients are required to submit sufficient invoice detail and a progress report. The District project managers will encourage subrecipients to submit regular invoices.
5. Invoices and progress reports will be date stamped upon receipt if received in hard copy. A record of the date of receipt will be maintained for those invoices sent electronically.
6. In conducting regular oversight and monitoring, the District project managers will:
  1. Verify invoices that include progress reports.
  2. Review progress reports to ensure the project is progressing appropriately and on schedule.
  3. Compare invoice to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
  4. Review invoice to ensure supporting documentation is included and invoices costs are within the scope of work for the projects being invoiced.
5. Obtain report, certification and supporting documentation of local (non-federal)/in-kind match work from the subrecipient.

6. Review subrecipient match tasks for eligibility.
7. Initial the progress report and invoice confirming review and approval prior to payment.
8. Raise any concerns to the Superintendent.
7. The Superintendent, upon recommendation from the project's manager, will approve the invoice payment and will initial invoices confirming review and approval prior to payment.
8. Payments will be withheld from subrecipients for the following reasons:
  1. Insufficient detail to support the costs billed;
  2. Unallowable costs;
  3. Ineligible costs; and/or
  4. Incomplete work or work not completed in accordance with required specifications.
9. Verify every subrecipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements.
10. **Subrecipient Project Files.** Subrecipient project files will contain, at a minimum, the following:
  11. Project proposal;
  12. Project scope;
  13. Progress reports;
  14. Interim and final products; and
  15. Copies of other applicable project documents as required, such as copies of contracts or MOUs.

#### 1. **Audit Requirements.**

All subrecipients are required to annually submit their audit and Single Audit report to the District for review to ensure the subrecipient has complied with good accounting practices and federal regulations. If a deficiency is identified, the District will:

1. Issue a management decision on audit findings pertaining to the Federal award.
2. Consider whether the results of audits or reviews indicate conditions that necessitate adjustments to pass through entity's own records.
3. **Methodology for Resolving Findings.**

The District will work with subrecipients to resolve any findings and deficiencies. To do so, the District may follow up on deficiencies identified through on-site reviews, provision of basic technical assistance, and other means of assistance as appropriate.

The District will only consider taking enforcement action against non-compliant subrecipients in accordance with 2 CFR 200.339 when noncompliance cannot be remedied. Enforcement may include taking any of the following actions as appropriate:

1. Temporarily withhold cash payments pending correction of the deficiency;
2. Disallow all or part of the cost of the activity or action not in compliance;
3. Wholly or partly suspend or terminate the sub-award;
4. Initiate suspension or debarment proceedings;
5. Withhold further Federal awards for the project or program; and/or
6. Take other remedies that may be legally available.

***Related Policies: DI, DID, DJ, DJC, DJE, DJF & DK See also: ADB, EFAA, EHB, JICI & JRA***

#### **Legal References:**

42 USC 1751 – 66 National School Lunch Act

2 CFR Part 180

2 CFR Part 200

200.0 – 200.99; 200.305; 200.313(d); 200.317-326; 200.403-406; 200.413(a)-(c); 200.430; 200.431; 200.458; 200.474(b)

200 Appendix II

7 CFR Part 210

210.16; 210.19; 210.21; 215.14a; 220.16

First Read: April 19, 2022

Second Read: May 3, 2022

Adopted: May 3, 2022

< DA - Fiscal Management Plan

DB - Annual Budget (<https://schoolboard.convalsd.net/district-policies/d-fiscal-management/db-annual-budget/>)

Policy DAF: Administration of Federal Grant Funds

Status: ADOPTED

Original Adopted Date: 04/01/2019 | Last Revised Date: 09/01/2021 | Last Reviewed Date: 09/01/2021

Category: Priority/Required by Law

ADOPTION/REVISION NOTES -

Text between the highlighted lines "~~~", and highlights in this sample should be removed prior to adoption.  
Policy begins on third page.

- a. **REVISIONS IN September 2021** intended to reflect 2020 revisions to the Uniform Grant Guidance ("UGG"), see 2 CFR Part 200, including: pre-award costs (DAF-1.F), micro-purchase limits (DAF-3.C), addition of "domestic preference" and Huawei ban (DAF-3.H), grant closeout provisions (DAF-10), and minor text and grammar corrections throughout.
- b. **(\*\*)** indicates reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- c. This sample policy DAF, includes several sub-policies (see page 3, below), and is intended to establish the local board's expectations and standards for financial management and other internal controls relative to federal grant awards as required under the UGG. **This policy is not sufficient, alone, to serve as the written controls required by the UGG.** The policy **must be supplemented with written procedures** that should be developed under the supervision of the Superintendent and business office. The specific procedures will require tailoring according to the administrative structure, technological capacity and other circumstances or preferences of each district. Written procedures which are required under the policy and the UGG are indicated in the policy, and may be identified searching for the phrase "administrative procedures". **NHDOE, Bureau of Federal Compliance**, has released several "Fact Sheets" relative to the UGG which include, among other things, a description of some of the specific procedures administrators will need to create and implement:

<https://www.education.nh.gov/who-we-are/division-educator-and-analytic-resources/bureau-of-financial-compliance/federal-funds-fact-sheets>(<https://simbli.eboardsolutions.com/SU/n32qqZeBwplusNplus4phaJqdMdQ==>)

An example of the type of procedures (as opposed to policy) required by the UGG may be found in the NHDOE the sample set of procedures for food service procurement. Note, however, that many of the provisions stated as required in the DOE Fact Sheets, and the food service procedures, are incorporated into sample policy DAF.

