

Policy Committee Agenda: 4/29/19, 1:15 – 2:00 pm, SAU17 Conf Rm.

1. Call to Order

2. Approve draft minutes, 4/8/19 meeting: Called to order at 11:30 AM in SAU 17 Conference Room. In attendance were Board members Pam Brown, Larry Heath, Pete Broderick, Asst. Principal Dawson and Superintendent Ambrose. Minutes of 3/27/19 meeting were approved without change. Policies BDE and BDE-E were discussed and agreed satisfactory for now. Committee reviewed the following policy revisions recommended by the New Hampshire School Board Association legal counsel and approved by district administrators: IKFC and JFABD-R1 (two new policies); JEB, JFAA, JFAB, JFABB, JFABB-R, JFABD, JG, JHCB, JICA, JICA-R (drafts of revised/updated policies); JI, JIB (for reaffirmation); JEB-E (recommended for repeal, no longer needed). Members discussed them, and agreed the updates are ready for 1st Reading at 5/1/19 Board meeting. Policy DAF: Administration of Federal Grant Funds, was tabled for future meeting. Other items still tabled (from 3/6/19 meeting), IHBAA, IKFA, ILBAA, IMBC, IMBA [DISTANCE EDUCATION]; JJF, JJF-R-E1, JJF-R-E2 to R12 [Student Activities Fund]; BCA, BCB, BDF, not yet addressed. Adjourned 12:32 PM.

3. Old Business

3.1 BEDH: Public Participation at Board Meetings - **see attached**

3.2 BEDB: Agenda Preparation and Dissemination - **see attached**

3.3 DFA, DFF, EC – referred back to Policy by Board – **see attached**

3.4 Fitzpatrick feedback (sent 4/15) on DFA, DFF, DGD, DI, DKA, EBBA, EBBB, EBBC – **see below / attached:**

DFA – 1. The policy references GFOA (but his acronym is not defined). It is Asterisked, yet there is no Asterisk notation. 2. I would tend to delegate [investment authority] to the Finance Committee.

DFF – I believe we ought to allow shop and other educational programs to provide services to the school community and to earn a profit on the sale of those services. This would make them less impactful to the local businesses and would allow an opportunity for the students to learn about actually running a business (particularly for Auto mechanics, Woodworking). The profits out to be retained by the specific educational programs generating them, to enhance those programs. I could help write financial controls if this is something people feel we should pursue.

DGD – I think we should add the following, for Proper Financial Controls: *Monthly reconciliation of credit card charges, against authorized PO's will be performed, and said reconciliations made available for review.*

DJE – Bidding and Purchasing Procedures – I would draw the line at \$10,000 rather than \$20,000. \$20,000 is a large purchase to not have bid and or competitive quote requirements on.

DKA – Payroll Procedures. It was confirmed at [Board] meeting that people's Janus rights are being respected and that employees must affirmatively "opt in" before dues are withheld from their pay.

EBBA – Shouldn't we include a statement here on the requirement that students be properly immunized before being allowed to attend school.

EBBB – I don't believe that we need 2 separate accident reports, I think we need 2 copies of a single accident report.

EBBC – In business we have trained first responder teams in all building. It would be a good practice to also implement this in the school buildings

3.5 DAF: Administration of Federal Grant Funds – see attached

- 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**
- DAF-7 TRAVEL REIMBURSEMENT – FEDERAL FUNDS**
- DAF-8 ACCOUNTABILITY AND CERTIFICATIONS**
- DAF-9 TIME AND EFFORT REPORTING / OVERSIGHT**
- DAF-10 GRANT BUDGET RECONCILIATION**

4. New Business

4.1 Next meeting date & proposed meeting dates for 2019-2020: 4th Wednesdays, 4:30-5:30 pm.

5. Public Comment

6. Future agenda items

7. Adjourn

BEDH: PUBLIC PARTICIPATION AT BOARD MEETINGS

The primary purpose of School Board meetings is to conduct the business of the Board as it relates to school policies, programs and operations. The Board encourages residents to attend Board meetings so that they may become acquainted with the operation and programs of the schools. All official meetings of the Board shall be open to the press and public. However, the Board reserves the right to meet and to adjourn or recess a meeting at any time. The Board also reserves the right to enter non- public session at any time, in accordance with the provisions RSA 91-A:3.