- d. General - As will all sample policies, NHSBA recommends that each district carefully review this sample DAF prior to adoption to assure suitability with the district's own specific circumstances, organizational structures, etc.. Highlighted language in this sample indicates areas which Boards must change/complete to reflect local personnel titles, policy references, duty assignments etc. **This text box, and all highlights within the policy should be removed prior to adoption.**
- e. A sampling review of the policy manuals of various school districts, reveals that many districts have adopted some UGG policies or components of policies required by the federal Uniform Grant Guidance (2 CFR 200). In order to avoid redundancy, we recommend that prior to adoption of this sample, Districts review their own policy manuals for related policies, and make such changes as are appropriate.
- f. Other current existing policies implicated by this sample DAF should be reviewed to help assure continuity of practices within the District. Most significantly:
  - Modify DJ to identify who has authority to approve purchase orders;
  - Modify DJB to outline approved process for purchase order procedures. The policy may instruct the Superintendent to approve and implement written procedures which more specifically spell out the process.
- g. The UGG and this policy apply specifically to federal grant funds - whether or not received directly, through NHDOE or through any other pass-through entity, and irrespective of whether the federal moneys are the sole funds used for the particular purpose, program, purchase, etc. Because many of the elements required under the UGG are significantly more restrictive or burdensome than those which may exist under state law, the component "sub-policies" (see page 3 of this packet, page 1 of the policy) are framed to pertain to Federal Fund use only. Boards may choose to extend some of the requirements found in this policy more generally. For instance, the Travel section (DAF-6), or Conflict of Interest (DAF-4), could be extended to district programs which do not rely on Federal grant funds. In those instances, we recommend revising current policies to simply refer to the appropriate section(s) of this policy. E.g., the last two sentences of

*NHSBA sample policy DKC would be replaced with "Travel reimbursement shall be subject to the same restrictions, procedures and controls as set forth in Board Policy DAF-7 regarding travel relating to federal grant funds."*

- h. Because this sample implicates subject matter found in several other NHSBA samples (see related policies section in the headers of pages 1 and 3), districts should review their own companion policies and consider whether to include the following notation:*

**All purchases for property and services made using federal funds are conducted in accordance with all applicable Federal and State laws and regulations, the Uniform Grant Guidance, and the District's written policies and procedures. See Board Policy DAF.**

- i. Given the complexity of this sample policy, and relationship to many existing NHSBA samples, NHSBA contemplates further development and revisions relative to the over the next several policy updates.*

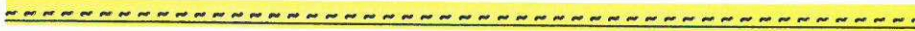
***Direct any inquiries to either NHSBA's Director of Policy Services or local district counsel.***

**NHSBA history:** REVISED – Sept. 2021; July 2019; NEW POLICY – April 2019

**NHSBA notes:** **September 2021**, NHSBA revised DAF to reflect amendments to the Uniform Grant Guidance (generally 2 CFR 200), primarily regarding pre-award costs (DAF-1.F), micro-purchase limits (DAF-3.C), addition of "domestic preference" and Huawei ban (DAF-3.H), grant closeout provisions (DAF-10), and minor text and grammar corrections; **July 2019**, NHSBA revised DAF to include DAF-11, regarding sub-recipient monitoring, and modified DAF-4 to include reference to "buy American" requirements; **April 2019**, policy created to reflect requirements of Title 2 CFR Part 200, commonly known as the Uniform Grant Guidance.

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***Policy Begins on Next Page***



This Policy includes "sub-policies" relating to specific provisions of the Uniform Administrative Requirements for Federal Awards issued by the U.S. Office of Budget and Management. Those requirements, which are commonly known as Uniform Grant Guidance ("UGG"), are found in Title 2 of the Code of Federal Regulations ("CFR") part 200. The sub-policies include:

*Please change or delete page numbers according to your own formatting*

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**NOTICE:** 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 Board accepts federal funds, which are available, provided that there is a specific need for them and that the required matching funds are available. The Board 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 District in the administration of any funds received by the District through Federal grant programs as required by applicable NH and Federal laws or regulations, including, without limitation, the UGG.

The Board directs the [....*Superintendent, Business Administrator* \_\_\_\_ *other – for instance, a District may designate a "Federal Funds Coordinator"*] 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 District 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 state 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.

#### **DAF-1 ALLOWABILITY**

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

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

1. Be "necessary" and "reasonable" for proper and efficient performance and administration of the Federal award and be allocable thereto under these principles.
  - a. To determine whether a cost is "reasonable", consideration shall be given to:
    - i. whether a cost is a type generally recognized as ordinary and necessary for the operation of the District or the proper and efficient performance of the Federal award;
    - ii. the restraints or requirements imposed by such factors as sound business practices, arm's length bargaining, Federal, State, local, tribal and other laws and regulations;
    - iii. market prices for comparable goods or services for the geographic area;
    - iv. whether the individuals concerned acted with prudence in the circumstances considering their responsibilities; and
    - v. whether the cost represents any significant deviation from the established practices or Board policy which may increase the expense. While Federal regulations do not provide specific descriptions of what satisfied the "necessary" element beyond its inclusion in the reasonableness analysis above, whether a cost is 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.
  - b. When determining whether a cost is "necessary", consideration may be given to whether:
    - i. the cost is needed for the proper and efficient performance of the grant program;
    - ii. the cost is identified in the approved budget or application;
    - iii. there is an educational benefit associated with the cost;
    - iv. the cost aligns with identified needs based on results and findings from a needs assessment; and/or
    - v. the cost addresses program goals and objectives and is based on program data.
  - c. 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.
2. Conform to any limitations or exclusions set forth as cost principles in Part 200 or in the terms and conditions of the Federal award.
3. Be consistent with policies and procedures that apply uniformly to both Federally-financed and other activities of the District.
4. Be afforded consistent treatment. A cost cannot be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been assigned as an indirect cost under another award.
5. Be determined in accordance with generally accepted accounting principles.
6. Be representative of actual cost, net of all applicable credits or offsets.

The term "applicable credits" refers to those receipts or reductions of expenditures that operate to offset or reduce expense items allocable to the Federal award. Typical examples of such transactions are: purchase discounts; rebates or allowances; recoveries or indemnities on losses; and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to/or received by the State relate to the Federal award, they shall be credited to the Federal award, either as a cost reduction or a

cash refund, as appropriate.

7. Be not included as a match or cost-share, unless the specific Federal program authorizes Federal costs to be treated as such.
  8. Be adequately documented:
    - a. in the case of personal services, the Superintendent shall implement a system for District personnel to account for time and efforts expended on grant funded programs to assure that only permissible personnel expenses are allocated;
    - b. in the case of other costs, all receipts and other invoice materials shall be retained, along with any documentation identifying the need and purpose for such expenditure if not otherwise clear.
- B. **Selected Items of Cost:** The District shall follow the rules for selected items of cost at 2 CFR Part 200, Subpart E when charging these specific expenditures to a Federal grant. When applicable, District staff shall check costs against the selected items of cost requirements to ensure the cost is allowable. In addition, State, District and program-specific rules, including the terms and conditions of the award, may deem a cost as unallowable and District personnel shall follow those rules as well.
- C. **Cost Compliance:** The Superintendent shall require that grant program funds are expended and are accounted for consistent with the requirements of the specific program and as identified in the grant application. Compliance monitoring includes accounting for direct or indirect costs and reporting them as permitted or required by each grant.

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

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

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

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

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

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

The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate only if **all** 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.

- d. The costs are not also recovered as indirect costs.

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

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

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

The following are examples of when funds are determined to be "obligated" under applicable regulation of the U.S. Department of Education:

When the obligation is for:

1. Acquisition of property – on the date which the District makes a binding written commitment to acquire the property.
2. Personal services by an employee of the District – when the services are performed.
3. 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.
4. Public utility services – when the District received the services.
5. Travel – when the travel is taken.
6. Rental of property – when the District uses the property.
7. 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.

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

Pre-award costs are those incurred prior to the effective date of the Federal award or subaward directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with the written approval of the *initial* Federal awarding agency or of the NHDOE or other pass-through entity.

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

#### DAF-2 **CASH MANAGEMENT AND FUND CONTROL**

Payment methods must be established in writing that minimize the time elapsed between the drawdown of federal funds and the disbursement of those funds. Standards for funds control and accountability must be met as required

by the Uniform Guidance for advance payments and in accordance with the requirements of NHDOE or other applicable pass-through-entity.

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

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

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

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

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

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

### **DAF-3    PROCUREMENT**

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

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

The Superintendent shall maintain a procurement and contract administration system in accordance with the USDOE requirements (2 CFR 200.317-327) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall also conform to the provisions of the District's documented general purchase Policy (\*\*DJJ).

The District avoids situations that unnecessarily restrict competition and avoids acquisition of unnecessary or duplicative items. Individuals or organizations that develop or draft specifications, requirements, statements of work, and/or invitations for bids, requests for proposals, or invitations to negotiate, are excluded from competing for such purchases. Additionally, consideration shall be given to consolidating or breaking out procurements to obtain a more economical purchase. And, where appropriate, an analysis shall be made to lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach. These considerations are given as part of the process to determine the allowability of each purchase made with Federal funds.

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

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

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

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

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

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

Further, the District does not use statutorily or administratively imposed State, local, or tribal geographical preferences in the evaluation of bids or proposals, unless (1) an applicable Federal statute expressly mandates or encourages a geographic preference; (2) the District is contracting for architectural and engineering services, in which case geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

To the extent that the District uses a pre-qualified list of persons, firms or products to acquire goods and

services, the pre-qualified list must include enough qualified sources as to ensure maximum open and free competition. The District allows vendors to apply for consideration to be placed on the list as requested.

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

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

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

- C. **Procurement Methods:** The District shall utilize the following methods of procurement:

1. **Micro-purchases**

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed **\$10,000**<sup>1</sup>. To the extent practicable, the District shall distribute micro-purchase equitably among qualified suppliers. Micro-purchases may be made without soliciting competitive quotations if the Superintendent considers the price to be reasonable. The District maintains evidence of this reasonableness in the records of all purchases made by this method.

2. **Small Purchases (Simplified Acquisition)**

Small purchase procedures provide for relatively simple and informal procurement methods for securing services, supplies, and other property which is acquired above the *aggregate dollar* micro-purchase threshold and not exceeding the competitive bid threshold of \$250,000. Small purchase procedures require that price or rate quotations shall be obtained from an adequate number of qualified sources.

3. **Sealed Bids**

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

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

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

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

- i. Bids shall be solicited in accordance with the provisions of State law and **(\*\*)DJE**. Bids shall be solicited from an adequate number of qualified suppliers, providing sufficient response time prior to the date set for the opening of bids. The invitation to bid shall be publicly advertised.
- ii. The invitation for bids will include product/contract specifications and pertinent attachments and shall define the items and/or services required in order for the bidder to

properly respond.

- iii. All bids will be opened at the time and place prescribed in the invitation for bids; bids will be opened publicly.
- iv. A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts may only be used to determine the low bid when prior experience indicates that such discounts are usually taken.
- v. The Board reserves the right to reject any and all bids for sound documented reason.
- vi. Bid protests shall be handled pursuant to the process set forth in DAF-3.I.

#### 4. Competitive Proposals

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

If this method is used, the following requirements apply:

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

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

#### 5. Noncompetitive Proposals

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

- a. the item is available only for a single source;
- 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 District; 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 District 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(<https://simbli.eboardsolutions.com/SU/v0QythpjWLolBl0bbg87lg==>) , 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 District 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 200.324). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

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

When performing a cost analysis, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration is given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

- F. **Time and Materials Contracts:** The District 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 District is the sum of the actual costs of materials, and direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiently. Therefore, the District sets a ceiling price for each contract that the contractor exceeds at its own risk. Further, the District shall assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls, and otherwise performs in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

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

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

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

The District shall not subcontract with or award sub-grants to any person or company who is debarred or suspended. For contracts over \$25,000 the District shall confirm that the vendor is not debarred or suspended by either checking the Federal government's System for Award Management ("SAM"), which maintains a list of such debarred or suspended vendors at [www.sam.gov](https://www.sam.gov)(<https://simbli.eboardsolutions.com/SU/iAQTuz8houqe5YANmdywkQ==>) (which replaced the former Excluded Parties List System or EPLS); or collecting a certification from the vendor. (See 2 CFR Part 180 Sub part C).

Documentation that debarment/suspension was queried must be retained for each covered transaction as part of the documentation required under **DAF-3, paragraph J**. This documentation should include the date(s) queried and copy(ies) of the SAM result report/screen shot, or a copy of the or certification from the vendor. It should be attached to the payment backup and retained for future audit review.