In order to assure that persons who wish to appear before the Board may be heard and, at the same time, it may conduct its meetings properly and efficiently, the Board adopts as policy the following procedures and rules pertaining to public participation at Board meetings:

1. Time will be set aside for citizens to address the Board. This period may be extended by a majority vote of the Board. Speakers will be allotted three minutes per person.
2. Members of the public may offer comments on agenda items only. The Board will not entertain comments on items that do not appear on the agenda. Requests to address the Board on matters not on the agenda must be presented to the Superintendent and must set forth the specifics of the subject to be addressed. When appropriate, the Board may place such requests on the agenda.
3. Consistent with RSA 91-A:3, Policy BEDB, and the laws pertaining to student and family privacy rights, the Board will not place any matter on the public agenda that is to be properly discussed in a non-public session. Complaints regarding individual employees, personnel or students will be directed to the Superintendent in accord with Policies KE and KEB.
4. All speakers are to conduct themselves in a civil manner. Obscene, libelous, defamatory or violent statements will be considered out of order and will not be tolerated. The Board Chair may terminate the speaker's privilege of address if the speaker does not follow this rule of order.

Persons appearing before the Board are reminded that members of the Board are without authority to act independently as individuals in official matters. Thus, questions may be directed to individual Board members, but answers must be deferred pending consideration by the full Board.

Legal Reference:

RSA 91-A:2, Meetings Open to Public
RSA 91-A:3,
Non-Public Sessions

History: Original Effective: August 22, 1979 Revised: January 22, 1997
Reaffirmed: August 11, 2010 Revised: December
19, 2018

BEDB: AGENDA PREPARATION AND DISSEMINATION

The Superintendent shall prepare all agendas for meetings of the Board. In doing so, the Superintendent shall consult with the Board.

Items to be placed on the agenda should be received by the Superintendent at least seven days prior to the meeting. Every Board member has the right to place items on the agenda. Matters not included in the agenda may be presented during the meeting provided the Board agrees to discuss the matter. The Board may choose not to deal with every agenda item.

Consistent with RSA 91-A:3 and the laws pertaining to student and family privacy rights, the Board will not place any matter on the public meeting agenda that is to be properly discussed in a non-public session. This shall not preclude the Board from giving notice of its intent to hold or enter into a non-public session and the statutory reason for doing such.

Any Board member, staff member, student, or citizen of the District may suggest items of business. The inclusion of items suggested by staff members, students, or citizens shall be at the discretion of the Board Chairperson.

The Board shall follow the order of business set up by the agenda unless the order is altered by a majority vote of the members present. Items of business not on the agenda may be discussed and acted upon if a majority of the Board agrees to consider them. The Board, however, may not revise Board policies, or adopt new ones, unless such action has been scheduled, or unless there is an emergency.

The agenda and supporting materials should be distributed to Board members at least seven five days prior to the Board meeting. Board Members shall be expected to read the information provided them and to contact the Superintendent to request additional information that may be deemed necessary to assist them in their decision-making responsibilities at least two days prior to the Board meeting.

When the final agenda has been established, it will be made available to the public, upon request. Members of the public who wish to speak at Board meetings regarding an agenda item are encouraged to contact the Superintendent prior to the Board meeting. Additionally, the Board reserves the right to limit public discussion at Board meetings to agenda items only. Supporting materials sent with the agenda are subject to disclosure by the Right-to-Know law. Therefore, both the agenda and the supporting materials may be reviewed by the public prior to the meeting. Any supporting materials that contain confidential information, which is exempt from disclosure and where the Board has a legal duty to maintain the confidentiality of the information, shall be clearly marked as confidential. Board members shall not disclose any materials marked as confidential or otherwise exempt from disclosure under the Right-to-Know law.

Notices of meeting shall be consistently posted on the District's web site in a reasonably accessible location.

Related Policies: BE, BEDA, BEDH **Legal Reference:** RSA 91-A: 5, IX **History:** Original Effective: February 3, 1971Revised: December 19, 2018.