#### **H. Additional Requirements for Procurement Contracts Using Federal Funds:**

1. **Clause for Remedies Arising from Breach:** For any contract using Federal funds under which the contract amount exceeds the upper limit for Simplified Acquisition/Small Purchases (see DAF-3.C.2), the contract must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and must provide for sanctions and penalties. (See 2 CFR 200, Appendix II(A)).
  2. **Termination clause:** For any contract using Federal funds under which the contract amount exceeds \$10,000, it must address the District's authority to terminate the contract for cause and for convenience, including the manner by which termination will be effected and the basis for settlement. (See 2 CFR 200, Appendix II (B)).
  3. **Anti-pollution clause:** For any contract using Federal funds under which the contract amount exceeds \$150,000, the contract must include clauses addressing the Clean Air Act and the Federal Water Pollution Control Act. (See 2 CFR 200, Appendix II (G)).
  4. **Anti-lobbying clause:** For any contract using Federal funds under which the contract exceeds \$100,000, the contract must include an anti-lobbying clause, and require bidders to submit Anti-Lobbying Certification as required under 2 CFR 200, Appendix II (I).
  5. **Negotiation of profit:** For each contract using Federal funds and for which there is no price competition, and for each Federal fund contract in which a cost analysis is performed, the District shall negotiate profit as a separate element of the price. To establish a fair and reasonable profit, consideration must be 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 the contractor's past performance, and industry profit rates in the surrounding geographical area for similar work. (See 2 CFR 200.324(b)).
  6. **"Domestic Preference" Requirement:** The District must provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, to the greatest extent practicable. This requirement applies whether the District is purchasing the products directly or when the products are purchased by third parties on the District's behalf (e.g. subcontractor, food service management companies, etc.). It also generally applies to all purchases, even those below the micro-purchase threshold, unless otherwise stipulated by the Federal awarding agency. See also additional "Buy American" provisions in **DAF-4.C** regarding food service procurement.
  7. **Huawei Ban:** The District may not use Federal funds to procure, obtain, or enter into or renew a contract to procure or obtain equipment, services, or systems which substantially use telecommunications equipment or services produced by Huawei Technologies Company or ZTE Corporation, or any of their subsidiaries.
- I. **Bid Protest:** The District maintains the following protest procedures to handle and resolve disputes relating to procurements and, in all instances, discloses information regarding the protest to the awarding agency.

A bidder who wishes to file a bid protest shall file such notice and follow procedures prescribed by the Request For Proposals (RFPs) or the individual bid specifications package, for resolution. Bid protests shall be filed in

writing with the Superintendent within seventy-two (72) hours of the opening of the bids in protest.

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

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

- J. **Maintenance of Procurement Records:** The District shall maintain records sufficient to detail the history of all procurements. These records will include, but are not necessarily limited to, the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, the basis for the contract price (including a cost or price analysis), and records regarding debarment/suspension queries or actions. Such records shall be retained consistent with District Policy **[\*\*]EHB** and District Administrative Procedures **[\*\*]EHB-R**.

#### DAF-4 **PROCUREMENT – ADDITIONAL PROVISIONS PERTINENT TO FOOD SERVICE PROGRAM**

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

- A. **Mandatory Contract Clauses:** The following provisions shall be included in all cost reimbursable contracts for food services purchases, including contracts with cost reimbursable provisions, and in solicitation documents prepared to obtain offers for such contracts:
1. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;
  2. The contractor must separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or
  3. The contractor must exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;
  4. The contractor's determination of its allowable costs must be made in compliance with the applicable departmental and program regulations and Office of Management and Budget cost circulars;
  5. The contractor must identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit. If approved by the state agency, the school food authority may permit the contractor to report this information on a less frequent basis than monthly, but no less frequently than annually;
  6. The contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and
  7. The contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the state agency, or the department.
- B. **Contracts with Food Service Management Companies:** Procedures for selecting and contracting with a food service management company shall comply with guidance provided by the NHDOE, including standard forms, procedures and timelines for solicitation, selection and approval of proposals and contracts.

- C. **"Buy American" Requirement:** NOTE - See [\*\*]DAF-3.H.6 regarding "domestic preference" requirements for procurements other than for food service.

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

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

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

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

2. **Steps to Comply with Buy American Requirements:** In order to help assure that the District remains in compliance with the Buy American requirement, the [\_\_\_\_ *Superintendent* \_\_/Officer/Food Service Director], shall

- a. Include a Buy American clause in all procurement documents (product specifications, bid solicitations, requests for proposals, purchase orders, etc.);
- b. Monitor contractor performance;
- c. Require suppliers to certify the origin of the product;
- d. Examine product packaging for identification of the country of origin; and
- e. Require suppliers to provide specific information about the percentage of U.S. content in food products [optional: {from time-to-time} OR {state some other standard}].

#### DAF-5 **CONFLICT OF INTEREST AND MANDATORY DISCLOSURES**

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

Each employee, board member, or agent of the school system who is engaged in the selection, award or administration of a contract supported by a federal grant or award and who has a potential conflict of interest must disclose that conflict in writing to the [\_\_\_\_ *Superintendent* \_\_/Officer], who, in turn, shall disclose in writing any such potential conflict of interest to NHDOE or other applicable pass-through-entity.

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

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

The Superintendent shall timely disclose in writing to NHDOE or other applicable pass-through-entity, all violations

of federal criminal law involving fraud, bribery, or gratuities potentially effecting any federal award. The Superintendent shall fully address any such violations promptly and notify the Board with such information as is appropriate under the circumstances (e.g., taking into account applicable disciplinary processes).

#### **DAF-6    INVENTORY MANAGEMENT - EQUIPMENT AND SUPPLIES PURCHASED WITH FEDERAL FUNDS**

Equipment and supplies acquired ("property" as used in this policy DAF-6) with federal funds will be used, managed, and disposed of in accordance with applicable state and federal requirements. Property records and inventory systems shall be sufficiently maintained to account for and track equipment that has been acquired with federal funds. In furtherance thereof, the following minimum standards and controls shall apply to any equipment or pilferable items acquired in whole or in part under a Federal award until such property is disposed in accordance with applicable laws, regulations and Board policies:

- A. **"Equipment" and "Pilferable Items" Defined:** For purposes of this policy, "equipment" means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of \$5,000, or the capitalization level established by the District for financial statement purposes. "Pilferable items" are those items, *regardless of cost*, which may be easily lost or stolen, such as cell phones, tablets, graphing calculators, software, projectors, cameras and other video equipment, computer equipment and televisions.
- B. **Records:** The [\_\_\_\_ Superintendent\_\_/Officer] shall maintain records that include a description of the property; a serial number or other identification number; the source of the funding for the property (including the federal award identification number (FAIN)); who holds title; the acquisition date; the cost of the property; the percentage of the federal participation in the project costs for the federal award under which the property was acquired; the location, use, and condition of the property; and any ultimate disposition data, including the date of disposition and sale price of the property.
- C. **Inventory:** No less than once every two years, the [\_\_\_\_ Superintendent\_\_/Officer] shall cause a physical inventory of all equipment and pilferable items to be taken and the results reconciled with the property records. Except as otherwise provided in this policy [\*\*]DAF-6, inventories shall be conducted consistent with Board Policy [{}\*]DID.
- D. **Control, Maintenance and Disposition:** The Superintendent shall develop administrative procedures relative to property procured in whole or in part with Federal funds to:
  - 1. prevent loss, damage, or theft of the property; any loss, damage, or theft must be investigated;
  - 2. to maintain the property and keep it in good condition; and
  - 3. to ensure the highest possible return through proper sales procedures, in those instances where the District is authorized to sell the property.

#### **DAF-7    TRAVEL REIMBURSEMENT - FEDERAL FUNDS**

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

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

School officials and district employees shall comply with applicable Board policies and administrative regulations established for reimbursement of travel and other expenses.

The validity of payments for travel costs for all district employees and school officials shall be determined by the [\_\_\_\_ Superintendent\_\_/Officer].

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

Mileage reimbursements shall be at the rate approved by the Board or Board policy for other district travel reimbursements. Actual costs for meals, lodging and other allowable expenses shall be reimbursed only to the extent they are reasonable and do not exceed the per diem limits established by Board policy, or, in the absence of such policy, the federal General Services Administration for federal employees for locale where incurred.

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

In addition, for any costs that are charged directly to the federal award, the [\_\_\_\_Superintendent\_\_/Officer] shall maintain sufficient records to justify that:

- A. Participation of the individual is necessary to the federal award.
- B. The costs are reasonable and consistent with Board policy.

#### **DAF-8    ACCOUNTABILITY AND CERTIFICATIONS**

All fiscal transactions must be approved by the [\_\_\_\_Superintendent\_\_/Officer] who can attest that the expenditure is allowable and approved under the federal program. The [\_\_\_\_Superintendent\_\_/Officer] submits all required certifications.

#### **DAF-9    TIME-EFFORT REPORTING / OVERSIGHT**

The Superintendent will establish sufficient oversight of the operations of federally supported activities to assure compliance with applicable federal requirements and to ensure that program objectives established by the awarding agency are being achieved. The District will submit all reports as required by federal or state authorities.

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

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

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

- B. **Time and Effort Reports:** Time and effort reports shall:

- 1. be supported by a system of internal controls which provide reasonable assurance that the charges are accurate, allowable, and properly allocated;
- 2. be incorporated into the official records of the District;
- 3. reasonably reflect the total activity for which the employee is compensated by the District, not exceeding 100% of the compensated activities;
- 4. encompass both Federally assisted and other activities compensated by the District on an integrated basis;
- 5. comply with the District's established accounting policies and practices;
- 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 District 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 [ -  
Superintendent /Officer] 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.

#### **DAF-10 GRANT BUDGET RECONCILIATION AND GRANT CLOSEOUT**

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

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

- B. **Grant Closeout Requirements:** At the end of the period of performance or when the Federal awarding agency determines the District has completed all applicable administrative actions and all required work under the grant, the agency will close out the Federal award. If the award passed-through the State, the District will have 90 days from the end of the period of performance to submit to the State all financial, performance, and other reports as required by the terms and conditions of the award.

Failure to submit all required reports within the required timeframe will necessarily result in the Federal awarding agency reporting the District's material failure to comply with the terms of the grant to the Office of Management and Budget (OMB), and may pursue other enforcement actions.

The District must maintain all financial records and other documents pertinent to the grant for a period of three years from the date of submission of the final expenditure report, barring other circumstances detailed in 2 CFR 200.344.

#### **DAF-11 SUB-RECIPIENT MONITORING AND MANAGEMENT**

When entering agreements involving the expenditure or disbursements of federal grant funds, the District shall determine whether the recipient of such federal funds is a "contractor" or "subrecipient", as those terms are defined in 2 CFR §200.23 and §200.93, respectively. See also guidance at 2 CFR §200.330 "Subrecipient and contractor determinations". Generally, "subrecipients" are instrumental in implementing the applicable work program whereas a "contractor" provides goods and services for the District's own use. Contractors will be subject to the District's procurement and purchasing policies (e.g., [\*\*]DAF-3 relative to federal grant funds, [\*\*]DJE relative to bidding requirements for non-federal money projects, etc.). Subrecipients are subject to this Policy.

Under the UGG, the District is considered a "pass-through entity" in relation to its subrecipients, and as such requires that subrecipients comply with applicable terms and conditions (flow-down provisions). All subrecipients of Federal or State funds received through the District are subject to the same Federal and State statutes, regulations, and award terms and conditions as the District.

##### **A. Sub-award Contents and Communication.**

In the execution of every sub-award, the District will communicate the following information to the subrecipient and include the same information in the sub-award agreement.

1. Every sub-award will be clearly identified and include the following Federal award identification:
  - a. Subrecipient name
  - b. Subrecipient's unique ID number (DUNS)
  - c. Federal Award ID Number (FAIN)
  - d. Federal award date
  - e. Period of performance start and end date
  - f. Amount of federal funds obligated

- g. Amount of federal funds obligated to the subrecipient
  - h. Total amount of the Federal award
  - i. Total approved cost sharing or match required where applicable
  - j. Project description responsive to FFATA
  - k. Name of Federal awarding agency, pass through entity and contact information
  - l. CFDA number and name
  - m. Identification of the award is R&D
  - n. Indirect cost rate for the Federal award
2. Requirements imposed by the District including statutes, regulations, and the terms and conditions of the Federal award.
  3. Any additional requirements the District deems necessary for financial or performance reporting of subrecipients as necessary.
  4. An approved indirect cost rate negotiated between subrecipient and the Federal government or between the pass-through entity and subrecipient.
  5. Requirements that the District and its auditors have access to the subrecipient records and financial statements..
  6. Terms and conditions for closeout of the sub-award.

**B. Subrecipient Monitoring Procedures.**

The Superintendent is responsible for having all the District project managers monitor subrecipients. The District will monitor the activities of the subrecipient to ensure the sub-award is used for authorized purposes. The frequency of monitoring review will be specified in the sub-award and conducted concurrently with all invoice submission.