DFA: INVESTMENT

Attorney: "recommend the committee/board compare the first sentence under Statement of Policy, and the second to last sentence and determine *which* delegation it adopts, and then adjust the language accordingly."

"The revision suggestion in my policy analysis that the policy committee compare the first sentence under Statement of Policy, and the second to last sentence is due to the fact that the two sentences are inconsistent. Under 197:23-a, it is the Treasurer who "invests" with the approval of the board. In the statement of the current policy, the Board delegated to its role under RSA 197:23-a, IV to "approve" investments by the Treasurer to the Superintendent, but under the second to last sentence, investment of funds is "left to the discretion of the Finance Committee". Either, however, is acceptable, but one or both provisions should be modified to remove the apparent conflict. For instance:

**Statement of Policy:
Leave as is.**

**Second to last sentence:
To the extent additional Board approval is required, the Board delegates that authority to the Board Finance Committee.**

Statement of Purpose

To assign responsibility and objectives for the investing of school district funds.

Statement of Policy

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.

Legal References:

RSA 197:23-a, Treasurer's Duties

RSA 383:22, Public Deposit Investment Pool

Appendix: DFA-R Effective: October 15, 2008.

DFF: INCOME FROM SCHOOL SHOP SALES AND SERVICES

Statement of Purpose

The purpose of this policy is to ensure appropriate pricing of goods and services generated by student services and products, and proper handling of any funds received.

Statement of Policy

The services and products provided through the district's various educational programs such as Industrial Arts and Home Economics, are not designed to be competitive with local businesses, nor to produce revenue for the district. However, when such services and products are made available to the public, the customer will be charged an amount sufficient to cover costs of materials, supplies, and parts used, and for insurance. Non-profit organizations and students enrolled in the course will be charged only the cost of the materials and parts used.

Moneys received from customers shall be turned into the school district central office for deposit in a designated depository. This money will be ~~refunded~~ **recorded** to the appropriate general fund account.

Related Policies: DM - Cash in School Buildings

(New policy, approved by board 4/3/2019)

DGD: SCHOOL DISTRICT CREDIT ACCOUNTS/CARDS

The Superintendent or his/her designee is authorized to establish credit accounts, including the procurement of credit cards, in the School District's name. Any District credit account will be under the supervision of the Business Administrator. Credit cards may be issued in the District's name, and may, with written approval by the Superintendent or Business Administrator, include an individual user name.

Use of a District credit accounts shall be used only for the purpose of School District related business; i.e. the purchase of School District equipment, supplies, materials, conference registration, etc. Purchase shall be for items authorized by the adopted school district budget and by an approved purchase order. Use of a District credit card or credit account for personal or private purchases is strictly prohibited.

The School Board authorizes the Superintendent to develop administrative regulations to govern the use of the District credit accounts and credit cards, as needed.

All charges must be verified with receipts.

All credit card purchases will be included in monthly financial reports received by the School Board.

DJE: BIDDING REQUIREMENTS AND PURCHASING PROCEDURES

Statement of Purpose

The purpose of this policy is to set forth the guidelines for bidding and purchasing goods and services. Further, the School Board recognizes the need to support the local economy, which in turn helps support the school district, while also ensuring the best use of district funds.

Statement of Policy

All contracts and purchases of supplies, materials, equipment, and contractual services in excess of \$20,000, shall be based, when feasible, on at least three competitive bids from qualified bidders. All purchases less than \$20,000 not competitively bid will be based, when possible, on at least three competitive price quotations. All purchases made in the open market shall be consummated after careful price comparisons are made. It shall be the policy of the Sanborn Regional School District to purchase locally, provided goods of equal quality and at competitive prices are available from local suppliers. The Business Administrator should ensure that items bought locally are competitively priced and that items or services secured at a savings to the school district from outside sources are equally considered. The Business Administrator shall also ensure that local or outside providers can provide on-time delivery and adequate

services for the products or services represented in the bid. The Business Administrator should not feel bound to purchase any item locally that can be secured at a savings to the school district from outside sources, nor shall he or she feel bound to purchase locally unless adequate service and delivery can be given by the local supplier.