Subrecipient monitoring procedures include:

1. At the time of proposal, assess the potential of the subrecipient for programmatic, financial, and administrative suitability.
2. Evaluate each subrecipient's risk of noncompliance prior to executing a sub-award. In doing so, the District will assess the subrecipient's:
  - a. Prior experience with the same or similar sub-awards.
  - b. The extent and results of Federal awarding agency monitoring.
  - c. New personnel or new or substantially changed systems.
  - d. Results of previous audits and single audit (if applicable).
3. Confirm the statement of work and review any non-standard terms and conditions of the sub-award during the negotiation process.
4. Monitor financial and programmatic progress and ability of the subrecipient to meet objectives of the sub-award. To facilitate this review, subrecipients are required to submit sufficient invoice detail and a progress report. The District project managers will encourage subrecipients to submit regular invoices.
5. Invoices and progress reports will be date stamped upon receipt if received in hard copy. A record of the date of receipt will be maintained for those invoices sent electronically.
6. In conducting regular oversight and monitoring, the District project managers will:
  - a. Verify invoices that include progress reports.
  - b. Raise any concerns to the [\_\_\_\_Superintendent\_\_\_\_/Officer].

- c. Initial the progress report and invoice confirming review and approval prior to payment.
  - d. Review subrecipient match tasks for eligibility.
  - e. Obtain report, certification and supporting documentation of local (non-federal)/in-kind match work from the subrecipient.
  - f. Review invoice to ensure supporting documentation is included and invoices costs are within the scope of work for the projects being invoiced.
  - g. Compare invoice to agreement budget to ensure eligibility of costs and that costs do not exceed budget.
  - h. Review progress reports to ensure project is progressing appropriately and on schedule.
7. The [\_\_\_\_ **Superintendent** \_\_\_\_/Officer], upon recommendation from the project's manager, will approve the invoice payment and will initial invoices confirming review and approval prior to payment.
8. Payments will be withheld from subrecipients for the following reasons:
- a. Insufficient detail to support the costs billed;
  - b. Incomplete work or work not completed in accordance with required specifications.
  - c. Ineligible costs; and/or
  - d. Unallowable costs;
9. Verify every subrecipient is audited in accordance with 2 CFR §200 Subpart F – Audit Requirements.
- C. Subrecipient Project Files.** Subrecipient project files will contain, at a minimum, the following:
- a. Project proposal;
  - b. Project scope;
  - c. Progress reports;
  - d. Interim and final products; and
  - e. Copies of other applicable project documents as required, such as copies of contracts or MOUs.
- D. Audit Requirements.**

All subrecipients are required to annually submit their audit and Single Audit report to the District for review to ensure the subrecipient has complied with good accounting practices and federal regulations. If a deficiency is identified, the District will:

- 1. Issue a management decision on audit findings pertaining to the Federal award.
- 2. Consider whether the results of audits or reviews indicate conditions that necessitate adjustments to pass through entity's own records.

**E. Methodology for Resolving Findings.**

The District will work with subrecipients to resolve any findings and deficiencies. To do so, the District may follow up on deficiencies identified through on-site reviews, provision of basic technical assistance, and other means of assistance as appropriate.

The District will only consider taking enforcement action against non-compliant subrecipients in accordance

with 2 CFR 200.339 when noncompliance cannot be remedied. Enforcement may include taking any of the following actions as appropriate:

- a. Temporarily withhold cash payments pending correction of the deficiency;
- b. Disallow all or part of the cost of the activity or action not in compliance;
- c. Wholly or partly suspend or terminate the sub-award;
- d. Initiate suspension or debarment proceedings;
- e. Withhold further Federal awards for the project or program; and/or
- f. Take other remedies that may be legally available.

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<sup>1</sup>**[REMOVE FOOTNOTE PRIOR TO ADOPTION]**The 2020 UGG amendments (see 2 CFR 200.320) set the micro-purchase threshold at \$10,000, but allow a district, as a "Non-Federal entity" to "self-certify" a micro-purchase threshold above the default amount of \$10,000 up to \$50,000 under certain conditions. The non-Federal entity must establish the higher threshold on an annual basis, and would be required to maintain documentation available to the Federal awarding agency and auditors in accordance with 2 CFR 200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of the following: (A) a qualification as a low-risk auditee, in accordance with the criteria in 2 CFR 200.520 for the most recent audit; (B) an annual internal institutional risk assessment to identify, mitigate, and manage financial risks; and (C) a higher threshold consistent with State law. Additionally, §200.320 allows a non-public entity to request a micro-purchase limit above \$50,000. **NHSBA strongly encourages any school board wishing to establish a higher micro-purchase threshold to consult with its BA and private counsel.**

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***District Policy History:***

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

***District revision history:***

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# DB – Annual Budget

One of the primary responsibilities of the School Board is to secure adequate funds to carry out a high-level program of instruction.

The adopted annual school budget is the financial outline of the District's educational program; it is the legal basis for the establishment of tax rates. The annual school budget process is an important function of District operations and should serve as a means to improve communications within the school organization and with the residents of the community.

The Superintendent will be responsible for preparing, and presenting to the Board for adoption, the annual school budget. The Board expects the Superintendent to work closely with the principals and other administrators to assess the needs of the schools. The principals will confer with appropriate staff in obtaining budgetary requests and information on requirements.

## **Legal References:**

RSA 32:4, Preparation of Budgets: Estimate of Expenditures and Revenues

RSA 32:5, Budget Preparation

RSA 197:5-a, School meetings and Officers: Budget

*Category: R*

1st Read: September 18, 2012

2nd Read: November 13, 2012

Adopted: November 13, 2012

< DAF - Administration of Federal Grant Funds

DBC - Budget Preparation (<https://schoolboard.convalsd.net/district-policies/dbc-budget-preparation/>)

**Policy DB: Annual Budget**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 03/01/2004 | Last Reviewed Date: 03/01/2004

Category: Recommended

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**ADOPTION/REVISION NOTES -**

Text between the highlighted lines "~~~", and highlights in this sample should be removed prior to adoption.

- a. General – As with all sample policies, NHSBA recommends that each district carefully review this sample prior to adoption/revision to assure suitability with the district's own specific circumstances, internal coding system, current policies, and organizational structures.
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- c. (\*\*) indicates a reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- d. Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Revised March, 2004

Revised: November, 1999

Revised: July, 1998

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One of the primary responsibilities of the Board is to secure adequate funds to carry out a high-level program of instruction.

The adopted annual school budget is the financial outline of the District's educational program; it is the legal basis for the establishment of tax rates. The annual school budget process is an important function of District operations and should serve as a means to improve communications within the school organization and with the residents of the community.

The Superintendent will be responsible for preparing, and presenting to the Board for adoption, the annual school budget. The Board expects the Superintendent to work closely with the principals and other administrators to assess the needs of the schools. The principals will confer with appropriate staff in getting budgetary requests and information on requirements.

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**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

District revision history:

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# DBC – Budget Preparation

The Superintendent will establish procedures for the involvement of staff in the development of the budget proposal.

The School Board will adopt guidelines and a schedule each year for the timely submission of the budget to the Board.

## **Legal References**

RSA 195:12, Cooperative School District: Budget

RSA 197:5-a, School Meetings & Officers: Budget

RSA 32:4, Preparation of Budgets: Estimate of Expenditures and Revenues

RSA 32:5, Budget Preparation

RSA 40:13, Use of Official Ballot

NH Code of Administrative Rules- Section Ed 302:02 (a), Substantive Duties of the Superintendent.

*Category: R*

1st Read: September 18, 2012

2nd Read: November 13, 2012

Adopted: November 13, 2012

Reviewed: January 5, 2023

< DB - Annual Budget

DBJ - Transfer of Appropriations (<https://schoolboard.convalsd.net/district-policies/dbj-transfer-of-appropriation-2/>)

**Policy DBC: Budget Preparation**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 03/01/2004 | Last Reviewed Date: 03/01/2004

Category: Recommended

**ADOPTION/REVISION NOTES -**

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- [\*\*] indicates a reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Revised: March, 2004

Revised: November, 1999

Revised: July, 1998

The Superintendent may establish procedures for the involvement of staff in the development of the budget proposal.

The School Board will adopt guidelines and a schedule each year for the timely submission of the budget to the Board, and budget committee. (where applicable)

**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

**District revision history:**

# DBJ – Transfer of Appropriations



In the event it becomes necessary to expend an amount greater than what was appropriated for a specific purpose, the Board is authorized to transfer funds from an unexpended balance of one appropriation to a different appropriation that is in deficit. All transfers of appropriations will be made consistent with the provisions of RSA 32:10.

The Board authorizes the Superintendent to transfer funds between line items up to \$10,000. Any such transfers shall be reported to the School Board at the Board's next regularly scheduled meeting. The Board will be advised in advance of any transfer in excess of \$10,000. Any transfer of funds shall be done to achieve purposes that align with the expenditure of public funds.

In no circumstance shall the total amount spent exceed the total amount appropriated at the School District Annual Meeting.

The Superintendent is authorized to develop administrative rules or regulations to accompany this policy.

It is the intent of the Board to limit its spending to the amount specified for each line item. However, transfer of funds between line items will be permitted if deemed desirable, except that excess funds may not be transferred from the Unemployment Compensation line item (see RSA 282-A:71, III).

## **Legal References:**

*RSA 32:10, Transfer of Appropriations*

*RSA 282-A:71, III, Unemployment Compensation*

## **Category: 0**

1<sup>st</sup> Read: August 18, 2015

2<sup>nd</sup> Read: September 1, 2015

Adopted: September 1, 2015

< DBC - Budget Preparation

DC - Post-Issuance Tax Compliance and Procedures For Tax-Exempt Obligations  
(<https://schoolboard.convalsd.net/district-policies/d-fiscal-management/dc-post-issuance-tax-compliance-and-procedures-for-tax-exempt-obligations/>)

**Policy DBJ: Transfer of Appropriation**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 09/01/2013 | Last Reviewed Date: 09/01/2013

Category: Optional

**ADOPTION/REVISION NOTES -**

Text between the highlighted lines "~~~~~", and highlights in this sample should be removed prior to adoption.

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- c. {\*\*} indicates a reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- d. Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Revised: September 2013

Revised: July 1998, November 1999, March 2004, September 2009

In the event it becomes necessary to expend an amount greater than what was appropriated for a specific purpose, the Board is authorized to transfer funds from an unexpended balance of one appropriation to a different appropriation that is in deficit. All transfers of appropriations will be made consistent with the provisions of RSA 32:10.

The Board authorizes the Superintendent to transfer funds between line items up to \$5,000. Any such transfers shall be reported to the school board at the board's next regularly scheduled meeting. Any transfer in excess of \$5,000 shall first require Board approval and authorization. Any transfer of funds between line items by the Superintendent shall be done so only to achieve purposes set forth the goals or aims to be accomplished through the expenditure of public funds.

In no circumstance shall the total amount spent exceed the total amount appropriated at the school district annual meeting.

The Superintendent is authorized to develop administrative rules or regulations to accompany this Policy.

**Alternative Policy Language:**

It is the intent of the School Board to limit its spending to the amount specified for each line item. However, transfer of funds between line items will be permitted if deemed necessary. All such transfers will be in accordance with the requirements of RSA 32:10.

**NHSBA Note, September 2013:** NHSBA offers this alternative language in response to member inquiries. Either option will satisfy the provisions of RSA 32:10.

**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

**District revision history:**



# DC – Post-Issuance Tax Compliance and Procedures For Tax-Exempt Obligations

The Contoocook Valley School District from time to time, on a tax-exempt basis, issues (i) bonds and bond anticipation notes to finance capital projects and (ii) municipal leases to finance the lease-purchase of certain equipment, all pursuant to the provisions of New Hampshire RSA Chapter 33, as amended.

All bonds, bond anticipation notes, and applicable leases issued by the District will be in compliance with the federal income tax laws included in the Internal Revenue Code of 1986, as amended (the "Code"), which require that issuers of tax-exempt debt comply with certain post-issuance requirements set forth in the procedures as outlined by the Internal Revenue Service.

## **Legal References:**

RSA 33-A

Internal Revenue Code (IRC), enacted by Congress in Title 26 of the United States Code (26 U.S.C.).

*Category: R*

1st Read: May 15, 2012

2nd Read: June 5, 2012

Adopted: June 5, 2012

< DBJ - Transfer of Appropriations

DEA - Revenues From Local Tax Sources (<https://schoolboard.convalsd.net/district-policies/d-fiscal-management/dea-revenues-from-local-tax-sources/>)

**Policy DC: Taxing and Borrowing Authority/Limitations**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 03/01/2004 | Last Reviewed Date: 03/01/2004

Category: Optional

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**ADOPTION/REVISION NOTES -**

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- d. Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Revised: March, 2004

Revised: November, 1999

Revised: July, 1998

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No funds will be borrowed for capital building projects or other major capital items without the expressed approval of the District at an annual or special school district meeting.

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**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

District revision history:

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# DEA – Revenues From Local Tax Sources

The expenses of the Contoocook Valley School District payable in each fiscal year shall be apportioned as indicated in the Articles of Agreement.