When bidding procedures are used, bids shall be advertised appropriately. Suppliers shall be invited to have their names placed on mailing lists to receive invitations to bid. When specifications are prepared, they will be mailed to all vendors and firms who have indicated an interest in bidding. The Business Administrator and/or his/her designee shall be responsible for maintaining the list of bidders.

All bids must be submitted in sealed envelopes, addressed to the Superintendent of Schools and plainly marked with the name of the bid and the time of the bid opening. Bids shall be opened at the time specified, and all bidders and other persons shall be invited to be present. The Superintendent designee will provide a written analysis of the bid results and make a recommendation of action to the Finance Committee or the Facilities Committee of the Sanborn Regional School Board depending upon which committee has jurisdiction over the specific bid.

The Sanborn Regional School Board reserves the right to reject any or all bids and to accept that bid which appears to be in the best interest of the district. The board reserves the right to waive any information in, or reject, any or all bids or any part of any bid. Any bid may be withdrawn prior to the scheduled time for the opening of bids. Any bid received after the time and date specified shall not be considered. The School Board also reserves the right to negotiate with a bidder when all bids exceed the budgeted appropriation.

The bidder to whom the award is made may be required to enter into a written contract with the Sanborn Regional School District.

The Sanborn Regional School Board reserves the right to waive the bid process.

Effective: June 17, 1981. Revised: November 17, 1982. Revised: December 17, 1986. Revised: June 3, 1998. Revised: December 6, 2006.

DKA: PAYROLL PROCEDURES

All salaries and supplements paid regular staff members, substitute or part-time personnel, and student workers will be paid through the business office at regular intervals not to exceed 14 days, unless the Commissioner of the Department of Labor has authorized a different interval in accordance with RSA 275:43, IV-a (a).

Proper payroll procedures are dependent on staff attendance accounting and on the signing-in and signing-out of part-time and hourly workers. The necessary procedures for this will be established by the Superintendent and carried out by the administrative personnel.

Compensation records kept by the business office will reflect an accurate history of the compensation and related benefits paid to each employee.

Pay Day Schedule

The School District pays salaries on a regular schedule throughout the school year.

Salary Deductions

Salary deductions are allowed. They are subject to the limitation of the accounting equipment and department of labor laws. Authorized payroll deductions include:

1. Credit Union
2. Tax-Sheltered Annuities
3. Union Dues
4. Insurance Premium Contributions
5. All deductions required by law or court order

All salary deductions, other than those regulated by federal or state laws and court order, will be deducted only upon written approval of the employee.

Legal Reference:

RSA 194-C:4 (II) (a), Superintendent Services

RSA 275:43. Payment of Wages; Hourly School District Employees

EBBA: PREVENTION OF DISEASE, INFECTION TRANSMISSION

Statement of Purpose

The purpose of this policy is to set forth the expectations of the Sanborn Regional School Board with regard to prevention and control of transmission of infectious diseases.

Statement of Policy

The Superintendent of Schools will be responsible for education on the techniques for preventing the spread of communicable and infectious diseases.

Education on prevention and control of infectious disease transmission will be provided yearly to all employees and students. The Superintendent will communicate with the Department of Health when appropriate to report communicable disease/infectious diseases. He/She will also communicate with school employees and school community when necessary about disease exposure.

Effective: October 7, 1992. Revised: March 6, 2000. Revised: August 22, 2001.

EBBB: ACCIDENT REPORTS

Statement of Purpose

The purpose of this policy is to require the development of guidelines for accident reports in all of the District schools.

Statement of Policy

In the event of an accident on school grounds, the school district employee who witnessed or first responded to the accident must fill out an accident form within 24 hours of the accident. Such form must then be filed with Principal.

If the accidents involves the services of a physician and/or is likely to result in an insurance claim, two accident reports are to be prepared: one copy filed at the school office and one copy given to the SAU Office. If the incident is not one involving a physician and is unlikely to be an insurance case, it will be sufficient to prepare one coy to be filed at the school.

The procedures for accidents and accident reporting are to be reviewed in September by the Principal in association with school district staff of each school.

Legal References:

RSA 200, Health and Sanitation

NH Code Administrative Rules, Section Ed 306.12, School Health Services

NH Code of Administrative Rules, Section Ed 311, School Health Services

New: June 13, 2012.

EBBC: EMERGENCY CARE AND FIRST AID

Statement of Purpose

The School Board recognizes that all personnel will understand the proper steps to be taken in the event of an injury or emergency.

Statement of Policy

All School personnel have responsibilities in connection with injuries and emergencies occurring in school and at school-sponsored events, which may be classified as follows: (1) administering first aid; (2) summoning medical assistance; (3) notifying administration; (4) notifying parents; and (5) filing accident/injury reports.

School Personnel must use reasonable judgment in handling injuries and emergencies. Caution should be exercised not to minimize or maximize any injury or illness. All personnel will understand the proper steps to be taken in the event of an injury or emergency.

The Superintendent, in consultation with school health personnel, will ensure that procedures are implemented in the schools to provide for emergency care and first aid for students, school staff and visitors who are injured or become ill at school. School health personnel will act in good faith and with reasonable care as required by law.

The Superintendent will ensure that at least one other person on staff, aside from the school nurse, has current first aid and cardiopulmonary certification (CPR). If the school nurse is not available, the person(s) who have current first aid and CPR certification is authorized to administer first aid and CPR as needed.

The school will obtain at the start of each school year, emergency contact information of parents or legal guardian for each student and staff member. See appendix JLCE-R for a sample form.

The school nurse or specially trained staff members shall assist in the treatment of injuries or emergency situations. Such individuals have the authority to administer oxygen in case of a medical emergency, if available and if appropriate. This authorization extends to administering oxygen to students without prior notification to parents/guardians.

Additionally, the school nurse, or other designated personnel may administer other medications to students in emergency situations, provided such personnel has all training as is required by law. Such medication may also be administered in emergency situations if a student's medical action plan has been filed and updated with the school district to the extent required by law. The district will maintain all necessary records relative to the emergency administration of medication and will file all such reports as may be required. This authorization extends to administering epinephrine or an opioid antagonist without prior notification to parents/guardians.

For significant injuries, the staff person witnessing the event must fill out an accident report, which must be submitted to administration so that he/she is informed and a basis is established for the proper processing of insurance claims and remediation if necessary.

The District makes it possible for parents to subscribe to student accident insurance at low rates. This program is offered each year during September. The District does not provide student accident insurance.

Use and storage of Naloxone/Narcan and Opioid Antagonists: The Board authorizes the District to obtain, store and administer naloxone/Narcan and/or other opioid antagonists for emergency use in schools.

The school nurse or other properly trained staff member may administer such medication in emergency situations without prior notification to parents/guardians.

Opioid antagonists will be available during the regularly scheduled school day. They may be available at other times at the discretion of the Superintendent.

The Superintendent/designee is authorized to procure such medication on behalf of the District.

All such medication will be clearly marked and stored in a secure space in the school nurse's office or other appropriate location. Such medication will be secured at all times except when needed for administration. The school nurse is responsible for storing the medication consistent with the manufacturer's instructions.

Local law enforcement and emergency medical service personnel will be notified if such medication is administered by the District.

Records related to the administration of such medication shall be made and maintained by the school nurse. The school nurse will follow other first aid reporting protocols, as may be determined by other Board policy or administrative directive.

See also EBBB, JLCE, Appendix: JLCE-R.

Legal References:

RSA 200:40, Emergency Care

RSA 200:40-a, Administration of Oxygen by School Nurse

RSA 200:44-a, Anaphylaxis Training Required

RSA 200:54, Supply of Bronchodilators, Spacers or Nebulizers

RSA 200:55, Administration of Bronchodilator, Space or Nebulizer

RSA 318-B:15(c)

d 306.04(a)(21), Emergency Care For Students And School Personnel

Ed 306.12, School Health Services

Effective: 11-6-2013. Revised: June 21, 2017. Revised May 2, 2018.

DAF: ADMINISTRATION OF FEDERAL GRANT FUNDS

(A new, Federally-mandated policy, category "Priority. Required by Law." "Related Policies: DI, DID, DJ, DJC, DJE, DJF & DK See also: ADB, EFAA, EHB, JICI & JRA." ← Do we have all these??....)