Category: 0

1st Read: September 17, 2013

2nd Read: April 15, 2014

Adopted: April 15, 2014

< DC - Post-Issuance Tax Compliance and Procedures For Tax-Exempt Obligations

DFA - Investment (<https://schoolboard.convalsd.net/district-policies/dfa-investment/>)

**Policy DEA: Revenues from Local Tax Sources**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 03/01/2004 | Last Reviewed Date: 03/01/2004

Category: Optional

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**ADOPTION/REVISION NOTES -**

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- c. [\*\*] indicates a reference to another NHSBA sample policy. A district should check its own current policies and codes to assure internal consistency.
- d. Withdrawn & earlier versions of revised policies should be maintained separately as part of the permanent records of the District.

**NHSBA history:**

Revised: March, 2004

Revised: November, 1999

Revised: July, 1998

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The major share of all financial support for local school districts is raised by taxing property. Most of the financial support of public education, therefore, is subject to a direct vote of the people.

It is the responsibility of the Board is to explain the objectives and needs of the schools to appropriate community bodies that have a role in school budget adoption, and to the voters of the District.

The Board, administration, and the professional staff will work with the taxpayers toward the solution of problems in the operational funding of the School District.

The Board will:

Accept all available state funds to which the District is entitled by law or through rules of the State Board of Education, and

Accept all federal funds which are available providing there is a specific need for them and that matching funds required are available.

The Board may accept revenues on a case-by-case basis consistent with the goals, policies and programs of the District.

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**District Policy History:**

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

**District revision history:**

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# DFA – Investment

The School Board authorizes the School District Treasurer working in conjunction with the Superintendent and his/her designee and pursuant to RSA 197:23-a to invest the funds of the

District subject to the following objectives and standards or care.

## Objectives

The three objectives of investment activities shall be safety, liquidity, and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in

a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of the investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.

2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.

3. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

## Investment

### Instruments

Funds shall be invested in accord with the standards set forth in RSA 197:23-a. Investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll and accounts payable) as well as anticipated revenues.

### Competitive Selection of Investment Instruments

Before investing any excess funds in investment instruments, with the exception of United States

Treasury securities maturing in less than one year, a competitive bid process shall be conducted by the District Treasurer, the Superintendent, or his/her designee.

Bids shall be requested from qualified financial institutions for various options with regard to terms and instrument. The District Treasurer, Superintendent, his/her designee shall accept the

bid(s) that provide(s) the highest rate of return, within the maturity required, and within the parameters of this policy, taking into consideration all associated costs, requirements, and capabilities.

## Standards of Care

1. Prudence: The standard of prudence to be used by the District Treasurer and Superintendent or his/her designee involved in the investment process shall be the “prudent person” standard and shall be applied in the context of managing an overall portfolio. They are directed to use the GFOA (Government Financial Officers Association). Recommended

2. Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.

Ethics and Conflicts of Interest: The School District Treasurer and Superintendent or his/her designee involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial institutions with which they conduct business.

They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall subordinate their personal investment transactions to those of the School District, particularly with regard to the timing of purchases and sales.

3. Internal Controls: The District Treasurer and Superintendent or his/her designee shall establish a system of internal controls that shall be documented in writing. The internal controls shall be reviewed by the School Board and an independent auditor.

The investment of funds will be left to the discretion of the Superintendent or his/her designee without prior approval of the Board.

## ***Legal Reference:***

*Per the District's Financial Advisors/Auditors, this policy must be readopted annually. RSA 197:23-a, IV*

**Category: P**

1st Read: June 18, 2019

2nd Read: July 23, 2019

Adoption: July 23, 2019

Reviewed: March 1, 2022

< DEA - Revenues From Local Tax Sources

DFEA - Free Admissions (<https://schoolboard.convalsd.net/district-policies/dfea-free-admissions/>)

**Policy DFA: Investment**

Status: ADOPTED

Original Adopted Date: 07/01/1998 | Last Revised Date: 02/01/2008 | Last Reviewed Date: 02/01/2008

Category: Priority/Required by Law

**ADOPTION/REVISION NOTES -**

Text between the highlighted lines "~~~", and highlights in this sample should be removed prior to adoption.

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**NHSBA history:**

Revised: February 2008

Revised: July 1998, November 1999, March 2004

The School Board authorizes the School District Treasurer, working in conjunction with the Superintendent and his/her designee and pursuant to RSA 197:23-a, to invest the funds of the District subject to the following objectives and standards of care.

**OBJECTIVES**

The three objectives of investment activities shall be safety, liquidity, and yield.

1. Safety of principal is the foremost objective in this policy. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital by mitigating credit and interest rate risk. This will be accomplished by limiting the type of the investments and institutions to those stipulated by statute and fully covered by FDIC insurance or collateral approved pursuant to applicable law.
2. Liquidity of the investment portfolio shall remain sufficient to meet all operating requirements that may be reasonably anticipated.
3. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

**STANDARDS OF CARE**

1. Prudence. The standard of prudence to be used by the District Treasurer and Superintendent, or his/her designee involved in the investment process, shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. They are directed to use the GFOA\* Recommended Practices and Policy Statements Related to Cash Management as a guide to the prudent investment of public funds.
2. Ethics and conflicts of interest. The School District Treasurer and Superintendent, or his/her designee involved in the investment process, shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial institutions with which they conduct business. They shall also disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officials shall subordinate their personal investment transactions to those of the School District, particularly with regard to the timing of purchases and

sales.

3. Internal Controls. The District Treasurer and Superintendent or his/her designee shall establish a system of internal controls which shall be documented in writing. The internal controls shall be reviewed periodically by the School Board and an independent auditor.

The investment of funds will be left to the discretion of the Finance Committee without prior approval of the Board.

The Board will periodically review the investment policy.

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***District Policy History:***

First reading: \_\_\_\_\_

Second reading/adopted: \_\_\_\_\_

***District revision history:***

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# DFEA – Free Admissions



Senior citizens of the District – persons 65 years of age or older – are permitted to attend all activities of the schools, including athletic events, free of charge. Normal ticketing and seating capacity procedures apply.

This policy represents a small token of appreciation from the School Board for all that the District's senior citizens have done for the schools over the years.

Category: O

1st Read: January 5, 2016

2nd Read: January 19, 2016

Adopted: January 19, 2016

< DFA - Investment

DFGA - Crowd Funding (<https://schoolboard.convalsd.net/district-policies/dfga-crowd-funding/>)