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**
- DAF-7 TRAVEL REIMBURSEMENT – FEDERAL FUNDS**
- DAF-8 ACCOUNTABILITY AND CERTIFICATIONS**
- DAF-9 TIME AND EFFORT REPORTING / OVERSIGHT**
- DAF-10 GRANT BUDGET RECONCILIATION**

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 and Business 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 law and/or 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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

*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

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

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 C.F.R. 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.

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

For both State-administered and direct grants, regardless of the period of availability, the District shall liquidate all obligations incurred under the award not later than 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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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 or their designee 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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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-.326) for the administration and management of Federal grants and Federally-funded programs. The District shall maintain a contract administration system that requires contractors to perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders. Except as otherwise noted, procurement transactions shall 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.

- 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. 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.

- 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. 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 that does not exceed 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 Policy 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 sources 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 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:

- 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, 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 200.323(a)). A cost analysis generally means evaluating the separate cost elements that make up the total price, while a price analysis means evaluating the total price, without looking at the individual cost elements.

The method and degree of analysis is dependent on the facts surrounding the particular procurement situation; however, the 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 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.

- 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 (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. 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. 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. 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. 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 (J).
 5. 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 200.323(b)).
- 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 disbarment/suspension queries or actions. Such records shall be retained consistent with District policy EHB and District Administrative Procedures EHB-R.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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. Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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 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).

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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 Business Administrator 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 shall cause a physical inventory of all equipment and pilferable items must be taken and the results reconciled with the property records at least once every two years. Except as otherwise provided in this policy DAF, 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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

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 Business Administrator.

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:

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

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

*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

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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

*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

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 Business Administrator is responsible for the collection and retention of employee time and effort reports. Individually reported data will be made available only to authorized auditors or as required by law.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

DAF-10: GRANT 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.

Legal References:

2 C.F.R. Part 180

2 C.F.R. Part 200

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

Below - email from NHSBA, about new DAF policies (April 3 2019)

Dear NHSBA members -

This Special Policy Update consists of a single sample policy package that contains several sub-policies regarding management of Federal grant funds. The policies are among others required under a set of Federal regulations and guidelines commonly referred to as the Uniform Grant Guidance ("UGG"). The policy package, designated sample policy DAF - "Administration of Federal Grant Funds", consists of an introduction and 10 sub-policies, as follows:

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

DAF-7 TRAVEL REIMBURSEMENT - FEDERAL FUNDS

DAF-8 ACCOUNTABILITY AND CERTIFICATIONS

DAF-9 TIME AND EFFORT REPORTING / OVERSIGHT

DAF-10 GRANT BUDGET RECONCILIATION

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".

For more guidance relative to the UGG, the 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. You can find those fact sheets at:

<https://www.education.nh.gov/program/federal-compliance/fact-sheets.htm>

Note, however, that many of the provisions stated as required in the DOE Fact Sheets (and the DOE's "Sample Procurement Procedures for Child Nutrition Programs"), are incorporated into this sample policy DAF.

(a) 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.

(b) 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.

(c) 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 sample) 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."

(d) 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, State and local laws and regulations, the Uniform Grant Guidance, and the District's written policies and procedures. See Board Policy DAF.

(e) Given the complexity of this sample policy, and relationship to many existing NHSBA samples, NHSBA contemplates further development and revisions over the next several policy update cycles.

[Click here](#) to view sample policy DAF in word format.

[Click here](#) to view sample policy DAF in pdf format.

ADOPTION NOTES – DELETE BEFORE ADOPTION: Policy

begins on third page.

Green highlights indicate special notes added since March 13.

(a) *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.***

(b) *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 by a set of federal regulations commonly known as the Uniform Grant Guidance (“UGG”); 2 CFR Part 200. **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/program/federal-compliance/fact-sheets.htm>

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.](#)

(c) *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.

ADOPTION NOTES – CONTINUED....

- (d) *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.*
- (e) *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-sample, 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 (DAF6), 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 DAF7 regarding travel relating to federal grant funds.”
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All purchases for property and services made using federal funds are conducted in accordance with all applicable Federal, State and local laws and regulations, the Uniform Grant Guidance, and the District’s written policies and procedures. See Board Policy DAF.

- (g) *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.